FCC AQUALIA, S.A.
Annual Accounts of year
Ended on 31 December 2014 and
Management Report,
and Independent Audit Report

DELOITTE

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ANNUAL ACCOUNTS AUDIT REPORT

To the shareholders of
FCC AQUALIA, S.A.:

Annual accounts report

We have audited the annual accounts of FCC AQUALIA, S.A., which include the balance sheet ended as at 31 December 2014, the profit and loss account, the statement of changes in the net equity, the cash flow statement and the report corresponding to the annual period ended at that date.

Director's responsibility in relation to the accounts

The Directors are responsible for the formulation of the annual accounts of the Company, so that they present the true and fair view of the equity, financial standing and results of FCC Aqualia S.A., according to the normative framework of financial information applicable to the company, identified in Note 2.1 of the attached report, and the internal control they deemed necessary to allow for the presentation of annual statements free of material misstatement due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the attached annual accounts based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in Spain. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the enclosed annual statements express in all significant aspects a faithful image of the net equity and financial standing of FCC AQUALIA, S.A. at 31 December, 2014 and the results of its operations, changes in net equity and cash flow corresponding to the annual period ended at that date in accordance with the applicable normative framework of financial information and, in particular, with the accounting principles and criteria contained therein.

Report on other legal and regulatory requirements

The attached business report for the year 2014 contains the explanations which the Directors of the Company deem pertinent on the Company's standing, its business evolution and other matters and it does not form an integral part of the annual accounts. We have checked that the accounting information contained in this business report coincides with that of the annual statements for the year 2014. Our work as auditors is limited to checking the business report with the scope reported in this same paragraph, and it does not include a revision of information other than what has been obtained from the accounting records of the Company.

DELOITTE, S.L.
[Registered in the Official Account Auditors under nº S0692]

[Illegible signature]
Antonio Sánchez-Covisa Martín-González
2 March, 2015

There is a stamp of the INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS IN SPAIN which reads:
Member in exercise:
DELOITTE, S.L.
Year: 2015 Nº: 01/15/00505
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Registered address: Pl. Pablo Ruíz Picasso, 1, Torre Picasso, 28020 Madrid

FCC Aqualia, S. A.

[Seal of the Notaries' Associations of Spain]

State Stamp €0.03 stamp

Class 8 [Seal of Andrés Domínguez Nafria – Notary of Madrid]

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FCC AQUALIA, S.A. (Formerly Aqualia Gestión Integral del Agua, S.A.)

ANNUAL ACCOUNTS AND MANAGEMENT REPORT CORRESPONDING TO YEAR CLOSED AT 31 DECEMBER 2014

- **ANNUAL ACCOUNTS**

– Financial Statements
  - Balance Sheet
  - Profit and Loss Account
  - Statement of Changes in Equity
  - Statement of Cashflows

– Report

- **MANAGEMENT REPORT**

FCC Aqualia, S.A.

BALANCE SHEET AT 31 DECEMBER 2014 AND 2013

(Amounts in thousand euros)

ASSETS	Notes of the Report	Year 2014	Year 2013	NET EQUITY AND LIABILITIES	Notes of the Report	Year 2014	Year 2013
NON-CURRENT ASSETS		**1,093,936**	**1,075,607**	**NET EQUITY**	**Note 11**	**690,314**	**661,478**
Intangible fixed assets	**Note 5**	**655,344**	**646,741**	***SHAREHOLDER'S EQUITY***		***684,463***	***654,897***
Development		186	338	**Share capital**		**145,000**	**145,000**
Concessions		556,549	547,236	Registered share capital		145,000	145,000
Financial activation concession agreement		15,803	16,345	**Share Premium**		**112,019**	**112,019**
Goodwill		82,763	82,763	**Reserves**		**397,878**	**273,923**
Other intangible fixed assets		43	59	Legal and statutory reserves		29,000	29,000
Property, Plant and Equipment	**Note 6**	**24,024**	**23,307**	Other reserves		368,878	244,923
Land and buildings		1,378	1,436	**Result of the year**		**29,566**	**123,955**
Technical facilities and other items of property, plant and equipment		22,360	21,792	**Interim dividend**			
Fixed assets under construction and advances paid		286	79				
Long term investments in group companies and affiliated		**280,744**	**253,530**	***GRANTS, DONATIONS AND LEGACIES***	**Note 12**	***5,851***	***6,581***
Equity instruments	**Note 7.1**	188,424	180,061	**Grants, donations and legacies received**		**5,851**	**6,581**
Loans to companies	**Note 7.2 and 8**	92,320	73,469				
Long-term financial investments	**Note 8**	**107,522**	**124,591**				
Equity instruments		94	94	**NON-CURRENT LIABILITIES**		**503,786**	**275,056**
Credits to third parties		93,428	111,553	**Long-term provisions**	**Note 13**	**58,027**	**47,342**
Other financial assets		14,000	12,944	Long-term employee benefits		132	152
Assets through deferred tax	**Note 15**	13,677	**14,649**	Other provisions		57,895	47,190
Non-current trade receivables	**Note 8**	**12,625**	**12,789**	**Long-term debts**	**Note 14**	**28,828**	**30,723**
Concession agreement collection right		12,625	12,789	Finance lease payables		21	32
				Other financial liabilities		28,807	30,691
CURRENT ASSETS		**536,232**	**383,760**				

FCC Aqualia, S. A.

Inventories		**18,427**	**19,954**	**Debts with Group companies and affiliated companies**	**Note 14**	**376,148**	**153,750**
Trade inventories		665	1,432				
Raw materials and other procurement		9,100	8,906	**Deferred tax liabilities**	**Note 15**	**8,776**	**11,879**
Advances paid to Suppliers		8,662	9,616				
				Long-term accruals	**Note 16**	**4,883**	**5,069**
Trade and other receivables		**164,290**	**188,986**				
Receivables for sales and provision of services	**Note 10.1**	83,652	108,952	**Trade and other payables**		**27,124**	**26,293**
Clients, group companies and affiliated	**Note 10.2**	39,327	42,008	Other debts with Public entities	**Notes 14 and 15**	27,124	26,293
Personnel		161	157				
Sundry receivables		4,923	6,439	**CURRENT LIABILITIES**		**436,068**	**522,833**
Current tax assets	**Note 15**	136	156	**Short-term provisions**	**Note 14**	**8,561**	**3,849**
Other accounts payable to public authorities	**Note 17**	33,454	29,810	**Short-term payables**	**Note 14**	**7,833**	**152,895**
Current collection right, concession agreement	**Note 8**	2,637	1,464	Loans and borrowings	**Note 16**	-	141,951
				Finance lease payables		11	11
Short-term investments in group companies and affiliated	**Note 8**	**271,170**	**119,625**	Other financial liabilities		7,822	10,933
Loans to companies	**Note 9.1**	265,317	112,229	**Debts with group companies and current affiliated**	**Note 14**	**91,648**	**64,519**
Other financial assets		5,853	7,396	**Trade and other payables**	**Note 14**	**327,764**	**301,043**
Short-term financial investments	**Note 8**	**32,138**	**25,961**	Suppliers	**Note 16**	103,325	103,986
Loans to companies	**Note 9.2**	15,388	16,299	Suppliers, group companies and affiliated		31,672	19,637
Other financial assets		16,750	9,662	Sundry payables	**Note 14**	94,855	91,184
Short-term accruals		**124**	**139**	Personnel		1,845	1,897
				Current tax liabilities	**Note 15**	922	959
Cash and cash equivalents		**50,083**	**29,095**	Other debts with Public entities	**Note 15**	82,550	73,155
Cash		50,083	29,095	Customer advances		**12,595**	10,225
				Short-term accruals		**262**	**527**
TOTAL ASSETS		**1,630,168**	1,459,367	**TOTAL NET EQUITY AND LIABILITIES**		**1,630,168**	**1,459,367**

Notes 1 to 23 of the enclosed Report are an integral part of the Annual Accounts corresponding to financial year 2014.

FCC Aqualia, S.A.

PROFIT AND LOSS ACCOUNT CORRESPONDING TO FINANCIAL YEARS CLOSED ON 31 DECEMBER 2014 AND 2013

(Amounts in thousand euros)

	Notes of the Report	Year 2014	Year 2013
CONTINUING OPERATIONS			
Business Turnover Net Amount	**Note 18.1**	**628,827**	**638,974**
Sales		628,827	638,974
Changes in inventories of finished goods and work in progress		**1,336**	**756**
Self-constructed assets		**(220,102)**	**(209,683)**
Procurement	**Note 18.3**	**(82,873)**	(80,568)
Consumption of goods		(71,528)	(71,593)
Consumption of materials and other consumable materials		(65,740)	(57,522)
Works carried out by other companies		39	-
Other Operating Income		**18,091**	**17,137**
Ancillary and other current management income		8,287	8,528
Operating grants incorporated to profit/(loss) for the year	**Note 12**	9,804	8,609
Personnel Expenses		**(167,804)**	**(164,571)**
Wages, salaries and similar expenses	**Note 18,6**	(127,223)	(124,382)
Social Security charges	**Note 18.7**	(40,581)	(40,189)
Other Operating Expenses		**(158,515)**	**(142,992)**
Outsourced services	**Note 18.4**	(118,049)	(117,070)
Taxes		(16,229)	(14,705)
Losses, impairment and variation in provisions from trade operations	**Note 18.11**	(11,214)	(9,481)
Other revenues from current management	**Note 18.12**	(13,023)	(1,736)
Depreciation of fixed assets	**Notes 5 and 6**	**(42,454)**	**(39,829)**
Allocation of grants for non-trade and other fixed asset investments	**Note 12**	**1,125**	**766**
Surplus provisions		**1,408**	**1,304**
Impairment and profit/(loss) from disposals of fixed assets	**Note 18.13**	**(869)**	**1,553**
Results by sales and others		(869)	1,553
OPERATING PROFIT/LOSS		**61,043**	**103,415**
Financial Income		**18,856**	**10,951**
From marketable securities and other financial instruments		18,856	10,951
- In Group companies and associated	**Note 18.2**	12,063	5,904
- in third companies		6,793	5,047
Financial Expenses	**Note 18.8**	**(28,949)**	**(23,289)**
For debts with Group companies and associated	**Notes 14 and 18.2**	(15,378)	(6,916)
Debts with third parties	**Note 14**	(12,410)	(15,573)

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Provisions updating		(1,161)	(800)
Exchange differences	**Note 18.9**	**203**	**244**
Impairment and profit/losses on disposal of financial instruments		**(4,031)**	**51,565**
Impairments and losses		(4,031)	51,565
FINANCIAL RESULT		**(13,921)**	**39,471**
INCOME BEFORE TAXES		**47,122**	**142,886**
Corporate Tax	**Note 15**	(17,556)	(18,931)
PROFIT/LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**29,566**	**123,955**

Notes 1 to 25 of the enclosed Report are an integral part of the Annual Accounts corresponding to financial year 2012.

FCC Aqualia, S.A.

STATEMENT OF CHANGES IN THE NET EQUITY CORRESPONDING TO FINANCIAL YEARS CLOSED ON 31 DECEMBER 2014 AND 2013

(Amounts in thousand euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES CORRESPONDING TO FINANCIAL YEARS CLOSED ON 31 DECEMBER 2014 AND 2013

	Notes to the Report	2013
A) Profit and loss account		**123,955**
Income and expenses directly attributable to net equity		
III. Grants, donations and legacies received	**12**	1,081
V. Tax effect		(136)
B) Total Income and expenses directly attributable to net equity		**945**
Transfer to the profit and loss account		
VIII. Grants, donations and legacies received	**12**	945
IX. Tax effect		138
C) Transfer to the profit and loss account		**(628)**
TOTAL RECOGNISED INCOME/(EXPENSES) (A + B + C)		**124,272**

	Notes to the Report	2014
A) Profit and loss account		**29,566**
Income and expenses directly attributable to net equity		
III. Grants, donations and legacies received	**12**	-
V. Tax effect		-
B) Total Income and expenses directly attributable to net equity		**-**
Transfer to the profit and loss account		
VIII. Grants, donations and legacies received	**12**	(1,125)
IX. Tax effect		395
C) Transfer to the profit and loss account		**(730)**
TOTAL RECOGNISED INCOME/(EXPENSES) (A + B + C)		**28,836**

Notes 1 to 23 of the enclosed Report are an integral part of the Annual Accounts corresponding to financial year 2014.

FCC Aqualia, S.A.

STATEMENT OF CHANGES IN THE NET EQUITY CORRESPONDING TO FINANCIAL YEARS CLOSED ON 31 DECEMBER 2014 AND 2013

(IN THOUSANDS EUROS)

B) TOTAL STATEMENT OF CHANGES IN THE NET EQUITY CORRESPONDING TO FINANCIAL YEARS CLOSED ON 31 DECEMBER 2014 AND 2013

	CAPITAL (Note 13)	ISSUE PREMIUM (Note 13)	RESERVES (Note 13)	PROFIT/(LOS) FOR THE YEAR	INTERIM DIVIDEND	TOTAL SHAREHOLDER'S EQUITY	GRANTS (Note 14)	TOTAL
BALANCE AT 31 DECEMBER 2012	**145,000**	**112,019**	**216,649**	**57,274**	**-**	**530.942**	**6,264**	**537,206**
I. Total recognised income and expenses	-	-	-	123,955	-	123,955	317	124,272
II. Transactions with partners or owners	-	-	-	-	-	-	-	-
4. (-) Dividends distribution	-	-	-	-	-	-	-	-
III. Other changes in the net equity	-	-	57,274	(52,274)	-	-	-	-
BALANCE AT 31 DECEMBER 2013	**145,000**	**112,019**	**273,923**	**123,995**	**-**	**654,897**	**6,581**	**661,478**
I. Total recognised income and expenses	-	-	-	29,566	-	29,566	(730)	28,836
II. Transactions with partners or owners	-	-	-	-	-	-	-	-
4. (-) Dividends distribution	-	-	-	-	-	-	-	-
III. Other changes in the net equity	-	-	123,955	(123,955)	-	-	-	-
BALANCE AT 31 DECEMBER 2014	**145,000**	**112,019**	**397,878**	**29,566**	**-**	**684,463**	**5,851**	**690,314**

Notes 1 to 23 of the enclosed Report are an integral part of the Annual Accounts corresponding to financial year 2014.

FCC Aqualia, S.A.

STATEMENT OF CASH FLOWS CORRESPONDING TO FINANCIAL YEARS ENDED ON 31 DECEMBER 2014 and 2013

(IN THOUSANDS EUROS)

	Notes to the Report	2014	2013
A) CASH FLOWS FROM OPERATION ACTIVITIES			
1. Profit/(loss) for the year before taxes		**47,122**	**142,886**
2. Result adjustments		**76,634**	**(29,078)**
a) Fixed assets amortisation (+)	**5 and 6**	42,454	39,829
b) Value corrections from impairment (+/-)		15,317	6,298
c) Variation in provisions (+/-)		13,205	3,034
d) Allocation of grants (-)	**12**	(1,125)	(766)
e) Results from withdrawals and sale of fixed assets (+/-)		869	399
f) Results from withdrawals and sale of financial instruments (+/-)		(32)	(53,368)
g) Financial income and dividends (-)		(22,800)	(47,549)
h) Financial expenses (+)	**18.8**	28,949	23,289
i) Exchange differences (+/-)	**18.9**	(203)	(244)
3. Changes in working capital		**29,476**	**11,639**
a) Inventories, Debtors and other payables and current assets (+/-)		(1,191)	10,140
b) Other current assets (+/-)		(37)	107
c) Creditors and other accounts payable and other current liabilities (+/-)		30,745	898
d) Other current liabilities (+/-)		145	443
e) Other non current assets and liabilities (+/-)		(186)	51
4. Other cash flows from operating activities		**(24,581)**	**3,580**
a) Interest payments (-)		(25,192)	(19,173)
b) Collection of dividends (+)		5,405	33,774
c) Collection of interests (+)		14,641	8,920
d) Income tax collections (payments) (+/-)		(16,991)	(17,383)
e) Other payments (collections) (+/-)		(2,444)	(2,558)
5. Cash flow from operation activities (+/-1+/-2+/-3+/-4)		**128,651**	**129,027**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
6. Payments for investments (-)		**(233,308)**	**(100,193)**
a) Group companies and associated		(184,084)	(69,450)
b) Intangible fixed assets and property, plant and equipment		(39,362)	(24,431)
c) Other financial assets		(9,862)	(6,312)
7. Charges for divestments (+)		**23,199**	**155,105**
a) Group companies and associated		8,050	136,824
b) Intangible fixed assets and property, plant and equipment		274	1,682
c) Other financial assets		14,875	16,599
8. Cash flow from investment activities (7-6)		**(210,109)**	**54,912**
C) CASH FLOWS FROM FINANCIAL ACTIVITIES			
9. Collections and payments from equity instruments		**235**	**641**
a) Grants, donations and legacies received (+)		**235**	641
10. Collections and payments from financial liabilities		**102,180**	**(195,452)**
a) Issue		272,100	95,454
1. Debts with credit entities (+)		-	53
2. Debts with Group companies and associated (+)		269,403	92,150
3. Other debts (+)		2,697	3,251
b) Devolution and amortisation of		(169,920)	(290,906)

1) Debts with credit entities (-)	(164,021)	(131,773)
2) Debts with Group companies and associated (-)	(4,645)	(155,379)
3) Other debts (-)	(1,254)	(3,754)
12. Cash flow from financial activities (+/-9+/-10-11)	**102,415**	**(194,811)**
D) EFFECT OF VARIATION IN EXCHANGE RATES	**31**	**(9)**
E) NET INCREASE OF CASH OR CASH EQUIVALENTS. (+/-5+/-8+/-12+/-D)	**20,988**	**(10,881)**
Cash or cash equivalents at the beginning of the year	29,095	39,976
Cash or cash equivalents at the end of the year	50,083	29,095

Notes 1 to 23 of the enclosed Report are an integral part of the Annual Accounts corresponding to financial year 2014.

NOTE 1. COMPANY ACTIVITY

FCC Aqualia, S.A. (hereinafter the Company or FCC Aqualia) is a Company incorporated in Spain in accordance with the Capital Companies Act (*Ley de Sociedades de Capital*). It was incorporated in 1980 under the corporate name of Seragua, S.A. and in July 2002 it adopted its current corporate name. Its registered office is located in Madrid, and on 2 April 2014, the resolution whereby the corporate name was changed to FCC Aqualia, S.A., was executed as a public deed. The registered offices of the Company are located in Madrid.

The corporate purpose of the Company is that of engaging in the following activities, both in Spain and abroad:

- The provision and implementation of processing and cleaning services of all kinds for the treatment, recovery, elimination and purification of solid and liquid waste, drinking water for supply and water for industrial process and waste water, both urban and industrial, and all manner of ancillary equipment and works connected therewith.
- The manufacture, sale and purchase, assembly, supply, representation and distribution of machinery, vehicles and mechanical and electrical equipment and all main or ancillary devices required for the treatment and purification of waste and water, in addition to the implementation of all manner of civil engineering works connected with the aforementioned activities, operating and commercially employing patents, models, trademarks and licences.
- The construction, installation, operation, maintenance, management, repair, purchase, sale and promotion, on its own behalf or that of third parties, of all manner of stations, plants and equipment for the treatment, recovery or elimination of waste and the purification of water and all other facilities intended for the treatment thereof.
- The sale and purchase of treated, purified or processed drinking water, or that of any other kind.
- The preparation, implementation and consultancy of all manner of reports, studies and projects, in addition to the provision and implementation of all manner of services connected with the aforementioned activities.
- The implementation of any cooperation task inherent in the taxation administration of any public authority not involving the exercise of authority or custodianship of public funds, as assigned by such authorities.
- The supply, pipelining and distribution of any type of combustible gas, in addition to regasification, liquefaction and storage thereof. The realisation, implementation and preservation of all types of civil engineering, infrastructure and facilities connected with such activities.
- The implementation and preservation of all types of civil engineering and building works and installations of any kind, both public and private, on its own account or that of third parties, including the operation of sport facilities, swimming-pools, sport centres and recreation and leisure facilities in general.
- Integrated water cycle management; the capture, transportation, treatment and distribution of water, technical, administrative and information technology tasks for client administration, meter reading, billing, payment collection and administration services, preservation and maintenance of water and drain networks, comprehensive preservation and maintenance of water treatment plants, detection of leaks in networks, hygienic treatment, disinfection and pest control of buildings, commercial premises, countryside and gardens, drains and water networks and treatment plants, maintenance and repair of electrical and electronic installations and equipment, maintenance and repair of plumbing installations and equipment, water and gas pipelines, treatment and incineration of waste, sludge and urban refuse, and cleaning services in general.
- The implementation of any activity connected with the analysis and control of both drinking and waste water, at the company's laboratories and facilities.

The Company may carry out all the mentioned activities on its own or participating in other national or foreign companies of identical or similar purpose. This participation will include the subscription, purchase or acquisition, under any legally valid means, of trade titles or securities that grant a holding in the share capital or in the profits of those companies, and any form of inter-company association. Excluded from the above are all such activities in order to engage in which the law imposes special requirements which are not met by the Company.

a) The Temporary Joint Ventures (UTE) in which FCC Aqualia participates carry out the same activities and are listed below:

NAME	PARTICIPANT SHAREHOLDERS	REGISTERED AND FISCAL ADDRESS	STAKE IN %	OPERATING FUND
				(Amounts in thousand euros)
UTE Abastecimiento Villalón	FCC Aqualia, S.A. – FCC Construcción, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Abastecimiento Zaragoza	FCC Aqualia, S.A. – FCC Construcción, S.A.	C/ Federico Salmón, 13 Madrid	70%	4
UTE Aguas Santo Domingo	FCC Aqualia, S.A. – Ingenieria de Instr. y Control, S.A.	C/San Pedro, 3 Nájera – LA RIOJA	70%	-
UTE Aguas de Alcalá	FCC Aqualia, S.A. Canal de Isabel II – SUFI, S.A.	C/ Federico Salmón, 13 Madrid	50%	3
UTE Aguas del Doramás	FCC Aqualia, S.A. – Eicoh Explot. S.L. – Eléct. Maspalomas, S.A.	C/ Bentago Semidán, 2 Gáldar (Gran Canaria)	50%	3
UTE Aguas Tomelloso	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	5
UTE Aigües de Lleida	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59 Madrid	50%	3
UTE Aigües els Poblets	FCC Aqualia, S.A. – Hidrosal, S.A.	C/ Federico Salmón, 13 Madrid	95%	-
UTE Aqualbal	FCC Aqualia, S.A. – aqualia infraestructuras, S.A. – FCC, S.A.	C/ Berlín, 38-48 Barcelona	100%	10
UTE aqualia Infilco	FCC Aqualia, S.A. – Acciona Agua, S.A.	C/ Ramírez de Arellano, 15 Madrid	50%	3
UTE aqualia Inima (Depuración poniente almeriense)	FCC Aqualia, S.A. – Inima, S.A.	C/ Ramírez de Arellano, 15 Madrid	75%	7
UTE aqualia Intagua	FCC Aqualia, S.A. – Intagua.	Parque Nicolás Salmerón, 36 Almería	50%	1
UTE aqualia Riofabar Piloña	FCC Aqualia, S.A.	C/ Muñoz Degrain, 4-6 Oviedo	100%	6
UTE Azud Villagonzalo	FCC Aqualia, S.A. – FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Camí Sa Vorera	FCC Aqualia, S.A. – FCC, S.A.	C/ Berlín, 38-48 Barcelona	80%	8
UTE Canal del Áramo	FCC Aqualia, S.A. – FCC, S.A.	C/ Muñoz Degrain, 4-6 Oviedo	80%	-
UTE Cangas	FCC Aqualia, S.A. - FCC, S.A.	C/ Cantabria, s/n Vigo	50%	3
UTE Centro Deportivo Denia	FCC Aqualia, S.A.	C/ Federico Salmón, 13 Madrid	100%	-
UTE Centro Deportivo Granadilla de Abona	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Colectores A Guarda 2012	FCC Aqualia, S.A. – Depuración,Mantenimiento e Instalaciones, S.L.	C/Puerto Rico, 18-20 Of.7 Vigo	50%	3
UTE Conexión Parraces Arévalo	FCC Aqualia, S.A. – S.E.Aguas Filtradas, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Consorcio Louro	FCC Aqualia, S. A. – Civis Global S.L.	C/Puerto Rico, 18-20 Of.7 Vigo	70%	4
UTE Control Calidad Agua Huesca	FCC Aqualia, S.A. - Sociedad Española de Aguas Filtradas, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Costa Tropical	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4 Motril - GRANADA	51%	-
UTE Costa Tropical II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4 Motril - GRANADA	51%	-
UTE Costa Tropical III	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4 Motril - GRANADA	51%	-
UTE Denia	FCC Aqualia, S.A.	C/ José Luis Goyoaga, 36 Brandio (Vizcaya)	100%	6
UTE Depósito Hervencia	FCC Aqualia, S.A. –	C/ Federico Salmón, 13	80%	-

NAME	PARTICIPANT SHAREHOLDERS	REGISTERED AND FISCAL ADDRESS	STAKE IN %	OPERATING FUND
				(Amounts in thousand euros)
	aqualia infraestructuras, S.A.	Madrid		
UTE Depuradora A Guarda	FCC Aqualia, S.A. – Depuración, Mantenimiento e Instalaciones, S.L..	C/Puerto Rico, 18-20 Of.7 Vigo	50%	6
UTE Desaladora Bajo Almanzora	FCC Aqualia, S.A. – FCC, S.A. –FCC Construcción, S.A.	C/ Ulises, 18 Madrid	10%	1
UTE EDAM Santa Eulalia	FCC Aqualia, S.A. – aqualia infraestructuras, S.A.	C/ General Ramírez de Madrid, 8 Madrid	50%	1
UTE EDAR A Guarda	FCC Aqualia, S.A. – Depuración,Mantenimiento e Instalaciones, S.L..	C/Puerto Rico, 18-20 Of.7 Vigo	50%	-
UTE EDAR A Guarda 2012	FCC Aqualia, S.A. – Depuración,Mantenimiento e Instalaciones, S.L..	C/Puerto Rico, 18-20 Of.7 Vigo	50%	3
UTE EDAR A Guarda 2013	FCC Aqualia, S.A. – Depuración,Mantenimiento e Instalaciones, S.L..	C/Puerto Rico, 18-20 Of.7 Vigo	50%	3
UTE EDAR Almansa	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	95%	6
UTE EDAR Chipiona	FCC Aqualia, S.A. – S.E.Aguas Filtradas	P.I. Ronda Oeste – nave 24 Jerez de la Frontera (Cádiz)	20%	-
UTE EDAR Cuerva	FCC Aqualia, S.A. - FCC, S.A.	C/ Cardenal Marcelo Spínola, 42 Madrid	95%	6
UTE EDAR La Ranilla	FCC Aqualia, S.A. – aqualia infraestructuras - FCC, S.A. – FCC Construcción, S.A.	C/Balmes, 36 Barcelona	25%	3
UTE EDAR Reinosa	FCC Aqualia, S.A. – FCC, S.A.	C/ Federico Salmón, 13 Madrid	95%	-
UTE EDAR San Vicente de la Barquera	FCC Aqualia, S.A. – FCC, S.A.	C/ Federico Salmón, 13 Madrid	95%	-
UTE EDAR Valdepeñas	FCC Aqualia, S.A. – aqualia infraestructuras – FCC Construcción, S.A.	C/ Ulises, 18 Madrid	15%	1
UTE ETAPS Este	FCC Aqualia, S.A. – Iragaz Watin, S.A.	Pº Campo Volantia, 24-5-3 Bilbao	65%	4
UTE Explotación ITAM Tordera	FCC Aqualia, S.A. – Acciona Agua, S.A.	C/ Berlín, 38-48 Barcelona	50%	3
UTE Explotación Piscinas Vigo	FCC Aqualia, S.A. – Idónea CYS, S.L.	C/ Puerto Rico, 18-20 Of.7 Vigo	50%	3
UTE Explotación Presas del Segura	FCC Aqualia, S.A. – Explotación y control	C/ Federico Salmón, 13 Madrid	60%	4
UTE FS Badajoz	FCC Aqualia, S.A. – FS Colaboración y Asistencia, S.A.	C/ Donoso Cortés, 6 Badajoz	40%	2
UTE Gestión Cangas	FCC Aqualia, S. A. – Civis Global S.L.	C/ Puerto Rico, 18-20 Of.7 Vigo	70%	4
UTE Gestión Piscina de Mula	FCC Aqualia, S.A. – FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	5
UTE Gestión Piscinas Vigo	FCC Aqualia, S.A. - Idonea Cys, S.L.	C/ Puerto Rico, 18-20-of.7 Vigo	50%	6
UTE Groupement Solidaire Jerba	FCC Aqualia, S.A. – Aqualia Infraestructuras-inima	C/ Federico Salmón, 13 Madrid	20%	1
UTE Guadiana	FCC Aqualia, S.A. - FCC, S.A.	C/ Cardenal Marcelo Spínola, 42 Madrid	80%	-
UTE HIDC-HIDR-INV. do centr. ACE	FCC Aqualia, S.A. - Lena Ambiente-Gestao de Residuos, S.A.	Urb. Dos Plátanos-lote 2D-loja B Fregueria de Alferrarede - Concelho de Abrantes	50%	-
UTE Ibiza	FCC Aqualia, S.A. – Acciona Agua, S.A.	C/Gran Via Asima,2 Palma de Mallorca	50%	1
UTE IDAM Sant Antoni	FCC Aqualia, S.A. –	C/ Berlín, 38-48	50%	5

NAME	PARTICIPANT SHAREHOLDERS	REGISTERED AND FISCAL ADDRESS	STAKE IN %	OPERATING FUND
				(Amounts in thousand euros)
UTE IDAM Sant Antoni II	Acciona Agua, S.A. aqualia, s.a – Acciona Agua, S.A.	Barcelona C/ Berlín, 38-48 Barcelona	50%	5
UTE La Sagra	FCC Aqualia, S.A.	C/ Ulises, 18 Madrid	100%	6
UTE Louro	FCC Aqualia, S.A. - Movex Vial, S.L.	C/ Puerto Rico, 18-20-of.7 Vigo	65%	6
UTE Mancomunidad de Órbigo	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	-
UTE Mantenimiento Presas del Segura	FCC Aqualia, S.A. - Ing. de Instrumentación y Control	C/ Federico Salmón, 13 Madrid	80%	6
UTE Mérida	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	90%	-
UTE Molina	FCC Aqualia, S.A. - FCC, S.A.	C/ Cardenal Marcelo Spínola, 42 Madrid	95%	-
UTE Nigrán	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59 Madrid	90%	5
UTE Novelda	FCC Aqualia, S.A. - FCC, S.A.	Paseo de Gracia, 60 Barcelona	95%	6
UTE Obras de Alcalá	FCC Aqualia, S.A. – Sufi, S.A.	C/ Federico Salmón, 13 Madrid	55%	
UTE Oviedo	FCC Aqualia, S.A. - FCC, S.A.	Plaza América, 10 Oviedo	95%	6
UTE OYM Cap Djinet	FCC Aqualia, S.A. – Inima	C/ Ulises, 18 Madrid	50%	3
UTE OYM Mostaganem	FCC Aqualia, S.A. – Inima	C/Gobelas, 35-37 El Plantío (Madrid)	50%	3
UTE Potabilizadora Els Poblets	FCC Aqualia, S.A– Hidrosal	C/Isaac Peral, 12 Denia (Alicante)	70%	-
UTE Redes CABB	FCC Aqualia, S.A. – Iragaz Watin, S.A.	Pº Campo Volantia, 24-5-3 Bilbao	65%	4
UTE Redondela	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59 Madrid	90%	5
UTE Salamanca	FCC Aqualia, S.A. - FCC, S.A.	C/ Ancha, 8 Salamanca	95%	6
UTE Saneamiento Canet y L´Almardà	FCC Aqualia, S.A. – aqualia infraestructuras, s.a. – FCC Co	Avda. Blasco Ibáñez, 25 Valencia	25%	1
UTE Santomera	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59 Madrid	40%	2
UTE Tablada	FCC Aqualia, S.A. - FCC, S.A.	Avda. Kansas City, 9 Sevilla	80%	5
UTE Ussa	FCC Aqualia, S.A. – Iragaz Watin, S.A.	Pº Campo Volantia, 24-5-3 Bilbao	65%	4
UTE Vigo	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	50%	14,490
UTE Vigo Piscinas	FCC Aqualia, S.A.- Idonea Cys, S.L.	C/ Puerto Rico, 18-20-of.7 Vigo	50%	-
UTE Villalón de Campos	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13 Madrid	80%	-

b) The Company also participates in Groups of Economic Interest (A.I.E.), stake details being set out below:

- A.I.E. ITAM Delta de la Tordera. Its corporate purpose consists of the construction and operation of a desalination plant in Gerona. The most relevant data are the following:

  Address: Travesía de Gracia, 58. Barcelona.

Shareholders:		
	FCC Aqualia, S.A.	49.9 %
	FCC Construcción, S.A.	0.1 %
	Aqualia infraestructuras, S.A.	0.1 %
	Acciona Agua, S.A.	49.9 %

- A.I.E. Gestión de Servicios Hidráulicos de Ciudad Real. It holds a stake in the capital stock of

the company which carries out the drinking water supply to several municipalities in the province of Ciudad Real. The most relevant data are the following:

Address:	c/ Ramírez de Arellano 15. Madrid.	
Shareholders:	FCC AQUALIA, S.A.	75.00 %
	Acciona Agua, S.A.	25.00 %

- A.I.E. Costa Tropical de Granada. Its main activity consists of the construction and operation of installations of treatment and purification of drinking water, as well as its supply to the Municipalities of Granada's tropical coast.

Address:	Plaza de la Aurora, s/n. Motril (Granada).	
Partícipes:	FCC AQUALIA, S.A.	51.00 %
	Acciona Agua, S.A.	49.00 %

- A.I.E. Aquagest Medioambiente, S.A. – Aqualia (before A.I.E. Sorea – SEARSA – Aqualia). Its activity consists of the participation in the shareholding of Empresa mixta de la Costa Brava, S.A.

Address:	Condado de Jaruco, s/n. Lloret de Mar (Gerona)	
Shareholders:	Aquagest Medioambiente, S.A.	62.50 %
	FCC Aqualia, S.A.	37.50 %

- A.I.E. Costa Brava Abastament Aqualia – Sorea. Incorporated on 14 October 2009, it holds a stake in the capital stock of a company which carries out water services management within the territorial scope of Consorcio de la Costa Brava.

Address:	C/ Sector Carlit, s/n. Castelló d'Empuries (Gerona)	
Shareholders:	FCC AQUALIA, S.A.	50.00 %
	Sorea, S.A.	50.00 %

c) Likewise, FCC Aqualia has holdings in companies that have a similar corporate purpose and activities. The detail of Group companies and affiliates is shown in Note 7.

The Company voluntarily prepares consolidated annual accounts and management report as parent company of the group of dependent companies listed in this Report according to the provisions of article 42.67 of the Code of Commerce. It does this despite the fact that it is exempt from the obligation to do this in accordance with the applicable legislation, article 43 of the Spanish Code of Commerce and article 7 of the Accounting Preparation Standards for Consolidated Annual Accounts of Royal Decree 1159/2010, of 17 September, since it depends on the FCC Group, whose parent company is Fomento de Construcciones y Contratas, S.A., with registered address in calle Balmes, 36, Barcelona 08007, Spain, and whose shares form part of the Spanish blue-chip IBEX-35 index and trade officially in the four Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) through the electronic market (Continuous Market). The consolidated annual accounts and management report of Fomento de Construcciones y Contratas, S.A. are deposited in the Trade Registry of Barcelona.

The consolidated annual accounts of the Company have been prepared in accordance with the International Financial Reporting Standards ((IFRS-EU), pursuant o the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as any other enabling provisions and interpretations. These consolidated annual accounts of the Company corresponding to financial year 2014 have been prepared by the Directors and will be likewise submitted to the General Shareholders' Meeting for approval, and they are expected to be approved without any amendments.

The consolidated annual accounts prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union show assets for an amount of 2,206,474 thousand euros (12,028,126 thousand euros at 31 December 2013) and Net Equity attributed to holders of the Company amounting to 727,258 thousand euros (664,034 thousand euros at 31 December 2013). Likewise, consolidated sales and the attributable result, respectively, amount to 909,976 thousand euros and 62,529 thousand euros (869,549 and 54,313 thousand euros to 31 December 2013).

NOTE 2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1 Regulatory financial reporting framework applicable to the company.

These annual accounts have been drawn up by the Directors in accordance with the regulatory financial reporting framework applicable, as established in:

- The Code of Commerce and remaining commercial legislation.
- The General Accounting Standards approved by Royal Decree 1514/2007 and sectoral adaptations thereof, and in particular the sectoral adaptation of the general accounting standards for public infrastructure concession companies approved by Order EHA/3362/2010.
- Standards for mandatory compliance approved by the Institute of Accounting and Account Auditing in furtherance of the General Accounting Standards and supplementary regulations.
- All other applicable Spanish accounting standards.

2.2. True and fair view

The annual accounts have been obtained from the Companies accounting records and are presented in accordance with the regulatory framework applicable on financial reporting and, in particular, with the accounting principles and auditing standards therein contained, so that they present a true and fair view of the equity, the financial position, the results of the Company and its cash flows for the relevant period.

These annual accounts, which have been prepared by the Directors of the Company, will be submitted to the General Shareholders' Meeting for approval, and they are expected to be approved without any amendments. On the other hand, the annual accounts corresponding to financial year 2013 were approved by the General Shareholders' Meeting held on 30 June 2014.

The balance sheet, profit and loss account and cash flow statements of the Temporal Joint Ventures in which the Company has a stake have been incorporated applying a proportional integration method based upon the stake percentage in them.

The integration of Temporary Joint Ventures has taken place once the temporal and value homogenisation, the necessary conciliations and reclassifications and the appropriate withdrawals, both of assets and liabilities balances, and the reciprocal income and expenses have been carried out. The breakdown of amounts corresponding to Temporary Joint Ventures has been included in the Notes to this report if relevant.

In addition, the Company includes in its financial statements the results of Economic Interest Groupings in which it has an interest, under the subaccount "Income from investments in associated companies", under the heading "Net turnover" of the attached Profits and Loss account (See Note 18.1).

2.3. Non-compulsory accounting principles

Non-compulsory accounting principles have been applied. Additionally, the Directors have formulated these annual accounts taking into consideration all the compulsory accounting principles and standards with a relevant effect in the annual accounts, that is, all compulsory accounting principles have been applied.

2.4. Critical valuation aspects

To elaborate the attached annual accounts, the estimations carried out by the Directors of the Company have been used to value some of the assets, liabilities, income, expenses and commitments included therein. Basically, these estimates refer to:

- The evaluation of possible losses from impairment of certain assets (see Note 5, 6, 7 and 8).
- Useful life of tangible and intangible assets (notes 5 and 6).
- The calculation of certain provisions (see Note 13).
- Recognition of assets by deferred tax (see Note 15)
- The estimates for exchange rate, interest rate, solvency and liquidity risks (see Note 22).
- The Company tax results to be declared to the tax authorities in the future and which have served as a basis to recognise the balances related to the Corporate Tax in these annual accounts (see Note 15).
- The progress achieved in construction activities.
- The fair value of certain financial assets included under group companies (see Note 4.5.1).

In spite of the fact that these estimations are based on the best available information, at 2014 year close, future events might make it necessary to modify them in subsequent years, what would be done in a prospective way.

2.5. Comparison of information

The annual accounts present, for comparative purposes, with each item of the balance sheet, the profit and loss account, the statement of changes in the net equity, the statement of cash flow and the report, together with the figures corresponding to financial year 2014, those corresponding to the previous year, which were part of the annual accounts of financial year 2013.

2.6. Grouping of items

Certain items of the balance sheet, profit and loss account, statement of changes in the net equity and statement of cash flows, are grouped in order to streamline their understanding, though, as far as it is relevant, the information has been included individually in the corresponding notes to the report.

2.7 Correction of errors

During financial year 2014, no significant changes have occurred in the accounting standards and policies applied, as compared with the accounting standards applied in financial year 2013.

In preparing these annual accounts, no material error has been identified entailing a restatement of the amounts included in financial year 2013.

NOTE 3. DISTRIBUTION OF RESULTS

The proposal of distribution of results of financial year 2014 that will be submitted to the General Shareholders Meeting approval is shown below:

PROPOSAL FOR DISTRIBUTION OF RESULTS *(Amounts in thousand euros)*	
Profit for the Year	**29,566**
Distribution:	
To goodwill reserve	4,138
To Voluntary Reserves.	25,428

NOTE 4. RECORDING AND VALUATION STANDARDS

The main recording and valuation standards used by the Company in preparing the annual accounts for financial year 2014 in accordance with those established in the General Accounting Plan, have been the following:

4.1. Intangible fixed assets

As a general rule, intangible fixed assets are valued initially at their acquisition price or production cost. Subsequently, they are valued at their cost reduced of the corresponding accumulated amortisation and, if applicable, of the loss from impairment experienced.

During financial year 2014, the Company made an impairment provision for several concessions, according to the update of estimated income from each one of them.

For the rest of intangible fixed assets, the Directors of the Company consider that the redeemable value of assets exceeds their book value, and therefore no loss has been recorded for value impairment.

a) Administrative concessions.

The Company records as administrative concessions the amounts contributed in accordance with the specifications and committed upon execution of concession contracts, as well as other expenses incurred to obtain water supply and sewerage services concessions.

Amortisation is carried out applying the straight-line method during the period of each concession, having a duration between 5 and 50 years.

Concession contracts imply agreements between a public entity and the companies to provide public services concerning water distribution, construction and operation of water infrastructures and others. Income from the service provision may be collected directly from users or, sometimes, from the awarding entity itself, which regulates the prices applied to the provision of the service.

Generally, the concession right implies the monopoly of the service provision granted for a certain period of time, after which, the fixed assets assigned to the concession and necessary to provide the service revert to the awarding entity, usually with no compensation whatsoever. Concession contracts must necessarily provide for the management or operation of said fixed assets. Likewise, the existence of acquisition or construction obligations of all those elements necessary for the provision of the concession service during the life of the contract is a common characteristic.

The above mentioned concession contracts are recorded according to the provisions of Order of the Ministry of Economy and Finance EHA/3362/2010 of 23 December, approving the General Accounting Plan Adjustment Standards for public infrastructure concessionary companies.

b) Intangible assets for concession agreements.

These are the infrastructures built, improved or acquired by the Company in its condition as concession holder company to provide a public service related to a concession contract. The recognition of an intangible asset takes place when the Company is entitled to charge certain rates to users of the public service, depending on the use made of said service, the concession holder assuming, therefore, the demand risk. Since the concession holder controls the physical use that must be given to the infrastructure, as well as the way in which the service must be provided and its price, the infrastructure is recorded as an intangible fixed asset and not as a tangible fixed asset.

Their initial valuation is carried out by the fair value of the service rendered, equivalent to the acquisition or production cost plus the margin of the infrastructure construction, said value being recovered during the life of the contract through the right to charge the service users the corresponding rates depending on the level of use.

Provisions for dismantling, removal or refurbishment provisions, as well as improvement or capacity enlargement actions the income of which is scheduled in the initial contract will also be recorded as the highest asset value and both the amortisation of said assets and the financial updating of the abovementioned provisions will be recorded as results during the life of the contract. On the other hand, provisions to account for the restoration and repair of infrastructures are systematically recorded as results when the obligation is created.

For any items under this heading requiring a period longer than one year, the Company activates the financial expenses accrued prior to commissioning of the asset and charged by the supplier or relating to loans or other external financing, whether specific or generic, directly attributable to the acquisition or production of the relevant item.

Depreciation takes place during the concession period in a linear way, there being no significant differences between the recorded amount in this way and that obtained depending on the cubic meters of water produced in the contracts operated by the Company.

At year end, there is no evidence of value impairment in any of the intangible fixed assets included under this heading. The Directors of the Company consider that the recoverable value of the assets exceeds their book value.

c) Deferred financial expenses.

As from commissioning, financial expenses for the year are charged to profit and loss, in proportion to the estimated income in the Company's Financial and Economic Plan.

In relation to estimated income the proportion of income represented for each financial year with respect to the total is determined. Such proportion is applied to the total estimated financial expenses for the concession period in order to establish the amount allocable to each financial year as financial expenses for the year. Should actual income for the year exceed estimated income, the proportion shall be calculated between the actual income and total estimated income.

The difference between total financial expenses corresponding to a year and total financial expenses to be allocated to the profit and loss account are capitalised as deferred financial expenses.

d) Goodwill.

Under this heading, the Company records goodwill arisen in financial year 2002 from the merger by takeover on the part of the Company with several of its affiliates.

Goodwill is not depreciated, but instead its value impairment is checked on an annual basis or before, if there is evidence of a potential value impairment of the asset. For these purposes, goodwill resulting from the aforementioned joint business, is attributed to the Company as a whole as cash generating unit, which is expected to benefit from combination synergies. After initial recognition, goodwill is valued at its cost reduced of the accumulated losses from value impairment.

According to the provisions of article 213.4 of the Revised Text of the Law on Public Limited Companies, the Company is making provision for a non-available reserve for the amount of the goodwill in a period of 20 years, the balance of which at 31 December 2014 amounted to 24,358 thousand euros (20,220 thousand euros at 31 December 2013). See Note 13.

e) Computer applications.

Computer applications include the costs incurred in the acquisition of computer programs, which are depreciated in a maximum period of five years. Maintenance costs are recorded in the profit and loss account of the year in which they are incurred.

f) Development and research expenses.

They are valued initially at their acquisition price or production cost when the Company has carried out research and development works. They are registered by projects individually and are activated only when there are grounded reasons to expect technical success and economic cost-effectiveness from the project.

It is amortised under the straight-line method during the useful life of the project and, in any case, within a maximum of 5 years.

4.2. Property, Plant and Equipment

Property, plant and equipment is valued initially at their acquisition price or production cost when the Company has carried out works for its own fixed assets, and subsequently reduced of the corresponding accumulated depreciation and impairment losses, if applicable. At year end, there is no evidence of value impairment in any of the Property, Plant and Equipment of the Company. The Directors of the Company consider that the recoverable value of the assets exceeds their book value, and therefore no losses from value impairment have been recorded.

Conservation and maintenance costs of the different elements that compose Property, Plant and Equipment are recorded in the profit and loss account of the year in which they are incurred. On the contrary, any amounts invested in improvements intended to increase capacity or efficiency or to extend the useful life of any such assets are registered as a higher cost of the same.

For those fixed assets which need a period longer than one year to be in conditions of use, capitalised costs include financial costs accrued during the period needed by the asset to be in conditions of use and which have been issued by the supplier or relating to loans or to some other kind of external financing, directly attributed to the acquisition or manufacture thereof.

Works carried out by the Company for its own fixed assets are recorded as the accumulated cost resulting from the addition of internal costs to external costs, determined in function of own materials consumption, direct workforce and general manufacture costs calculated on the basis of absorption rates similar to those applied to inventories valuation.

The Company depreciates its tangible fixed assets applying the straight-line method, using annual depreciation percentages calculated on the basis of estimated useful life of the respective assets, according to the detail set out below:

ESTIMATED USEFUL LIFE YEARS	
Buildings	33 – 50
Plant and Machinery	10 – 25
Other plant, tools and furniture	7 – 10
Other tangible fixed assets	4 – 6

4.3. Value impairment of non-financial assets subject to amortisation or depreciation

The Company applies the method of evaluation of evidence revealing the potential value impairment of non-financial assets subject to amortisation or depreciation, in order to check if the accounting value of said assets exceeds their recoverable value, understood as the highest fair value, reduced of sale costs and useful value.

Losses from impairment are recorded in the profit and loss account in Losses from fixed assets.

The Company evaluates at closing date if there is any evidence that loss from value impairment recorded in previous years does not exist any longer or that it has reduced. Losses from value impairment corresponding to goodwill are not reversible. Losses from value impairment for the rest of the assets only revert if the estimations used to determine the asset recoverable value had changed.

The reversion of loss from value impairment is recorded in the profit and loss account. However, loss reversion cannot increase the accounting value of the asset in excess of the accounting value it would have, net of amortisations, if the impairment had not been recorded.

After value adjustment from impairment or reversion, amortisations of subsequent years are adjusted taking into account the new accounting value.

Notwithstanding the above, if the specific circumstances of assets entail an irreversible loss, this will be directly recorded as losses from impairment in the profit and loss account.

4.4. Leases

Leases are classified as financial leases as long as, because of their conditions, risks and benefits inherent to the ownership of the asset object of the contract are substantially transferred to the Lessee. At 31 December 2014, the Company has signed a contract of this type.

Operating leasing

Expenses arising from operating leasing agreements are attributed to the profit and loss account in the year they are accrued.

Any charges or payments made upon entering into an operating lease shall be treated as an advanced collection or payment attributed to the results throughout the lease term, as the rewards from the leased asset are assigned or received.

4.5. Financial Instruments

Financial instruments are classified at their initial recognition as a financial asset, a financial liability or an equity instrument, according to the economic fund of the contractual agreement and the definitions of financial asset, financial liability or equity instrument.

4.5.1 Financial Assets

Classification

Financial assets owned by the Company are classified in the following categories:

- Loans and accounts receivable: financial assets which have been originated from sale of assets or provision of services from trade operations of the Company and that, not having a commercial origin, they are not equity instruments or derivatives and which generate collections for a fixed or determined amount and are not negotiated in an active market.

- Investments in the equity of Group companies, affiliated and multigroup companies: Group companies are those bearing a control relationship with the Company, and affiliated companies those on which the Company has a relevant influence. Additionally, those companies over which, pursuant to an agreement, one or more shareholders exert joint control, are included in the category of multigroup companies.

- Financial assets held for trading: these are financial assets acquired with the purpose of disposing of them in the short term or those forming part of a portfolio for which there is evidence of recent activities to such end.

Initial valuation

Financial assets are initially recorded at fair value of the consideration paid plus directly attributed transaction costs.

As from 1 January 2010, for investments in the equity of group companies granting control over the subsidiary, fees paid to legal advisers and other professionals involved in the acquisition of the investment are directly allocated to the profit and loss account.

In concession contracts, the consideration perceived by the Company will imply the recording of a financial asset, if there exists an unconditional right to perceive a certain amount in exchange for the services rendered, that is, when the Company does not assume the demand risk and, therefore, income does not depend on the use made by users of the public service.

Subsequent valuation

- Loans, accounts receivable and investments maintained until maturity date are valued at their depreciated cost.

- Investments in the Group companies, affiliated and multigroup companies are valued at their cost, reduced, if applicable, of the accumulated amount of the value adjustments from impairment. Said adjustments are calculated as the difference between their book value and the recoverable amount, this being understood as the highest amount between their fair value reduced of the sale costs and the current value of future cash flows arising from the investment. Unless there is a better evidence of the recoverable amount, the net equity of the participated entity corrected with the tacit capital gains existing as at the valuation date is taken into account, including goodwill, if any.

- Financial assets available for sale are valued at fair value, recording as Net Equity the net result of variations in said fair value.

- At year end at least, the Company carries out an impairment test for financial assets not recorded at fair value. It is considered that there is objective impairment evidence if the recoverable value of the financial asset is below its book value. When this happens, impairment is recorded in the profit and loss account.

- In particular, regarding the value adjustments related to trade and other account receivables, the Company calculates the corresponding value adjustments, if applicable, basing upon specific analyses of insolvency risk in each account receivable, as follows:

  - Private customers with accounts payable overdue for more than a year are fully provisioned.
  - Private customers with accounts payable due for less than a year are provisioned to a percentage determined on the basis of the respective track record on defaults.
  - Public customers are provisioned based on a specific analysis.

4.5.2. Derecognition of financial assets

The Company deregisters financial assets when they expire or when the rights over the cash flows of the respective financial asset have been assigned and the risks and rewards inherent to ownership of the financial asset have been substantially transferred, such as is the case in outright sales of assets, transfers of trade receivables in factoring transactions in which the company does not retain any credit or interest risks, sales of financial assets with an option to buy-back for their fair value.

Conversely, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in relation to assignments of financial assets in which the risks and rewards of ownership are substantially retained, such as discounting of negotiable instruments, non-recourse factoring, sales of financial assets with buy-back provision at a predetermined price or at the sale price plus interest or other kinds of guarantees substantially absorbing any expected losses.

4.5.3. Financial Liabilities

Financial liabilities are those debits and accounts payable of the Company originated in the acquisition of assets and services from trade operations of the company and those which, not having a commercial origin, cannot be considered as derivative financial instruments.

Debits and accounts payable are initially valued at the fair value of the consideration received, adjusted with the directly attributed transaction costs. These liabilities are subsequently valued at their depreciated cost.

The Company withdraws financial liabilities when the obligations generating them are extinguished.

4.6. Inventories

Inventories are valued at their acquisition price, production cost or net realisable value, whichever is less.

Commercial discounts, rebates obtained, other similar items and interest incorporated to the nominal value of receivables are deducted from the purposes of determining the acquisition price.

The production cost includes the cost of direct raw materials and, where appropriate, direct labour and production overheads.

Net realisable value represents an estimate of the sale price less any estimated costs to finish production and any costs to be incurred in the marketing, sale and distribution processes.

The Company carries out the appropriate value adjustments, recording them as expenses in the profit and loss account when the net realisable value of inventories is below the acquisition price or production cost.

4.7. Foreign currency transactions

The functional currency used by the Company is the euro. Therefore, operations in currencies other than Euro are considered as formulated in foreign currency and are registered applying the exchange rates in force as at the dates of the operations.

At year end, monetary assets and liabilities formulated in foreign currency are converted applying the exchange rate as at the date of the balance sheet. Resulting profits and losses are directly recorded in the profit and loss account of the year in which they take place.

Likewise, financial instruments in equity of group companies in foreign currency which acquisition has been financed with loans in the same currency have been converted at the change rate at year end.

4.8. Corporate tax

The expenses corresponding to corporate tax include the part relating to the expenses or income on the current taxes and that relating to the expense or income for deferred taxes.

Current tax is the amount paid by the Company as a consequence of the income tax bill corresponding to a financial year. Said tax bills take into account permanent differences between the tax base and the accounting result. Tax deductions and other tax benefits on the net tax liability, excluding withholdings and payments on account, as well as tax loss carry-forwards from prior years applied on the current year, give rise to a lower amount of current tax.

Expenses or income from deferred taxes correspond to the recognition and set-off of deferred tax assets and liabilities. These include interim differences identified as those amounts foreseen as payable or recoverable by the differences between the amounts in books of assets and liabilities at their tax value, as well as the negative tax bases pending compensation and credits from non-applied tax deductions. Said amounts are recorded by applying to the relevant temporary difference or credit, the tax rate at which they are expected to be liquidated or recovered.

Deferred tax liabilities are recognised for any taxable temporary differences, save where the temporary difference arises from an initial recognition of goodwill or other assets and liabilities in a transaction that does not affect the tax or accounting results and is not a business combination.

On the other hand, assets by deferred tax are only recognised if it is considered probable that the Company will have future capital gains to make them effective.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

On each balance date, the deferred tax assets recognised are reviewed and appropriate adjustments are made to them, insofar as any doubts exist as to their future recoverability. Likewise, at year end assets by deferred tax not recorded in the balance sheet are valued and are subject to recognition if their recovery is probable with future tax benefits.

Assets and liabilities by deferred tax are recorded in the balance sheet as non current assets and liabilities, independently from the scheduled date of realisation or liquidation.

The Company forms part of the tax consolidation group 18/89 headed by FCC and pays taxes, regarding income tax, according to the Tax Consolidation Special Scheme, provided in article 64 and following of the Revised Text of Royal Legislative Decree 4/2004 of 5 March.

Accrued Corporate Income Tax of Companies taxed on a consolidated basis is determined taking into account, apart from the requirements applied in case of individual taxation above mentioned, the following:

- Interim and permanent differences produced as a consequence of the elimination of results from operations between the companies of the Group, arising from the determination of the consolidated tax base.

- Deductions and allowances corresponding to each company of the tax Group taxed on a consolidated basis; for these purposes, deductions and allowances will be attributed to the company which carried out the activity or registered the necessary performance to obtain the right to the tax deduction or allowance.

- Regarding negative tax results from certain companies of the Group which have been compensated by the rest of the companies of the consolidated Group, a reciprocal credit and debit arises between their corresponding companies and the companies compensating them. In case there is a negative tax result which cannot be compensated by the rest of companies of the consolidated Group, these tax credits for tax loss carry forwards are recorded as assets for deferred tax according to the criteria established for their recording, considering the tax group as a taxpayer.

- The Parent company of the Group records the total payable (to be returned) amount for consolidated corporate income tax chargeable to (payment) Credits (debts) with tax group companies.

- The amount of the debt (credit) corresponding to depending companies is recorded as payment (charge) to Debts (credits) with group companies and affiliated.

In addition, in the closing of 2014, the variation of the tax rate of the Corporate Tax to be introduced by Act 27/2014 on the Corporate Tax as from 1 January 2015 has been taken into account. According to this variation, the tax rate shall be reduced from the current 30% to 28% in 2015 and to 25% as from 2016, so that deferred tax assets and liabilities have been valued as of 31 December 2014 at the new tax rates established by said Act.

4.9. Provisions and contingencies

When formulating the annual accounts, the Administrators of the Company differentiate between:

- Provisions: credit balances which cover current obligations derived from past events, payment of which probably implies the employment of resources, but undetermined regarding their amount and/or moment of cancellation.

- Contingent liabilities: Possible obligations arising from past events, materialisation of which depends on the occurrence, or not, of future events independently from the Company's will.

The annual accounts include all provisions with respect of which it is estimated more likely than not that the relevant obligation will need to be met. Contingent liabilities are not recognised in the annual accounts, but related information is included in the notes to the report, as far as they are not considered remote.

Provisions are valued at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, considering the information available on the event and its consequences, and

recording any adjustments arising as a result of updating said provisions as a financial expense as and when they accrue.

4.10. Income and expenses

Income from sales is recorded at the moment of transfer to the purchaser of relevant risks and benefits attached to the property of the sold good, without keeping current management on said good, or retaining the effective control thereon.

Regarding income from provision of services, these are recorded taking into account the degree of performance of the provision at the time of update of the balance sheet, provided that the result of the transaction may be reliably estimated.

Interests received from financial assets are recognised using the effective interest rate method and dividends are recognised when the right of the shareholder to receive them is declared. Interests and dividends from accrued financial assets after the moment of acquisition have been recorded as income in the profit and loss account.

Turnover consists mainly of the following concepts:

- Sale of water. It shows the amount corresponding to cubic meters supplied to customers valued at sale price. Sale price is established for each contract basing upon the rates approved by each Town Council and published in the Official Gazette of the corresponding province.

- Sale of works and services. It includes the amount corresponding to construction works and activities the Company carries out regarding the provision of the integral water cycle management in the Municipalitys where it has been awarded the contract. The sale value is calculated applying the criterion of degree of development, which consists of valuating at sale price, established in the contract, the units of work carried out during the period, recording at the same time the expenses incurred.

The difference between the amount of production of each of the contracts, and the amount invoiced for each of them until the date of the balance sheet is recorded as “Production executed pending invoicing”, under heading “Clients from sales and service provision”.

The rest of income and expenses are registered according to the accrual principle, that is, when the actual flow of assets and services represented occurs, irrespective of the moment in which the cash or financial flow occurs arising therefrom.

4.11. Severance payments

According to current legislation, the Company is obliged to pay indemnities to the employees whose work contracts are terminated under certain conditions. Therefore, severance payments susceptible of reasonable quantification are accounted for as expense of the year in which the dismissal decision is adopted. The attached annual accounts do not include provisions for this concept, since situations of this nature have not been foreseen.

4.12. Grants

The Company applies the following criteria to account for grants received:

a) Non-reintegrable grants:

They are recorded as Net Equity and are valued at the fair value of the amount or asset granted, depending if they have monetary nature or not, and they are attributed to results proportionately to the endowment for amortisation carried out during the period for granted elements or, if applicable, when their sale or value adjustment from impairment takes place, excepting those received from shareholders or owners, in which case they are directly recorded in shareholder's equity and do not represent any income.

b) Operating grants:

They are included in results at the moment of being granted, unless they are used to finance the operating deficit of future years, in which case they will be accounted for in said financial years. If they are granted to finance specific expenses, they will be accounted for as financed expenses are accrued.

4.13. Joint business

The Company accounts for the contracts jointly operated with Temporary Joint Ventures (UTE) recording their balance in the corresponding proportional part, basing upon their stake percentage, o jointly controlled assets and jointly incurred liabilities. Likewise, the part corresponding to income generated and expenses incurred by the contract jointly operated are accounted for in the profit and loss account. Similarly, the proportional part of the value of corresponding items of the joint contract is integrated in the Net Equity and Statement of Cash Flows.

Figures provided by UTEs to the balance sheet and profit and loss account of the Company are recorded in each of the Notes of this report.

4.14. Transactions with related parties

The Company carries out all its operations with related companies at market value. Additionally, transfer prices are appropriately borne, and therefore the Company Directors consider there are no significant risks possibly causing relevant liabilities in the future.

In merger and split-up of a business, the elements comprising the acquired business will be appraised, in general, by the corresponding amounts, once the operation has been carried out, in the consolidated annual accounts. Differences originated are recorded under reserves.

4.15. Company actions with impact on the environment

The Company carries out operations whose main purpose is to prevent, reduce or repair potential damages caused to environment as a result of its activities.

Expenses arising from environmental activities are recorded as operating expenses in the financial year they are accrued.

Elements subject of incorporation to the Equity of the Company, in order to be used in an enduring way in its activity and whose main purpose consists of minimising the environmental impact and the protection and improvement of the environment, are accounted for as tangible fixed assets.

On the other hand, the Company creates provisions for environmental actions when the existence of expenses generated during the current or previous years is known, with a clear specification of their nature, but undetermined regarding their amount or date. Said provisions are created basing upon the best estimation of necessary expenditure to face the obligation, taking into account the financial event in case it is relevant.

4.16. Classification of assets and liabilities as current and non-current

The Company presents the balance sheet classifying assets and liabilities as current and non-current. To these purposes, current assets and liabilities are those which comply with the following criteria:

- Assets are classified as current assets when they are expected to be realised, sold or consumed during the normal operating cycle of the Company, they are maintained basically for negotiation, they are expected to be realised within the period of twelve months after the closing date or they are cash or other cash equivalents, except in those cases in which they cannot be exchanged or used to cancel liabilities, at least in twelve months following the closing date.

- Liabilities are classified as current when they are expected to be liquidated during the normal operating cycle of the Company, they are maintained basically for negotiation, they must be paid within the period of twelve months after the closing date or the Company has not an unconditional right to delay

the cancelation of liabilities during at least twelve months following the closing date.

• Financial liabilities are classified as current when they must be liquidated within twelve months following the closing date, though the original period exceeds twelve months and there is a refinancing or restructuring agreement of long term payments which has concluded after the closing date and before the formulation of annual accounts.

4.17 Cash flow statement

In the statement of cash flows the following expressions are used:

- Cash flows: Cash and cash equivalent inflows and outflows,
- Cash flows from operating activities: payments and collections from the activities typical to the Company and other activities that may not be classified as investment or financing activities.
- Cash flows from investment activities: payments and collections originating from acquisitions and disposals of non-current assets.
- Cash flows from financing activities: payments and collections from the recognition and derecognition of financial liabilities, equity instruments or dividends.

NOTE 5. INTANGIBLE FIXED ASSETS

5.1. Variation

a) Amounts and variations in the intangible fixed assets during financial year 2014 were the following:

INTANGIBLE FIXED ASSETS

(Amounts in thousand euros)

Variation between 2013 and 2014

	BALANCE 31.12.13	(+) ADDITIONS	(-) WITHDRAWALS	(+/-) TRANSF.	BALANCE 31.12.14
Development and research expenses	419	143	-	-	419
Administrative concessions	503,569	27,892	(2,962)	3.482	531,915
Goodwill	82,763	-	-	-	82,763
Software	1,047	6	(1)	-	1,052
Other intangible fixed assets	11	-	-	-	11
Advances for concession agreement	6,204	7,050	(19)	(11,007)	2,228
Financial activation concession agreement	16,345	678	(1,220)	-	15,803
Concession agreement, regulated assets	393,327	15,229	(1,952)	7,525	414,129
TOTAL COST	**1,003,685**	**50,932**	**(6,154)**	**-**	**1,048,463**
Development and research expenses	(81)	(295)	-	-	(396)
Administrative concessions	(193,150)	(20,798)	2,897	-	(211,051)
Software	(999)	(23)	2	-	(1,020)
Concession agreement, regulated assets	(155,129)	(17,067)	1,676	-	(170,520)
TOTAL ACCUMULATED AMORTISATION	**(349,359)**	**(38,183)**	**4,575**	**-**	**(Illegible)**
Administrative concessions	(7,585)	(2,858)	430	-	(10,013)
TOTAL IMPAIRMENTS	**(7,585)**	**(Illegible)**	**434**	**-**	**(10,052)**
NET TOTAL	**646,741**	**9,748**	**(1,145)**	**-**	**655,344**

Variation in every item under this heading is explained below:

- Development and research expenses.

Under this heading, the Company has capitalised the R&D expenses incurred in two projects:

- The ALL-GAS project, which forms part of the "Algae to Biofuel" initiative of the EU's Framework Programme 7. It began in May 2011 and is being carried out at the waste water treatment plant in Chiclana (Cadiz), where the Company heads a consortium of European companies conducting studies on how to harness the wastewater in microalgae cultivation and the subsequent conversion into energy sources. The amount capitalised totals the cost of 261 thousand euros and the accumulated amortisation of 107 thousand euros at 31 December 2014; (187 and 50 thousand euros, respectively, at 31 December 2013).

- The ITACA project, which researches the technology for treatment, reuse and control for the sustainability of water purification. This project is being carried out in collaboration with Alcalá de Henares University. The amount capitalised totals the cost of 242 thousand euros and the accumulated amortisation of 142 euros at 31 December 2014 (219 and 30 thousand euros, respectively, at 31 December 2013).

- INNPRONTA-IISIS Project on Energy Improvements on Resources and Research, equipment and systems for the integral water cycle. The amount capitalised is of 29 thousand euros of cost and 10 thousand euros of accumulated depreciation as at 31 December 2014 (13 and 1 thousand euros, respectively, as at 31 December 2013).

- INNTERCONECTA: SMARTIC-Extremadura Project for the development of a "Real-time water monitoring system using smart technologies". The capitalised amount is of 30 thousand euros of cost and 17 thousand euros of accumulated depreciation as at 31 December 2014, and there are no amounts capitalised as at 31 December 2013

- Administrative concessions

In 2014, the Company recognised the amount of 27,826 thousand euros, which correspond to the activity performed in Spain, mainly in the following contracts:

- Aguas de Lleida (Lleida) for an amount of 17,631 thousand euros, from the supply and distribution of drinking water as well as sewerage and waste-water treatment for 25 years. This agreement was until now being served by the UTE Aqualia-FCCSA (Lleida), in which the Company has a 50% stake.

On 30 January 2014, the assignment of the agreement held by the UTE to FCC Aqualia was executed, so that this latter shall henceforth have the responsibility of providing the service as from said date. The assignment has been authorised by the Municipality.

- Callosa del Segura (Alicante), for an amount of 3,140 thousand euros, for the management of the integral water cycle service in said municipality for a period of 20 years.

- Aguas de Alcalá de Henares (Madrid) for an amount of 1,547 thousand euros arising from the acquisition of 12.5o% of the stake in the UTE Aguas de Alcalá, in which the Company has increased its stake from 37.5% to 50%. The UTE is in charge of the municipal water supply and sanitation services to Alcalá de Henares for a period of 25 years.

- San Juan del Puerto (Huelva) for an amount of 1,442 thousand euros for the management of the public water supply and sewerage service to this municipality for a period of 25 years.

- Commonwealth of the municipalities of Guijuelo (Salamanca) and its environment for an amount of 1,166 thousand euros, for water supply and sewerage services.

- Intangible assets for concession agreements

The additions in 2014 amounted to 15,229 thousand euros, the main ones being the following:

- Aigües de Lleida (Lleida) for an amount of 5,099 thousand euros for the implementation of an investment plan on water supply and sanitation in Lleida.

- Arcos de la Frontera (Cádiz) for an amount of 3,113 thousand euros for a commitment to perform investments associated with a water supply and sanitation agreement comprising the integral water cycle in said municipality.

- San Juan del Puerto (Huelva) for an amount of 800 thousand euros, for a commitment to make investments in the water supply and sanitation networks of the municipality.

- Chiclana of la Frontera (Cádiz) for an amount of 775 thousand euros commitment to make investments in the municipality in performance of the agreement.

- Advance payments for concession agreements

The additions in 2014 amounted to 7,050 thousand euros, the main ones being the following:

- San Pedro del Pinatar (Murcia) for an amount of 2,423 thousand euros corresponding to the investment plan in said municipality.

- Valdepeñas (Ciudad Real) for an amount of 2,029 thousand euros, for works corresponding to the renovation and replacement of supply pipes from the deposit at Cerro de los Muertos and ancillary works.

- Impairments.

During the financial year, the Company made provisions for impairment for an amount of 3,001 euros, the main ones being those for the concessions in Guijuelo (Salamanca), for an amount of 1,076 thousand euros, and in Llanera (Asturias), for an amount of 1,782 thousand euros, as a result of the analysis of impairment signs carried out at the closing financial year 2014 (See Note 18.13).

The reduction in impairments carried out in previous financial years is explained by the depreciation within the financial year of concessions impaired in prior financial years, in which the Company however continues to provide services.

b) Amounts and variations in the intangible fixed assets during financial year 2013 were the following:

INTANGIBLE FIXED ASSETS

(Amounts in thousand euros)

Variation between 2012 and 2013

	BALANCE 31.12.12	**(+) ADDITIONS**	**(-) WITHDRAWALS**	**(+/-) TRANSF.**	**BALANCE 31.12.13**
	195	224	-	.	419
Administrative concessions	491.203	12,485	(119)	-	503,569
Goodwill	82.763	-	-	-	82,763
Software	1.171	28	(152)	-	1,047
Other intangible fixed assets	12	-	(1)	-	11
Advances for concession agreement	10.842	3,244	(331)	(7,551)	6,204
Financial activation concession agreement	16.573	534	(762)	-	16,345
Concession agreement, regulated assets	385.131	2,532	(1,887)	7,551	393,327
TOTAL COST	**987.890**	**19,047**	**(3,252)**	**-**	**1,003,685**
R&D Expenses	(23)	(58)	-	-	(81)
Administrative concessions	(173.920)	(19,307)	71	6	(193,150)
Software	(1,126)	(25)	152	-	(999)
Concession agreement, regulated assets	(140.231)	(15,242)	350	(6)	(155,129)
TOTAL ACCUMULATED AMORTISATION	**(315.300)**	**(34,632)**	**573**	**-**	**(349,359)**

Administrative concessions	(8.002)	-	417	-	(7,585)
TOTAL IMPAIRMENTS	(8.002)		**417**	-	(7,585)
NET TOTAL	**664,568**	**18,585**	**(2,262)**	-	**646,741**

- Research and development expenses.

Within this heading, the Company usually capitalised expenses incurred in R&D in the following three projects:

– ALL-GAS project: This project is included within the framework of the European Union's "Algae to Biofuel" 7th Framework Programme. It started in May 2011 and is carried out at the Waste Water Treatment Plant at Chiclana (Cádiz); the Company there leads a consortium of European companies carrying out studies to improve the use of waste water in the cultivation of microalgae and its subsequent conversion into energy products. The amount capitalised is of 187 thousand euros of cost and 50 thousand euros of accumulated depreciation as at 31 December 2013 (177 and 22 thousand euros, respectively, as at 31 December 2012).

– ITACA project on Research on Technologies for Water Treatment., re-use and Control for a sustainable water purification. This project is developed in cooperation with the Alcalá de Henares University. The amount capitalised is of 219 thousand euros of cost and 30 thousand euros of accumulated depreciation as at 31 December 2013 (18 and 1 thousand euros, respectively, as at 31 December 2012).

– INNPRONTA-IISIS Project on Energy Improvements on Resources and Research, equipment and systems for the integral water cycle. The capitalised amount is of 13 thousand euros of cost and 1 thousand euros of accumulated depreciation as at 31 December 2013, and there are no amounts capitalised as at 31 December 2012.

- Administrative concessions

During financial year 2013, the Company recognised income of 12,485 thousand euros from activities carried out in Spain, mainly from the following contracts:

- Castelló de Empuñes (Gerona) for an amount of 3,032 thousand euros for the management of the sanitation system for 7 years, following completion in 2013 of the works for sectors 3 and 4 of the municipality sanitation system.

- Benalup (Cádiz) for an amount of 1,500 thousand euros for the management of the water utility and sewerage and waste-water treatment services in the municipality, for a period of 25 years.

- La Palma del Condado (Huelva), for an amount of 1,864 thousand euros, for the management of the integral water cycle service in said municipality for a period of 25 years.

- San Lorenzo de El Escorial (Madrid) for an amount of 2,480 thousand euros for the concession of the sanitation and sewerage services contract in said municipality for 25 years.

- Intangible assets from concession agreements

Recognitions in financial year 2013 amounted to 2,532 thousand euros, the most significant in the following contracts:

- Matalascañas (Huelva) for an amount of 1,401 thousand euros, for the water supply, sewerage, waste-water treatment and improvement works in Matalascañas, El Rocío and Matalagrana.

- Tordera (Barcelona) for an amount of 322 thousand euros corresponding to the construction of sanitation and general water utility and sewerage systems in Tordera.

- Badajoz (Badajoz) for an amount of 613 thousand euros corresponding to the Framework Sanitation

Plan for the provincial capital.

- San Feliu de Guíxols (Gerona), for an amount of 117 thousand euros, corresponding to renovation works in the water supply network of this municipality.

- Advances from concession agreements.

Additions during FY 2013 amounted to 3,244 thousand euros, the main ones being as follows:

- Llagostera (Gerona) for an amount of 428 thousand euros for the construction of a drinking water deposit for public supply in the municipality of Can Pinet.

- Tordera (Barcelona), for an amount of 417 thousand euros corresponding to the investment plan for the waste-water treatment plant.

- San Pedro del Pinatar (Murcia) for an amount of 446 thousand euros corresponding to the investment plan in said municipality.

- Granadilla de Abona (Tenerife) for an amount of 753 thousand euros corresponding to the investment plan for the construction of the municipal Sports Centre.

5.2 Balance from the integration of UTEs

Income from UTEs as at 31 December 2014 include 174,927 thousand euros corresponding to costs, 98,865 thousand euros for accumulated depreciation and 139 thousand euros for impairments. (207,114 thousand euros applicable to costs and 96,632 thousand euros as at 31 December 2013, respectively).

Deregistrations of contributions from UTEs are basically attributable to the Lleida UTE, UTE Centro deportivo Denia, UTE Aqualbal and UTE Novelda, all of which have been acquired in full by the Company during FY 2014.

5.3 Totally amortised elements

The detail of this heading is the following:

FULLY DEPRECIATED INTANGIBLE FIXED ASSETS *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Administrative concessions	24,434	19,260
Software	943	933
Concession agreement, regulated assets	9,532	8,494
TOTAL	**34,909**	**28,687**

5.4 Elements situated outside the Spanish territory

As at 31 December 2014, the elements of intangible fixed assets outside the Spanish territory amount to 20 thousand euros (26 thousand euros at 31 December 2013).

5.5 Intangible assets for concession agreement

Concession agreements recorded under Intangible Assets at 31 December 2014 are detailed as follows, under accumulated cost and amortisation (amounts in thousand euros):

CONTRACT	Administrative concessions		Intangible assets for concession agreement		Advances for Intangible assets Concession agreement	Financial activation concession agreements	DURATION
	COST	ACC AM	COST	ACC AM			
Alcalá de Henares (Madrid)	8,040	(3,396)	8,434	(2,879)	-	-	25 years
Algeciras (Cádiz)	460	(249)	15,619	(4,543)	-	-	50 years
Almansa (Albacete)	5,754	(461)	34	(2)	-	-	25 years
Almería (Almería)	10,780	(5,756)	17,838	(4,644)	-	-	40 years
Arcos de la Frontera (Cádiz)	7,937	(718)	3,250	(268)	-	-	25 years
Badajoz (Badajoz)	15,436	(8,237)	37,359	(12,918)	-	-	50 years
Denia (Alicante)	-	-	10,995	(4,523)	-	-	35 years
Cabezo de Torres (Murcia)	-	-	6,314	(3,121)	-	-	40 years
Calahorra (Rioja)	6,391	(2,692)	106	(75)	-	-	20 years
Ingenio (Gran Canaria)	6,138	(2,981)	-	-	-	783	35 years
Jaén (Jaén)	9,135	(5,337)	57	(54)	-	1,231	30 years
L'Ametlla de Mar (Tarragona)	8,415	(3,347)	592	(256)	-	-	25 years
La Línea de la Concepción (Cádiz)	8,712	(6,020)	130	(67)	-	829	40 years
La Nucia (Alicante)	29	(29)	21,804	(6,772)	-	-	30 years
Llanera (Asturias)	1,248	(1,216)	14,610	(5,203)	-	-	25 years
Lleida (Lleida)	38,098	(1,472)	11,179	(458)	-	-	25 years
Lloret de Mar (Girona)	22,253	(8,011)	299	(153)	-	-	25 years
Los Alcázares (Murcia)	7,946	(4,833)	312	(241)	-	802	20 years
Mérida (Badajoz)	15,642	(6,990)	3,619	(1,696)	-	-	30 years
Moguer (Huelva)	5,739	(1,031)	1,674	(274)	-	-	30 years
Oviedo (Asturias)	17,945	(6,415)	19,131	(5,889)	-	5,881	50 years
Puente Genil (Córdoba)	3,324	(2,991)	43	(36)	897	135	30 years
Salamanca (Salamanca)	6,961	(1,550)	43	(9)	-	951	25 years
Sant Felìu de Guixols (Girona)	6	(6)	6,791	(3,817)	-	-	50 years
Santa María de la Guía (Gran Canaria)	-	-	5,682	(4,925)	-	-	20 years
Sanlúcar de Barrameda (Cádiz)	17,268	(2,920)	-	-	-	-	40 years
Santander (Cantabria)	72,632	(25,328)	13,718	(4,718)	-	-	25 years
Sant Josep (Ibiza)	-	-	11,576	(4,238)	-	-	28 years
Talavera de la Reina (Toledo)	16,985	(10,280)	189	(110)	-	(616)	25 years
Valverde del Camino (Huelva)	5,701	(513)	500	(45)	-	-	25 years
Vélez – Málaga (Málaga)	6,750	(2,721)	208	(9)	-	-	20 years
Vigo (Pontevedra)	16,353	(15,048)	70,983	(53,932)	-	619	25 years
Rest below 5 millions	189,810	(80,493)	125,189	(43,271)	692	3,956	5 – 50 years
TOTAL	**Ilegible**	**Ilegible**	**Ilegible**	**Ilegible**	**Ilegible**	**Ilegible**	

At 31 December 2013, the detail of the main concessions is as follows:

CONTRACT	Administrative concessions		Intangible assets for concession agreement		Advances for Intangible assets Concession agreement	Financial activation concession agreements	DURATION
	COST	ACC AM	COST	ACC AM			
Alcalá de Henares (Madrid)	6,030	(2,306)	6,325	(1,872)	-	-	25 years
Algeciras (CADIZ)	460	(242)	15,619	(4,240)	-	-	50 years
Almansa (Albacete)	5,754	(230)	34	(1)	-	-	25 years
Almería (Almería)	10,780	(5,477)	17,838	(3,911)	-	-	40 years
Arcos de la Frontera (Cádiz)	7,937	(404)	137	(137)	-	-	25 years
Badajoz (Badajoz)	15,436	(7,995)	37,359	(12,069)	-	-	50 years
Barbate (Cadiz)	4,189	(265)	3,000	(190)	-	-	25 years
Denia (Alicante):	-	-	10,995	(4,135)	-	-	35 years
Fraga (Huesca)	91	(10)	4,157	(343)	-	-	25 years
Ingenio (Gran Canaria)	6,138	(2,736)	-	-	-	768	35 years
Jaén (Jaén)	9,538	(5,072)	57	(54)	-	1,183	30 years
L'Ametlla de Mar (TARRAGONA)	8,415	(3,010)	592	(233)	-	-	25 years
La Línea de la Concepción (CADIZ)	8,712	(5,740)	108	(62)	-	799	40 years
La Nucia (Alicante)	29	(27)	21,579	(5,847)	221	-	30 years
Lleida (Lleida)	20,467	(1,351)	6,080	(470)	-	-	25 years
Lloret de Mar (Girona)	22,253	(7,121)	299	(144)	-	-	25 years
Los Alcázares (Murcia)	7,946	(4,461)	312	(231)	-	842	20 years
Mérida (Badajoz)	15,642	(6,441)	3,619	(1,574)	-	-	30 years
Oviedo (Asturias)	17,945	(6,051)	19,131	(5,472)	-	5,512	50 years
Salamanque (Salamanca)	6,961	(1,099)	43	(7)	-	959	25 years
Sanlúcar de Barrameda (Cadiz)	17,268	(2,232)	-	-	-	-	40 years
Santander (Cantabria)	72,632	(22,417)	13,718	(4,164)	-	-	25 years
Sant Josep (Ibiza)	-	-	11,076	(3,911)	-	-	28 years
Talavera de la Reina (Toledo)	16,518	(9,460)	189	(110)	-	766	25 years
Valverde del Camino (Huelva)	5,701	(285)	500	(25)	-	-	25 years
Vélez – Malaga (Malaga)	6,750	(2,464)	-	-	-	-	20 years
Vigo (Pontevedra)	16,353	(14,830)	70,771	(51,090)	-	1,235	25 years
Rest	193,624	(81,424)	149,789	(54,837)	5,983	4,281	5 – 50 years
TOTAL	**503,569**	**(193,150)**	**393,327**	**(155,129)**	**6,204**	**16,345**	

By virtue of these contracts, the Company carries out the integral water cycle management, covering all phases thereof:

- Capture from hydrographic basins or wells.
- Purification and treatment in drinking water treatment installations.
- Supply through water network to all customers.
- Collection and transportation of waste water through sewerage networks to treatment plants, where it is treated and returned to the natural environment.

Administrative concessions are defined in the Spanish legal system by Law 13/2003, of 23 May, as those by virtue of the Public Administration or publically authorised grantor company granting concession-holders for a period of time, the construction or operation, or only the operation of works subject to operation and necessary for the provision of public services of an economic nature. The construction and operation of public works under concession will be carried out under the responsibility of the concession-holder, who will assume the economic risks derived from their execution and operation.

From the above it ensues that the concession agreements require the existence of an infrastructure controlled by the Public Administration, which is operated by the Company, within the framework of the regulations applied by said Administration and which establish aspects as important as the necessary rate for the recovery of the investment made by the concession holder.

The definition of infrastructure encompasses both the works and facilities built by the Company with its own means and those acquired from third parties, as long as they are devoted to the provision of public services under the conditions of the concession agreement.

The recognition of intangible assets mentioned under this Note takes place when the Company is entitled to charge certain rates to users of the public service, depending on the use made of said service, the concession holder assuming, therefore, the demand risk.

Likewise, in these contracts the lending company controls the physical use of the infrastructure, the way to provide the service and its price.

The balance under heading "Deferred Financial Expenses" is fully attributable to the deferred financial charge arising from the financing instrument associated with the construction of the concessions (See Note 4.1 c) below).

As indicated above, the tariffs charged by the Company to users of the public utility are regulated by the conceding public entity. This notwithstanding, the agreements contain provisions enabling the Company to request a review of applicable tariffs, should an adjustment be necessary to recover the economic balance.

Likewise, at the beginning of each concession the Company records, as Intangible Asset the amount of investment committed to each contract that involves improvement work on the network and infrastructures and which is recovered through invoicing the subscribers from the start of the concession. Until the investment itself is made, the Company records these amounts under the heading "Provisions for actions on the infrastructure" which is included under the heading "Other provisions for risks and expenses" (See note 13).

5.6 Capitalization of financial expenses

In 2014, the Company has capitalised financial expenses (under item "Advances for concession agreement" for an amount of 92 thousand euros (209 thousand euros in 2013), accumulating at origin an amount of 3,808 thousand euros (3,716 thousand euros accumulated 31 December 2013).

Moreover, under the heading "Concession agreements, financial capitalisation", the Company has accrued profits for a net amount of 542 thousand euros (228 thousand euros of net accrued balance at 31 December 2013).

5.7 Acquisition commitments

As at 31 December 2014, there are no additional commitments to those recorded under the heading "Provisions for actions on the infrastructure" (See Note 13).

5.8 Insurance policies

The Company's policy is to take out such insurance policies as may be necessary to cover any potential risks affecting intangible fixed assets.

NOTE 6. PROPERTY PLANT AND EQUIPMENT

6.1. Variation

The flows occurred during financial year in the different accounts of Tangible Fixed Assets and their relevant accumulated depreciations have been as follows:

a) Variation in 2014.

PROPERTY PLANT AND EQUIPMENT *(Amounts in thousand euros)* *Variation between 31 December 2013 and 2014*				
	BALANCE 31.12.13	**(+) ADDITIONS**	**(-) WITHDRAWALS**	**BALANCE 31.12.14**
Land and buildings	3,475	-	-	3,475
Technical facilities and other tangible fixed assets	82,425	4,781	(222)	86,984
Ongoing fixed assets	79	207	-	286
TOTAL COST	**85,979**	**4,988**	**-**	**Illegible**
Buildings	(2,039)	(58)	-	(2,097)
Technical facilities and other tangible fixed assets	(60,633)	(4,213)	222	(64,624)
TOTAL ACC. AMORT.	**(62,672)**	**Illegible**	**Illegible**	**Illegible**
NET TOTAL	**23,307**	**717**	**-**	**24,024**

- Additions. The Company has recorded additions in property, plant and equipment for an amount of 2,042 thousand euros, corresponding to the assets used in the contracts performed by the Company and which are not concession contracts, as well as those acquired for those which, though they are concession contracts, are not charged back to the granting bodies.

- Derecognitions. These refer mainly to the sale of trucks.

b) Variation in 2013.

PROPERTY PLANT AND EQUIPMENT *(Amounts in thousand euros)* *Variation between 31 December 2012 and 2013*					
	BALANCE 31.12.12	**(+) ADDITIONS**	**(-) WITHDRAWALS**	**(+/-) TRANSF.**	**BALANCE 31.12.13**
Land and buildings	3,475	-	-	-	3,475
Technical facilities and other tangible fixed assets	81,125	3,269	(1,969)	-	82,425
Ongoing fixed assets	-	79	-	-	79
TOTAL COST	**84,600**	**3,348**	**(1,969)**	**-**	**85,979**
Buildings	(1,965)	(74)	-	-	(2,039)
Technical facilities and other tangible fixed assets	(57,318)	(5,123)	1,808	-	(60,633)
TOTAL ACC. AMORT.	**(59,281)**	**(5,197)**	**1,808**	**-**	**(62,572)**
NET TOTAL	**23,317**	**(1,849)**	**161**		**23,307**

- Additions. The Company has recorded additions in property, plant and equipment for an amount of 3,348 thousand euros, corresponding to the assets used in the contracts performed by the Company and which are not concession contracts, as well as those acquired for those which, though they are concession contracts, are not charged back to the granting bodies.

- Derecognitions. They refer mainly to fully depreciated assets which have been derecognised on account of the removal of offices of the Barcelona subsidiary.

6.2 Land and buildings

At 31 December 2014, lands represent an amount of 318 thousand euros in cost (318 thousand euros in cost at 31 December 2013).

6.3. Balances from UTEs (Temporary Joint Ventures) integration

Balances as at 31 December 2014 include 4,699 and 3,575 thousand euros corresponding to the cost and accumulated amortisation contributed by UTEs, respectively (5,048 and 3,760 thousand euros respectively, at 31 December 2013).

Deregistrations of contributions from UTEs are basically attributable to the Lleida UTE, UTE Centro deportivo Denia, UTE Aqualbal and UTE Novelda, all of which have been acquired in full by the Company during FY 2014.

6.4 Totally amortised elements

At 31 December 2014, items under heading "Technical facilities and other property, plant and equipment" are fully depreciated, but still in use, with a book value of 39,552 thousand euros (36,626 thousand euros at 31 December 2013).

6.5 Acquisition of fixed assets from Group companies

During financial year 2013 and 2014, no acquisitions of fixed assets from group companies have been recorded.

6.6 Insurance policies

It is the policy of the Company to contract all insurance policies deemed necessary to give coverage to possible risks that could affect the elements of property, plant and equipment.

6.7 Fixed assets situated outside the Spanish territory

At 31 December 2014, the Company has fixed assets out of the Spanish territory amounting to 3281 thousand euros in cost and 147 thousand euros of accumulated depreciation (220 and 84 thousand euros, respectively, at 31 December 2013).

6.8 Acquisition commitments

There are no outstanding acquisition commitments for tangible fixed assets at the closing of FYs 2014 and 2013.

6.9 Collateral

There are not significant assets granted as collateral to secure the Company's commitments.

NOTE 7. LONG TERM INVESTMENTS IN GROUP COMPANIES AND AFFILIATED

7.1 Equity instruments

The detail of movements under this heading is as follows:

a) Variation in 2014.

EQUITY INSTRUMENTS *(Amounts in thousand euros)* *Variation between 31 December 2013 and 2014*					
	BALANCE 31.12.11	**(+) ADDITIONS**	**(-) WITHDRAWALS**	**(+/-) TRANSFERS**	**BALANCE 31.12.12**
Equity Instruments in Group Companies	164,130	8,088	-	--	172,218
Pending disbursements on shares of Group companies	(4,561)	--	--	--	(4,561)
Equity Instruments in Affiliated Companies	41,212	82	-	-	41,294
Pending disbursements on shares of Affiliated companies	(190)	(1)	-	-	(191)
Total	**200,591**	**8,169**	**-**	**-**	**208,760**
Impairments	(20,530)	(76)	270	--	(20,336)
NET TOTAL	**180,061**	**8,093**	**270**	**-**	**188,424**

Regarding items, the most important movements recorded in 2014 are shown below:

- Equity instruments in Group Companies.

- Recognitions for an amount of 8,088 thousand euros refer to the following movements:

  - Aqualia New Europe B.V. The company with registered offices in the Netherlands increased its capital in FY 2014 for an amount of 13,300 thousand euros, the increase being fully subscribed and paid up. The amount paid by FCC Aqualia was 6,783 thousand euros.

  - Aguas de Alcázar Empresa Mixta, S.A, formerly known as Aguas de Alcázar, S.A. During the FY, the Company has increased its capital with a share premium in order to allow the entry of a private shareholder in the Company's equity. The chosen shareholder has been FCC Aqualia, which has disbursed an amount of 1,142 thousand euros, equivalent to 52.35 % of the share capital plus a share premium. With the incorporation of FCC Aqualia as a shareholder, the name of the Company has changed to Aguas de Alcázar Empresa Mixta, S.A.

  - Abrantaqua, S.A. has made a capital increase for an amount of 450 thousand euros, of which 183 thousand euros have been charged against reserves. The remaining amount has been fully subscribed and paid up by the existing shareholders. The amount paid by Aqualia is 160 thousand euros.

  - Aguas de las Galeras, S.L. FCC Aqualia has a 51% stake in its share capital and the amount subscribed and paid up is of 2 thousand euros. FCC Aqualia has incorporated this company together with Tratamiento Industrial de Aguas S.A., in order to implement the agreement entered into with the Municipality of el Puerto de Santa María, by virtue of which the company Aguas del Puerto Empresa Municipal, S.A. (former company name) is no longer a city-owned company and becomes a Public Private Partnership.

  - Empresa Gestora of Aguas Linenses, S.L. FCC Aqualia holds a 51% stake in this company, together with Tratamiento Industrial de Aguas, S.A. and the amount subscribed and paid up is of 2 thousand euros. The subsidiary won in 2014 the contract for the water utility supply and sanitation at La Línea de la Concepción (Cádiz).

Equity instruments in associated companies

- Recognitions for an amount of 82 thousand euros refer to the following movements:

  - Empresa Mixta de Aguas de Ubrique, S.A. is incorporated pursuant to the agreement entered into with the Ubrique Municipality. Its corporate purpose is to take responsibility for the integral water cycle in said municipality for a period of 25 years. FCC Aqualia has a 49% stake in its share capital and the amount subscribed and paid up is of 73 thousand euros.

- Aigües del Segarra Garrigues S.A. The Company acquired 170 shares from a third-party shareholder, paying 9 thousand euros.

b) Variation in 2013.

EQUITY INSTRUMENTS
(Amounts in thousand euros)
Variation 31 December 2012 and 2013

	BALANCE 31.12.12	(+) ADDITIONS	(-) WITHDRAWALS	(+/-) TRANSFERS	BALANCE 31.12.13
Equity Instruments in Group Companies	233,879	4,941	(74,690)	-	164,130
Pending disbursements on shares of Group companies	(4,753)	--	192	--	(4,753)
Equity Instruments in Affiliated Companies	40,788	505	(81)	--	41,212
Pending disbursements on shares of Affiliated companies	(192)	-	2	--	(190)
Total	**269,722**	**5,446**	**Illegible**	**-**	**200,591**
Impairments	(18,694)	(2,038)	202	--	(20,530)
NET TOTAL	**251,028**	**3,408**	**(74,375)**	**-**	**180,061**

By items, the most important movements recorded in 2013 were as follows:

- Equity instruments in Group Companies.

- Recognitions for an amount of 4,941 thousand euros refer to the following movements:

- Conservación y Sistemas, S.A. On 27 November 2013, the Company purchased 99.99 % of the stake held by CGT Corporación General de Transportes in said company for an amount of 1,558 thousand euros. The acquired subsidiary's activity was the provision of maintenance services to public infrastructures.

- Acque di Caltanissetta S.p.a. carried out a capital increase in financial year 2013 which entailed a disbursement by FCC Aqualia of an amount of 3,302 thousand euros. Also in this financial year, the Company paid 75 thousand euros by way of an increase in the value of an acquisition made a few months earlier. Neither of these transaction had a significant effect on the percentage holding of FCC Aqualia in its subsidiary.

- Aquajerez, S.L. The Company incorporated this subsidiary, together with third party shareholders not belonging to the FCC Group, in order to implement the agreement entered into in 2013 with the Municipality of Jerez de la Frontera (Cádiz). Its corporate purpose is the provision of the integral water cycle to this municipality for a period of 25 years. FCC Aqualia has a 51% stake in its share capital and the amount subscribed and paid up is of 2 thousand euros.

- Aquacartaya, S.L. The Company incorporated this subsidiary, together with Tratamiento Industrial de Aguas, S.A., to implement the agreement signed in 2013 with the Municipality of Cartaya (Huelva) for the provision of the integral water cycle to this municipality for a period of 25 years. FCC Aqualia has a 95% stake in its share capital and the amount subscribed and paid up is of 3 thousand euros.

- Aqualia Infraestructuras de México, S.A. de C.V, carried out a capital increase in the FY for an amount of 135 million Mexican pesos, which was fully subscribed and paid-up in 2013. The amount paid by FCC Aqualia is 1 thousand euros.

- Deregistrations for an amount of 74,690 thousand euros were attributable to the following transactions:

- Aqualia Czech, S.L. In February 2013, this subsidiary approved a reduction in capital through the

reduction of the nominal value of its shares, from 1 euro nominal value per share to € 0.63. This fact entailed the return of contributions made by FCC Aqualia for an amount of 40,701 thousand euros.

- Aqualia Czech, S.L. On 13 September 2013, the Company sold to the company Mit Infrastructure Europe Limited, the 49% stake it held in this subsidiary, for an amount of 87,000 thousand euros. The deregistration in cost of equity instruments was of 33,958 thousand euros.

- Aigues del Alt Empordá, S.A. In financial year 2013, the General Shareholders' Meeting approved the resolution to wind up the company, which in practice entailed the liquidation of rights and obligations with its shareholders. As a result of this winding up and liquidation, FCC Aqualia deregistered an amount of 31 thousand euros corresponding to the interest it held in this subsidiary until the date of its liquidation.

- Equity instruments in associated companies.

- Recognitions for an amount of 505 thousand euros mainly refer to the following movements:

- Concesionaria de desalación de Ibiza, S.A. In financial year 2013, the Company increased its interest in this subsidiary from 32% to 50% by purchasing the additional percentage from a third party for an amount of 490 thousand euros.

- Aqualia MACE Operation & General Maintenance, LLC. In FY 2013, the Company incorporated this subsidiary in the United Arab Emirates for the operation and maintenance of sanitation and purifying infrastructures and systems in the East and West areas of UAE. The equity holding represents 25% and the amount subscribed and paid up was of 15 thousand euros.

- Deregistrations for an amount of 81 thousand euros referred to the sale of the Company's stake in the subsidiaries SERA Q.A. Tunja and Proactiva Aguas de Montería for an amount of 455 thousand euros. This disposal was carried out within the framework of the disposal of Grupo Proactiva carried out by the FCC Group.

c) The detail of pending disbursements on shares of Group and affiliated companies in the balance sheet at 31 December 2014 and 2013 is shown below:

PENDING DISBURSEMENTS OF GROUP COMPANIES *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Compañía Onubense de Aguas, S.A.	27	27
Depurtebo, S.A.	4,534	4,534
TOTAL	**4,534**	**4,534**

PENDING DISBURSEMENTS OF ASSOCIATED COMPANIES *(amounts in thousand of euros)*		
	31.12.14	**31.12.13**
Aigües del Segarra Garrigues, S.A.	150	150
Sera Q.A. Duitama ESP., S.A.	27	27
Orasqualia O & M	11	11
AIE ITAM Delta de la Tordera	3	3
TOTAL	**190**	**190**

d) Detail of Equity Instruments in Group Companies. The detail of the balance at 31st December 2014 and 31st December 2013 is shown below:

EQUITY INSTRUMENTS IN GROUP COMPANIES 2014

(Amounts in thousand euros)

COMPANIES	ACTIVITY	INVESTMENT	PROVISION	NET COST
FCC Aqualia América, S.A.U. C/ Uruguay, 11 – Vigo (PONTEVEDRA)	Water cycle management	601	(280)	321
Aquajerez, S.L. Pol.Ind.Ronda Oeste, 24 Jerez de la Frontera (CADIZ)	Water cycle management	2	-	2
Aquacartaya, S.L. Av.San Fco.Javier,15- SEVILLA	Water cycle management	3	-	3
Aqua Campiña, S.A. C/Blas Infante, 6 – Écija (SEVILLA)	Water cycle management	541	-	541
Acque di Caltanisseta, S. p.a. Viale Sicilia 176 93100 Caltanisseta – ITALIA	Water cycle management	18,809	(16,541)	2,268
- Aquaelvas – Aguas de Elvas, S.A. Rua Paco Bandeira, 14 – Assunçao Elvas – PORTUGAL	Water cycle management	402	-	402
Aquafundalia - Aguas do Fundäo, S.A. Rua Fernando Pessoa, 195 - Fundäo PORTUGAL	Water cycle management	510	-	510
Augas Municipais de Arteixo, S.A. Pza. Alcalde Ramón Dopico – Arteixo (LA CORUÑA)	Water cycle management	2,040	(2,033)	7
Aguas de Alcáza Empresa Mixta S.A. c/Rondilla Cruz Verde, J- Alcázar de San Juan (CIUDAD REAL)	Water cycle management	1,142	-	1,142
Agua de las Galeras S.L. Avda. Camino de Santiago,40 – Madrid	Water cycle management	2	-	2
Colaboración, Gestión y Asistencia, S.A. C/ Federico Salmón, 13 – MADRID	Collection management	964	-	964
Compañía Onubense de Aguas, S.A. C/Martín Alonso Pinzón, 8 - HUELVA	Water cycle management	36	(9)	27
Depurtebo, S.A.U. C/ San Pedro, 57 – Zuera – ZARAGOZA	Water treatment and purification	6,045	-	6,045
Depurplan 11, S.A. C/ San Miguel, 1 – ZARAGOZA	Water treatment and purification	4,700	-	4,700
Empresa Mixta de Butarque, S.A. C/Princesa, 3 - (MADRID)	Water treatment and purification	84	(84)	-
- Inversora Riutort, S.L C/ Alfonso XIII – Sabadell (BARCELONA)	Portfolio company	3	-	3
Sociedad Ibérica del Agua, S.A.U. C/ Federico Salmón, 13 – MADRID	Water cycle management	60	-	60
Tratamiento Industrial del Agua, S.A. C/ Federico Salmón, 13 – MADRID	Water sanitation and purification	652	-	652
Hidrotec Tecnología del Agua, S.L.U. C/Pincel, 25 – SEVILLA	Industrial water treatment	32	-	32
Empresa Gestora de Aguas Linenses, S.L. C/Federico Salmón,13 MADRID	Water cycle management	1	-	1
Entemanser, S.A. C/Castillo, 13 – ADEJE (SANTA CRUZ DE TENERIFE)	Water sanitation and purification	63,953	-	63,953
Infraestructuras y Distribución General de Agua, S.L. C/La Presa, 14 – Tijoco Bajo-ADEJE (S.C.TENERIFE)	Participation and execution of works	8,665	-	8,665
Sociedad Española de Aguas Filtradas, S.A. Avda. Camino de Santiago, 40 – MADRID	Water purification	1,436	-	1,436
Aqualia Infraestructuras, S.A. Avda. Camino de Santiago, 40 – MADRID	Water treatment and purification	6,195	-	6,195
Aqualia Infraestructuras de México, S.A. de C.V. C/ Carrizal, 33 – Santiago de Querétaro – MÉXICO	Water treatment and purification	1	-	1
Aqualia Czech, S.L.U. Avda. Camino de Santiago, 40 – MADRID	Water cycle management	33,344	-	33,344
Aqualia New Europe B.V. C/Calude Debussylann, 24 – Amsterdam (HOLANDA)	Water cycle management	8,160	-	8,160
Aigües de Vallirana, S.A. C/ Conca de Tremp, 14 – Vallirana (BARCELONA)	Water cycle management	3,702	-	3,702

EQUITY INSTRUMENTS IN GROUP COMPANIES 2014 *(Amounts in thousand euros)*				
Aquamaior- Aguas de Campo Maior, S.A. Rua Mayor Talaya, 28 – Campo Maior – PORTUGAL	Water cycle management	725	-	725
Abrantaqua, S.A. Parque Lena – Alferrarede Abrantes – PORTUGAL	Water cycle management	190	-	190
Aqualia Industrial Solutions, S.A C/ Federico Salmón, 13 – MADRID	Water treatment and purification	4,550	-	4,550
Conservación y Sistemas, S.A. C/ Federico Salmón, 13 – MADRID		1,558	-	1,558
- Cartagua – Aguas do Cartaxo, S.A.: Z. Industrial do Cartaxo, lote 20 – CARTAXO (PORTUGAL)	Water treatment and purification	1,110	-	1,110
TOTAL		172,218		153,269

During the FY, the company Abastecimientos y Saneamientos del Norte, S.A. Unipersonal changed its corporate name to FCC Aqualia América S.A. Unipersonal.

EQUITY INSTRUMENTS IN GROUP COMPANIES 2013 *(Amounts in thousand euros)*				
COMPANIES	**ACTIVITY**	**INVESTMENT**	**PROVISION**	**NET COST**
Abastecimientos y Saneamientos del Norte, S.A.U. Calle Uruguay, 11- Vigo (PONTEVEDRA)	Construction	601	(280)	321
Aquajerez, S.L. Pol.Ind.Ronda Oeste, 24 Jerez de la Frontera (CADIZ)	Water cycle management	2	-	2
Aquacartaya, S.L. Av.San Fco.Javier,15- SEVILLA	Water cycle management	3	-	3
Aqua Campiña, S.A. C/Blas Infante, 6 – Écija (SEVILLA)	Water cycle management	541	-	541
Acque di Caltanisseta, S. p.a. Viale Sicilia 176 93100 Caltanisseta – ITALIA	Water cycle management	18,809	(16,541)	2,268
- Aquaelvas – Aguas de Elvas, S.A. Rua Paco Bandeira, 14 – Assunçao Elvas – PORTUGAL	Water cycle management	402	-	402
Aquafundalia - Aguas do Fundão, S.A. Rua Fernando Pessoa, 195 - Fundão PORTUGAL	Water cycle management	510	-	510
Augas Municipais de Arteixo, S.A. Pza. Alcalde Ramón Dopico – Arteixo (LA CORUÑA)	Water cycle management	2,040	(2,033)	7
Colaboración, Gestión y Asistencia, S.A. C/ Federico Salmón, 13 – MADRID	Collection management	964	-	964
Compañía Onubense de Aguas, S.A. C/Martín Alonso Pinzón, 8 – HUELVA	Water cycle management	36	(9)	27
Depurtebo, S.A.U. C/ San Pedro, 57 – Zuera – ZARAGOZA	Water treatment and purification	6,045	-	6,045
Depurplan 11, S.A. C/ San Miguel, 1 – ZARAGOZA	Water treatment and purification	4,700	-	4,700
Empresa Mixta de Butarque, S.A. C/Princesa, 3 - (MADRID)	Water treatment and purification	84	(84)	-
- Inversora Riutort, S.L C/ Alfonso XIII – Sabadell (BARCELONA)	Portfolio company	3	-	3
Sociedad Ibérica del Agua, S.A.U. C/ Federico Salmón, 13 – MADRID	Water cycle management	60	-	60
Tratamiento Industrial del Agua, S.A. C/ Federico Salmón, 13 – MADRID	Water sanitation and purification	652	-	652
Hidrotec Tecnología del Agua, S.L.U. C/Pincel, 25 – SEVILLA	Industrial water treatment	32	-	32
Entemanser, S.A. C/Castillo, 13 – ADEJE (SANTA CRUZ DE TENERIFE)	Water sanitation and purification	63,953	-	63,953
Infraestructuras y Distribución General de Agua, S.L. C/La Presa, 14 – Tijoco Bajo-ADEJE (S.C.TENERIFE)	Participation and execution of works	8,665	-	8,665
Sociedad Española de Aguas Filtradas, S.A. Avda. Camino de Santiago, 40 – MADRID	Water purification	1,436	-	1,436

EQUITY INSTRUMENTS IN GROUP COMPANIES 2013 *(Amounts in thousand euros)*				
Aqualia Infraestructuras, S.A. Avda. Camino de Santiago, 40 – MADRID	Water treatment and purification	6,195	-	6,195
Aqualia Infraestructuras de México, S.A. de C.V. C/ Carrizal, 33 – Santiago de Querétaro – MÉXICO	Water treatment and purification	1	-	1
Aqualia Czech, S.L.U. Avda. Camino de Santiago, 40 – MADRID	Water cycle management	33,344	-	33,344
Aqualia New Europe B.V. C/Calude Debussylann, 24 – Amsterdam (HOLANDA)	Water cycle management	1,377	-	1,377
Aigües de Vallirana, S.A. C/ Conca de Tremp, 14 – Vallirana (BARCELONA)	Water cycle management	3,702	-	3,702
Aquamaior- Aguas de Campo Maior, S.A. Rua Mayor Talaya, 28 – Campo Maior – PORTUGAL	Water cycle management	725	-	725
Abrantaqua, S.A. Parque Lena – Alferrarede Abrantes – PORTUGAL	Water cycle management	30	-	30
Aqualia Industrial Solutions, S.A C/ Federico Salmón, 13 – MADRID	Water treatment and purification	4,550	-	4,550
Conservación y Sistemas, S.A. C/ Federico Salmón, 13 – MADRID	Infrastructures maintenance	1,558	-	1,558
- Cartagua – Aguas do Cartaxo, S.A.: Z. Industrial do Cartaxo, lote 20 – CARTAXO (PORTUGAL)	Water treatment and purification	1,110	-	1,110
TOTAL		**164,130**		**145,183**

Equity balances of these companies at 31 December 2014 and 2013 presented the equity data shown below, None of them is listed or has generated results from discontinued operations.

EQUITY DATA OF GROUP COMPANIES 2014

(Amounts in thousand euros)

COMPANIES	CAPITAL	Reserves and other items of the Net equity	Profit/loss 2012			% STAKE
			Operating profit/loss	Profit/loss from continuing operations	Profit/loss	
Abrantaqua, S.A.	500	134	302	72	72	60.00%
Acque di Caltanisseta, S.p.a.	3,500	862	3,975	2,059	2,059	98.48%
Aguas de Alcázar Empresa Mixta S.A.	126	13	5	(77)	(77)	52.38%
Aguas de las Galeras S.L.	3	472	1,097	472	472	51.00%
Aigües de Vallirana, S.A. (*)	102	2,427	330	306	306	100.00%
Aqua Campiña, S.A.	601	25	65	(181)	(181)	90.00%
Aquacartaya, S.L.	3	684	1,315	684	684	95.00%
Aquaelvas – Aguas de Elvas, S.A.	50	(33)	178	51	51	100.00%
Aquafundalia – Agua do Fundão, S.A.	510	(10)	125	35	35	100.00%
Aquajerez, S.L.	3	541	4,800	522	522	51,00%
Aqualia Czech, S.L.U.	69,302	8,195	(126)	3,025	3,025	51,00%
Aqualia Industrial Solutions, S.A.	151	1,587	(1,554)	(1,115)	(1,115)	99.99%
Aqualia Infraestructuras de México, S.A. de C.V.	7,563	4,247	(236)	409	409	0.01%
Aqualia Infraestructuras, S.A.	1,200	11,443	7,176	1,422	1,422	99.99%
Aqualia New Europe B.V.	16,000	(2,119)	(364)	(364)	(364)	51.00%
Aquamaior – Aguas de Campo Maior, S.A.	50	15	106	(87)	(87)	100.00%
Augas Municipais de Arteixo, S.A.	4,000	(3,879)	-	-	-	60.00%
Cartagua, Aguas do Cartaxo, S.A.	1,850	10	338	(36)	(36)	60.00%
Colaboración, Gestión y Asistencia, S.A. (*)	480	366	(1)	(2)	(2)	99.99%
Compañía Onubense de Aguas, S.A. (*)	60	(72)	-	-	-	60.00%
Conservación y Sistemas, S.A.	300	3,177	2,373	1,657	1,657	99.99%
Depurtebo 11, S.A.U.	4,700	1,009	1,070	258	258	100.00%
Depurplan , S.A.U. (*)	6,045	(4,492)	(3)	(2)	(2)	100.00%
Empresa Gestora de aguas Linenses S.L.	3	(47)	(2)	(47)	(47)	52,33%
Empresa Mixta de Butarque, S.A. (*)	120	(120)	-	-	-	70.00%
Entemanser, S.A.	2,137	24,018	5,756	3,542	3,542	97.00%
FCC Aqualia América S.A.U.	601	(277)	4	3	3	100.00%
Hidrotec Tecnología del Agua, S.L.U. (*)	3	3,054	3,720	2,406	2,406	100.00%
Infraestructuras y Dist. General del Agua, S.L. (*)	63	4,240	538	375	375	100.00%
Inversora Riutort, S.L. (*)	3	289	-	-	-	100.00%
Sociedad Española de Aguas Filtradas S.L. (*)	1,087	2,937	152	143	143	99.99%
Sociedad Ibérica del Agua S.A.U. (*)	60	21	6	7	7	100.00%
Tratamiento industrial de Aguas, S.A.	656	16,887	9,945	6,985	6,985	100.00%

(*) Non-audited data at 31 December 2014.

EQUITY DATA OF GROUP COMPANIES 2013 *(Amounts in thousand euros)*						
COMPANIES	**CAPITAL**	**Reserves and other equity items**	**Profit/loss 2013** **Operating profit/loss**	**Profit/loss from continuing operations**	**Profit/loss**	**% STAKE**
Abastecimientos y Saneamientos del Norte, S.A.U. (*)	601	(280)	-	-	-	100.00%
Abrantaqua, S.A.	50	245	337	46	46	60.00%
Aquamaior – Aguas de Campo Maior, S.A.	50	102	85	(31)	(31)	100.00%
Aqualia Industrial Solutions, S.A.	151	2,702	(715)	(539)	(539)	99.99%
Aquacartaya, S.L.	3	-	-	-	-	95.00%
Aigües de Vallirana, S.A. (*)	102	2,121	339	291	291	100.00%
Aqualia Infraestructuras, S.A.	1,200	10,021	(3,273)	3,444	3,444	99.99%
Aqualia Infraestructuras de México, S.A. de C.V.	7,468	3,795	2,219	2,275	2,275	0.01%
Aqua Campiña, S.A.	601	223	429	107	107	90.00%
Acque di Caltanisseta, S.p.a.	3,500	(1,197)	(644)	(1,197)	(1,197)	98.48%
Aqualia Czech, S.L.U.	69,302	4,507	124	2,309	2,309	51.00%
Aqualia New Europe B.V.	2,700	(1,755)	(211)	(211)	(211)	51.00%
Aquaelvas – Aguas de Elvas, S.A.	50	(83)	117	9	9	100.00%
Aquafundalia – Agua do Fundão, S.A.	510	(45)	28	(27)	(27)	100.00%
Aquajerez, S.L.	3	184	3,280	184	184	51.00%
Augas Municipais de Arteixo, S.A.	4,000	(3,987)	(1,213)	(1,323)	(1,323)	60.00%
Cartagua, Aguas do Cartaxo, S.A.	1,850	46	40	(245)	(245)	60.00%
Colaboración, Gestión y Asistencia, S.A. (*)	480	368	(1)	(118)	(118)	99.99%
Compañía Onubense de Aguas, S.A. (*)	60	(72)	-	-	-	60.00%
Conservación y Sistemas, S.A.	300	1,521	217	424	424	99.99%
Depurtebo, S.A.U. (*)	6,045	(4,489)	(7)	18	18	100.00%
Depurplan 11, S.A.U.	4,700	211	1,137	278	278	100.00%
Empresa Mixta de Butarque, S.A. (*)	120	(120)	-	-	-	70.00%
Entemanser, S.A.	2,137	20,476	6,070	4,316	4,316	97.00%
Graver Española, S.A.U.	-	-	-	-	-	100.00%
Hidrotec Tecnología del Agua, S.L.U. (*)	3	647	225	135	135	100.00%
Infraestructuras y Dist. General del Agua, S.L. (*)	63	4,208	745	344	344	100.00%
Inversora Riutort, S.L. (*)	3	289	-	5	5	100.00%
Nilo Medioambiente, S.L.U.	-	-	-	-	-	100.00%
Sociedad Ibérica del Agua, S.A.U. (*)	60	13	8	8	8	100.00%
Sociedad Española de Aguas Filtradas, S.A.	1,087	2,793	(169)	(169)	(688)	99.99%
Tratamiento Industrial de Aguas, S.A.	656	9,902	12,292	9,748	9,748	99.99%

(*) Non-audited data at 31 December 2013.

- Equity instruments in affiliated companies. Detail of the balance at 31 December 2014 and 2013.

EQUITY INSTRUMENTS IN AFFILIATED COMPANIES 2014

(Amounts in thousand euros)

COMPANIES	ACTIVITY	INVESTMENT	PROVISION	NET RESULT
Aguas de Denia, S.A. Pedro Esteve, 17 - Denia (ALICANTE)	Water cycle management	400	-	400
Aguas de Archidona, S.L. Pza. Ochavada, 1 - Archidona (MÁLAGA)	Water cycle management	72	-	72
Aguas de Ubrique, S.A. Avenida España, 9 – Ubrique (CADIZ)	Water cycle management	59	(59)	-
Aigües del Tomoví, S.A. c/ Vella, 1 – El Vendrell (TARRAGONA)	Water cycle management	490	-	490
Aguas de Narixa, S.A. C/Málaga, 11 – Nerja (MÁLAGA)	Water cycle management	300	-	300
Concesionaria de Desalación de Ibiza, S.A. Rotonda de Sta. Eulalia, s/n – Ibiza (BALÉARES)	Construction and operation of desalination plant	1,082	-	1,082
AIE Costa Tropical de Granada Plaza Aurora, s/n - Motril (GRENADE)	Water cycle management	828	-	828
AIE ITAM Delta de la Tordera Travesía de Gracia, 58. - BARCELONA	Construction and operation of desalination plant	3	-	3
Compañía de Servicios Medioambientales do Atlántico, S.A. Carretera de Cedeira, km1 - Narón (LA CORUÑA)	Water cycle management	294	-	294
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A. Plaza de la Glorieta, 1 – Níjar (ALMERÍA)	Water cycle management	221	(2)	219
Empresa Municipal Aguas de Algeciras, S.A. C/Virgen del Carmen, s/n - Algeciras (CADIZ)	Water cycle management	442	(442)	-
Empresa Municipal de Aguas de Linares, S.A. C/ Cid Campeador, 7 - Linares (JAEN)	Water cycle management	147	(147)	-
Empresa Municipal Aguas de Benalmádena, S.A. Expl. Ap.Tívoli, s/n – Arroyo de la Miel (MÁLAGA)	Water cycle management	1,310	-	1,310
Empresa Municipal Aguas de Toxiria, S.A. Plaza de la Constitución – Torredonjimeno (JAÉN)	Water cycle management	118	(56)	62
Generávila, S.A. Plaza de la Catedral, 11 – ÁVILA	Construction and oper. of electricity	432	(358)	74
Aigües del Segarra Garrigues, S.A. C/Santa Clara, 4 – Tárrega (LÉRIDA**)**	Construction and oper. of irrigation	300	-	300
Girona, S.A. Travesía del Carril, 2 – GIRONA	Water cycle management	365	-	365
Aqualia MACE P.O.Box 105547 ABU DHABI	Water cycle management	15	-	15
Nueva Sociedad de Aguas de Ibiza, S.A. C/Bartolomé Rosselló, 18 - (IBIZA)	Water cycle management	28	-	28
Orasqualia Devel. Waste Treatment Plant S.A.E. 2112 South Tower – Le Caire (EGYPT)		12,381	-	12,381
Orasqualia O¬M Nile City Towers – Le Caire (EGYPT)	WWTP maintenance	1,508	-	1,508
Aquos El Realito, S.A. de C.V. B.Manuel Avila Camacho, nº36 - piso5 – Col. Lomas de Chapultepec Mexico	Conduction and potabisation of water	5,127	-	5,127
Sera.Q.A. Duitama, S.A. COLOMBIA	Water cycle management	94	(67)	27
Suministros aguas de Querétaro, S.A. de C.V. Santiago de Querétaro – Querétaro Arteaga (MÉXICO)	Water cycle management	182	-	182
AIE Aquagest Medioambiente-aqualia C/Condado de Jaruco, s.n. – Lloret de Mar (GIRONA)	Shareholding and performance of studies	240	-	240
Shariket Thalya Miyah Mostaganem Cité Abdoni Ilot, 36 – Dar el Beida (ALGERIA)	Desalination plants construction and operation	8,308	-	8,308
Shariket Miyeh Ras Djinet Cité Abdoni Ilot, 36 – Dar el Beida (ALGERIA)	Desalination plants construction and operation	5,188	-	5,188
Aguas de Langreo, S.L. C/Alonso del Riesgo, 3 – Langreo (ASTURIAS**)**	Water cycle management	882	(132)	750
A.I.E. Costa Brava Abastament Aqualia – Sorea Sector Carlit, s/nº - 17487 EMPURIABRAVA (GERONA)	Water supply	78	-	78
- Aguas de Priego, S.L. Pz De La Constitución, 3 – 14800 PRIEGO DE	Water cycle management	245	(245)	-

EQUITY INSTRUMENTS IN AFFILIATED COMPANIES 2014 *(Amounts in thousand euros)*				
CÓRDOBA (CORDOBA)				
Empresa Mixta de Aguas de Jódar, S.A. P$_z$ De España, 1 – 23500 JÓDAR (JAEN)	Water cycle management	73	(73)	-
Empresa Mixta de Aguas de Ubrique , S.A. C/JUZGADO S/N- 11600 UBRIQUE (CADIZ)	Water cycle management	73		73
TOTAL		**41,294**		**39,987**

EQUITY INSTRUMENTS IN AFFILIATED COMPANIES 2013 *(Amounts in thousand euros)*				
COMPANIES	**ACTIVITY**	**INVESTMENT**	**PROVISION**	**NET RESULT**
Aguas de Denia, S.A. Pedro Esteve, 17 - Denia (ALICANTE)	Water cycle management	400	-	400
Aguas de Archidona, S.L. Pza. Ochavada, 1 - Archidona (MÁLAGA)	Water cycle management	72	-	72
Aguas de Ubrique, S.A. Avenida España, 9 – Ubrique (CADIZ)	Water cycle management	59	(59)	-
Aigües del Tomoví, S.A. c/ Vella, 1 – El Vendrell (TARRAGONA)	Water cycle management	490	-	490
Aguas de Narixa, S.A. C/Málaga, 11 – Nerja (MÁLAGA)	Water cycle management	300	-	300
Concesionaria de Desalación de Ibiza, S.A. Rotonda de Sta. Eulalia, s/n – Ibiza (BALEARES)	Operation of desalination plant	1,082	-	1,082
AIE Costa Tropical de Granada Plaza Aurora, s/n - Motril (GRENADE)	Water cycle management	828	-	828
AIE ITAM Delta de la Tordera Travesía de Gracia, 58. - BARCELONA	Construction and operation of desalination plant	3	-	3
Compañía de Servicios Medioambientales do Atlántico, S.A. Carretera de Cedeira, km1 - Narón (LA CORUÑA)	Water cycle management	294	-	294
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A. Plaza de la Glorieta, 1 – Níjar (ALMERÍA)	Water cycle management	221	(2)	219
Empresa Municipal Aguas de Algeciras, S.A. C/Virgen del Carmen, s/n - Algeciras (CADIZ)	Water cycle management	442	(442)	-
Empresa Municipal de Aguas de Linares, S.A. C/ Cid Campeador, 7 - Linares (JAEN)	Water cycle management	147	(147)	-
Empresa Municipal Aguas de Benalmádena, S.A. Expl. Ap.Tívoli, s/n – Arroyo de la Miel (MÁLAGA)	Water cycle management	1,310	-	1,310
Empresa Municipal Aguas de Toxiria, S.A. Plaza de la Constitución – Torredonjimeno (JAÉN)	Water cycle management	118	(56)	62
Generávila, S.A. Plaza de la Catedral, 11 – ÁVILA	Construction and oper. of electricity	432	(358)	74
Aigües del Segarra Garrigues, S.A. C/Santa Clara, 4 – Tárrega (LÉRIDA**)**	Construction and oper. of irrigation	300	-	300
Girona, S.A. Travesía del Carril, 2 – GIRONA	Water cycle management	365	-	365
Aqualia MACE P.O.Box 105547 ABU DHABI	Water cycle management	15	-	15
Nueva Sociedad de Aguas de Ibiza, S.A. C/Bartolomé Rosselló, 18 - (IBIZA)	Water cycle management	28	-	28
Orasqualia Devel. Waste Treatment Plant S.A.E. 2112 South Tower – Le Caire (EGYPT)		12,381	-	12,381
Orasqualia O¬M Nile City Towers – Le Caire (EGYPT)	WWTP maintenance	1,508	-	1,508
Aquos El Realito, S.A. de C.V. B.Manuel Avila Camacho, nº36 - piso5 – Col. Lomas de Chapultepec Mexico	Conduction and potabisation of water	5,127	-	5,127
Sera.Q.A. Duitama, S.A. COLOMBIA	Water cycle management	94	(67)	27
Suministros aguas de Querétaro, S.A. de C.V. Santiago de Querétaro – Querétaro Arteaga (MEXICO)	Water cycle management	182	-	182
AIE Aquagest Medioambiente-aqualia C/Condado de Jaruco, s.n. – Lloret de Mar (GIRONA)	Shareholding and performance of studies	240	-	240
Shariket Thalya Miyah Mostaganem Cité Abdoni Ilot, 36 – Dar el Beida (ALGERIA)	Desalination plants construction and operation	8,308	-	8,308

EQUITY INSTRUMENTS IN AFFILIATED COMPANIES 2013 *(Amounts in thousand euros)*				
Shariket Miyeh Ras Djinet Cité Abdoni Ilot, 36 – Dar el Beida (ALGERIA)	Desalination plants construction and operation	5,188	-	5,188
Aguas de Langreo, S.L. C/Alonso del Riesgo, 3 – Langreo (ASTURIAS)	Water cycle management	882	(132)	750
A.I.E. Costa Brava Abastament Aqualia – Sorea Sector Carlit, s/nº - 17487 EMPURIABRAVA (GERONA)	Water supply	78	-	78
- Aguas de Priego, S.L. Pz De La Constitución, 3 – 14800 PRIEGO DE CÓRDOBA (CORDOBA)	Water cycle management	245	(245)	-
Empresa Mixta de Aguas de Jódar, S.A. Pz De España, 1 – 23500 JÓDAR (JAEN)	Water cycle management	73	(73)	-
TOTAL		**41,212**		**Ilegible**

Equity data of the balance sheet of said companies at 31 December 2014 and 2013 are presented below. None of these companies is listed or has generated results from discontinued operations in financial years 2014 and 2013.

EQUITY DATA OF AFFILIATED COMPANIES 2014 *(Amounts in thousand euros)*						
COMPANIES	**CAPITAL**	**Reserves and other items of the Net equity**	**PROFIT/LOSS 2014**			**% STAKE**
			Operating profit/loss	**Profit/loss from continuing operations**	**Profit/loss**	
Aguas de Archidona, S.L.	150	-	9	(5)	(5)	48.00%
Aguas de Denia, S.A. (*)	425	830	11	11	11	33.00%
Aguas de Langreo, S.L.	1,800	(110)	513	162	162	49.00%
Aguas de Narixa, S.A.	600	83	208	17	17	50.00%
Aguas de Priego, S.L.	500	(555)	206	10	10	49.00%
Aguas de Ubrique, S.A. (*)	120	(588)	(25)	(25)	(25)	49.00%
AIE Aquagest Medioambiente Aqualia (*)	400	400	(24)	72	72	37.50%
AIE Costa Brava Abastament Aqualia – Sorea	156	-	-	93	93	50.00%
AIE Costa Tropical de Granada	1,623	6,320	1,665	1,314	1,314	51.00%
AIE ITAM Delta de la Tordera (*)	6	(6)	(1)	22	22	50.00%
Aigües del Segarra Garrigues, S.A.	15,000	9,282	1,110	2,1644	2,1644	1.00%
Aigües del Tomoví, S.A. (*)	1,000	2,617	329	310	310	49.00%
Aqualia MACE	34	3,710	3,388	3,388	3,388	51.00%
Aquos El Realito, S.A. de C.V.	10,836	2,954	11,558	1,654	1,654	44.00%
Cía. de Serv. Medioambientales do Atlántico, S.A.	601	182	322	57	57	49.00%
Concesionaria de Desalación de Aguas de Ibiza, S.A.	1,850	295	1,398	539	539	50.00%
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A.	450	(2)	150	3	3	49.00%
Empresa Mixta de Aguas de Jódar, S.A.	150	(212)	(12)	(48)	(48)	49.00%
Empresa Mixta de Aguas de Ubrique, S.A.	150	14	19	14	14	49.00%
Empresa Municipal Aguas de Algeciras, S.A.	451	(110)	296	30	30	49.00%
Empresa Municipal de Aguas Benalmádena, S.A.	1,803	1,881	2,107	994	994	50.00%
Empresa Municipal de Aguas de Linares, S.A.	300	(1,045)	(353)	(267)	(267)	49.00%
Empresa Municipal de Aguas de Toxiria, S.A	240	(69)	70	44	44	49.00%
Generávila, S.A.	310	(5,676)	(313)	(503)	(503)	36.00%
Girona, S.A.	1,200	4,598	396	379	379	33.61%
Nueva Sociedad de Aguas de Ibiza, S.A. (*)	60	152	68	48	48	40.00%
Orasqualia Devel. Waste. T.P.	27,116	13,182	12,268	3,046	3,046	41.81%
Orasqualia O&M	2,786	827	737	573	573	50.00%
SERA.Q.A. Duitama, S.A. (*)	113	(41)	-	(1)	(1)	30.60%
Shariket Tahlya Miyah Mostaganem S.pA.	19,227	24,158	7,106	4,256	4,256	25.49%
Shariket Miyeh Ras Djinet S.p.A.	29,706	81,988	17,845	13,231	13,231	25.49%
Suministro de Agua de Queretaro, SA de CV	19,444	24,329	12,552	5,667	5,667	1.00%

(*) Non-audited data as at 31 December 2014.

FCC Aqualia, S. A.

EQUITY DATA OF AFFILIATED COMPANIES 2013 *(Amounts in thousand euros)*						
			PROFIT/LOSS 2013			
COMPANIES	CAPITAL	Reserves and other items of the Net equity	Operating profit/loss	Profit/loss from continuing operations	Profit/loss	% STAKE
Aguas de Archidona, S.L.	150	6	41	6	6	48.00%
Aguas de Denia, S.A. (*)	425	819	14	10	10	33.00%
Aguas de Langreo, S.L.	1,800	(271)	573	224	224	49.00%
Aguas de Ubrique, S.A. (*)	120	(562)	(73)	(202)	(202)	49.00%
Aguas de Narixa, S.A.	600	169	290	114	114	50.00%
Aguas de Priego, S.L.	500	(564)	(88)	(229)	(229)	49.00%
AIE Costa Brava Abastament Aqualia – Sorea	156	-	-	103	103	50.00%
AIE Costa Tropical de Granada	1,623	4,850	1,165	1,237	1,237	51.00%
AIE ITAM Delta de la Tordera (*)	6	(6)	(2)	25	25	50.00%
AIE Aquagest Medioambiente Aqualia (*)	400	-	-	102	102	37.50%
Aigües del Segarra Garrigues, S.A.	15,000	4,828	(3,020)	2,290	2,290	1.00%
Aigües del Tomoví, S.A. (*)	1,000	2,889	(259)	(274)	(274)	49.00%
Cía. de Serv. Medioambientales do Atlántico, S.A.	601	125	318	318	28	49.00%
Conducció del Ter, S.L. (*)	-	-	-	-	-	-
Concesionaria de Desalación de Aguas de Ibiza, S.A.	1,850	1,010	739	739	533	50.00%
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A.	450	(5)	126	126	58	49.00%
Empresa Mixta de Aguas de Jódar, S.A.	150	(164)	29	(16)	(16)	49.00%
Empresa Municipal Aguas de Algeciras, S.A.	451	(577)	595	595	176	49.00%
Empresa Municipal de Aguas Benalmádena, S.A.	1,803	2,351	2,386	1,233	1,233	50.00%
Empresa Municipal de Aguas de Toxiria, S.A	240	(114)	153	153	105	49.00%
Empresa Municipal de Aguas de Linares, S.A.	300	(778)	(327)	(252)	(252)	49.00%
Generávila, S.A.	310	(105)	218	(3)	(3)	36.00%
Girona, S.A.	1,200	4,398	299	309	309	33.61%
Nueva Sociedad de Aguas de Ibiza, S.A. (*)	60	104	50	50	35	40.00%
Orasqualia Devel. Waste. T.P.	24,638	8,988	12,630	4,540	4,540	41.81%
Orasqualia O&M	2,531	190	267	220	220	50.00%
Aquos El Realito, S.A. de C.V.	10,701	(1,764)	10,027	565	565	44.00%
SERA.Q.A. Duitama, S.A. (*)	47	49	2	1	1	30.60%
Shariket Tahlya Miyah Mostaganem S.pA.	29,390	68,026	21,543	25,595	25,595	25.49%
Shariket Miyeh Ras Djinet S.p.A.	19,022	19,690	9,249	6,340	6,340	25.49%
Suministro de Agua de Queretaro, SA de CV	3,229	3,802	1,936	876	876	1.00%

(*) Non-audited data at 31 December 2013.

The income detail by capital holdings in group companies and affiliated is shown in Note 18.1.

7.2. Long term credits to Group companies and affiliated

The detail is shown below:

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LONG TERM CREDITS TO COMPANIES (Amounts in thousand euros)		
	31.12.13	**31.12.14**
Credits to Group Companies (Note 7)	46,521	25,039
Credits to Affiliated Companies (Note 7.2.2)	45,799	48,430
TOTAL	**92,320**	**73,469**

7.2.1 Long term credits to group companies. The detail and balance at 31 December 2014 and 2013 under this heading is the following:

CREDITS TO GROUP COMPANIES *(Amounts in thousand euros)*				
	31.12.14	**31.12.13**	**INTEREST**	**MATURITY DATE**
Aqua Campiña, S.A.	5,160	5,500	Euribor + 1	2026
Aquajerez, S.L.	16,981	12,850	Euribor + 3	2038
Aquacartaya, S.L.	2,025	1,275	Euribor +7.5%	2018
Empresa gestora de Aguas Linenses, SL.	10,390	-	Euribor +7.5%	2019
Aguas de las Galeras, S.L.	2,258	-	10%	2020
Aguas de las Galeras, S.L.	4,351	-	Legal Int. -1%	2017
Aguas de Alcázar Empresa Mixta, S.A.	4,593	-	4%	2024
Fomento de Construcciones y Contratas, S.A.	763	5,414	5,56%	2020
TOTAL	**46,521**	**25,039**		

7.2.2 Long term credits to affiliated companies present the detail shown below:

CREDITS TO AFFILIATED COMPANIES *(Amounts in thousand euros)*				
	Illegible	**Illegible**	**INTEREST**	**MATURITY DATE**
AIE Gest. Serv. Hidraúlicos Ciudad Real	79	79	-	2016
Emp. Municipal de Aguas de Algeciras, S.A.	3.909	4,254	EURIBOR + 1%	2045
Emp. Municipal de Aguas de Benalmádena, S.A.	7,749	10,186	EURIBOR (12) + 0.9%	2025
Emp. Municipal de Aguas de Toxiria, S.A.	587	626	EURIBOR (12) + 1%	2029
Aguas de Langreo, S.L.	5,548	5,914	EURIBOR + 1	2031
EMANAGUA - Empresa Mpal de Aguas de Nijar	5,083	5,404	EURIBOR (12) + 1.25%	2025
Aigües del Tomoví, S.A.	1,430	1,938	4%	2032
Aguas de Archidona, S.A.	549	561	LEGAL INTEREST RATE+ 3%	2036
Aguas de Narixa, S.A.	5,045	5,182	EURIBOR (12) + 0.75%	2034
Aquos El Realito, S.A. de C.V.	10,164	8,857	-	2016
AIE Costa Brava Abastament Aqualia Sorea	2	2	-	2015
Aguas de Priego, S.L.	3,726	3,819	5%	2037
Empresa Mixta de Aguas de Jódar, S.A.	1,025	1,048	7%	2035
Orasqualia Development Waste T.Plant SAE	69	63	-	2015
Emp. Municipal de Aguas de Linares, S.A.	570	497	EURIBOR + 0.05 %	2032
Empresa Mixta de Aguas de Ubrique, S.A.	364	-	7,7%	20,39
TOTAL	**45,799**	**48,430**		

The outstanding balances with Aquos El Realito, S.A. de C.V. accrue interest because these are funds transferred for future capital increases.

NOTE 8. FINANCIAL ASSETS BY CATEGORIES

Classification of financial assets, excluding stakes in group companies and affiliated, is shown below:

FINANCIAL ASSETS BY CATEGORIES *(Amounts in thousand euros)*						
	31.12.12			**31.12.11**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Assets maintained for negotiation						
Unlisted equity instruments (note 8.1)	94	-	94	94	-	94
Loans and accounts receivable				**94**	**,**	**94**
Credits to group companies and affiliated (notes 8.1)	92,320	265,317	357,637	73,469	112,229	185,698
Credits to third parties (notes 9.2 and 10.2)	93,428	15,388	108,816	111,553	16,299	127,852
Other financial assets in Group companies and affiliated (note89.3)	-	5,853	5,853	-	7,396	7,396
Other financial assets with third parties (note 8.3)	14,000	16,750	30,750	12,944	9,662	22,606
Trade and other accounts receivable (note 8.4 and 10)	12.625	130,700	143,325	12,789	159,020	171,809
Total	**212,467**	**434,008**	**646,381**	**210,755**	**304,606**	**515,455**
TOTAL FINANCIAL ASSETS	**212,467**	**434,008**	**646,381**	**210,849**	**304,606**	**515,455**

Financial assets have a fair value which does not significantly differ from their accounting value. The only losses and profits from financial assets correspond to the adjustments for value impairment detailed in Note 10.3 and financial investments generated by credit interests, which have amounted to 18,856 thousand euros at 31 December 2014 (10,951 thousand euros at 31 December 2013).

8.1. Unlisted equity instruments

They show the following detail at 31 December 2014 and 2013:

EQUITY INSTRUMENTS *(Amounts in thousand euros)*	
Sevilla Seed Capital, S.A.	84
Otras inversiones	10
TOTAL	**94**

The company has a stake of 4.19 % in the capital stock of Sevilla Seed Capital, S.A.

8.2. Credits to third parties

This heading shows mainly credits granted to Town Councils for the realisation of works and installations in the water network. These credits accrue a variable interest rate depending on Euribor, and are recovered according to the amortization chart included in the contract by means of debt compensation with the town halls that come from the collection of fees designated for direct reinvestment in the network and other concepts. The part thereof with a maturity date of less than one year is included in heading Short term financial investments (see note 9.2).

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The detail at 31 December 2014 and 2013 is the following:

CREDITS TO THIRD PARTIES *(Amounts in thousand euros)* *FINAL MATURITY DATE*	**31.12.14**	**31.12.13**	***5 YEARS***	***5 YEARS***
Agaete Municipality	294	--	2018	-
Alboraya Municipality	4,275	4,519		>2019
Ávila Municipality	5,165	5,874		>2019
Aller Municipality	373	419		>2019
Albuera Municipality	313	368		>2019
Almería Municipality	-	2,357		>2019
Los Alcázares Town Council	406	406	2017	
Baena Municipality	707	1,247	2017	
Bell-Lloch Municipality	70	75		>2019
Bollullos Municipality	1,396	1,377		>2019
Calasparra Municipality	382	502		>2019
Callosa del Segura Municipality	1,693	4,225		>2019
Caravaca de la Cruz Municipality	676	1,178		>2019
Chiclana Municipality	373	622	2017	
Chipiona Municipality	766	1,369		>2019
El Escorial Municipality	3,735	4,142		>2019
El Vendrell Municipality	227	246		>2019
Ingenio Municipality	0	789		>2019
Hellín Municipality	24	27		>2019
Hondón de los Frailes Municipality	168	207		>2019
Gáldar Municipality	5,250	8,858		>2019
Güimar Municipality	294	353		>2019
Jaén Municipality	31,075	29,878		>2019
La Guardia Municipality	452	490		>2019
La Línea Municipality	1,675	4,814		>2019
Lepe Municipality	8,502	8,601		>2019
Lora del Río Municipality	1,025	1,185		>2019
Magán Municipality	280	302		>2019
Martos Municipality	430	563		>2019
Matalascañas Municipality	3,179	2,133		>2019
Medina del Campo Municipality	104	117		>2019
Mula Municipality	969	1,535		>2019
Oviedo Municipality	311	644		>2019
Puerto de la Cruz Municipality	2,618	4,493		>2019
Quintanar de la Orden Municipality	106	144	2017	
Ribera del Fresno Municipality	379	550		>2019
Ronda Municipality	3,164	3,288		>2019
San Pedro del Pinatar Municipality	400	948		>2019
San Fost Municipality	1,445	1,484		>2019
Segurilla Municipality	7	10		>2019
Solana de Los Barros Municipality	181	211		>2019
Talavera de la Reina Municipality	218	369		>2019
Turcia Municipality	10	-		>2019
Ubrique Municipality	1,168	1,280		>2019
Vélez-Málaga Municipality	3,187	3,620		>2019
Region of Campo de Gibraltar	5,538	5,491		>2019
Irrigation Community Llanos Villamartín	333	188		>2019
Irrigation Community	41	-		>2019
Credits to staff	34	**55**	2016	
Total credits to third parties	**93,428**	111,553		

During financial year 2014, an impairment has been notably registered for an amount of 4,257 thousand euros charged against the account heading "Impairment and results of the disposal of financial instruments" (Note 18.10).

8.3 Other financial assets

Balance shows the following detail at 31 December 2014 and 2013:

OTHER FINANCIAL ASSETS *(Amounts in thousand euros)*		
Non-current	**31.12.14**	**31.12.13**
Long term deposits and guarantees	14,000	12,944
TOTAL	**14,000**	**12,944**
Current	**31.12.14**	**31.12.13**
Dividends receivable from Group companies and affiliated	5,853	7,396
Short-term deposits and guarantees	16,660	9,653
Other financial assets	90	9
TOTAL	**22,603**	**17,059**

8.3.1 Dividends receivable from Group companies and affiliated

The detail of dividends receivable from Group companies and affiliated is the following:

DIVIDENDS RECEIVABLE FROM GROUP COMPANIES AND AFFILIATED ***(Amounts in thousand euros)***		
	31.12.14	**31.12.13**
A.I.E. ITAM Delta de La Tordera	1,047	1,036
A.I.E. Gestión de servicios hidráulicos Ciudad Real	470	470
A.I.E. Aquagest Medioambiente - Aqualia	93	112
A.I.E. Costa Tropical de Granada	4,196	3,526
Entemanser, S.A.	-	2,200
A.I.E. Costa Brava Abastament Aqualia Sorea	47	52
TOTAL	**5,853**	**7,396**

8.4 Trade and other accounts receivable (Concession agreement, non-current collection right)

Under this heading the right to collect it has in the construction and operation of a sea water desalination plant in Santa Eulalia (Balearic Islands) is recorded, based upon a public works concession contract signed on 15 November 2005 by the Company in Temporary Joint Venture with its parent company Aqualia Infraestructuras, S.A. and the Ministry of Environment of the Spanish Government for an amount of 12,625 thousand euros in non-current assets in the balance sheet and 2,637 thousand euros in current assets in the balance sheet.

This contract was recorded as a financial asset because its specifications establish a minimum guaranteed volume of cubic metres which the Company can invoice during the desalination plant's operating period (15 years). Since it is estimated that the fair value of the construction services will be recouped with that guaranteed invoicing volume, this means that there is no demand risk for the concession company.

On 30 November 2011 works were finished having signed at that date the certificate of final acceptance, and guarantee period for two years.

At 31 December 2012, once the trial period was completed, the Company was operating the seawater desalination plant and reclassified the amount expected to be received in the following twelve months to the short term.

Movements in 2014 and 2013 are shown below:

Non-current collection right, concession agreement *(Amounts in thousand euros)* *Variation between 1 January and 31 December 2014*	
Balance at 31 December 2013	**12,789**
Additions during the year	337
Collection of capital grant	671
Transfer to Non-current collection right, concession agreement (Note 8)	(1,172)
Variation between 1 January and 31 December 2013	
Balance at 31st December 2012	**12,310**
Additions during the year	943
Transfer to Non-current collection right, concession agreement (Note 8)	(464)
Balance at 31 December 2013	**12,789**

During FY 2014, and considering the default that, in the opinion of the Company, based on the advice of its legal advisors, affects the grantor of the concession, the UTE holding the concession has moved for termination of the agreement and claimed payment of the relevant amount before the General Directorate for Water of the Ministry of Agriculture, Food and Environment, and is presently awaiting the decision of said body. The Company does not anticipate such decision to bring about any differences to the amount it has capitalized.

NOTE 9. SHORT TERM CREDITS

The composition of the balance at 31 December 2014 and 2013 is:

SHORT TERM CREDITS *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Credits to Group Companies and affiliated	265,317	112,229
Other credits to third parties outside the Group	15,388	16,299
TOTAL	**280,705**	**128,528**

9.1. Credits to Group companies and affiliated show the following detail at 31 December 2014 and 2013:

SHORT TERM CREDITS TO GROUP COMPANIES AND AFFILIATED *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Credits to Group Companies and affiliated	259,916	107,533
Short term interests from Group companies and affiliated	5,401	4,696
TOTAL	**265,317**	**112,229**

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SHORT TERM CREDITS TO GROUP COMPANIES AND AFFILIATED *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
A.I.E Costa Tropical de Granada	2,008	-
A.I.E ITAM La Tordera	705	705
Acque de Caltanisseta, SPA	5,988	6,902
Aguas de Archidona, S.L.	12	11
Aguas de Langreo, S.L.	732	732
Aguas de las Galeras S.L.	1,204	-
Aguas de Narixa S.A.	436	435
Aguas de Priego, S.L.	93	88
Aigues de Vallirana, S.A.U	137	128
Aqua Campiña, S.A.	511	460
Aquacartaya, S.L.	855	225
Aquaelvas – Aguas de Elvas S.A.	1,679	1,659
Aquafundalia – Agua do Fundao, S.A.	1,728	1,779
Aquajerez S.L.	391	296
Aqualia Czche, S.L.U	4,293	2,886
Aqualia Infraestructuras, S.A.	24,957	21,311
Aqualia MACE LLC	7	6
Aquamaior – Aguas de Campo Maior S.A	676	682
Asesoría Financiera y de Gestión S.A	65,162	-
Cartagua, Aguas do Cartaxo, S.A	4,536	4,320
Compañia de Servicios Medioambientales do Atlántico, S.A.	474	509
Conservación y sistemas, S.A	751	385
Depurplan S.A.U	232	122
Depurtebo, S.A.	11	17
EMANAGUA – Emp. Municipal de Aguas de Nijar, S.A.	319	311
Ematoxiria S.A.	41	40
Emp.Municipal de Aguas de Benalmádena, S.A	782	5,097
Emp.Municipal de Aguas de Linares, S.A	27	27
Emp.Municipal de Aguas de Linenses, S.L	65	-
Empresa Mixta de aguas y servicios S.A	1	1
Empresa municipal de Aguas de Algecira, S.A	401	446
Entemanser, S.A.	1,910	1,787
FCC Aqualia América, S.A. Unipersonal	2	1
FCC Construcción S.A.	876	876
Fomento de Construcciones y Contratas, S.A.	130,700	54,958
FS Colaboración y Asistencia S.A.	73	32
Hidrotec Tecnología del Agua S.L.U,	5,441	167
Infraestructuras y Distribución General del Agua	160	223
Shariket Miyeh Ras Djinet S.p.a	4	4
Shariket Tahlya Mostaganem ,S.p.a	41	41
Sociedad Española de Aguas Filtradas, S.A.	81	785
Sociedad Ibérica del Agua, S.A.	1	1
Tratamiento industrial de Aguas, S.A.	3,158	3,752
TOTAL	**Illegible**	**Illegible**

These credits accrue market interests and their balance includes 8,490 thousand euros at 31 December 2014 (6,576 thousand euros at 31 December 2013) as receivables for income tax in affiliates belonging to the FCC fiscal group.

9.2. Credit to third parties outside the Group. This heading shows mainly short term credits granted to Municipalities for the realisation of works and installations in the water network. The part thereof with maturity date of less than one year is included in heading non current financial investments (see note 8.2).

Said receivables include the following detail as at 31 December 2014 and 2013:

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OTHER CREDITS *(Amounts in thousand euros)*	31.12.2014	31.12.13
Aguas del Puerto de Santa María, S.A.	-	1,297
Municipality of Aller	217	165
Municipality of Almería	2,357	2,314
Municipality of Atmetlla de Mar	366	570
Municipality of Alboraya	107	-
Municipality of Ávila	119	132
Municipality of Baena	1,106	1,095
Municipality of Bollullos	456	335
Municipality of Callosa de Segura	120	-
Municipality of Caravaca	260	-
Municipality of Cangas de Morrazo	139	139
Municipality of Chiclana	249	433
Municipality of Chipiona	730	468
Municipality of La Guardia	57	144
Municipality of Güimar	29	-
Municipality of Hondon de los frailes	17	-
Municipality of La Línea de la Concepción	642	1,031
Municipality of Lepe	584	794
Municipalityla Albuera	28	-
Municipality of Jaén	3,226	3,786
Municipality of Martos	179	121
Municipality of Masllorenç	7	24
Municipality of Oviedo	398	304
Municipality of Ronda	116	105
Municipality of Ubrique	129	183
Municipality of Vélez – Málaga	218	1,529
Municipality of El Vendrell	18	17
Municipality of Medina del campo	7	-
Municipality of Mula	305	-
Municipality of Puerto de la Cruz	664	-
Municipality of Ribera del Fresno	171	1
Municipality of Sant Fost	89	148
Municipality of Santa Cristina	6	6
Municipality of Tarifa	267	171
Municipality of Lora de Río	121	97
Municipality of Matalascañas	454	358
District of Campo de Gibraltar	727	348
Irrigation Community Llanos Villamartín	68	66
Elrondaguel, S.L.	3	3
Ivanyumeva, S.L.	3	3
Instalaciones Mercader	7	11
Municipality of San Pedro Pinatar	131	-
Municipality of San Lorenzo del Escorial	248	-
Municipality of Solana de los Barros	15	-
Municipality of Calasparra	52	-
Municipality of Agaete	70	-
Municipality of Peralada	243	-
Interests	197	102
TOTAL	**15,388**	16,299

These credits accrue market interests.

NOTE 10. TRADE AND OTHER RECEIVABLES

10.1 The breakdown of the balance under "Trade receivables for sales and services" as at 31 December of each FY is as follows:

TRADE RECEIVABLES FOR SALES AND SERVICES
(Amounts in thousand euros)

	31.12.14	31.12.13
Accounts receivable pending payment from clients outside the Group	156,443	172,588
Receivables assigned with recourse to third-party clients	-	5,298
Receivables assigned without recourse to third-party clients	(82,049)	(80,875)
Completed work pending invoicing to clients outside the Group	37,490	37,031
Security withholdings by clients outside the Group	182	81
Receivables impairment	28,414	(25,171)
TOTAL	**83,652**	**108,952**

At 31 December 2014, 9,624 thousand euros of net balance with Clients correspond to Temporary Joint Ventures (UTEs) (24,011 thousand euros at 31 December 2013).

The caption "Completed work pending invoicing" records the amount of invoices issued to clients for services provided and pending collection at year-end.

The caption "Receivables assigned with recourse to third-party clients" presents no balance at 31 December 2014 (5,298 thousand euros at 31 December 2013), which corresponded to an agreement signed on 15 November 2012 and extended on 28 December 2012 up to 180,000 thousand euros with BBVA, establishing that the companies Fomento de Construcciones y Contratas, S.A. (acting as agent), FCC Construcción, S.A., FCC Medio Ambiente, S.A. and FCC Aqualia, S.A. could assign with recourse certifications issued until 30 March 2013.

The caption "Receivables assigned without recourse to third party clients" refers to receivables assigned without recourse by the Company as at 31 December 2014 and 2013 to a syndicate of banks in which Banco Santander acts as agent bank, on the basis of an agreement entered into on 15 July 2011, for an initial term of 3 years, which has been extended in June 2014 to the same maturity date as the FCC Group refinancing Agreement. Pursuant to this agreement, the Company acts in its own name and on its own behalf and also as agent for two subsidiaries, Entemanser, S.A. and Aigues de Vallirana, S.A.U.

10.2 The detailed balance in the account "Trade Receivables, Group and associated companies" as at 31 December 2014 and 2013, mainly including commercial transactions, is as follows:

CLIENTS GROUP AND ASSOCIATED COMPANIES
(Amounts in thousand euros)

GROUP COMPANIES	31.12.14	31.12.13
Abrantaqua, S.A.	1,236	1,150
Acque di Caltanisseta, S.P.A.	6,759	9,368
Aguas del Alcazar Empresa Mixta S.A.	265	-
Agua de las Galeras, S.L.	30	-
Aigües de Vallirana, S.A.U.	19	22
Aqua Campiña, S.A.	178	65
Aquacartaya S.L.	456	-
Aquaelvas- Aguas de Elvas, S.A.	1,179	751
Aquafundalia -Agua Do Fundao, S.A.	653	909
Aquajerez, S.L.	1,602	1,044
Aqualia Industrial Solutions, S.A.	3	5
Aqualia Infraestructuras de México, S.A. de C.V.	99	196

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Aqualia Infraestructuras Inzenyring	28	105
Aqualia Infraestructuras S.A.	1,430	2,780
Aqualia New Europe B.V.	106	75
Aquamaior – Aguas del Campo Maior, S.A.	122	166
Cartagua, Aguas do Cartaxo, S.A.	1,884	1,723
Depurplan 11, S.L.	234	826
Entemanser, S.A.	280	183
FCC Construcción, S.A.	1,119	1,157
FCC Medio Ambiente, S.A.	1	1
FCC Servicios Industriales y Energéticos, S.A.	2	25
Fomento de Construcciones y Contratas, S.A.	1,326	1,610
FS Colaboración y Asistencia, S.A.	36	36
Hidrotec Tecnología del Agua, S.L.	2	-
Infraestructuras y Distribución General del Agua, S.L.	49	45
Mantenimiento de Infraestructuras, S.A.	0	8
Proyectos y Servicios, S.A.	1	1
Servia Cantó	0	1
Severomoravske Vodovody a Kanalizace Ostrava, S.A.	360	411
Sociedad Española de Aguas Filtradas, S.A.	118	106
Tratamiento Industrial de aguas, S.A.	59	138
		36
ASSOCIATED COMPANIES		-
Aguas de Ubrique, S.A.	-	384
Aigües del Tomoví, S.A.	376	214
Aguas de Langreo, S.L.	534	534
Aguas de Priego, S.L.	579	908
Aguas de Narixa, S.A.	112	45
Aguas de Archidona, S.L.	645	535
AIE Costa Tropical de Granada	821	1,355
AIE Abast. Alta Costa Brava emp. Mixta	30	27
AIE Costa Brava AB. Aqualia-Sorea	19	57
AIE Aquagest-Aqualia	30	38
AIE ITAM Delta de la Tordera	424	354
Aqualia Mace LLC	43	96
Aquos El Realito, S.A. de CV	190	48
Compañía de Servicios Medioambientales Do Atlántico, S.A.	39	33
Concesionaria de Desalación de Ibiza, S.A.	26	18
Empresa Mixta d'Aigües de la Costa Brava, S.A.	0	1
Empresa Mixta de Aguas y Servicios, S.A.	41	9
Empresa Mixta de Aguas de Jodar, S.A.	270	342
Empresa Mixta de Aguas de Ubrique, S.A.	649	-
Empresa Municipal de Aguas de Níjar, S.A.	1,607	244
Empresa Municipal de Aguas de Algeciras, S.A.	6,430	6,781
Empresa Municipal de Aguas de Benalmádena, S.A.	1,130	189
Empresa Municipal de Aguas de Toxiria, S.A.	620	716
Empresa Municipal de Aguas de Linares S.A.	1,504	1.068
Generávila, S.A.	12	23
Nueva Sociedad de Aguas de Ibiza, S.A.	1	1
Orasqualia Devel. Water Treatment Plant. S.A.E.	940	833
Orasqualia O&M	125	23
Shariket Tahlya Miyah Mostaganem S.p.A.	1,420	1.149
Shariket Miyeh Ras Djinet S.p.A.	1,074	3.076
TOTAL	**39,322**	**42.008**

Receivable balance in companies Shariket Tahlya Miyah Mostaganem S.p.A. and Shariket Miyeh Ras Djinet S.p.A is formulated in US Dollars, while the balance with Orasqualia Development Waste Water Treatment Plant, S.A.E, is formulated in Egyptian pounds: the balance with Aqualia Mace LLC is formulated in United Arab Emirates Dirham; the balance in the company Aquos El Realito, S.A. de CV is formulated in Mexican pesos and the balance in the company SmVak is formulated in Czech Crowns. All of them have been converted at the exchange rate at year end.

10.3 The detail of existing balance in credit value impairment for trade operations is the following:

CREDIT VALUE IMPAIRMENT TRADE OPERATIONS *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Clients insolvencies	28,414	25,171
Debtors insolvencies	236	90
TOTAL	**28,650**	**25,261**

10.4 The movement in the account "Impairment of trade receivables" is as follows:

IMPAIRMENT OF TRADE RECEIVABLES *(Amounts in thousand euros)* *Variation between (illegible)*	
Balance at 1 January 2013	**20,328**
Funding, allocation for impairments in the current year	7,128
Reversion of impairment provisions from prior years	(2,195)
Balance at 31 December 2011	**25,261**

Variation between (illegible)	
Balance at 31 December 2011	**25,261**
Funding, allocation for impairments in the current year	9,740
Reversion of impairment provisions from prior years	(6,351)
Balance at 31 December 2012	**28,650**

The Company records under the heading "Impairment losses and variations in provisions for trade receivables" the net effect of said funding allocation. In addition, it also records under this heading the loss of trade receivables considered as bad debts, for an amount of 4,711 thousand euros.

NOTE 11. NET EQUITY

Net equity composition and flows are presented in the Statement of Changes in the Net Equity.

11.1. The **capital stock** is represented by 145,000,000 nominal shares, fully subscribed and paid up, of a nominal value of one Euro each. The redenomination of the capital stock to euros took place during 2001, originating a non-available reserve account for an amount of 76 thousand euros presented under heading "Other reserves".

Fomento de Construcciones y Contratas, S.A. is the main shareholder (99.9%).

11.2. The **share premium** can be fully distributed at 31 December 2014 and 2013.

11.3 The composition of **reserves** at 31 December 2014 and 2013 is the following:

RESERVES *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Statutory Reserves	29,000	29,000
Voluntary Reserves	344,444	224,627
Goodwill reserves	24,358	20,220
TOTAL	**397,878**	**273,923**

At 31 December 2014, the Legal Reserve equals 20% of the capital stock, and therefore no other additional amount will be attributed in the distribution of results of financial year 2014 (see Note 3).

The statutory reserve may be used to increase capital in the part of its balance exceeding 10% of the capital as increased. Save for the above mentioned purposes, and until and unless they reach 20% of the capital stock, these reserves may only be used to set-off losses, provided there are no other reserves available for such purposes.

Voluntary reserves are freely available at 31 December 2014 and 2013.

Goodwill reserves. According to the provisions of article 273.4 of the Revised Text of the Law on Public Limited Companies, the Company is making provision for a non-available reserve for the amount of the goodwill in a period which is reflected as assets in the balance sheet (see Note 5) during a period of 20 years, the balance of which at 31 December 2014 amounted to 24,358 thousand euros (20,220 thousand euros at 31 December 2013). This reserve is non-available.

NOTE 12. GRANTS

Flows under this heading during each year are the following:

GRANTS *(Amounts in thousand euros)* *Variation between (illegible)*	
Balance at 31 December 2013	**6,581**
Recorded as Profit/loss	(1,125)
Tax effect and other	395
Balance at 31 December 2014	**5,851**
	(illegible)
Balance 1 January 2013	**6,264**
Additions during the year	1,081
Recorded as Profit/loss	(766)
Tax effect	2
Balance at 31 December 2013	**6,581**

In the profit and loss account there appears an amount of 1,125 thousand euros corresponding to non-financial fixed asset recording as profit/loss (766 thousand euros at 31 December 2013).

At 31 December 2014, there appears an amount of 827 thousand euros from the integration of UTEs (906 thousand euros at 31 December 2013). These amounts have been granted by the European Union to finance an

investment plan which is being built by the Company through Joint Ventures with other companies.

In the profit and loss account there appears an amount of 9,804 thousand euros in concept of operating grants (8,609 thousand euros as at 31 December 2013) corresponding to grants awarded to the Company by the Municipalities where it provides integral water cycle services, as recognition of the concession holder operation deficit in concessions, applying the terms of the specifications and the respective contract.

The receivable amounts at 31 December 2014 and 2013 for this concept are shown in Note 15.

NOTE 13. PROVISIONS

The detail and flow during 2014 and 2013 are the following:

LONG TERM PROVISIONS *(Amounts in thousand euros)* *Variation between 31 December 2013 and 2014*					
	BALANCE 31.12.13	**(+) PROVISIONS**	**(-) REVERSION**	**(+/-) TRANSF.**	**BALANCE 31.12.14**
Provisions for pensions	152	-	(20)	-	132
Other provisions	22,655	10,505	(3,703)	-	29,457
"Provisions for actions on the infrastructure"	24,535	12,323	(8,420)	-	28,438
TOTAL	**47,342**	**22,828**	**(12,143)**	**-**	**58,027**

Variation between (illegible)					
	BALANCE 31.12.12	**(+) PROVISIONS**	**(-) REVERSION**	**(+/-) TRANSF.**	**BALANCE 31.12.13**
Provisions for pensions	155	-	(3)	-	152
Other provisions	22,956	3,745	(4,046)	-	22,655
Provisions for actions on the infrastructure	26,189	2,301	(3,955)	-	24535
TOTAL	**49,300**	**6,046**	**(8,004)**	**-**	**47,342**

The funding of other provisions as at 31 December 2014, for an amount of 10,505 thousand euros is recognised against the heading "Other current management expenses" in the attached Profits and Loss Account.

Long term provisions correspond to:

a) Provisions for pensions. The Company has outsourced all commitments for complements to Social Security pensions and retirement bonuses. The existing balance at 31 December 2014 and 2013 corresponds to non-outsourced commitments from UTE aqualia – FCC (Vigo).

b) Other provisions. It shows the estimations carried out by the Company regarding the contractual responsibilities of a probable payment operation in the future.

c) "Provisions for actions on the infrastructure" These are established when the Company is obliged to carry out improvement measures in the infrastructure and said measures are not compensated by obtaining higher income in the concession. Its counterparty will be the heading "Intangible assets for concession agreement".

The detail as per contract at 31 December 2014 and 2013 and is the following:

(Amounts in thousand euros)		
	31.12.14	**31.12.13**
Vigo (Pontevedra)	5,686	8,233
Lleida (Lleida)	11,160	5,837
Mancomunidad del Bajo Andarax (Almería)	-	144
Arico (Santa Cruz de Tenerife)	700	700
Moguer (Huelva)	1,142	1,229
Caspe (Zaragoza)	320	401
Lepe (Huelva)	575	733
Chiclana (Cádiz)	775	-
Azuaga (Badajoz)	300	300
San Juan del Puerto (huelva)	463	-
Arcos de la Frontera (Cádiz)	3,007	-
Fraga (Huesca)	607	1,694
Villamalea (Albacete)	207	357
Barbate (Cádiz)	2,082	3,000
Bollullos Par del Condado (Huelva)	315	471
Tordera (BARCELONA)	163	263
La Palma del Condado (Huelva)	25	200
Valverde del Camino (Huelva)	298	500
Other contracts	613	473
TOTAL	28,438	24,535

Short-term provisions record the obligations of the Company to face future payment commitments for events taken place in the development of its activity satisfied by contractual or legal obligation.

NOTE 14. FINANCIAL LIABILITIES BY CATEGORIES

The classification of financial liabilities at closing of years 2014 and 2013 is the following:

BALANCES AS AT 31.12.14 (Amounts in thousand euros)	**Non-current**	**Current**	**Total**
Debits and accounts payable			
Debts with credit entities (note 14.1)	-	-	-
Debts without limited recourse	-	-	-
Debts with Group companies and affiliated (note 14.2 and 14.3)	376,148	91,648	467,796
Finance lease payables	21	11	32
Other financial liabilities (note 14.5)	28,124	7,822	36,629
Trade and other payables	27,124	244,292	271,416
TOTAL	**432,100**	**343,773**	**775,873**

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BALANCES AS AT 31.12.13 (Amounts in thousand euros)	Non-current	Current	Total
Debits and accounts payable			
Debts with credit entities (note 14.1)	-	141,951	141,951
Debts without limited recourse	-	141,951	141,951
Debts with Group companies and affiliated (note 16.2 and 16.3)	153,750	64,519	218,269
Finance lease payables	32	11	43
Other financial liabilities (note 14.5)	30,691	10,923	41,624
Trade and other payables	-	226,929	226,929
TOTAL	**184,473**	**444,343**	**628,816**

There are no significant differences between the fair value and accounting value of financial liabilities classified a "Debits and accounts payable".

Net losses and profits of financial liabilities related mainly to financial expenses from debts with group companies and affiliated and with credit entities have amounted to 15,378 and 12,410 thousand euros respectively, at 31 December 2014 (6,916 and 15,573 thousand euros respectively at 31 December 2013).

14.1. Loans and borrowings

During financial year 2014, FCC, S.A and a group of companies, including the Company, have executed a refinancing agreement with the main creditors of the Group, replacing the financial indebtedness with intragroup indebtedness (see Note 14.2).

14.2 Non-current financial debt with group companies

(Amounts in thousand euros)		
	31.12.14	**31.12.13**
Fomento de Construcciones y Contratas, S.A.	375,583	153,750
Aqualia Infraestructuras, S.A.	565	-

Long term debts with Fomento de Construcciones y Contratas, S.A. as at 31 December 2014 and 2013 show the following detail:

(Amounts in thousand euros)		
	31.12.14	**31.12.13**
Participation in the refinancing agreement of FCC Group	202,449	-
Equity Loan	149,250	149,250
Financing of the construction of the Llanera sports facility	4,500	4,500
Credit for the financing of UTEs transferred to FCC	19,384	-

Participation in the refinancing agreement of FCC Group

As from the Restructuring Framework Agreement and the Financing Agreement entered into by the group of companies led by FCC, S.A., including the Company and almost all of its financial creditors, on 26 June 2014 a

loan agreement was entered into between FCC and the Company.

Said loan agreement was established by FCC expressly, irrevocably and unconditionally, assuming, on a cumulative and joint and several basis with the Company, the contractual position of the Company as borrower and debtor with Regard to Debt, which is divided into two tranches:

- Tranche A: 142,105 thousand euros
- Tranche B: 60,344 thousand euros.

The loan agreement maturity is a same as that of the Financing. Agreement for FCC, S.A., i.e. a final maturity on June 2018. Hence, the Company records this loan as Non-current financial debt. The interest rate applicable is 6.95% for the first year.

Equity Loan

The Company entered in 2006 into a loan agreement for an amount of CZK 4,800 million with a syndicate of banks, among which HVB Bank Czech Repüblic acting as agent. The amount of this loan was used for the acquisition of 98.67% of the share capital of the Czech company Severorooravske vodovody a kanalizace Ostrava a.s., and has been refinanced on several occasions, which required, among other things, the obligation by FCC Aqualia's main shareholder to provide this latter with a profit-sharing loan of 149.250 thousand euros, which was to be considered as own funds for the purposes of the Financing Agreement. The balance of this loan at 31 December 2014 is of 149,250 thousand euros (149,250 thousand euros as at 31 December 2013).

The interest rate consists of two components, a fixed component and a variable one. The former is the EURIBOR and the latter is calculated on the basis of the Company's return on equity (ROE) as compared with the average return in the industry in which the Company operates. In the variable tranche, the interest rate applied has been 2.5% initially (2.61% at 31 December 2013). In any event, the agreement establishes a ceiling of EURIBOR + 6%.

In addition, the financing agreement provided for a pledge agreement with the entity HVB Bank Czech Repüblic. a.s., whereby all of the shares of the company Severomoravske Vodovody a kanalízace Ostrava a.s. held by FCC Aqualia, S.A. were pledged in favour of said bank.

In addition to the pledge of the shares of the company Severomoravske Vodovody a Kanalizace Ostrava a.s. owned by FCC Aqualia, S.A., collateral was granted in the form of pledges over the bank accounts of Aqualia Czech S.L. and a contingent guarantee of FCC Aqualia, S.A. for up to CZK 350 million for the event of a refinancing due to unforeseen legislative changes.

The loan is granted for an indefinite term, provided that the lender may claim from the borrower and early repayment, in whole or in part, at any time by giving one month prior notice. The loan is structured as long-term, since the Company Managers do not expect total or partial repayment to be claimed within the next 12 months.

14.3. Current debts with group companies and affiliated at 31 December 2014 and 2013 by financial operations and consolidated tax effect are:

FCC Aqualia, S. A.

SHORT TERM DEBTS TO GROUP COMPANIES AND AFFILIATED (Amounts in thousand euros)		
	31.12.14	**31.12.13**
Aigües de Vallirana, S.A.U.	1,922	1,613
Conservación y Sistemas, S.A.	7,156	2,716
Aguas de Archidona, S.L.	781	737
Aqualia Infraestructuras, S.A.	1,711	3,156
Aqualia Infraestructuras de México, S.A. de C.V.	6,998	6,910
FCC AQUALIA América S.A.U.	318	157
Acque Di Caltanisseta, S.P.A.	2,344	2,366
AIE Itam Delta de la Tordera	749	749
AIE Ciudad Real	50	50
Augas Municipais de Arteixo, S.A.	1	1
Empresa Gestora de Aguas Linenses, S.L.	20	-
Colaboración, Gestión y Asistencia, S.A.	(3)	3
Depurtebo, S.A.U.	1,829	1,161
Aqualia Industrial Solutions, S.A.	1,981	862
Empresa Mixta de Butarque, S.A.	166	166
Entemanser, S.A.	4,123	3,720
Fomento de Construcciones y Contratas, S.A.	32,976	29,607
FS, Colaboración y Asistencia, S.A.	1,220	1,211
Grupo Proactiva	13	13
Infraestructuras y Distribución General de Agua, S.L.	3,926	2
Inversora Riutort, S.L.	290	290
Shariket Tahlya Miyah Mostaganem	-	185
Shariket Miyeh Ras Djinet	-	204
Orasqualia O&M	354	322
Proveiments D'aigua, S.A.	-	1
Sociedad Ibérica del Agua, S.A.	79	60
Sociedad Española de Aguas Filtradas, S.A.	12,651	4,807
Tratamiento Industrial de Aguas, S.A.	9,456	3,450
TOTAL	**91,648**	**64,519**

At 31 December 2014, short term balance maintained with Fomento de Construcciones y Contratas, S.A. includes an amount of 28,512 thousand euros (23,372 thousand euros at 31 December 2013) related to the payable debt for the Corporate tax of year 2014 (see note 15), of which 20,022 thousand euros (17,238 thousand euros at 31 December 2013) correspond to FCC Aqualia and 8,171 thousand euros (6,134 thousand euros at 31 December 2013) correspond to other depending companies which form part of the tax consolidation group 18/89 lead by FCC.

14.4. Accounts payable to group companies and affiliated for trade operations are the following:

FCC Aqualia, S. A.

SHORT TERM PROVIDERS OF GROUP AND ASSOCIATED COMPANIES *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Aqualia Industrial Solutions, S.A.	1	141
Acque di Caltanisseta, S.P.A.	-	23
Aqualia Czech, S.L.U.	-	181
Aigües del Tomoví, S.A.	23	16
Aqua Campiña, S.A.	20	18
Severomoravske Vodovody A Kanal Ost	-	11
Aqualia Infraestructuras, S.A.	4,780	3.007
Aqualia Infraestructuras de México, S.A. de C.V.	60	285
Aguas de Denia, S.A.	388	234
Aguas de Vallirana, S.A.U.	32	47
Prefabricados Delta, S.A.	12	5
Depurplan 11, S.A.	32	28
Emp. Municipal mixta de Aguas de Nijar	302	222
Emp. Mixta de Aguas y Servicios, S.A.	76	65
Emp. Mixta de Aguas de Langreo, S.L.	13	13
Empresa Municipal de Aguas de Algeciras, S.A.	645	645
Empresa Municipal de Aguas de Linares, S.A.	9	-
Ecoactiva Medioambiente, S.A.	5	6
Entemanser, S.A.	204	40
A.I.E. Itam Delta de la Tordera	621	37
Abrantaqua S.A.	166	-
FCC Ámbito, S.A.	18	6
FCC Construcción, S.A.	73	59
Fomento de Construcciones y Contratas, S.A.	2,731	4.284
FCC Medio Ambiente, S.A.	264	11
FCC Industrial y Servicios Energéticos, S.A.	-	3
FS, Colaboración y Asistencia, S.A.	-	9
Gamasur Gibraltar, S.L.	2	3
Aguas de Priego, S.L.	-	1
Hidrotec Tecnología del Agua, S.L.	11.446	615
Hormigones Calahorra, S.A.	3	1
Orasqualia Devel. Waste T.P. S.A.E.	3	2
Hormigones y Morteros prep, S.A. U.	1	17
Infraestructuras y Distribución General de Agua, S.L.	120	685
Nilo Medioambiente, S.L.U.	1	-
Nueva Sociedad de Aguas de Ibiza, S.A.	49	77
Proveiments D'Aigua, S.A.	18	59
Aguas de Archidona, S.A.	1	-
Sistemas y Vehículos de Alta Tecnología, S.A.	1	1
Compañía de Control de Residuos	29	42
Abastec. alta Costa Brava mixta	1	-
Sociedad Española de Aguas Filtradas, S.A.	185	146
Tratamiento Industrial de Aguas, S.A.	8,899	8.592
TOTAL	**31,672**	**19,637**

14.5. **Other financial liabilities.** This heading shows mainly the guarantees received from customers of water contracts and fixed assets suppliers.

NOTE 15. PUBLIC ADMINISTRATIONS AND TAX SITUATION

Conciliation of the accounting result of the year with the tax base of the Corporate Income Tax at 31 December 2014 and 2013 is as follows:

ACCOUNTING RESULT CONCILIATION WITH THE TAXABLE BASE OF CORPORATION TAX *(Amounts in thousand euros)*	31.12.14	31.12.13
Accounting result of the year before taxes	**illegible**	**illegible**
Permanent differences	**illegible**	**illegible**
Permanent differences arising from UTEs	(202)	(150)
Other permanent differences	20,386	(9)
Exemption from double taxation in dividends	(3,011)	(58,211)
Non-deductible expenses	55	174
Timing differences: Advanced	**1,357**	**6,398**
Advanced permanent differences arising from UTEs	72	78
Negative accounting adjust. result of UTEs recording results in the next year	5,238	3,068
Accounting amortisation surplus	7	7
Expenses accounted for in a year other than when they were accrued	292	312
Non-deductible provisions	90	(73)
Other temporary differences	-	50
Timing differences: Deferred	**5,932**	**1,743**
Deferred temporary differences arising from UTEs	72	78
Positive Accounting adjust. result of UTE recording results in the next year Next	5,238	3,068
Leasing	7	7
Freedom of amortization	90	73
Taxable base	**68,692**	**96,480**

The heading "Other permanent differences" as at 31 December 2014 basically includes the temporary limitation of deductibility of depreciation expenses for an amount of 10,914 thousand euros and impairments of trade receivables and funding operations for an amount of 9,472 thousand euros, for which the Company has not recorded an associated deferred tax asset, because the recoverability of such amount is not guaranteed in future financial years within the consolidated tax group in which the Company operates.

The calculation of the accounting provision for Corporate Tax is as follows:

CALCULATION OF ACCOUNTING ENDOWMENT CORPORATE TAX *(Amounts in thousand euros)*	31.12.14	31.12.13
Adjusted Before tax	**47,122**	**142,886**
- Permanent Differences	17,228	(58,196)
Adjusted Accounting Result	**64,350**	**84,690**
Accrued gross corporate tax (30%)	**19,305**	**25,407,**
+Allowances and deductions	(182)	(11,374)
+Other adjustments	(1,567)	4,898
Expenses from corporate tax	**17,556**	**18,931**

UTE in which the Company holds stakes are subject to the fiscal transparency arrangement and therefore, they charge the tax bases, withholdings and deductions to the partner firms in the year in which they are approved.

The amount of withholdings and advanced payments made in 2014 has amounted to 566 thousand euros (339 thousand euros in year 2013). Once allowances and deductions have been considered, the net payable to Group FCC for Corporate Tax amounts to 20,022 thousand euros (17,238 thousand euros at 31 December 2013).

Given that the Company is included in the Consolidated Group 18/89 of FCC, deductions exceeding those which, on an individual basis, would have been applied by the Company are included in the tax return of the

parent company FCC, S.A. This notwithstanding, the Group has established that tax loss carry forwards shall only be recognised in individual companies' returns, and accordingly the recording of advances in the financial year and the application of deductions, considering that the Consolidated Group files and negative tax return.

In relation to the taxes the company is subject to, records for the last four financial years are open for inspection for all taxes. The company management estimates that no significant liabilities will arise in the event of inspection.

The balance detail at 31 December 2014 and 2013 with the Public Administrations is the following:

DEBTOR PUBLIC ADMINISTRATIONS *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Public Finance debtor for long term grants	136	156
VAT receivable	5,337	4,957
Rest of debtor public administrations	175	-
TOTAL	**33,590**	**29,966**

CREDITOR PUBLIC ADMINISTRATIONS *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Public Finance creditor for VAT	922	959
Public Finance Creditor for withholding on account of personal work	-	1,830
Public Finance Creditor for withholdings on account of movable and real estate capital	2,115	2,101
Public finance creditor for other concepts	55,099	54,871
Public Finance creditor for shifted deferred VAT	-	49
Accrual of fees and other taxes	1,616	1,324
Shifted Indirect Taxes	454	520
Social Security Institutions, Creditors	5,135	7,898
	11,699	2,531
	6,359	1,953
TOTAL	**83,472**	**74,114**

Heading “Rest of debtor public administrations” includes the current balance of amounts granted by public administrations for grants pending payment at 31 December 2014 and 2013.

“Public Finance creditor for other concepts” shows mainly taxes collected by the Company from certain Municipalities pending payment at 31 December 2014 and 2013.

Deferred tax assets correspond mainly to tax provisions non-deductible during the year, time limitations in the deductions of fixed assets amortization from previous years and to negative tax bases of UTEs whose result is attributed in the following year, while deferred tax liabilities are basically related to non-reintegrable reserves and with tax bases of UTEs attributed to results of the following year, and capitalisation of financial charges, concession agreement.

Deferred taxes assets *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
Provisions	7,120	8,514
Pension Plans	513	-
Amortisations	2,452	2,914
Profit/loss from UTEs attributed to results of the following year and adjustments	2,189	2,428
Other differences	1,403	793
TOTAL	**13,677**	**14,649**

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Deferred taxes Liabilities *(Amounts in thousand euros)*		
	31.12.14	**31.12.13**
For tax effect of grants	2,590	6,185
Profit/loss from UTEs attributed to results of the following year and adjustments	48	60
For financial leasing	3,125	1,585
For value impairment	12	-
For freedom of amortisation	642	844
Other adjustments	2,359	3,205
TOTAL	**8,776**	**11,879**

Income/expenses for corporate tax break down as follows (in thousands of euros):

Corporate Tax (illegible)		
	31.12.14	**31.12.13**
Current tax	(19,289)	(14,160)
(Illegible)	(19,289)	(14,160)
Deferred tax	1,733	(4,771)
Total Income/expense for Corporate Tax	1,733	(4,771)
TOTAL	**(17,556)**	**(18,931)**

The impact on the income statement of tax rate changes has a net effect of a higher expense from corporate tax for an amount of 1,394 thousand euros.

During financial year 2014 and 2013 no significant amounts of taxes have been recognised in equity.

According to the legislation in force, tax cannot be considered definitively paid until the tax returns have been subject to audit by tax authorities or after a four-year period.

As at 31 December 2014, financial years for which the statute of limitations has not elapsed and which have not been subject to tax audit are open to inspection by the tax authorities, both for corporate tax and for all other main taxes applicable to the Company.

Given the different interpretations that may be given to tax rules, the results of future tax audits by the tax authorities for the years subject to verification may give rise to tax liabilities, the amount of which cannot be reliably estimated at this time. The Company Managers, however, estimate that the possibility of significant tax liabilities materialising additional those registered is remote.

NOTE 16 LONG TERM ACCRUALS

This heading of the balance sheet as at 31 December 2014 and 2013 includes the amounts collected by way of tariff for works and investments carried out in environmental improvements in water supply networks during the construction phase of the relevant infrastructures and until their commissioning.

NOTE 17. BANK AND OTHER GUARANTEES

As at 31 December 2014, FCC Aqualia, together with other companies in the FCC Group, appears as joint and several guarantor for syndicated loans entered into by its Parent Company, Fomento de Construcciones y Contratas, S.A., for an amount of 3,678,000 thousand euros (3,261,996 thousand euros at 31 December 2013). Moreover, a pledge has been established on the shares of the Company, representing the whole of the share capital, which shall enter into force upon fulfilment of several conditions precedent.

FCC Aqualia, S. A.

At 31 December 2014, the Company had supplied guarantees to cover compliance with its contractual obligations and its involvement in tender processes for future contracts to the value of 156,763 thousand euros (216,762 thousand euros at 31 December 2013).

Likewise, it has granted third parties Guarantees for the following FCC group companies and for the following amounts (Amounts in thousand euros):

	31.12.14	31.12.13
Abrantaqua	3,000	3,000
Aguas de Langreo, S.A.	1,690	2,015
Aguas de las Galeras S.L.	727	-
Aigues del Segarra Garrigues, S.A.	60	60
Aquacartaya, S.L.	420	420
Aquafundalia – Agua do Fundao S.A.	1,500	-
Aquaelvas – Aguas de Elvas, S.A.	-	987
Aquajerez, S.L.	2,145	2,145
Aqualia Industrial Solutions, S.A.	-	1,812
Aquamaior – Aguas de Campomaior, S.A.	2,875	2,900
Compañía Servicios Medioambientales do Atlántico, S.A.	1,744	2,205
Depurtebo, S.A.	-	1,209
Entemanser, S.A.	-	1,000
Empresa Gestora de Aguas Linenses, S.L.	10	-
Fomento de Construcciones y Contratas, S.A.	3,678,000	3,279,040
Hidrotec Tecnología del Agua, S.L.	21	21
Sociedad Española de Aguas Filtradas, S.A.	-	3,000
TOTAL	**3,692,192**	**3,299,814**

The Company Directors do not expect any significant liabilities as a consequence of the guarantees furnished.

NOTE 18. INCOME AND EXPENSES

18.1 The **distribution of net turnover** by geographical localisation and type of activity of the Company is the following:

FCC Aqualia, S. A.

TURNOVER BY GEOGRAPHICAL LOCALISATION *(Amounts in thousand euros)*		
Autonomous Region	**31.12.2014**	**31.12.2013**
Andalucía	180,500	174,291
Aragón	7,979	8,266
Asturias	30,090	30,858
Baleares	31,923	31,533
Canarias	20,770	20,348
Cantabria	22,470	21,652
Castilla – La Mancha	52,343	53,597
Castilla – León	41,691	38,956
Cataluña	54,003	46,825
Comunidad Valenciana	34,418	32,934
Extremadura	37,675	37,838
Galicia	35,273	32,099
Madrid	14,437	43,992
Murcia	32,479	29,700
Navarra	1,857	1,786
Basque Country	7,869	8,135
La Rioja	4,332	4,172
International		
Czech Republic	-	383
Algeria	8,429	9,436
Italy	704	1,499
Portugal	2,438	3,545
Saudi Arabia	5,855	6,433
United Arab Emirate	256	304
Egypt	209	282
Mexico	2	-
Tunisia	748	-
TOTAL	**628,827**	**638,974**

TURNOVER TYPE OF ACTIVITY *(Amounts in thousand euros))*		
	31.12.2012	**31.12.2013**
Supply	390,306	381,408
Sewerage	78,765	76,895
Waste water treatment	69,518	68,711
Hydraulic works	48,217	34,821
Revenues from capital holdings	3,944	36,598
Financial income for concession agreement	1,009	943
Other income	37,068	39,598
TOTAL	**628,827**	**638,974**

The drop in the turnover figure by types of activity arises from lower dividends received, which have been allocated by geographic location to the Autonomous Community of Madrid, in which the Company has its registered offices.

The detail of income from capital holdings received from group companies and affiliated in years 2013 and 2014 is shown below:

FCC Aqualia, S. A.

DIVIDENDS RECEIVED (Amounts in thousands of Euro)		
	31.12.14	**31.12.13**
Tratamiento Industrial de aguas, S.A.	-	6,052
Colaboración, Gestión y Asistencia, S.A.	-	750
Aqua Campiña, S.A.	15	-
Aqualia Czech, S.L.U.	-	22,300
Entemanser, S. A.	-	4,579
Infraestructuras y Distribución General del Agua, S.A.	343	297
Depurplan 11, S.A.	272	-
Aquajerez, S.L.	15	-
TOTAL GROUP COMPANIES	***623***	***34,205***
AIE ITAM Delta de la Tordera	11	12
AIE Ciudad Real	-	48
AIE Costa Tropical de Granada	670	606
Aguas de Denia, S.A.	14	52
AIE Costa Brava Ab. Aqualia-Sorea	47	52
AIE Aquagest – Aqualia	27	38
Suministros Aguas de Queretaro SACV	47	47
AGUAS DE Narixa, S.A.	51	49
Girona, S.A.	61	60
Nueva Sociedad de Aguas de Ibiza , S.A.	-	40
Empresa Municipal de Aguas de Benalmádena, S.A.	617	851
Concesionaria de Desalación de Ibiza, S.A.	627	-
TOTAL AFFILIATED COMPANIES	***Ilegible***	
Citelum Iberica, S.L.	***104***	-
	104	***Ilegible***
TOTAL DIVIDENDS	**3,944**	**36,598**

From the total turnover, UTE contribute according to the detail shown below, in thousand euros:

TEMPORARY JOINT VENTURES	31.12.14	31.12.13
UTE Aguas de Tomelloso	-	7
UTE Aguas de Alcalá	5,263	4,000
UTE Aguas del Doramas	-	24
UTE Santo Domingo	132	-
UTE Aigües de Lleida	-	6,868
UTE Aigües Els Poblets	978	919
UTE Aqualbal	-	5
UTE aqualia - FCC Vigo	21,743	20,061
UTE aqualia - Riofabar Piloña	308	325
UTE Cangas de Morrazo	687	680
UTE Centro Deportivo Denia	-	731
UTE Centro Deportivo Granadilla de Abona	617	990
UTE Colectores A Guarda	-	22
UTE Consorcio Louro	1,611	-
UTE Control Calidad Agua Huesca	49	48
UTE Costa Tropical	274	312
UTE Costa Tropical II	587	166
UTE Costa Tropical III	821	-
UTE Depuración Poniente Almería	1,144	926
UTE EDAM Santa Eulalia	780	1,272
UTE EDAR A Guarda 2012	-	37
UTE EDAR A Guarda 2013	40	17
UTE EDAR Almansa	-	13
UTE EDAR Cuerva	101	99
UTE EDAR Chipiona	141	171
UTE EDAR Ranilla	530	635
UTE EDAR Reinosa	482	466
UTE EDAR San Vicente de la Barquera	355	380
UTE EDAR Valdepeñas	113	141
UTE ETAP Este	868	529
UTE Explotación ITAM Tordera	1,391	1,119
UTE Explotación Piscinas Vigo	-	(32)
UTE FCC – aqualia Oviedo	17,183	17,882
UTE FCC – aqualia Salamanca	-	(15)
UTE Gestión Piscina de Mula	-	(1)
UTE Gestión Piscinas Vigo	1,008	1,378
UTE Groupement Solidaire Jerba	748	-
UTE Guadiana	(73)	569
UTE Hidr-Inv. Do Centr. Ace	578	1,346
UTE La Sagra	(30)	8,176
UTE Louro	255	1,204
UTE Mancomunidad de Órbigo	130	110
UTE Mérida	5,831	5,848
UTE Nigrán	1,330	1,369
UTE OYM Mostaganem	4,246	5,212
UTE OYM Cap Djinet	4,155	4,324
UTE Redes CABB	961	380
UTE Redondela	1,695	1,649
UTE Saneamiento Canet l´Almardà	57	82
UTE Santomera	-	7
UTE USSA A	624	386
UTE Vigo Piscina	335	-
UTE Villalón de Campos	75	152
TOTAL	**(Illegible)**	**(Illegible)**

18.2 Income and expenses with related companies. The following transactions with related companies have been carried out in years 2014 and 2013:

FCC Aqualia, S. A.

TRANSACTIONS WITH GROUP COMPANIES IN 2014 *(Amounts in thousand euros)*				
	OPERATING		FINANCIAL	
	EXPENSES	INCOME		EXPENSES
Abrantaqua, S.A.	-	463	-	-
Acque di Caltanisseta, S.P.A.	-	1,440	-	-
Aguas de Las Galeras, S.L.	-	-	-	137
Aqualia Infraestructuras, S.A.	13,458	1,078	-	-
Aqualia Infraestructuras Inzenyring SRO	-	28	-	-
Aqualia Infraestr. de Méjico, S.A. de C.V.	125	195	385	-
Aquaelvas – Aguas de Elvas, S.A.	-	675	-	-
Aquafundalia – Aguas do Fundao, S.A.	-	675	-	-
Aguas de Las Galeras, S.L.	-	47	-	-
Aquajerez, S.L.	1	3,311	-	1,619
Aqualia Czech, S.L.U.	-	45	-	-
Aqualia Industrial Solutions, S.A.U.	10	-	74	-
Aqualia New Europe BW	-	302	-	-
Aigües de Vallirana, S.A.U.	-	24	96	-
Aqua Campiña, S.A.	1	367	-	15
Áridos y Canteras del Norte, S.A.	(3)	-	-	-
Arriberri, S.L.	1	-	-	-
Cartagua, Aguas do Cartaxo, S.A.	-	610	-	-
Compañía de Control de Residuos, S.L.	123	-	-	-
Conservación y Sistemas, S.A.	-	-	133	-
Depurplan 11, S.A.	1	803	-	250
Ecoactiva de Medioambiente, S.A.	11	-	-	-
Ecoparque Mancomunidad del Éste. S.A .	-	1	-	-
Empresa Gestora de Aguas Linenses, S.L.	-	-	-	65
Entemanser, S.A.	256	351	-	-
Fedemes, S.L.	63	-	-	-
Fomento de Construcciones y Contratas, S.A.	18,609	400	13,289	6,048
FCC Ámbito, S.A.	48	-	-	-
FCC Construcción, S.A.	19	1,239	-	-
FCC Industrial e Infraestructuras Energéticas, S.A.	-	1	-	-
FCC Medio Ambiente, S.A.	11	2	-	-
F.S. Colaboración y Asistencia, S.A.	-	-	53	-
Gamasur Campo Gibraltar, S.A.	2	-	-	-
Hidrotec Tecnología del Agua, S.L.	15,142	1	-	-
Hormigones y Morteros Prep., S.A.	1	-	-	-
Infraestructuras y Distribución General de Agua, S.L.	614	57	-	344
Mantenimiento de Infraestructuras, S.A.	-	18	-	-
Prefabricados Delta, S.A.	18	-	-	-
Sdad. Española de Aguas Filtradas, S.A.	456	39	760	-
Serviá Cantó, S.A.	-	1	-	-
Sistemas y Vehículos de Alta Tecnología, S.A	1	-	-	-
Sociedad Ibérica del Agua, S.A.U.	-	-	4	-
Severomoravske Vodovody A Kanalizace Ostrava AS	4	402	-	-
Tratamiento Industrial de Aguas, S.A.	11,406	304	583	-
TOTAL	**60,382**	**13,724**	**15,377**	**8,594**

FCC Aqualia, S. A.

TRANSACTIONS WITH AFFILIATED COMPANIES 2014

(Amounts in thousand euros)

	OPERATING		FINANCIAL	
	EXPENSES	**INCOME**	**EXPENSES**	**INCOME**
Abastecimiento Alta Costa Brava emp. Mixta	1	33	-	-
Aguas de Denia, S.A.	256	-	-	14
Aguas de Archidona, S.L.	1	533	-	-
Aigües del Tomoví, S.A.	35	816	-	-
Aguas de Narixa, S.A.	-	451	-	51
Aguas de Priego, S.L.	-	142	-	194
Aguas de Ubrique, S.A.	-	590	-	-
A.I.E. Costa Tropical de Granada	31	2,635	-	670
A.I.E. I.T.A.M. Delta de la Tordera	30	1,574	-	11
A.I.E. Aquagest-Aqualia	-	53	-	27
A.I.E. Costa Brava	-	91	-	47
Aqualia Mace LLC	-	256	-	1,045
Aquos El Realito, S.A. de C.V.	-	252	-	-
Cía. Servicios Medioambientales Atlántico, S.A.	-	127	-	-
Concesionaria Desalación Aguas de Ibiza, S.A.	-	307	-	627
Empresa Municipal de Aguas de Linares, S.A.	18	4,079	-	-
Emanagua Eª Mpal. De Aguas de Níjar, S.A.	851	4,423	-	-
Empresa Mixta de Aguas y Servicios, S.A.	63	291	-	-
Empresa Mixta de Aguas de Jódar, S.A.	-	578	-	-
Empresa Mpal. De Aguas de Algeciras, S.A.	1,911	9,514	-	60
Empresa Mpal. Aguas de Benalmádena, S.A.	-	2,666	-	617
Empresa Mpal. Aguas de Toxiria, S.A.	2	944	-	-
Generávila, S.L.	-	139	-	-
Girona, S.A.	-	7	-	60
Hormigones Calahorra, S.A.	5	-	-	-
Hormigones Reinares, S.A.	1	-	-	-
Nueva Sociedad de Aguas de Ibiza, S.A.	107	2	-	-
Shariket Miyeh Ras Djinet	-	4,155	-	-
Shariket Tahlya Miyah Mostaganem	-	4,246	-	-
Orasqualia Devel. Waste T.P. S.A.E.	1	107	-	-
Orasqualia O&M	-	102	-	-
Proveiments d'Aigua, S.A.	38	-	-	-
Suministros Aguas de Querétaro, SA de CV	-	-	-	47
TOTAL	**3,342**	**39,251**	**-**	**3,478**

FCC Aqualia, S. A.

TRANSACTIONS WITH GROUP COMPANIES IN 2013 *(Amounts in thousand euros)*				
	OPERATING		FINANCIAL	
	EXPENSES	INCOME	EXPENSES	INCOME
Abrantaqua, S.A.	-	687	-	-
Acque di Caltanisseta, S.P.A.	32	2,018	-	190
Aqualia Europe B.V.	-	285	-	-
Aqualia Infraestructuras, S.A.	9,688	1,686	-	935
Aqualia Infraestructuras Inzenyring SRO	-	104	-	-
Aqualia Infraestr. de Méjico, S.A. de C.V.	396	99	-	-
Aquamaior – Aguas del Campo Maior, S.A.	-	201	-	21
Aquaelvas – Aguas de Elvas, S.A.	-	670	-	51
Aquafundalia – Aguas do Fundao, S.A.	-	939	-	55
Adobs Organics, S.L.	-	-	-	-
Aquajerez, S.L.	-	1,990	-	729
Aqualia Czech, S.L.U.	150	-	-	198
Aqualia Industrial Solutions, S.A.U.	12	5	53	-
Aigües de Vallirana, S.A.U.	-	26	84	-
Aqua Campiña, S.A.	-	370	-	334
Áridos y Canteras del Norte, S.A.	(1)	-	-	-
Augas Municipais de Arteixo, S.A.	-	-	-	-
Arriberri, S.L.	1	-	-	-
Cartagua, Aguas do Cartaxo, S.A.	-	1,049	-	258
Compañía de Control de Residuos, S.L.	103	-	-	-
Depurtebo, S.A.U.	29	-	33	-
Depurplan 11, S.A.	1	899	-	-
Ecoactiva de Medioambiente, S.A.	11	-	-	-
Entemanser, S.A.	262	346	-	-
Fomento de Construcciones y Contratas, S.A.	18,485	478	6,157	1,458
FCC Actividades de Construcción Industrial, S.A.	-	-	-	-
FCC Ámbito, S.A.	34	-	-	-
FCC Construcción, S.A.	10	181	-	-
FCC Medio Ambiente, S.A.	15	2	-	-
F.S. Colaboración y Asistencia, S.A.	-	-	77	-
Gamasur Campo Gibraltar, S.A.	8	-	-	-
Hidrotec Tecnología del Agua, S.L.	7,875	1	-	33
Hormigones y Morteros Prep., S.A.	132	-	-	-
Infraestructuras y Distribución General de Agua, S.L.	961	57	-	-
Mantenimiento de Infraestructuras, S.A.	-	25	-	-
Prefabricados Delta, S.A.	5	-	-	-
Sdad. Española de Aguas Filtradas, S.A.	464	80	274	-
Serviá Cantó, S.A.	-	1	-	-
Servicios Especiales de Limpieza S.A.	5	-	-	-
Sistemas y Vehículos de Alta Tecnología, S.A	1	-	-	-
Sociedad Ibérica del Agua, S.A.U.	-	-	4	-
Severomoravske Vodovody A Kanalizace Ostrava AS	14	480	-	-
Tratamiento Industrial de Aguas, S.A.	14,359	361	227	-
TOTAL	**53,054**	**13,062**	**6,916**	**4,262**

FCC Aqualia, S. A.

TRANSACTIONS WITH ASSOCIATED COMPANIES IN 2012 *(Amounts in thousand euros)*				
	OPERATING		FINANCIAL	
	EXPENSES	INCOME	EXPENSES	INCOME
Abastecimiento Alta Costa Brava emp. Mixta	1	29	-	-
Aguas de Denia, S.A.	256	-	-	-
Aguas de Archidona, S.L.	5	533	-	41
Aigües del Tomoví, S.A.	38	1,181	-	20
Aguas de Narixa, S.A.	-	292	-	343
Aguas de Priego, S.L.	1	610	-	148
Aguas de Ubrique, S.A.	-	845	-	-
Augas Municipais de Arteixo, S.A.	-	38	-	-
A.I.E. Costa Tropical de Granada	31	1,366	-	-
A.I.E. I.T.A.M. Delta de la Tordera	30	1,119	-	-
A.I.E. Aquagest-Aqualia	-	52	-	-
A.I.E. Costa Brava	-	87	-	-
Aqualia Mace LLC	-	304	-	-
Aquos El Realito, S.A. de C.V.	-	438	-	-
Cía. Servicios Medioambientales Atlántico, S.A.	-	113	-	13
Concesionaria Desalación Aguas de Ibiza, S.A.	-	298	-	-
Empresa Municipal de Aguas de Linares, S.A.	-	3,906	-	9
Emanagua Eª Mpal. De Aguas de Níjar, S.A.	719	3,867	-	125
Aguas de Langreo, S.A.	22	129	-	292
Empresa Mixta de Aguas y Servicios, S.A.	54	254	-	-
Empresa Mixta de Aguas de Jódar, S.A.	-	513	-	76
Empresa Mpal. De Aguas de Algeciras, S.A.	1,914	9,785	-	65
Empresa Mpal. Aguas de Benalmádena, S.A.	-	760	-	499
Empresa Mpal. Aguas de Toxiria, S.A.	-	905	-	11
Generávila, S.L.	-	155	-	-
Hormigones Calahorra, S.A.	2	-	-	-
Hormigones Reinares, S.A.	2	-	-	-
Nueva Sociedad de Aguas de Ibiza, S.A.	110	2	-	-
Shariket Miyeh Ras Djinet	-	4,324	-	-
Shariket Tahlya Miyah Mostaganem	-	5,212	-	-
Orasqualia Devel. Waste T.P.S.A.E.	2	324	-	-
Orasqualia O&M	-	22	-	-
Proveiments d´Aigua, S.A.	72	-	-	-
TOTAL	**3,259**	**37,471**	**-**	**1,642**

The operations carried out with companies Shariket Tahlya Miyah Mostaganem S.p.A. and Shariket Miyeh Ras Djinet S.p.A are formulated in American Dollars, while those carried out with Orasqualia Development Waste Water Treatment Plant, S.A.E. are formulated in Egyptian Pounds. Those carried out with Aquos El Realito de CV are formulated in Mexican Pesos and those carried out with SmVak are formulated in Czech Crowns.

The information on balances and transactions with the members of the Board of Directors are detailed in Note 21.

FCC Aqualia, S. A.

18.3 Supplies. They show the following detail at 31 December 2014 and 2013:

SUPPLIES *(Amounts in thousand euros))*		
	31.12.2014	**31.12.2013**
Purchase of Commodities	82,300	80,117
Purchase of raw materials and other consumable products	71,528	71,348
Works carried out by other companies	65,740	57,522
Changes in stocks	573	696
Impairment reversions	(39)	-
TOTAL	**ILLEGIBLE**	**269,683**

18.4 Outsourced services. They show the following detail at 31 December 2014 and 2013:

OUTSOURCED SERVICES *(Amounts in thousand euros))*		
	31.12.2014	**31.12.2013**
Development and research expenses	343	420
Leases and Royalties	52,941	54,343
Repairs and conservation	2,782	2,877
Independent professional services	6,572	6,351
Transport	298	231
Insurance premiums	794	1,452
Banking and similar services	3,805	5,066
Commercial, advertising and public relations	917	1,314
Supplies	3,163	3,959
Other services	46,434	41,057
TOTAL	**ILLEGIBLE**	**ILLEGIBLE**

18.5 The average number of employees during financial years 2014 and 2013 is shown below:

CATEGORIES	N° of employees		Men		Women	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Executive and higher level qualification	173	166	150	143	23	23
Technical staff and intermediate qualifications	643	617	474	442	169	165
Administrative and similar	609	584	203	193	406	391
Rest of employed staff	3,446	3,406	3,091	3,049	355	357
TOTAL	**4,871**	**4,773**	**3,918**	**953**	**949**	**941**

The number of employees at each year end is shown below:

FCC Aqualia, S. A.

CATEGORIES	Nº of employees		Men		Women	
	2014	2013	2014	2013	2014	2013
Executive and higher level qualification	178	166	155	143	23	23
Technical staff and intermediate qualifications	640	622	465	444	175	178
Administrative and similar	630	595	203	190	427	405
Rest of employed staff	3,428	3,434	3,064	3,062	364	372
TOTAL	**4,876**	**4,817**	**3,887**	**3,839**	**989**	**978**

18.6 Wages, salaries and similar expenses. This heading shows the following detail as at 31 December 2014 and 2013:

WAGES AND SALARIES *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Wages, salaries and similar expenses Severance pay	125,872	122,722
Severance pay	1,351	1,610
TOTAL	**127,223**	**124,382**

18.7. Social Security expenses. They present the following detail at 31 December 2014 and 2013.

SOCIAL SECURITY EXPENSES *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Social Security payable by the company	38,804	38,601
Contributions to pension systems	0	2
Other welfare charges	1,777	1,586
TOTAL	**40,581**	**40,189**

18.8. Financial expenses. They show the following detail at 31 December 2014 and 2013:

FINANCIAL EXPENSES *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Interests from debts with Group companies and affiliates (Note 18.2)	15,378	6,916
Interests from debts with third parties	12,410	15,573
Provisions updating (Note 13)	1,161	800
TOTAL	**28,949**	**Illegible**

18.9. Exchange Differences. They show the following detail at 31 December 2014 and 2013:

Exchange Differences *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Exchange Gain	1,784	1,354
Exchange losses	(1,581)	(1,110)
TOTAL	**203**	**244**

18.10. Impairment and profit/losses on disposal of financial instruments. They show the following detail at 31

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December 2014 and 2013:

IMPAIRMENTS AND LOSSES *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Impairment of non-current interests in group and associated companies	194	(1,844)
Receivables impairment (Note 8.2)	(4,257)	53,433
Other impairments and losses	32	(24)
TOTAL	**Illegible**	**51,565**

As at 31 December 2013, the results of disposal of interest in group and associated companies recorded an amount of 53,042 thousand euros, obtained in the disposal of 49% stake in the company Aqualia Czech (see Note 7.1).

18.11 Loss, impairment and variation in provisions for trade operations

The heading "Loss, impairment and variation in provisions for trade operations" in the income statement attached for financial year 2014 basically includes the following items:

LOSS, IMPAIRMENT AND VARIATION IN PROVISIONS FOR TRADE OPERATIONS *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Funding of provisions for insolvencies (see Note 10.4)	9,740	7,128
Reversion of provisions for insolvencies (see Note 10.4)	(6,351)	(2,195)
Losses for bad debts	4,771	3,972
Other funding of short-term provisions	3,054	576
TOTAL	**11,214**	**9,481**

18.12 Other current management expenses

The heading "Other current management expenses" in the Income Statement attached for financial year 2014 basically includes, as at 31 December 2014, an amount of 10,505 thousand euros arising from funding of long-term Provisions (See Note 13).

18.13 Results from disposals and others.

The item "Results for disposals and others" in the Income Statement attached for financial year 2014 basically includes, as at 31 December 2014, an amount of 3,001 thousand euros arising from the funding of impairments of intangible fixed assets (See Note 5.1) and other results from extraordinary collections from clients of amounts previously considered as bad debt.

NOTA 19. AUDITORS' REMUNERATION

The Company auditor, as of the closing of financial year 2014, is Deloitte, S.L.

The fees accrued during the year for services rendered by the Auditor are the following:

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AUDITING SERVICES *(Amounts in thousand euros)*		
	31.12.2014	**31.12.2013**
Fees for auditing services		
Main Auditor	105	-
Other auditors	-	118
Fees for verification services		
Main Auditor	6	
Other auditors		14
Fees for other services		
Main Auditor	-	-
Other auditors	-	-
TOTAL	**111**	**132**

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NOTE 20. INFORMATION ON THE ENVIRONMENT

Aqualia's activity is directly linked to environmental protection, since the thread that connects its actions is collaboration with Public Administrations for efficient integral water-cycle management and seeking to ensure water availability for sustainable growth of the populations it serves.

In the development framework of its activity, there are several actions which, pursuing the objective of efficiency under its responsibility as public services manager, allow for a better protection of environment. Among these actions the following can be highlighted:

- Control of water collection and distribution quality. To achieve this, FCC Aqualia has strengthened the technical and human capabilities of its network of drinking-water quality control laboratories. The vast network of laboratories of the company, count with those head laboratories at Jerez de la Frontera, Lérida, Ávila, Oviedo and Canary islands, accredited by ENAC. Using the computer tool Lims and GesLAB, connected in real time to the SINAC of the Ministry of Health, the quality of supplied water is communicated continually both to users and Public Administrations. Each year more than 1,137,000 analyses are carried out, of which less than 0.2% reveal some non-conformity. In this way, in accordance with the Autonomous Programs of Sanitation Surveillance of human consumption and as provided in Royal Decree 140/2003, Aqualia relies on Self-regulation and Supply Management Protocols in all the contracts under the responsibility of its management, as such FCC Aqualia has developed, as a support document for production managers, its own Technical Guide to Sanitation Supply Management.

- 24-hour, 365-day-a-year service. This is provided through its Customer Care Centre (aqualia Contact), which reduces the response time required for repairing damage in the distribution networks, leading to consequent savings in water. The short customer waiting time for communicating damage (19 seconds) makes it possible to start up a protocol of swift effective action in resolving any kind of incident in the network, all of which improves water distribution performance. This customer care service has allowed FCC Aqualia to achieve a rate of customer complaints below 1 per thousand, with only 1.58% actions behind schedule in FCC Aqualia Contact service, and with a response level above 92%.

- Optimisation of electricity consumption. This is vital not only because it is one of the most significant costs in water management, but also because lower consumption means less CO_2 produced, which, in turn, translates into helping slow climate change. With this objective, the certification of energetic efficiency of services is being worked on. In this way, the implementation of renewable energy, primarily biomass and photovoltaic, is pursued in FCC Aqualia's service contracts. Electricity production in waste water treatment plants, through cogeneration and using biogas as fuel, has surpassed 33.4 kWh million.

- Management of all contracts using an ISO 14001 certified environmental management system. This has the aim of seeking to establish specific plans in each of these contracts to identify environmental impacts in the workplace, reduce natural recourse consumption and waste generation, and establish waste management systems that favour materials separation and recycling. In pursuance of better environmental management there are, within FCC Aqualia's Management System, specific indicators to measure environmental performance, which measure the electricity consumption by cubic meters of treated water, reactive products consumed in the different treatment phases, sludge productions in waste water treatment processes or pollution reduction in depurated water. This process has been enlarged with UNE-EN-ISO 50001:2011 Standard certification, of energetic certification, in its facilities. The calculation and verification of Carbon Footprint has also been completed according to Standard UNE-EN ISO 14064-1:2012.

- Interactive communication channels with clients. Currently, the Company has a website available in 5 languages offering general information about the company plus various local websites for specific municipalities in which FCC Aqualia provides its services, with more locally tailored information about FCC Aqualia's presence in the municipality in question. In addition, through FCC Aqualia's websites,

both corporate and local, access is granted to the virtual office aqualiaOnline, through which different actions can be carried out without having to visit the physical office, such as registering for supply; changing the contract holder; requesting and downloading electronic invoices, among others.

- Elimination of environmental impact caused by discharging wastewater. This is achieved through the implementation and proper use of the most modern available technologies in the wastewater treatment plants operated by FCC Aqualia. These techniques not only seek to minimise the impact of treated wastewater discharged into rivers, but also minimise the impact caused by extraction of sludge, as well as odours and noise generated by treatment. Last year, more than 497 Hm^3 of waste water have been discharged to the natural river's bed in optimum conditions to avoid any type of environmental impact.

- Development of R&D&i projects focused mainly on improving the possibilities of water treatment. In this area, FCC Aqualia has started projects for incorporating advanced sludge treatment, applying membrane technology to wastewater treatment, applying ultrasonics to improving wastewater digestion, and using ozone in water treatment. R&D&i projects have also been undertaken for the study of new industrial water treatments in the industrial water activity using membranes and reverse osmosis, anaerobic reactors and advanced oxidation. With the same aim, participation in projects such as the use of micro algae to remove nutrients and bio-fuels production, the application of bio-filtration and ultra-violet treatment for industrial reuse of water, or energy generation from waste water.

- Inclusion of internal training programmes in environmental problems, environmental liability laws, functioning of the environmental management systems, energy efficiency, etc. Developing internal training programmes to improve the training of the FCC Aqualia team enables them to face these types of problems in their daily activity. Similarly, awareness programs have been developed, in collaboration with public administrations so that FCC Aqualia's customers have an accurate knowledge of the environmental implications involved in the management of the integral water cycle. Also of note is the annual children's painting contest focused on raising awareness among children of the challenges related to water management. In 2014, more than 36,500 children from 1,000 schools in Spain and Portugal have participated in the contest.

- Participation in projects related to the protection of the Environment in some of the contracts managed by FCC Aqualia, and in collaboration with interested Public Administrations, projects related to the recovery of ecosystems that have important ecologic values, such as lakes, wetlands, autochthonous forests, etc.

NOTE 21. DUTY OF LOYALTY

Board of Directors

In 2014 and 2013, the members of the Board of Directors, in their capacity as administrators and senior management of the Company, have not received fixed or variable remunerations. Additionally, there are neither advances, or credits or any other kind of guarantee granted to said members of the Board of Directors, or any obligation contracted regarding pensions or life insurance of its members.

At the closing of financial year 2014, neither be members of the Board of directors of FCC Aqualia, S.A. , nor the related persons to such members as defined in the Spanish Capital Companies' Act have communicated to the other members of the Board of Directors any conflict situation.

Senior Management

The members of the senior management (10 men and two women) having aggregate collected a total remuneration of 1,789 thousand euros.

NOTE 22. POLICIES OF FINANCIAL RISK MANAGEMENT

The concept of financial risk refers to the variation of financial instruments contracted by the Group and its consequences in the financial statements due to political, market and other factors.

FCC Aqualia's philosophy of risk management, in accordance with Grupo FCC's policy, is consistent with its business strategy, constantly seeking maximum efficiency and solvency. Strict control and financial risk management criteria are applied, consistently identifying, measuring, analysing and controlling the risks assumed by Group operations, with its risk policy being properly integrated into the organisation.

Exchange rate risk

The current positioning of FCC Aqualia in international markets makes the incidence of the concept of exchange rate risk, in the Group's global context, relatively moderate.

Credit risk

Credit risk entails that a counterparty to an agreement fails to comply with its contractual obligations, thus giving rise to a financial loss for the Company. The Company has adopted the policy of negotiating solely with solvent third parties and obtaining sufficient warranties to mitigate the risk of financial loss in the event of default.

Its main clients are Public Bodies or final consumers in activities related to the integral water cycle, so that it does not have a significant exposure to credit risk. Likewise, the concentration of credit risk is not significant.

Solvency risk

At 31 December 2014, FCC Aqualia's net financial indebtedness amounted to 95,627 thousand euros (169,966 thousand euros in 2013), as shown in the table below:

	Amounts in thousand euros	
	2014	2013
Debts with credit entities	-	141,951
Creditors for capital leases	32	43
Non-current financial debt with group companies (note 14)	**376,148**	**153,750**
Current fin. debt with group companies (excluding tax effect) (note 14)	**63,080**	**40,558**
Financial debts with third parties (note 14)	3,904	3,234
Current receivables, concession agreement	(2,637)	(1,464)
Loans to companies (excluding tax effect). (Note 9.1)	(256,826)	(105,654)
Other financial assets (note 8.3)	(22,603)	(17,058)
Loans to third parties (note 9.2)	(15,388)	(16,299)
Cash and cash equivalents	(50,083)	(29,095)
Net financial indebtedness	**95,627**	**169,966**

Liquidity risk.

This risk arises from temporary differences between resources generated by the activity and the funding needs to meet payments of current debts, working capital, etc.

As at 31 December 2014, the working capital of the Company amounts to 100,164 thousand euros (139,073

thousand euros of negative working capital as at 31 December 2013); there is no financial debt with a short term maturity (at 31 December 2013, 141,951 thousand euros).

As indicated under Note 17 "Bank and other guarantees", the Company acts as guarantor in syndicated loans entered into by its Parent Company "Fomento de Construcciones y Contratas, S.A".

NOTE 23. OTHER INFORMATION

23.1. Post-closing events

No significant events have taken place subsequent to the closing of the financial year liable to materially affect the contents of these annual accounts.

23.2. Information on deferred payments made to suppliers. Third additional disposition "Duty to inform" of Law 15/2010, of 5 July.

Regarding Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, whereby measures are implemented on combating late payment in commercial transactions, the total amount of payments made to providers during the year, distinguishing between those which have exceeded the legal limits of the deferral, the average weighted payment term and the balance pending payment to providers which at year end concentrates a deferral above de legal payment term is detailed below:

PAYMENTS MADE AND PENDING PAYMENTS ON THE BALANCE CLOSING DATE (AMOUNTS IN THOUSAND EUROS)	2014		2013	
	Amount	%	Amount	%
Within the legal term	48,335	25%	53,648	27%
Rest	144,575	75%	141,845	73%
TOTAL PAYMENTS WITHIN THE YEAR	**192,910**	**100%**	**195,493**	**100%**
Payments on average period (days) exceeded	68		60	
Deferred payments which at year closing exceed the legal maximum period		**35,974**		**34,493**

Final provision number two of Act 31/2014 of 3 December 2014, amending the Spanish Capital Companies' Act (Ley de Sociedades de Capital), amends additional provision number three of Act 35/2010 and establishes the obligation to report on the average payment time to suppliers. As at the date of drafting these annual accounts, the Spanish Institute for accounting and Auditing of Accounts has not issued the resolution required by section 4 of said additional provision number three in relation to the methodology for the calculation of the average payment period, and accordingly, this information has not been broken down in the annual accounts.

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General Framework

During financial year 2014, the Water Management industry has been especially relevant in the agenda of governments and local authorities, thus recognising the strategic importance of a scarce resource, such as water. The exponential increase of human population and its concentration in large cities, the expansion of industrial and agricultural activity, as well as that higher awareness of the eventual risks involved in climate change, are leading many countries to undertake modernisation plans, both of their hydraulic infrastructures and of the exploitation and management systems for such infrastructures, with the main purpose of increasing efficiency and capacity. Within this general framework at an international level, business opportunities for companies specialising in the integral management of the water cycle will surely increase, though probably, the participation models may diverge from those usually encountered nowadays.

The contribution of private companies to securing universal access to water, one of the Millennium Development Goals established by the United Nations, will certainly be important not only in terms of technological and management capacity, but also in terms of its capacity to attract financial funding for the development of new structures and the maintenance of those existing. This goal, according to the definition of the UN, places governments under the obligation to search for solutions to secure access to water to their population, who shall contribute to the financial maintenance of the services in accordance with the conditions established by each country.

In recent years, the public administration responsible for the management of water have reduced their preference for concession models of integral management of the water cycle, and have favoured public private partnership models under BOT agreements for the construction of new infrastructures. In countries with sufficient budget capacity, the construction of new infrastructures continues to be approached by construction contracts, and new forms of operation and maintenance agreements are being generated in accordance with the specific characteristics of each Public Administration.

Competing companies, both at the domestic and international level, are not many, so that public tenders, both for operation and maintenance agreements and for BOT agreements or concessions, rarely have more than five bidders. The high level of integration of FCC Aqualia services offer enables it to adapt without difficulty to the various forms of public procurement proposed by Public Administrations. Its position as the sixth largest world operator and third among private capital companies, according to the GWI ranking enables it to compete on equal terms in any international public tender, in a market that continues to be led by the two main French operators.

In addition to public administrations as client of reference, private industrial companies, especially in the mining, oil and gas sectors are proving to be important potential clients for water operating companies, in particular for those having the technological capacity to address the complicated treatments required for water is used in production processes.

Domestic Market

In the domestic market, the year 2014 has witnessed, for the first time since the start of the financial crisis, a stabilisation of water sales volumes, which had been decreasing steadily over the last few years.

This changing trend has however been coupled during the year with a strong social opposition to privatisation of public water management services. Thus, awards such as those of Alcázar de San Juan (Ciudad Real) and El Puerto de Santa María (Cádiz) were finally secured by FCC Aqualia, only after overcoming very significant opposition from certain sectors of public opinion. .

Meanwhile, neither the Central Administration nor the Regional or Municipal administrations are currently calling tenders for investment projects in hydraulic infrastructures; this, coupled with the pre-electoral period,

has resulted in 2014, not being a year of significant public tenders in the domestic market. In this respect, the perspective for 2015 is for this lack of public tenders to be even greater. Worth noting, however, are the actions of the Central Government intended to set up a dynamic and efficient regulatory framework for the industry. The Spanish Ministry of Agriculture, Food, and Environment recently distributed, for analysis by all interested parties, the first draft of the Water Sector Bill. Meanwhile, the Spanish Parliament is discussing a Bill on the de-indexation of economy and another Bill amending the General Regulation on Public Procurement, which should have an impact on the industry in relation to the solvency required from potential bidders and elimination of the requirement for prior classification for service agreements.

These regulatory measures are expected to foster private management of water in Spain, an activity presenting an ever increasing technological level, accompanied by an excellent quality of service, intending to provide a clean and healthy water supply for human consumption and thus protect people's health. This was recently recognised by the Spanish largest consumer association, the Organización de Consumidores y Usuarios (OCU) which, towards the end of 2014, published an independent study on the quality of water supply in a total of 62 localities in Spain, of which nine were managed by FCC Aqualia. In its report, the OCU termed the water supplied as "Very good" and "Good".

International Market

At an international level, FCC Aqualia focuses its commercial activity in Europe, North Africa, Middle East, India and North America and Latin America, and currently has ongoing contracts in Portugal, Italy, Czech Republic, Serbia, Bosnia, Montenegro, Kosovo, Poland, Algeria, Tunis, Egypt, Saudi Arabia, Abu Dhabi, Qatar, India, Mexico, Uruguay and Chile.

In 2014 the European Union published new directives on public procurement, with special emphasis on the award of concession contracts to entities operating in the water sector, the content of which is to be transposed before March 2016 to the different domestic law systems. Furthermore, a popular initiative has recently arisen under the name Right2Water, and made its way to the European Parliament, claiming public ownership of water management.

To date, the decisions of the EU bodies do not impact on the capacity of private companies to take part in the management of water, and delegate on Member States the decision on the selection of the more suitable management formulas for their specific needs. In any event, this situation of amendment of the general regulatory framework is generating difficulties, which may be merely transitory in nature, for the development of municipal services concession agreements, whereas public works contracts or operation and management services contracts are frequently encountered.

In Italy, a recent amendment of the legislative framework, with the appearance of a new national regulator, may, in the near future, generate new and interesting opportunities for public-private partnership with local and regional administrations.

In Portugal, the application of EU recommendations associated with the economic bailout may give rise to the privatisation of the national water utilities which, given the wide experience of FCC Aqualia as an operator in the Portuguese market, may open significant growth opportunities in the coming months.

In North Africa business opportunities in the near future will likely come from BOT-type public private partnerships for the construction of large water treatment infrastructures, with operating periods of around 15 years. The performance of existing contracts in Algeria and Egypt, despite the Arab Spring, gives a reason to believe that these are stable markets from the contractual standpoint.

In the Middle East, where population growth is reaching an annual rate of 8% in some countries, and with ever increasing standards of living and quality of services, important projects are being announced in hydraulic infrastructures which will however advance slowly; in the short term, the drop in oil prices is not expected to give rise to restrictions. In this market, operation and maintenance services agreements will also be available

which, given the experience acquired in projects developed in Saudi Arabia and Abu Dhabi, should provide good business opportunities, such as a recent award in Qatar.

In India, regional governments have established as a priority, the improvement of water supply and sanitation, particularly fostering infrastructure building and operation contracts to guarantee a continued supply. FCC Aqualia, together with an important local partner, has already secured two agreements of this type, which will enable it to create a platform for a better understanding of the country and to undertake projects of a larger scale.

In North America, FCC Aqualia intends to consolidate its position in the Mexican market, where it already has significant activity. In this country, the Public Administration is about to initiate a program of improvement actions in municipal water supply which will likely enable the company to increase its turnover. Moreover, FCC Aqualia is opening a commercial office in the United States, as a bridgehead to enter a market which presents, in some states, the same type of problems encountered in Spain: obsolete infrastructures, periods of drought, indebted public administrations without financing capacity and stringent environmental requirements.

Lastly, in Latin America, the opportunities for growth have significantly multiplied for FCC Aqualia

following its divestments in Proactiva, the company participated with the French operator Veolia. In the short term, Peru and Chile are the countries likely to provide more opportunities; some infrastructure programs will also be available in Paraguay and Panama which are being monitored with interest. In this market, together with the opportunities identified in Mexico for the oil company Pemex, significant interest is being placed on construction and operation contracts for water treatment plants for mining and oil and gas companies.

Contracting.

In the domestic market, the more significant awards of new integral management contract have been as follows:

- Alcázar de San Juan (Ciudad Real), for a period of 25 years and a contract value of 122,1 million euros, awarded to the public private partnership Aguas de Alcázar, in which FCC Aqualia holds a 52.38% stake.

- La Línea de la Concepción (Cádiz), with a term of 12 years, entailing a contract value of €58.8 million, awarded to Empresa Gestora de Aguas Linenses, a wholly owned subsidiary of FCC Aqualia.

- El Puerto de Santa María (Cádiz), for a term of 25 years and a contract value of 382.9 million euros, awarded to public private partnership APEMSA, in which FCC Aqualia holds a 48.98% stake. The consolidated contract amounts to 15 million euros.

- Ubrique (Cádiz), for a 25 year term and a contract value of €22.6 million, awarded to the public private partnership Aguas de Ubrique, in which FCC Aqualia FCC Aqualia holds a 49% stake, and were FCC Aqualia has outsourced management activities.

- Moreover, FCC Aqualia, forming part of a UTE in which it participates to 22.8%, has been awarded the contract for Lot 3 of integral and energy management for urban facilities in the city of Madrid for an eight-year period, the contract value being of 48.3 million euros.

- Moreover, with the purchase of an additional 12.5% in Aguas de Alcalá, FCC Aqualia now holds 50% in this UTE, the same percentage held by Canal de Isabel II. This acquisition has brought about a portfolio increase of 28.2 million euros, considering that the UTE still has 15 contract years to go.

As regards renewals and extensions on a domestic level, worth mentioning are those of:

- Salamanca, for a term of five years and the contract amount of 95.7 million euros;
- San Juan del Puerto (Huelva), for a term of 25 years and a contract amount of 32.5 million euros;

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- Candelaria (Tenerife), for an amount of 32.2 million euros for a total contract term of 10 years;
- Callosa de Segura (Alicante), for 12 years and a contract value of 18.6 million euros; and
- Cortegana (Huelva), for an additional 25 years and the contract value of 16.4 million euros.

In the international market, FCC Aqualia managed to increase its portfolio of countries, mainly through the award of new design and construction agreements.

- Within the European market, the following recent awards should be highlighted in the Balkans area: the design and construction of the DWTP in Vrsac (Serbia), for an amount of 6.9 million euros, and the design and construction of the WWTP Prizren (Kosovo), for an amount of 10.4 million euros. These are contracts, opening the door for subsequent much larger contracts, place FCC Aqualia in a very good position for tenders to come.

- In North Africa, FCC Aqualia continues to expand, following the award of a first agreement in Tunis for the construction of the Sea Water Desalination Plant in Djerba, for an amount of 31.2 million euros.

- Similarly, in the Middle East. The company continues to consolidate its presence, following its entry in Qatar through the award of a construction and operation contract for the WWTP in AL Dhakira through its subsidiary Aqualia MACE and in a consortium with the Korean group Hyundai, an agreement for a total contract amount of 300 million euros.

- Also worth noting is the award of the first two service agreements in India, in the state of Karnataka, the first of which in Bidar and Vasvalyakan, and the second in Bellary, Raichur and Hospet.

- With both agreements, water supply will be managed for over 1 million inhabitants. These awards mark the entry in a very large and difficult to access market.

- Meanwhile, FCC Aqualia has opened a commercial office in the United States, a market offering excellent opportunities in which the company foresees securing new contracts in the short and medium term. To this effect, the necessary legal formalities have been started to incorporate a company in the State of Delaware (USA), with an authorised capital of USD 4.9 million. Accordingly, and intending for it to be the holding company for the shares of the new entity, the corporate purpose and corporate name of Abastecimientos y Saneamientos del Norte, S.A., a company in the Group, have been changed to FCC Aqualia América S.A. .

- In Latin America, the group secured its first contract in Chile, with the award of the construction agreement for the WWTP in Cadellara, for an amount of 12.7 million euros. Additionally, in Mexico, a country where the company has a strong footprint, contracts have been secured for the construction of an aqueduct and electric facilities for the mining company Minera Peñasquito in the state of Zacatecas, for a total amount of 21.3 million euros, and for PEMEX, in this case for the modernisation and refurbishment of the riverside intake in river Mezcalapa in Tabasco, for an amount of 12.8 million euros. Following the above awards, FCC Aqualia has reinforced its position as one of the main private companies in the sector of water supply for the Latin American mining industry; also helpful to this end has been its participation, through Aqualia Infraestructuras, in the fourth edition of the Latin American Congress on Desalination and Reuse of Water –Desal 2014, held in October in Santiago de Chile, as well as in the 28th Edition of ANEAS, held in November in Merida (México).

- Lastly, in addition to direct awards, international growth has also been achieved through company acquisitions. In this respect, towards the end of the year a non-binding offer has been submitted for the company GS INIMA, with presence in Spain, Mexico, the United States, Brazil and Algeria, all of which countries are included in the international development area of FCC Aqualia.

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Innovation and Technology

Innovation activity at FCC Aqualia has developed during financial year 2014 in the areas of Sustainability, Quality and Smart Management, encompassing its strategic planning. In this year. The five projects entitled Cénit VIDA, ITACA, IISIS, SMARTIC and ALEGRÍA have produced the following results:

1. Towards midyear, the project Cénit VIDA (Integral Value Enhancement of Algae) was completed The consortium developing this project, consisting of 13 companies and 25 research organisations, received the co-financing of the CDTI through the program "Strategic National Consortia for Technical Research". Works in this project have enabled a change in the purification paradigm and have facilitated the development of five other bioenergy projects in All-gas.

2. Project ITACA, within the framework of Sustainability, has gone further in the research for new approaches to the use of wastewater as a resource, in the reduction of energy consumption and emissions or the exploration of alternative technologies. ITACA has been developed within the INNPRONTA Programme, financed by the Centre for Industrial Technological Development (CDTI). It has also been co-funded with FEDER funds.

   FCC Aqualia's participation has focused in the research of new water purification technologies which will in the future allow us to transform water treatment processes in more self-sustainable systems from the energy standpoint, using sub- products and improving the quality of purified water is for their reuse.

3. IISIS (Integrated Research on Sustainable Islands) has been one of the Company's main strategic undertakings in the area of Smart Management. The project, led by FCC S.A., has been supported by a significant involvement by FCC Aqualia, leading the tasks of "Water and the Environment" and of "Integration". In addition, and aside the contributions of 22 universities and research centres and for other companies, the participation of FCC Construcción and of Cementos Portland Valderrivas should be noted, which has made of this research initiative an example of synergies and cooperation within the FCC Group.

   The work developed within the framework of IISIS as well as the advances achieved have permitted a new European project to be envisaged in 2014: FP7 Urban Water.

   The main results of this project have been energy savings, savings in the production of sludges, improvement in operation, leak detection and several software developments. Direct investment of the project in infrastructures managed by FCC Aqualia has amounted to 700,000 euros.

4. The project SMARTIC (Real Time water Monitoring System with Smart Technology) has focused in water quality control from its intake to the output of the drinking water treatment plant (DWTP), with the design and construction of several automated systems capable of carrying out tests and trials which currently need to be carried out in laboratories.

   The project has been supported by the FEDER INTERCONECTA programme in Extremadura. This body contributes 40% of the project's financing.

   Following completion of the works, cost savings have been achieved in the operation of the ETAP, together with an increase in quality, since it is now possible to adjust operation to the specific characteristics of raw water.

5. ALEGRIA Project. The aim of this project, supported by the Feder-Interconecta programme, was to study the value enhancement of industrial effluents.

   Through the combination of various developments that FCC Aqualia has ongoing -the anaerobic digestions process, with membrane bioreactors and the cultivation of microalgae for their value enhancement- the project has sought to obtain bioenergy and value products. This innovative combination could substitute

conventional technologies used in industrial WWTP, thus achieving operational cost savings, which currently amount to 4 €/m3, with a view to improving competitiveness and sustainability of the agri-food sector.

In the financial year 2014, six other multiannual research projects have continued to be developed, which shall go on in the coming financial year. In the area of sustainability, two projects are ongoing: Algae (microalgae for the purification of wastewater) and Down stream (improvement of biomass value enhancement). In the area of quality, we continue to work in the projects Remembrane (reuse of reverse osmosis membranes) and Innova Cantabria (compact purifier for wastewater in small towns and villages). And in the area of intelligent management, the project Smart Water -Smart Citizens carries out its works in an integrated manner within the framework of the Smart Santander initiative, promoted by the Municipality of the Cantabrian capital.

During 2014, FCC Aqualia has started seven new projects, under the names Renovagas, Regenera, FP7 Urban Water, Water JPI Motrem, Life Memory, Life Biosolware and Life CleanWater. The latter three projects form part of the Lite 2013 programmes calling initiative, in which out of a total of 961 proposals, only 125 projects were accepted. The scope of the different projects is as follows:

1. Renovagas "Renewable Natural Gas Generation Process" is a project financed by the Ministry of Economy and Competitiveness (MINECO). The purpose is to develop a Synthetic Natural Gas production plant from biogas, through the methanisation of hydrogen obtained from renewable sources.

   In the project, led by Enagas, the following take part in addition to FCC Aqualia: CHN2, Abengoa Hidrógeno, Gas Natural, SDG, Tecnalia and the CSIC.

2. Regenera, the purpose of which is to develop a wastewater purification system by cultivating microalgae and using the biomass generated by the raw material for the production of fertilizers. Aqualia Infraestructuras, together with Biorizon, the Almería University and Fundación Cajamar complete the research team.

3. The Life Memory project intends to demonstrate, at an industrial prototype scale, the technical and financial viability of an innovative technology, an Anaerobic Membrane Bioreactor (SAnMBR), as an alternative to traditional treatment processes. This technology allows the use of the organic matter contained in wastewater to be converted into biogas, which can then be used in the WWTP to produce energy in the form of heat and electric power. The potential benefits of the project are: reduction of energy consumption by up to 70% and 80% of CO2 emissions, 25% less space required as compared to a conventional "aerobic" WWTP, a reduction around 50% in sludge production and the implementation of a protocol for the design and operation of treatment plants based on this technology.

4. Life Biosofware (Biosolar water reuse and Energy recovery), led by the French SME Heliopur, has a total budget of 2.3 million euros. The study proposes to try a new wastewater treatment based on bio and solar purification technology (BSP). The process allows 80% of water to be reused, and the recovery of gases and organic waste.

5. CIP Cleanwater (Ecoproduction of HCLO for safe water disinfection by innovative ion Exchange membrane) arises from the Eco-innovation 2013 call, in which 59 projects were selected from among 461 proposals submitted. Led by French SME Ceramhyd, with a total budget of 1.6 million euros, it entails the demonstration of a new water disinfection technology with three applications: drinking water, desalination and reuse.

6. FP7 Urban Water. This is a project financed with European funds (within the seventh Framework Programme or FP7), in which 11 members from seven different countries are involved, developing and validating an innovative platform based on information and communication technologies (ICT), intended to improve the integral management of water in urban areas, which will represent 17% of water consumption in Europe.

The three-year project with almost 5 million euros, focuses on developing new solutions for water demand prediction and interpretation of consumption data for enhanced efficiency in the management of water, including innovative modules to stimulate the availability and supply of water, improvement of the invoicing systems and real-time data management, leaks detection and decision-making, among other issues.

7. Water JPI Motrem. The Motrem Project intends to contribute new technologies for water treatment and/or improvement of those existing through the development of integrated processes for the control and treatment of emerging pollutants (EP), in the current lines of municipal wastewater treatment plants, with special emphasis in the reuse of water. To this end, the project combines multidisciplinary and transversal experience in the design of water treatment processes, and in engineering, analytical chemistry and ecotoxicology applied to EP, thus securing the generation not only of new scientific knowledge, but also of innovative commercial solutions for the market.

Throughout the year, the team of investigators in FCC Aqualia has taken part in numerous congresses and scientific events. Their contribution has been recognised in some of these meetings:

– International Congress. "Activated Sludge - 100 years and counting". The scientific poster submitted by Nicolás Morales, FCC Aqualia researcher in Guillarei (Pontevedra), was chosen by the jury as the best among the 56 submitted. The event, organised by the IWA (International Water Association) to commemorate the Centenary of the activated sludge process, was held in Essen (Germany), between 12 and 14 June. Among the 200 researchers attending were the leading experts in water purification and participants from 35 countries around the world. The communication presented the latest developments in energy-sustainable water treatment, through the ELAN® (Autotrophic Nitrogen Removal) technology.

– IWA World Water Congress & Exhibition, held in Lisbon between 21 and 26 September 2014. The paper. "Low Cost Microalgae Harvesting Strategies for Wastewater Treatment Plants", submitted by researcher Zouhayr Arbib, on the cultivation of high-energy value microalgae in wastewater was chosen by participants to the Congress as the best scientific poster.

– "Innovation - Sustainability - Network" awards, organised by the newspaper Expansión together with Bankinter and E.ON. FCC Aqualia was recognised as a "Great Sustainable Company." For its ELAN® project. The award was presented by Mr José Manuel Soria, ministry of Industry, Energy and Tourism at the event held on 27 November at the headquarters of the Instituto de Empresa in Madrid.

Lastly, the article entitled "IISIS Project, the design of an intelligent, self-sufficient and sustainable city", published in the first issue of iAgua Magazine has been awarded the iAgua Prize to the best article of the year.

Sustainable Management

Energy efficiency has remained one of the main issues in 2014 in the industry since the UN, dedicated the World Water Day to the water/energy pair.

With the calculation of the carbon footprint carried out in 2013 in Lleida, FCC Aqualia became the first Spanish company to calculate and verify through AENOR the carbon footprint of a water service. During 2014, the company has taken one step further in this direction with the study on how economic development impacts on hydric resources. Thus, in the month of April, FCC Aqualia and the Fundación Botín signed an agreement to carry out a study of the hydric footprint in Cantabria.

This work will provide better knowledge on the impact of water consumption in goods and services produced and exchanged by Cantabria, a region where the company has a predominant presence in its activity as an integral water cycle manager.

The study is a ground-breaking initiative, because this is the first calculation of the hydric footprint in Spain, with a corporation of entities such as the Observatorio del Agua of the Fundación Botín and FCC Aqualia.

With respect to Energy Efficiency during financial year 2014, certifications on this matter have extended to new facilities, such as the water treatment plant in Aranda del Duero (Burgos) and the Centro Deportivo Santi Cazorla in Llanera (Asturias). In addition, and as a complement to the calculation of the carbon footprint, the Lleida service has been certified in this field, being the first such service to achieve this distinction.

Moreover, in the area of energy efficiency, state-of-the-art systems have been implemented during the year to optimise energy consumption in WWTPs. Thus in those in Medina del Campo (Valladolid) and Reinosa (Cantabria), an innovative system has been installed developed by the UPV in collaboration with FCC Aqualia for an automated control of ventilation; and in the WWTP in Lleida, a system for the smart management of all the purifying process has been implemented. Depending on the results obtained, the convenience of implementing such systems in the remaining WWTP plants managed by FCC Aqualia will be considered.

FCC Aqualia's CSR Report reached in 2014 its eight edition. With this document the company becomes one of the first organisations to obtain the Materiality Matters seal, considering that it was prepared and verified in accordance with the G4 guidelines of the Global Reporting Initiative (GRI). The Report, published in Spanish, English and Portuguese, is structured in five sections: Company, Customers, Employees, Environment and Society.

Furthermore, the company organized the 12th edition of the Children International Competition, addressed to 3rd and 4th years of primary school students in the municipalities where it operates in Spain and Portugal. Under the motto “Water needs heroes like you”, the contest was a call to reflect on the importance of using water in a responsible and efficient manner.

On this occasion, the novelty of the contest came from the use of the Internet to develop the competition, taking advantage of new technologies and optimising resources used. The contest website received over 30,000 visits and 1 million pages seen in the micro-site. The content, available in Spanish, Portuguese, Catalan and Galician languages was disseminated over 3,000 times through social networks and generated over 300,000 positive impacts, given the educational game oriented nature of the tool.

Human Resources Management

Gender-equality policies are being applied throughout FCC Aqualia, among which the First Mentoring Programme for women, intended to foster recognition of women’s talent in the organisation and facilitating the professional career of women identified as having potential in the company. Recognising this effort, the Ministry of Health, Social Policies and Equality has renewed FCC Aqualia's distinction for “Equality in the Company” for a further three years. By granting this extension, the Ministry of Health, Social Services and Equality recognises and supports the company's commitment to diversity and equal opportunities for men and women. Actions carried out in support of equal opportunities for men and women, as well as actions to foster awareness and facilitate the employability of women who are victims of gender-based violence should be highlighted.

In addition, during 2014, several programs have been implemented in order to change the leading style in FCC Aqualia towards a more participating, people leadership model, in a supportive, talent-developing manner, which reinforces team spirit, supported by a common language shared by everybody.

Among these programs is the Otto Walter program, addressed to intermediate managers and intended to promote the development of strategic skills and abilities to improve leadership and people management.

In the area of awareness and within the CSR policy of FCC Aqualia, cooperation has been maintained throughout 2014 with the recently created Vice-Rectorate for Cooperation and Voluntary Service in the Universidad Rey Juan Carlos, in the university's new awareness raising activity to disseminate the idea of the importance of human rights in today's society. This is carried out through discussions and debates in which

international experts of reputable standing take part in exposing and discussing the main problems concerning the field of Human Rights, as well as the obstacles preventing their realisation and the new challenges they face.

Among the events held, the guidelines of the National Companies Plan for Human Rights was presented, and is pending approval to this date. The Plan was prepared by representatives of the Government, the financial world and society. The Spanish Ministry of Foreign Affairs was responsible for setting out the strategic lines of the document, and representatives from significant NGOs explained their more relevant projects regarding training on human rights, especially those linked to academic institutions of Higher Education, such as the Universidad Rey Juan Carlos.

The second Meeting was a forum for debate attended by CSR executives from different companies, among which FCC Aqualia. The executives set out the actions carried out in relation to Human Rights and discussed the importance they have in the corporate world in general and in their respective organisation in particular.

Health and Safety

During 2014, the accident rate has registered a slight increase, the seriousness index has been significantly reduced, reaching all-time lows; the absenteeism rate due to professional illness has stayed within the target limits established in the annual plan. These accident rates come from the positive revolution in recent years and allow FCC Aqualia to remain in the lowest levels among companies in the industry.

During 2014, several task forces and workshops were organised to improve preventive culture among company workers, monitoring company members perception of the importance of health and safety at work, with a view to identifying opportunities for improvement and defining and implementing an action plan.

Among other measures, it is worth highlighting the activities and initiatives to comply with the FCC Aqualia Charter on Health and Safety at Work, approved by the more representative trade unions and the management of the company.

Customer Management

FCC Aqualia has maintained during 2014 its 24/365 customer service through the Customer Care Centre (aqualia Contact), reducing the response time for troubleshooting and repairs in the distribution network, which entailed a significant saving of water. The short waiting period for the client to communicate a breakdown (38 seconds) has enabled the implementation of an efficient and swift protocol for the resolution of any kind of incidents in the network, which has entailed an improvement in the performance of water distribution services. This customer service has reduced the claims rate to 1/1000, handling 900,000 calls a year in five languages (Galician, Catalan, English, German and French).

Customer management through interactive communication channels. Currently, the company has a corporate website available in five languages offering general information about the company, plus several local websites for specific municipalities in which FCC Aqualia provide services, with more locally-tailored information regarding the company's presence in the municipality in question. In addition, FCC Aqualia websites, both corporate and local, provide access to the virtual office aqualiaOnline, through which most of the main actions related to the service may be carried out.

The aqualia contact and aqualiaOnline channels both enjoy, since 2011, the UNE-ISO 27001 standard “Information Security Management Systems” certification, which confirms compliance with the established security targets and ensures a commitment with the safety of our clients data, as well as their integrity, availability and confidentiality.

The results of customer satisfaction survey for institutional customers show a very good general assessment, slightly higher than the one obtained in the previous survey. The results of the final customer satisfaction survey show a slight reduction with respect to those of the last survey, probably influenced by the extended economic

troubles of the country, and still register a more positive perception by users than that awarded to other utilities such as electric power, gas or telephone services.

Treasury Stock

The Company has not carried out any transactions with Treasury stock in the year.

Financial derivatives

The Company has not carried out any transactions with financial derivatives in the year.

FCC Aqualia, S. A.

The Annual Accounts and Management Report of the Company FCC Aqualia, S.A., corresponding to financial year closed at 31 December 2014, have been formulated by the Directors of the Company, on 27 February 2015, and are identified as issued on both sides of 51 sheets of State paper of series OL numbers 9109801 to 9109851 both included, being signed, in proof of acceptance, in State paper series OL, number 9109851.

Chairman	Vice-Chairman
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_____	_____
Eduardo González Gómez	***Félix Parra Mediavilla***
Board Member	Secretary
[Illegible signature]	[Illegible signature]
_____	_____
Isidoro Marbán Fernández	***Cristina López Barranco***

[The document is issued on State stamped paper for the exclusive use of notaries. All pages bear, on the obverse, a 0.03 euros stamp and the seal of Notary ANDRES DOMINGUEZ NAFRIA]

FCC Aqualia, S. A.

THE UNDERSIGNED, ANDRES DOMINGUEZ NAFRIA, NOTARY OF MADRID AND MEMBER OF ITS NOTARIAL ASSOCIATION, DO HEREBY CERTIFY:

That the present booklet, comprising **fifty-two** sheets of paper for exclusive use of Spanish Notarial Associations, photocopied on the front and back sides, Series and numbers: **the present one and the following fifty-one in correlative order**, which I sign with my official seal for their identification, coincides faithfully with the document to which I remit and that I have before me.

Madrid, 14th April 2015.

[There is a 0.15 € legalisations policy affixed thereunto]

[General Council of Spanish Notaries. European Notaries. 0206884461]

[There is a hand stamp seal of Notary Andrés Dominguez Nafría. Notary of Madrid]

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