



Financial Report 2018

28 February 2019

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In order to comply with the Guidelines on Alternative Performance Measures (2015/1415en) published by the European Securities and Markets Authority (ESMA), the key Alternative Performance Measures (APMs) used in preparing the financial statements are included in the Appendix at the end of this document. Sacyr considers that this additional information improves the comparability, reliability and comprehensibility of its financial information.

I. 2018 Highlights

Corporate:

Shareholder Remuneration

As a continuation of its shareholder remuneration strategy, during this year Sacyr paid out two scrip dividends charged to the year 2017:

- The first dividend paid out in January, in which shareholders could either receive one new share for every 48 shares held or else sell Sacyr the rights to receive free shares at a guaranteed fixed price of EUR 0.052 gross per right. More than 95% of the shareholding of the group chose to receive shares demonstrating its confidence in the company.
- The second dividend paid out in July, in which shareholders could either receive one new share for every 48 existing shares held or otherwise sell Sacyr their rights to receive free shares at a guaranteed fixed price of EUR 0.051 gross per right. In this second scrip dividend more than 86% of the shareholding of the group chose to receive shares demonstrating its confidence in the company.

These two pay-outs to shareholders mark the resumption of the regular dividend policy that is part of the Group's strategy.

After the year-end and as a continuation of its remuneration strategy, in January 2019 Sacyr paid out a scrip dividend to its shareholders. Shareholders could either receive one new share for every 35 existing shares held or otherwise sell the company their rights to receive free shares at a guaranteed fixed price of EUR 0.051 gross per right. Shareholders holding more than 95% of the group's shares chose to receive shares.

The total expected remuneration estimated for the shareholders in 2019 will be higher than that received in 2018.

Asset Rotation

- During 2018, Sacyr started the rotation of 49% of seven Chilean assets. The process is currently in its final phase, estimating the closing of this operation in the second quarter of the year. This process is part of Sacyr Concessions' asset rotation strategy, aimed at allowing the entry of strategic partners, so as to maximise the return on the assets and raise capital for new (greenfield) concession projects, a sector in which Sacyr Concessions is world leader.
- In February 2019, Sacyr completed the sale of its stake in Itínere for 202 million euros which was catalogued by that amount as an asset held for sale. The proceeds will be used to partially reduce corporate debt.

Active management of the interest in Repsol

During December, the Sacyr group decided to monetise part of the value currently held in the derivative structures through which the group protects its investment in Repsol.

The transaction involved monetising 125 million euros for the group.

Euro Medium Term Note (EMTN) Programme

During April, Sacyr launched an issue of fixed-income securities (European Medium Term Note Programme) in a maximum aggregate nominal amount of €500 million. This programme will allow Sacyr to issue fixed-income securities over a renewable 12-month period, subject to the terms and conditions of the programme prospectus.

The EMTN programme is part of the Group's efforts to diversify its funding sources.

Panama

On 12 December 2018, the International Chamber of Commerce (ICC) in Miami, United States, issued an arbitration award regarding the advance payments received in 2009 by the Grupo Unidos por el Canal (GUPC) consortium to cover the costs of deployment and plant for the execution of the Third Set of Locks of the Panama Canal project.

To meet the one-time financial obligations arising from the arbitral award, Sacyr obtained a syndicated loan in the amount of up to 225 million euros, for a period of five years, with a two-year grace period. This loan was entered into independently of Sacyr's business performance, without affecting the development of its businesses.

The second and last tranche of advances, which in the case of Sacyr amounts to approximately 125 million euros, will be settled in March 2019.

Nevertheless, the GUPC group is still awaiting the resolution of approximately 5,200 million dollars in claims in various arbitration processes at the International Chamber of Commerce in Miami. A positive impact on cash is expected at the end of each arbitration proceeding.

International expansion:

NEW MARKET: UNITED STATES

- **Sacyr won its first four infrastructure projects in the United States.**

During 2018, Sacyr was awarded its first four infrastructure projects in the United States, thus meeting one of the targets of its 2015-2020 strategic programme. Sacyr will carry out four projects in the US (three for the Florida Department of Transportation and a fourth in the village of Palmetto Bay) for an aggregate amount of approximately €318 million.

- Sacyr will carry out the following three projects for the Florida Department of Transportation (FDOT):
 - Construction of State Road 23 in Jacksonville, Florida, a project put out to tender by the FDOT. Valued at 229 million dollars (203 million euros), the project involves the construction of a new 17.7 km stretch of the First Coast Expressway. This infrastructure, situated in Black Creek, will have 26 bridges, the longest with a span of 300 metres. The total term of the contract is 66 months.
 - Remodelling of a stretch of Interstate 75 situated in the west of Florida, with a budget of around €70 million. The project involves the reconstruction, refurbishment and extension of more than 12 kilometres of highway at the

intersection of Interstate 75 and State Road 70, including the reconfiguration of the link between the two roads and the modification of an approximately 1.7 km stretch of SR 70.

- Widening of State Road 82 between Alabama Road South and Homestead South, with a budget of €36 million. The project will duplicate 11 km of the existing roadway, which will be expanded from an undivided highway with one lane in each direction to a divided highway with two lanes in each direction. Also, a roughly 4.4 km stretch of the existing Hendry Canal will be widened.
- In the village of Palmetto Bay, Miami-Dade County, 30 minutes south of the city of Miami, Sacyr Engineering & Infrastructures will design and build three new streets and expand and improve two existing streets, with a total length of 1,800 m, for €9 million.

STRATEGIC MARKETS

- **Sacyr won the contract to build the Alto Hospicio Hospital in Chile.**

Sacyr Engineering & Infrastructures won the contract to design and build the new Alto Hospicio Hospital in Iquique, in the Tarapacá region of Chile, for a total of €95 million. With 235 beds, 3 integrated delivery rooms, 49 cubicles, seismic isolation, energy efficiency and a heliport, the hospital will serve more than 108,000 inhabitants and will house the health care services of the communes of Tamarugal.

- **Sacyr won a contract to build its fourth hospital in Chile.**

Sacyr Engineering & Infrastructures will build the new Villarrica Hospital, located in the Araucanía region of Chile, for a total of €44 million.

This hospital will benefit almost 100,000 inhabitants in the communes covered by the Nodo Lacustre health service management district of the province of Cautín (Villarrica, Pucón, Curarrehue and Loncoche). The site will have 21,000 m² of infrastructure, accommodating 115 beds, an Intermediate Care Unit, an Accident and Emergency Service, 6 operating rooms, 3 delivery rooms, 12 dialysis stations and a Polyclinic, which will provide general medical care and various medical specialities.

The Villarrica Hospital will be the fourth to be built by Sacyr Engineering & Infrastructures in Chile, after the Antofagasta Regional Hospital, opened in 2017 and managed by Sacyr Concessions, the bi-provincial Quillota-Petorca Hospital and the Alto Hospicio Hospital, these last two currently under construction.

- **First award of an airport concession in Chile: El Tepual Airport in Puerto Montt**

Sacyr has entered the airport concession business in Chile after being awarded the contract to expand, finance, build and manage the El Tepual Airport in Puerto Montt, in partnership with Agunsa, for a period of 6 years.

The contract is worth €58 million for the concession and €33 million for the construction.

- **Sacyr won the contract for cleaning and minor maintenance services for Lines 2 and 6 of the Santiago de Chile Metro.**

Through its subsidiary Sacyr Facilities, Sacyr was awarded the contract to clean and carry out minor maintenance tasks for Lines 2 and 6 of the Santiago de Chile Metro, with a total budget of €30 million. The contract includes cleaning and carrying out minor maintenance work at 32 stations (220,300 m²), intermodal hubs and maintenance depots (40,300 m²) and 25 kilometres of track, as well as cleaning 38 trains, for a term of 42 months, with the option of extending the contract for another year.

- **Sacyr Services won various operation and maintenance concession contracts in Chile through its subsidiary Sacyr Conservación de Infraestructuras.**

- Operation and maintenance service for the Valles del Bío-Bío concessionaire for a total of 106 million euros and a term of 30 years.

- Operation and maintenance service for the Rutas del Desierto concessionaire for a total of 57 million euros and a term of 30 years.

- Operation and maintenance service for the Rutas del Limarí concessionaire for a total of 9 million euros and a term of 4 years.

- **Sacyr won the contract to build the new San Alejandro Hospital in Mexico.**

The Mexican Social Security Institute (IMSS) awarded Sacyr Engineering & Infrastructures the contract to build the new San Alejandro Hospital in Puebla, Mexico, for a total of €70 million.

The new hospital will replace the old San Alejandro hospital, which was badly damaged by the September 2017 earthquake, after having been in operation for 41 years. The old hospital had grown to reach 600 beds and was the largest regional health care facility in the whole of Latin America.

- **Sacyr won the contract for the rehabilitation of the Capitan FAP José A. Quiñones international airport in Peru.**

Sacyr Engineering e Infrastructures was awarded the contract for the rehabilitation of the Capitan FAP José A. Quiñones international airport in Chiclayo, Peru, for a total of €32 million.

The work will involve changing the pavements of the runway system and building the airport's perimeter fence and perimeter road.

- **Sacyr has moved into Colombia by securing the waste collection and cleaning contract for Special Services Area 5 in Bogotá.**

Through its subsidiary, Valoriza Medioambiente, Sacyr heads up the Área Limpia SAS ESP Consortium, which won the waste collection and cleaning contract for Special Services Area 5 (ASE 5) in the city of Bogotá, Colombia. The contract runs for 8 years and is worth an estimated €170 million in total.

With this new contract Valoriza Medioambiente expands its international presence, having already won a waste treatment contract in Melbourne, Australia.

- **Sacyr won the contract to build the A6 motorway between Dungiven and Drumahoe in Northern Ireland, United Kingdom.**

A consortium led by Sacyr Engineering and Infrastructures was awarded the contract to build the A6 motorway between Dungiven and Drumahoe in Northern Ireland. The contract is valued at €161 million.

Awarded by the Department for Infrastructure of the Government of Northern Ireland, the contract includes designing and building the 26-kilometre motorway. The road is part of the North-East Transport Corridor, a strategic link between Belfast and the north-east of the country.

- **Sacyr Industrial won the contract to design, build and manage a farm water treatment plant in Adelaide, Australia.**

SA Water Corporation, a state corporation of the Government of South Australia, awarded Sacyr Industrial the contract to design, build and manage a high-tech tertiary water treatment plant north of Adelaide, Australia. The project will be completed in stages and has an overall budget of €85 million.

The EPC project includes the infrastructure required for the treatment and distribution of water for agricultural use and includes the possibility of adapting the plant to include reverse osmosis technology. The plant will have an output of up to 12 cubic hectometres per annum.

- **Sacyr Engineering & Infrastructures was awarded the contract to build the phase 1 of the East Line of the subway in the city of Fortaleza.**

Sacyr Engineering & Infrastructures was awarded the contract to build the East Line of the subway in the city of Fortaleza and a budget of approximately of €350 million.

The works entail building a 7.3 kilometre-long tunnel, 6 kilometres of which will require the use of tunnelling machines, and four underground stations (called Central Chico da Silva, Colegio Militar, Nunes Valente and Papicú) and one overground station (Tirol-Moura Brasil). In addition, the tunnels will be reinforced at the locations of the stations to be built during the next phase (Catedral and Luiza Távora).

- **Sacyr will provide street cleaning and waste collection services for the municipality of Arona in Santa Cruz de Tenerife.**

Through its subsidiary Valoriza Medioambiente, Sacyr Services will manage the public urban solid waste (USW) management and street cleaning service in the municipality of Arona, Santa Cruz de Tenerife, for a total of €53 million and a concession period of 8 years.

- **Sacyr will provide street cleaning and waste collection services for the Autonomous City of Melilla.**

Sacyr Services, through its subsidiary Valoriza Medioambiente, won the contract for street cleaning and waste collection services in the Autonomous City of Melilla for an aggregate amount of €51 million over a period of 4 years, extendable for a further 2 years.

All the street cleaning and waste collection equipment is more environmentally friendly and sustainable, thus reducing emissions of greenhouse gases and noise pollution. The company will also have sound-insulated equipment with water-saving devices with a view to increasing the use of high-pressure water jets in street cleaning.

- **Sacyr won the water management contract for Sotogrande and Pueblo Nuevo de Guadiaro in Cádiz.**

Sacyr Services, through its subsidiary Sacyr Agua, won the water management contract (drinking water supply, sewage and wastewater purification) for the Sotogrande and Pueblo Nuevo de Guadiaro National Tourist Interest Centre (CITN) in Cádiz for a total of €400 million over a 35-year period. It will serve a population of 5,000 inhabitants, which in the summer season can rise to more than 25,000.

Contracts still to be signed:

- “Ferrocarril Central” refurbishment and concession in Uruguay for €822 million in construction and 2,200 million euros in concession investment. The 270 km Ferrocarril Central rail corridor will connect the capital Montevideo with the city of Paso de los Toros in the department of Tacuarembó in the north of the country.



Contracts awarded after the year-end:

- Sacyr Concesiones has been selected for the award of the Chacatulla de Arica Airport concession in Chile.
- Construction of two new hospitals in Chile (Provincia Cordillera and Sótero del Río).
- Construction and concession of the Los Vilos – La Serena motorway.

II. Income Statement

Sacyr's 2018 results confirm the strong operating performance of all the Group's businesses and the consolidation of strategic growth in our international markets. The key to the Group's operating performance is careful attention to profitability and cash flow generation, based on rigorous selection of contracts and thorough control of the associated risks and costs. Sacyr's profile as a concession operator makes it a Group with stable and predictable earnings, coupled with strong cash-flow generation capabilities.

INCOME STATEMENT			
(Thousands of Euros)	2018	2017	% Chg
Revenue	3,795,717	3,092,606	22.7%
Other income	322,391	176,877	82.3%
Total operating income	4,118,108	3,269,483	26.0%
External and Operating Expenses	-3,574,819	-2,846,891	25.6%
EBITDA	543,289	422,592	28.6%
Amortisation and depreciation charge	-138,030	-137,097	0.7%
Trade Provisions and non recurring items	-40,376	-28,669	40.8%
NET OPERATING PROFIT	364,883	256,826	42.1%
Financial results	-247,260	-174,253	41.9%
Forex results	48,206	-71,236	n.a.
Results from equity accounted subsidiaries	200,979	259,114	-22.4%
Provisions for financial investments	-57,600	86,210	-166.8%
Change in value of financial instruments	-11,140	-144,754	-92.3%
Results from sales of non current assets	-12,544	-362	n.a.
PROFIT BEFORE TAXES	285,525	211,545	35.0%
Corporate Tax	-77,098	-42,967	79.4%
PROFIT FOR CONTINUING ACTIVITIES	208,427	168,578	23.6%
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	0	
CONSOLIDATE RESULTS	208,427	168,578	23.6%
Minorities	-58,030	-37,934	53.0%
NET ATTRIBUTABLE PROFIT	150,398	130,644	15.1%
Gross margin	14.3%	13.7%	

- Revenue amounted to €3,796 million, representing year-on-year growth of 23%.
- 60% of revenue and 71% of the backlog were generated outside Spain.
- EBITDA reached €543 million, representing year-on-year growth of 29%.

- The EBITDA generated by the assets operated under concessions in four business areas (transportation infrastructure, waste treatment plants, water treatment plants, and power plants) represented over 75% of the Group total.
- Operating profit (EBIT) rose 42% to €365 million.
- The EBITDA margin was 14.3%, compared to 13.7% in the same period of the previous year.
- Attributable net profit was €150 million in 2018, up 15% compared to the same period of the previous year.

Revenue

Revenue increased by 23% as a result of the favourable performance of all the Group's businesses.

Positive business performance across all areas allowed the Group to post revenue of €3,796 million, 23% more than in the same period of the previous year. The year-on-year growth in international revenue was 26%.

The Engineering and Infrastructures division grew 40%, following the trend of recent quarters, thanks to the rate of revenue generation from major projects in the various strategic markets (Italy, Colombia, Chile, Uruguay, Peru, Paraguay, Mexico, Ireland, etc.). Sacyr Concessions grew 29%, the increase in construction revenues can be observed as a result of the progress in the execution of the last awarded contracts. The revenues from Sacyr Services increased by 13%, due to the start of operation of our portfolio projects, and Sacyr Industrial by 1%.

REVENUE (Thousands of Euros)	2018	2017	% Chg
SACYR ENGINEERING & INFRASTRUCTURES	1,713,022	1,224,984	39.8%
SACYR CONCESSIONS	793,268	612,764	29.5%
Revenue from concessions	432,243	355,758	21.5%
Revenue from construction	361,025	257,006	40.5%
SACYR SERVICES	1,075,310	951,896	13.0%
SACYR INDUSTRIAL	526,722	522,851	0.7%
Holding y Adjustment	-312,604	-219,890	
REVENUE	3,795,717	3,092,606	22.7%
International	2,270,404	1,800,067	26.1%
% International	60%	58%	

EBITDA

The Group's strategic focus on increasing the profitability of its businesses is evident in the trend in EBITDA in 2018, which increased by a very substantial 29% from 2017. EBITDA grew by 17% at Sacyr Concessions, 14% at Sacyr Services and 5% at Sacyr Industrial. In Sacyr Engineering and Infrastructures, the momentum was shaped by the pace of execution of some of the major projects in the pipeline (in Colombia, Chile, Uruguay, Peru, Paraguay, Mexico, Ireland, etc.), boosted by the contribution by the Pedemontana-Veneta motorway in Italy.

The Group's pronounced exposure to concessions will translate into predictable and recurring earnings in the years to come, in addition to strong cash flow generation.

The consolidated EBITDA margin stood at 14.3% in 2018, which is 60 basis points wider than in 2017.

EBITDA (Thousands of Euros)	2018	2017	% Chg
SACYR ENGINEERING & INFRASTRUCTURES	168,440	92,769	81.6%
SACYR CONCESSIONS	271,950	231,940	17.2%
SACYR SERVICES	94,721	83,300	13.7%
SACYR INDUSTRIAL	36,342	34,453	5.5%
Holding y Adjustment	-28,165	-19,870	
EBITDA	543,289	422,592	28.6%
Ebitda Margin (%)	14.3%	13.7%	

Operating profit (EBIT)

Operating profit (EBIT) reached €365 million, a year-on-year increase of 42%.

Financial Results

Net financial results totalled - €247 million in 2018. The average borrowing cost was 3.6%.

Results from equity accounted subsidiaries

The total under this heading of the income statement amounted to €201 million, of which €184 million relate to our stake in Repsol. Repsol's carrying amount at 31 December 2018 was €16.48 per share.

Net profit

Net profit at 31 December 2018 was €150 million, 15% more than for the same period of the previous year.

III. Backlog

Sacyr's order backlog at year-end 2018, in revenue terms, amounted to €41,674 million, growth of 2% from year-end 2017, which is noteworthy in light of the strong pace of invoicing by the Group.

The Group continues to pursue a strategy of internationalisation in strategic markets. International backlog already accounts for 71% of the total, due to the new contracts awarded in countries such as the United States, Colombia, Mexico, Peru, Paraguay, Australia, Chile and United Kingdom, etc.

BACKLOG (Thousands of euros)	2018	International	Spain	% Internat.
SACYR ENGINEERING & INFRASTRUCTURES	6,183	5,426	756	88%
SACYR CONCESSIONS	27,081	22,235	4,846	82%
SACYR SERVICES	5,899	1,708	4,191	29%
SACYR INDUSTRIAL	2,511	266	2,245	11%
TOTAL	41,674	29,635	12,039	
Backlog December 2017	41,001			
Chg. 2018	2%			

In the Engineering and Infrastructures business, international projects account for 88% of the total backlog. The division's geographic exposure is concentrated in the United States, Chile, Italy, Peru, Colombia, Paraguay, Mexico, Brazil, the United Kingdom, Qatar, Uruguay, Portugal, Angola and other countries.

In the Concessions business, Sacyr's international presence is steadily increasing, with a focus on strategic markets. At 31 December 2018, the international backlog accounted for 82% of the total. The Concessions division operates in Chile, Colombia, Uruguay, Paraguay, Peru, Italy, Mexico and Ireland.

The Services division is present in the domestic market, with contracts in Spain for care services, municipal services, waste treatment, environmental projects, catering, mining, facility management, etc. In addition to this domestic business, some 29% of the division's backlog is located outside Spain, specifically in Colombia, Australia, Algeria, Chile, Uruguay, Mexico, Peru, Oman, Portugal and other countries, largely through contracts for the operation and maintenance of water concessions and for infrastructure maintenance and waste collection and transport.

Sacyr Industrial, for its part, is present in Australia, Bolivia, Oman, Mexico, Peru, Panama, Chile, Colombia and Ecuador, as well as Spain, with numerous projects in the Oil & Gas and electricity infrastructure sectors and in power plants, cement plants, desalination plants and waste treatment facilities. It now has a backlog of projects totalling €2,511 million, 11% of which is located abroad.

IV. Consolidated balance sheet

BALANCE SHEET (Thousands of Euros)	DEC. 2018	DEC. 2017	Chg 18/17
NON CURRENT ASSETS	8,895,503	8,098,032	797,471
Intangible Assets	25,901	17,188	8,713
Concessions Investments	1,353,656	1,370,054	-16,398
Fixed Assets	441,230	387,600	53,631
Financial Assets	3,335,804	3,059,941	275,863
Receivables from concession assets	3,552,834	2,854,735	698,099
Other non Current Assets	19,444	241,714	-222,271
Goodwill	166,633	166,801	-167
CURRENT ASSETS	4,954,307	5,478,224	-523,916
Non current assets held for sale	362,172	454,992	-92,820
Inventories	209,331	199,937	9,394
Receivables from concession assets	293,238	260,278	32,961
Accounts Receivable	1,974,908	2,333,664	-358,756
Financial Assets	124,446	113,361	11,085
Cash	1,990,212	2,115,992	-125,780
ASSETS = LIABILITIES	13,849,810	13,576,256	273,554
EQUITY	1,507,190	2,004,419	-497,228
Shareholder's Equity	1,145,833	1,652,138	-506,305
Minority Interests	361,358	352,281	9,077
NON CURRENT LIABILITIES	7,915,873	7,253,254	662,619
Financial Debt	5,061,232	4,729,167	332,065
Financial Instruments at fair value	105,917	192,800	-86,883
Provisions	313,917	294,882	19,035
Other non current Liabilities	817,365	547,154	270,212
Other hedged debt	1,617,442	1,489,252	128,190
CURRENT LIABILITIES	4,426,746	4,318,583	108,163
Liabilities associated with the non current assets held for sale	170,236	176,965	-6,729
Financial Debt	1,097,331	921,205	176,127
Financial Instruments at fair value	18,953	27,127	-8,174
Trade Accounts Payable	2,431,138	2,460,956	-29,818
Operating Provisions	157,225	122,726	34,499
Other current liabilities	551,863	609,604	-57,741

Main changes in 2018 are the result of applying new accounting rules. As indicated in the Group's financial statements, an adjustment of €540 million was recognised in equity at 1 January 2018.

Financial debt

The Group's net debt amounts to €4,045 million. The breakdown of the debt and the changes with respect to December 2017 are as follows:

€ Million	2018	2017	VAR.
Project Finance	2,907	2,517	390
Bank Debt	461	498	-37
Capital Markets (Bonds + ECP)	677	406	271
Net Debt	4,045	3,421	624

Bank Debt: the group's bank debt stands at €461 million, consisting of working capital finance used by the Group in its various businesses. This amount includes the bank debt of each of the group's business areas and the financial liability associated with the holding company.

In the fourth quarter, the group's bank borrowings increased due to the financing arranged in December to fund the repayment of a portion of the down payments corresponding to the third set of locks at the Panama Canal.

Capital markets: at 31 December 2018 the holding company has a financial liability of €677 million, mainly for:

- The outstanding amount of the convertible bonds issued in 2014, maturing in 2019.
- The ECP programme, which has been very active in recent months.
- The EMTN programme, launched in May.

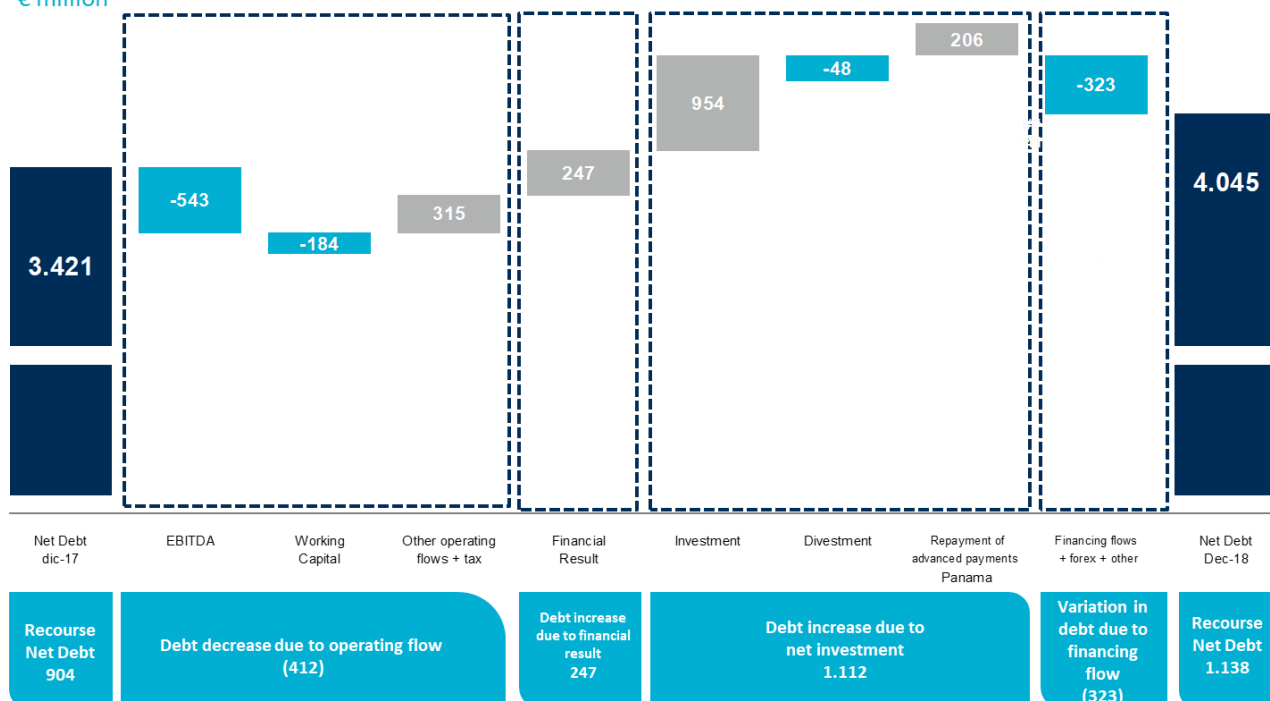
This funding is used by the parent company, in its financial management and coordination activities as the Group's controlling company, to meet the financing needs of the various Group companies.

Project finance: this amounts to €2,907 million and consists of very long-term project finance. This debt is repaid out of the cash flows generated by the projects themselves.

Changes in net debt in 2018 were as follows:

Net Debt Evolution

€ million



V. Performance by business area

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
Turnover	1,713,022	793,268	1,075,310	526,722	-312,604	3,795,717
Other Sales	242,041	40,434	49,345	4,872	-14,301	322,391
Total Income	1,955,063	833,701	1,124,655	531,594	-326,905	4,118,108
External and Operating Expenses	-1,786,623	-561,752	-1,029,934	-495,252	298,741	-3,574,819
GROSS OPERATING PROFIT	168,440	271,950	94,721	36,342	-28,165	543,289
Depreciation	-35,272	-49,223	-41,599	-9,752	-2,184	-138,030
Trade Provisions and non recurring items	-11,913	25,667	-10,648	624	-44,107	-40,376
NET OPERATING PROFIT	121,255	248,393	42,474	27,215	-74,455	364,883
Financial results	-59,045	-152,530	-12,555	-5,978	-17,152	-247,260
Forex results	25,960	-8,208	146	-1,681	31,989	48,206
Results from equity accounted subsidiaries	1,144	7,990	8,817	-11	183,040	200,979
Provisions for financial investments	-33	-4,703	-125	-7	-52,732	-57,600
Change in value of financial instruments at fair value	0	-19,632	-3,495	-773	12,760	-11,140
Results from sales of non current assets	2,768	-7,594	1,156	-1,275	-7,599	-12,544
PROFIT BEFORE TAXES	92,049	63,717	36,418	17,490	75,851	285,525
Corporate Tax	-39,293	-18,952	-9,244	-2,021	-7,587	-77,098
PROFIT FOR CONTINUING ACTIVITIES	52,757	44,764	27,174	15,469	68,264	208,427
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	0	0
CONSOLIDATE RESULTS	52,757	44,764	27,174	15,469	68,264	208,427
Minorities	-27,185	-29,167	2,320	-4,434	437	-58,030
NET ATTRIBUTABLE PROFIT	25,572	15,597	29,494	11,035	68,700	150,398

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2017						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
Turnover	1,224,984	612,764	951,896	522,851	-219,890	3,092,606
Other Sales	153,084	11,516	24,776	6,433	-18,933	176,877
Total Income	1,378,068	624,281	976,673	529,283	-238,822	3,269,483
External and Operating Expenses	-1,285,299	-392,341	-893,372	-494,831	218,952	-2,846,891
GROSS OPERATING PROFIT *	92,769	231,940	83,300	34,453	-19,870	422,592
Depreciation	-39,860	-47,725	-38,269	-9,186	-2,057	-137,097
Trade Provisions and non recurring items	-7,055	-20,022	-2,482	935	-44	-28,669
NET OPERATING PROFIT	45,854	164,192	42,550	26,201	-21,971	256,826
Financial results	-4,539	-98,949	-8,515	-3,751	-58,498	-174,253
Forex results	-48,000	-401	-70	-480	-22,285	-71,236
Results from equity accounted subsidiaries	2,525	6,249	6,638	30	243,672	259,114
Provisions for financial investments	77,727	8,178	319	496	-509	86,210
Change in value of financial instruments at fair value	0	-19,856	-3,687	-648	-120,564	-144,754
Results from sales of non current assets	1,756	-38	-1	-1,701	-378	-362
PROFIT BEFORE TAXES	75,322	59,377	37,232	20,147	19,466	211,545
Corporate Tax	-40,947	-23,036	-11,744	-6,867	39,626	-42,967
PROFIT FOR CONTINUING ACTIVITIES	34,376	36,341	25,488	13,280	59,093	168,578
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	0	0
CONSOLIDATE RESULTS	34,376	36,341	25,488	13,280	59,093	168,578
Minorities	-11,655	-22,683	66	-3,737	75	-37,934
NET ATTRIBUTABLE PROFIT	22,721	13,659	25,554	9,543	59,167	130,644

*Excludes €17m of non-recurring costs related to the redundancy plan at Somague

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & adjustments	TOTAL
NON CURRENT ASSETS	1,777,267	3,432,587	906,566	192,451	2,586,632	8,895,503
Intangible Assets	500	86	20,858	1,186	3,271	25,901
Concessions Investments	40,123	1,029,214	284,319	0	0	1,353,656
Fixed Assets	153,857	3,777	190,625	89,544	3,427	441,230
Financial Assets	180,035	457,878	84,066	33,891	2,579,934	3,335,804
Receivables for concession assets	1,402,752	1,924,736	225,345	0	0	3,552,834
Other non Current Assets	0	16,895	2,548	0	0	19,444
Goodwill	0	0	98,804	67,829	0	166,633
CURRENT ASSETS	3,204,853	1,068,773	557,188	343,376	-219,883	4,954,307
Non current assets held for sale	0	201,589	0	0	160,583	362,172
Inventories	161,273	306	13,031	15,400	19,321	209,331
Receivables for concession assets	271	288,888	4,079	0	0	293,238
Accounts Receivable	1,537,038	176,060	354,833	203,142	-296,164	1,974,908
Financial Assets	91,704	10,924	113,030	37,548	-128,760	124,446
Cash	1,414,567	391,006	72,215	87,286	25,137	1,990,212
ASSETS = LIABILITIES	4,982,120	4,501,360	1,463,753	535,827	2,366,750	13,849,810
Equity	457,227	878,911	393,320	138,670	-360,937	1,507,190
Shareholder's Equity	409,579	611,325	386,586	95,563	-357,220	1,145,833
Minority Interests	47,648	267,586	6,733	43,108	-3,717	361,358
NON CURRENT LIABILITIES	1,955,450	3,127,414	623,484	136,041	2,073,484	7,915,873
Financial Debt	1,720,758	2,284,492	405,062	92,078	558,842	5,061,232
Financial Instruments at fair value	0	93,610	11,307	1,000	0	105,917
Provisions	24,481	46,309	102,111	20,039	120,978	313,917
Other non current Liabilities	210,211	703,004	105,004	22,925	-223,779	817,365
Other hedged debt	0	0	0	0	1,617,442	1,617,442
CURRENT LIABILITIES	2,569,443	495,036	446,949	261,115	654,203	4,426,746
Liabilities associated with the non current assets held for sale	0	0	0	0	170,236	170,236
Financial Debt	160,621	274,073	74,685	27,803	560,149	1,097,331
Financial instruments at fair value	0	17,152	1,483	318	0	18,953
Trade Accounts Payable	1,996,846	29,126	158,208	203,460	43,498	2,431,138
Operating Provisions	61,625	9,455	26,322	6,502	53,321	157,225
Other current liabilities	350,350	165,230	186,252	23,033	-173,001	551,863

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2017						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & adjustments	TOTAL
NON CURRENT ASSETS	1,304,452	3,397,139	798,911	188,215	2,409,315	8,098,032
Intangible Assets	638	82	13,411	1,572	1,485	17,188
Concessions Investments	48,828	1,073,928	247,298	0	0	1,370,054
Fixed Assets	127,378	2,496	155,344	98,861	3,521	387,600
Financial Assets	135,245	392,548	107,886	19,952	2,404,310	3,059,941
Receivables for concession assets	992,364	1,688,862	173,509	0	0	2,854,735
Other non Current Assets	0	239,223	2,492	0	0	241,714
Goodwill	0	0	98,971	67,829	0	166,801
CURRENT ASSETS	3,969,527	1,054,859	445,836	425,446	-417,444	5,478,224
Non current assets held for sale	0	282,760	0	0	172,232	454,992
Inventories	159,927	288	18,292	18,108	3,322	199,937
Receivables for concession assets	265	256,093	3,920	0	0	260,278
Accounts Receivable	1,749,613	190,846	314,714	246,425	-167,934	2,333,664
Financial Assets	444,445	6,572	53,966	54,104	-445,726	113,361
Cash	1,615,277	318,300	54,945	106,809	20,662	2,115,992
ASSETS = LIABILITIES	5,273,979	4,451,998	1,244,746	613,661	1,991,871	13,576,256
EQUITY	428,814	968,118	293,156	135,464	178,867	2,004,419
Shareholder's Equity	408,323	685,108	283,971	91,629	183,106	1,652,138
Minority Interests	20,490	283,009	9,185	43,835	-4,239	352,281
NON CURRENT LIABILITIES	2,335,900	2,759,044	584,083	129,593	1,444,635	7,253,254
Financial Debt	1,800,895	2,133,586	302,592	105,359	386,735	4,729,167
Financial Instruments at fair value	0	124,815	13,670	559	53,756	192,800
Provisions	347,197	66,518	109,647	11,133	-239,613	294,882
Other non current Liabilities	187,808	434,124	158,175	12,542	-245,494	547,154
Other hedged debt	0	0	0	0	1,489,252	1,489,252
CURRENT LIABILITIES	2,509,266	724,837	367,507	348,604	368,370	4,318,583
Liabilities associated with the non current assets held for sale	0	0	0	0	176,965	176,965
Financial Debt	172,887	297,913	78,361	39,922	332,122	921,205
Financial instruments at fair value	0	25,347	1,351	429	0	27,127
Trade Accounts Payable	1,829,433	261,105	128,681	251,473	-9,736	2,460,956
Operating Provisions	80,650	14,285	20,552	6,864	376	122,726
Other current liabilities	426,295	126,187	138,563	49,916	-131,357	609,604

SACYR ENGINEERING & INFRASTRUCTURES

(Thousands of euros)	2018	2017	% Chg.
Revenue	1,713,022	1,224,984	39.8%
EBITDA	168,440	92,769	81.6%
EBITDA margin	9.8%	7.6%	

Revenue in the Engineering and Infrastructure division amounted to €1,713 million in 2018, year-on-year growth of 40%, driven by growth in the international markets of 46% and in the Group's home market of 12%.

The Engineering and Infrastructures area continues to post high international growth: at 31 December 2018, 85% of its revenue was generated outside Spain, compared to 82% in the same period of the previous year.

More specifically, the division's growth was underpinned by the solid pace of execution of some of the major projects in the pipeline in Colombia, Uruguay, Peru, Paraguay, Mexico, USA, UK, etc., as well as the contribution by the Pedemontana – Veneta motorway in Italy. Note that the vast majority of these projects are being executed for the Concessions division.

All this brought EBITDA at 31 December 2018 to €168 million, which represents strong growth of 82% compared to the same period of the previous year. The EBITDA margin reached 9.8%, marking an improvement in the business's profitability.

Procurement and backlog

The Engineering and Infrastructures backlog totals to €6,183 million, which covers 43 months of activity at current rates of revenue generation. International activities account for 88% of the total backlog. Also, 58% of the total Engineering and Infrastructure backlog consists of infrastructure projects for Sacyr Concessions.

During the year, Sacyr won its first infrastructure projects in the United States, thus meeting one of the targets of its 2015-2020 strategic programme. Sacyr will carry out four projects in the US (three for the Florida Department of Transportation and a fourth in the village of Palmetto Bay) for an aggregate amount of approximately €318 million.

- Specifically, Sacyr will execute the following three projects for the Florida Department of Transportation (FDOT):
 - Construction of State Road 23 in the city of Jacksonville (Florida, US). That project, with a budget of \$229 million (€203 million), entails the construction of a new 17.7 kilometre stretch of the First Coast Expressway. The road will feature 26 bridge structures, the longest of which, at 300 metres, is located in Black Creek. The total term of the contract is 66 months.
 - Remodelling of a stretch of Interstate 75 situated in the west of Florida for the Florida Department of Transportation, with a budget of around €70 million. That project entails the reconstruction, remodelling and extension by over 12 kilometres of road at the intersection between the Interstate 75 and the State Road 70, including the reconfiguration of the junction between the two roads and modification of a stretch of approximately 1.7 kilometres of State Road 70.
 - Widening of State Road 82 between Alabama Road South and Homestead South, with a budget of €36 million. That project will turn 11 kilometres of existing road from a one-lane road in both directions to a dual carriageway as well as widening an existing 4.4 kilometre stretch of the Hendry Canal.
- In the village of Palmetto Bay, Miami-Dade County, 30 minutes south of the city of Miami, Sacyr Engineering & Infrastructures will design and build three new streets

and expand and improve two existing streets, with a total length of 1,800 m, for €9 million.

Besides the contracts won in the United States, the following projects awarded in the first nine months of the year deserve mention.

At international level:

- Design and construction of the new Alto Hospicio Hospital in Iquique, in the Tarapacá region of Chile, for a total of €95 million. With 235 beds, 3 integrated delivery rooms, 49 cubicles, seismic isolation, energy efficiency and a heliport, the hospital will serve more than 108,000 inhabitants and will house the health care services of the communes of Tamarugal Province.
- Construction of the new Villarrica Hospital, located in the Araucanía region of Chile, for a total of €44 million. This hospital will benefit almost 100,000 inhabitants from the communes covered by the Nodo Lacustre health service management district of the province of Cautín (Villarrica, Pucón, Curarrehue and Loncoche). The site will have 21,000 m² of infrastructure, accommodating 115 beds, an Intermediate Care Unit, an Accident and Emergency Service, six operating rooms, three delivery rooms, 12 dialysis stations and a Polyclinic, which will provide general medical care and various medical specialities.

The Villarrica Hospital will be the fourth to be built by Sacyr Engineering and Infrastructures in Chile, after the Antofagasta Regional Hospital, opened in 2017 and managed by Sacyr Concessions, the bi-provincial Quillota-Petorca Hospital and the Alto Hospicio Hospital, these last two currently under construction.

- Construction of the new El Tepual airport in the city of Puerto Montt, Chile, for €33 million.
- Construction of the new San Alejandro Hospital in San Andrés de Cholula, state of Puebla, Mexico, for a total of €70 million. The new hospital will replace the old San Alejandro hospital, which was badly damaged in the earthquake that shook the federal capital in September 2017.

- Rehabilitation and upgrade of various urban areas in Bogotá, Colombia, with a total budget of €38 million. The first project was awarded by the Urban Development Institute (IDU) and involves regenerating 71,555 square metres of the Zona Rosa district of Bogotá. The second is in the La Sabana district and involves designing and developing a pedestrian network to reorganise mobility in the area. The third urban project entails rehabilitating and upgrading Avenida Boyacá, building a divided highway with three lanes in each direction.
- Sacyr will carry out the enhancement of intakes in the La Esmeralda reservoir for the Chivor hydroelectric power plant in Santa María, Boyacá Department, for a total of €32 million.
- Construction of the El Callao Sports Centre, redevelopment of Miguel Grau Coliseum in El Callao and construction of the National University of San Marcos Stadium for the 2019 Pan American Games, with a total budget of €44 million.
- Upgrade of the Capitan FAP José A. Quiñones international airport in the town of Chiclayo, Peru, with a budget of €32 million. The project entails changing the runway system paving and building a perimeter road and enclosure right around the airport facilities.
- Construction of phase 1 of the East Line of the subway in the city of Fortaleza with a total budget of €350 million. That project entails building a 7.3 kilometre-long tunnel, 6 kilometres of which will require the use of tunnelling machines, and the construction of four underground stations (called Central Chico da Silva, Colegio Militar, Nunes Valente and Papicú) and one overground station (Tirol-Moura Brasil). In addition, the tunnels will be reinforced at the locations of the stations to be built during the next phase (Catedral and Luiza Távora).
- Construction of the new A6 motorway between Dungiven and Drumahoe in Northern Ireland, United Kingdom, for a total of €161 million. Awarded by the Department for Infrastructure of the Government of Northern Ireland, the contract includes designing and building the 26-kilometre motorway. The A6 motorway is part of the North-East Transport Corridor, a strategic link between Belfast and the north-east of the country.

- Rehabilitation of the 25 de Abril bridge in Lisbon, for €13 million. Work will be done on the metal structure, the north railway deck and the concrete elements of the foundations, the south abutment of the suspension bridge and the abutment of the viaduct at the north access.

In Spain:

- Construction of the new San Sebastián Metro in Guipúzcoa, Spain, for a total of €53 million.
- Expansion and upgrading of the port of Punta Langosteira in La Coruña, with a budget of €47 million.
- Remodelling and extension of the South Dock building in Terminal 1 of Barcelona-El Prat airport for a total of €28 million.
- Construcción de los túneles viarios de la Plaza de “Les Glories Catalanes” lote 4 en Barcelona, por un importe de 25 millones de euros.
- Expansion and refurbishment of the Quirón University Hospital in Madrid, worth €18 million.
- Construction of a new surgery wing at the Gregorio Marañón General University Hospital in Madrid, worth €16 million.

Contracts pending execution:

- Remodelling in Uruguay of the so-called “Ferrocarril Central” with a budget of €822 million. 270 kilometres long, this stretch of railroad will connect the capital city, Montevideo, with Paso de los Toros in the Department of Tacuarembó, in northern Uruguay.

Contracts awarded after the end of the reporting period:

- Sacyr has won contracts for the construction of two new hospitals in Chile (Provincia Cordillera and Sótero del Río). The first will have 394 beds and 10 wards, occupying

92,886m² in total. The second will house 719 beds, 39 wards, five delivery rooms and will occupy 313,803m², making it one of the largest and most complete hospitals in Chile's capital city. The combined investment is estimated at over €481 million.

- Construction of the Los Vilos – La Serena motorway in Chile. This road will extend 245 km in total, start in the north in Los Vilos and ending the intercity portion to the south of Coquimbo; the project also entails the construction of a 16-kilometre urban stretch between kilometres 457.7 and 473.6, which will finish at the intersection with calle Brasil, thus joining up with the La Serena-Vallenar stretch of the Route 5 Concession.

- In Spain, Sacyr secured the contract to build the high-speed rail corridor platform between Murcia and Almería. Segment: Los Arejos Nijar, worth €98 million, awarded by Spain's public railroad manager, ADIF.

- Also in Spain, Sacyr won the contract for the widening of the Turia motorway (CV-35) in Valencia. That project entails the construction of a third lane in both directions between kilometres 19.7 and 25.7 and the conversion of the stretch between kilometres 36.8 and 52 into a dual carriageway. The underpasses and overpasses will be extended to adapt them to the road's new configuration.

Key milestones

- Sacyr Engineering and Infrastructures delivered the new hospital complex in Querétaro known as El Marqués to the Mexican Social Security Institute (IMSS). The hospital has 260 beds, 26 medical specialties, 12 operating rooms and a heliport, among other equipment. It will serve over 800,000 inhabitants in the states of Querétaro, San Luis Potosí, Guanajuato and Hidalgo and forms part of the 12 modern hospitals that have been built in Mexico under the IMSS's infrastructure programme.

The complex makes efficient use of water thanks to a water treatment facility and of electricity thanks to the installation of LED lighting, among other environmentally-friendly fittings.

- Sacyr Somague, the Portuguese subsidiary of the Engineering and Infrastructures division received the The Year in Infrastructure 2018 prize in the Power Generation

category for its work at the Foz Tua hydroelectric power plant in Bragança, Portugal. The prize was awarded by the Bentley Institute, which has been acknowledging progress in the digitalisation of the infrastructure sector since 2004. The accolade highlights Sacyr Somague's outstanding work on this major engineering feat: the dam is 108 metres tall and features a 275 metre-long enclosure, housing a 251-MW hydroelectric plant.

- Inauguration of a new 5.5 kilometre stretch of subway in Sao Paulo, Brazil, featuring four new stations.

SACYR CONCESSIONS

(Thousands of euros)	2018	2017	% Chg.
Revenue	793,268	612,764	29.5%
Construction revenue	361,025	257,006	40.5%
Concession revenue	432,243	355,758	21.5%
EBITDA	271,950	231,940	17.2%
EBITDA margin	62.9%	65.2%	

- Revenue from the Concessions business totalled €793 million at 31 December 2018, increased 29% compared to the same period of the previous year, thanks to the good performance of both concession and construction revenue.
- The start of work on various projects in backlog and major progress in projects already under way brought a 40% increase in construction revenue compared to the same period of the previous year. This increase is attributable mainly to the

concessions for the Rutas del Litoral highway (Uruguay), Sierra Norte highway (Peru), Rutas del Este highway (Paraguay), Pirámides-Tulancingo highway and Tláhuac Hospital (Mexico) and the Cúcuta-Pamplona, Rumichaca Pasto and Montes de María highways (Colombia).

- Concession revenue reached €432 million at 31 December 2018, representing year-on-year growth of 21%. This increase in revenue is explained mainly by the entry into service of the Antofagasta Hospital (October 2017), entry into service of the Ruta del Limarí highway (July 2018) and growth of traffic.
- EBITDA registered growth of 17% to €272 million in 2018 (2017: €232 million).

REVENUES BREAKDOWN

€ Thousands	2018	2017	Chg. (%)
AUTOVÍA DEL TURIA	13,779	13,383	3.0%
AUTOVÍA NOROESTE C.A.R.M.	6,705	6,81	-1.5%
VIASTUR	7,364	7,225	1.9%
PALMA MANACOR	11,449	11,105	3.1%
AUTOVÍA DEL BARBANZA	9,674	9,335	3.6%
AUTOVÍA DEL ERESMA	7,135	7,196	-0.8%
AUTOVÍA DEL ARLANZÓN	37,662	37,619	0.1%
INTERCAMBIADOR DE MONCLOA	12,971	12,665	2.4%
INTERCAMBIADOR DE PLAZA ELÍPTICA	6,872	6,709	2.4%
AUTOPISTA DE GUADALMEDINA	16,309	15,343	6.3%
HOSPITAL DE PARLA	13,399	13,05	2.7%
HOSPITAL DE COSLADA	13,763	14,068	-2.2%
HOLDINGS	1,319	1,655	-20.3%
SPAIN	158,399	156,162	1.4%
HOLDINGS	1,286	1,262	2.0%
IRELAND	1,286	1,262	2.0%
HOLDINGS	877	882	-0.6%
PORTUGAL	877	882	-0.6%
HOLDINGS	2,01	1,493	34.7%
RUTAS DEL DESIERTO - ACCESOS A IQUIQUE	19,147	19,791	-3.3%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	36,914	35,809	3.1%
VALLES DEL DESIERTO - VALLENAR CALDERA	20,069	23,009	-12.8%
RUTA 43 - LIMARI	9,003	3,739	140.8%
HOSPITAL ANTOFAGASTA	38,541	21,813	76.7%
SERENA VALLENAR - RUTAS DEL ALGARROBO	28,712	29,797	-3.6%
AEROPUERTO DEL SUR S.A.	4,402	-	n/a
CHILE	158,797	135,451	17.2%
CONVIAL SIERRA NORTE	29,845	13,818	116.0%
PERU	29,845	13,818	116.0%
HOLDINGS	3,459	810	327.3%
MONTES DE MARÍA	16,675	16,941	-1.6%
RUMICHACA	30,713	10,372	196.1%
PAMPLONA-CÚCUTA	18,963	16,874	12.4%
COLOMBIA	69,81	44,997	55.1%
HOLDINGS	43	32	36.1%
RUTAS DEL LITORAL	3,002	209	1337.3%
URUGUAY	3,045	240	1166.7%
RUTAS DEL ESTE	5,474	1,074	409.5%
PARAGUAY	5,474	1,074	409.5%
HOSPITAL TLAHUAC	668	1,617	-58.7%
HOLDINGS	478	-	n/a
AUTOVIA PIRÁMIDES TULANCINGO PACHUCA	3,563	255	1298.6%
MEXICO	4,709	1,871	151.6%
TOTAL WITHOUT CONSTRUCTION REVENUES	432,243	355,758	21.5%
CONSTRUCTION REVENUES	361,025	257,006	40.5%
TOTAL	793,268	612,764	29.5%

Traffic figures

Traffic figures rose in Spain and abroad. In the international business, the Valles del Bio-Bio highway saw an increase of 7% and the Rutas del Desierto highway an increase of 3%, both in Chile, while the N6 Galway-Ballinasloe motorway saw an increase of 14%. In Spain, traffic on the Malaga-Las Pedrizas motorway grew 4%.

The following table shows traffic data:

ACCUMULATED ADT			
	2018	2017	Chg.
SHADOW TOLL HIGHWAY SPAIN			
- AUTOVIA DEL NOROESTE	12,596	12,376	1.8%
- Ma-15 PALMA-MANACOR	25,515	25,183	1.3%
- AS-II OVIEDO-GIJÓN (VIASTUR)	23,357	23,432	-0.3%
- AUTURSA CV-35	39,392	39,091	0.8%
- ERESMA	8,013	8,194	-2.2%
- BARBANZA	13,840	13,644	1.4%
- ARLANZON	22,248	22,118	0.6%
TOLL HIGHWAY SPAIN			
- AP-46 MÁLAGA - LAS PEDRIZAS	13,116	12,562	4.4%
TOLL HIGHWAY OTHER COUNTRIES			
- N6 GALWAY-BALLINASLOE	13,373	11,750	13.8%
- VALLES DEL DESIERTO	4,747	4,742	0.1%
- RUTAS DEL DESIERTO	6,908	6,725	2.7%
- RUTAS DEL ALGARROBO	4,393	4,471	-1.7%
- VALLES DEL BIO-BIO	7,231	6,737	7.3%
- RUTA DE LIMARÍ	5,164	-	-
- MONTES DE MARÍA	3,004	3,111	-3.4%
- UNIÓN VIAL DEL SUR	6,140	6,082	1.0%
- DESARROLLO VIAL AL MAR	7,529	7,292	3.3%
- RUTAS DEL ESTE	14,369	14,560	-1.3%

Procurement and backlog

At 31 December 2018, Sacyr Concessions showed up a backlog of €27,081 million, 82% of which consisted of international projects.

During the year, Sacyr Concessions won its first airport concession in Chile. The project consists of expanding, financing, building and managing the El Tepual airport in Puerto

Montt for a period of 6 years, with future concession revenue totalling €58 million. Tepual is Chile's fourth-largest airport by number of passengers (over 700,000 per year).

Contracts pending execution:

Sacyr was selected as the preferred bidder for the project "El Ferrocarril Central section Port of Montevideo - Paso de los Toros Station", in Uruguay, with an estimated backlog of 2,200 million euros and 18 years of concession.

Contracts awarded after the end of the reporting period:

Sacyr Concessions has won the contract for the Route 5 Concession for the Los Vilos-La Serena stretch in Chile, which includes a new city stretch between La Serena and Coquimbo. The project, worth an estimated €865 million and with a term of 30 years, encompasses 245 kilometres of road in total.

Sacyr Concessions also secured the concession for the Chacatulla de Arica airport in Chile, worth an estimated €204 million, with a concession term of 20 years. That project implies expanding and upgrading the existing airport terminal, doubling it in size to cater to over 1.1 million passengers annually.

In February 2019 the Complementary Agreement of the Málaga-Las Pedrizas project was signed with the granting Administration. The planned investment is €24 million. To undertake these investments, Sacyr Concessions will increase the toll by 1% per year and extend the days of the high season fare. These measures will be reversed when the investment made is amortized.

Significant milestones

- **Sacyr completes the refinancing of the Guadalmedina motorway for €229 million.**

Sacyr Concessions completed the refinancing of the AP-46 toll road (Guadalmedina motorway) through a €229 million bond issue, placed with international institutional investors (MEAG, AEVWL, Kommunalkredit).

This deal marks a milestone in the consolidation of the project, as the terms and conditions of the new financing represent a significant improvement over the existing debt, which translates into a reduction in the finance cost and increased visibility of future financial obligations for the concessionaire.

The refinancing of the AP-46 is part of Sacyr Concessions' strategy of continuously optimising the funding structure of its assets, with the aim of extending the life of the debt, improving the maturity profile and maximizing asset value.

- **Sacyr secures part of the financing for two of its Colombian highways (Rumichaca-Pasto and Montes de María).**

The company has finalized two agreements for a total of \$110 million (€100 million) for its fourth-generation Rumichaca-Pasto and Montes de María highways.

- For Montes de María, the concessionaire has taken out a bridge loan for \$50 million (€45 million).
- Meanwhile, the concessionaire Vial Unión del Sur has secured a first-round financing of \$60 million (€53 million), which ensures the funds required to execute the work on the stretch between Pedregal and Catambuco in the next few months.

- **Sacyr secures the financing for the Pirámides-Tulancingo-Pachuca highway and the Tláhuac Hospital in Mexico.**

Sacyr Concessions has completed the financing for its first two concession projects in Mexico, thus strengthening its position in that country. The concession assets financed are:

- The Pirámides-Tulancingo-Pachuca highway, for a total of €75 million.
- Tláhuac Hospital, for €88 million.

- **Entry into service of the new toll road between La Serena and Ovalle (Ruta del Limarí) in Chile.**

On 11 July 2018, Sacyr started operating its fifth concession toll road, the new highway between La Serena and Ovalle (Ruta del Limarí), in the Coquimbo region in the north of

Chile. The total investment exceeds €180 million and the concession period is 30 years. The new 86 kilometres long highway will improve road connections in the area, cutting travel times by between 25% and 30%.

SACYR SERVICES

(Thousands of euros)	2018	2017	% Chg.
Revenue	1,075,310	951,896	13.0%
Environment	438,578	389,997	
Multiservices	507,958	443,966	
Water	123,800	114,299	
Central	4,974	3,634	
EBITDA	94,721	83,300	13.7%
Environment	50,607	47,216	
Multiservices	19,699	17,056	
Water	23,117	19,018	
Central	1,298	10	
EBITDA margin	8.8%	8.8%	

At 31 December the revenue of Sacyr Services reached €1,075 million, which represents growth of 13%, thanks to strong performance in its three areas of activity. This growth reflects the solid upward trend of the Group's services activity, increasingly focused on public and private service concessions.

By business unit the growth breakdown shows up as follows:

- There was significant revenue growth of 14% in Multiservices as a result of the contribution from major contracts awarded in previous quarters, such as the Antofagasta Hospital agreement for operation and maintenance service as well as the facility management service agreements.

- Environment revenue grew 12%, thanks, among other things, to urban waste collection contracts, including the waste collection, street cleaning, green area maintenance and waste transport contract in Bogotá, Colombia.
- The Water division posted revenue of €124 million at 31 December 2018, which represents growth of 8% compared to the same period of the previous year, thanks to contracts awarded in previous quarters and the general improvement in contracts.

EBITDA reached €95 million at 31 December 2018 compared to €83 million of the previous year, which represents growth of 14%. In fact, EBITDA has grown across all the Group's areas. The EBITDA margin improved, reaching 8.8%.

Procurement and backlog

At 31 December 2018, Sacyr Services had a backlog totalling €5,899 million. Of that total, 29% is international. Sacyr Services continues to drive sales in Spain and abroad.

The following are some of the most noteworthy contracts achieved:

Environmental Services:

- Waste collection, street cleaning, gardening and waste transport contract for Special Service Area 5 in Bogotá, Colombia, with a total budget of €170 million and a concession period of 8 years.
- Management of the public urban solid waste (USW) and street cleaning service for the municipality of Arona in Santa Cruz de Tenerife, for a total of €53 million and a concession period of 8 years.
- Street cleaning and waste collection service in the Autonomous City of Melilla for €51 million for a period of 4 years, which may be extended for a further 2 years.
- Urban cleaning, waste collection and transport service in Barakaldo, Vizcaya, for €33 million and a concession period of 4 years.
- Street cleaning and waste collection service in the city of Lérida for a period of 6 years, for €28 million.

- Operation of the south thermal sludge drying plant for Canal de Isabel II in Madrid, for €21 million and a concession period of 4 years.
- Upgrading and operation of the urban waste centre in Montoliú, Lerida, for €20 million and a concession period of 10 years, which may be extended for a further 10 years.
- Urban waste collection, street cleaning, public hygiene and beach cleaning service in the municipality of Ovar in Aveiro district, Portugal, for €10 million and a concession period of 8 years.

Multiservices:

- Operation and maintenance services for the concessionaire Valles del Bío-Bío in Chile, with a budget of €106 million and a term of 30 years.
- Operation and maintenance services for the concessionaire Rutas del Desierto in Chile, with a budget of €57 million and a term of 30 years.
- Home-care services in the Community of Madrid, for €56 million over 2 years.
- Cleaning services at Madrid Metro stations, Lot 3, for €34 million over 4 years.
- Home-care service in the provinces of Valladolid and Ávila, amounting to €30 million over a three- and two-year period, respectively.
- Cleaning and maintenance service for Lines 2 and 6 of the Santiago de Chile Metro, with a total budget of €30 million over a term of 42 months, extendable for a further 12 months.
- End-to-end cleaning services for the buildings, premises and state departments in the region of Madrid of the Ministry of the Presidency, Relations with the Courts and Equality (lot 12) and the Ministry of Justice (lot 2), for an aggregate sum of €17 million, with a concession term of 3 years.
- Cleaning services at the Valencia Regional Government's Health Department, for €15 million over 2 years.

- Management and conservation of two road corridors in Peru for €14 million over a period of 3 years.
- Conservation and maintenance of the AP-66 for €10 million over a period of 3 years.
- Road conservation services in the province of Ranco, north sector, stage II, in the Ríos region of Chile, a concession worth €8 million with a term of 4 years.

Water:

- Water management (drinking water supply, sewage and wastewater purification) for the Sotogrande and Pueblo Nuevo de Guadiaro National Tourist Interest Centre in Cádiz, for a total of €400 million over a period of 35 years. The concessionaire will serve a population of 5,000 inhabitants, which in the summer season can rise to more than 25,000.
- Operation and maintenance services for the industrial wastewater treatment plant of the company Helados Alacant, for €11 million over a period of 20 years.
- Improvement and maintenance of the Canal de Isabel II wastewater treatment plant in Madrid for €2 million.
- Operation of a water treatment facility for agricultural use in the north of Adelaide (Australia) for a period of 15 years. The facility will have the capacity to produce 12 cubic hectometres of water a year.

Contracts awarded after the end of the reporting period:

Sacyr Services has won the following contracts:

- The contract for cleaning, disinfecting and fumigating for insects and rodents the Police and Civil Guard facilities (lot 9) in Extremadura, Andalusia, the Canary Islands and Ceuta & Melilla.

- The service-level contract for the routine management and conservation of the 324-long road corridor connecting the cities of Cuzco and Echarate in Peru.

- The contract for the provision of solid urban waste collection, transportation and deposit and urban cleaning services in the town of Oliveira de Azeméis in the Portuguese district of Aveiro.

SACYR INDUSTRIAL

(Thousands of Euros)	2018	2017	% Chg.
Revenue	526,722	522,851	0.7%
Oil and gas	138,743	196,957	
Electricity grid	49,355	44,272	
Environment and mining	91,503	72,299	
Water	86,481	74,214	
Generation	158,874	132,923	
Central	1,766	2,186	
EBITDA	36,342	34,453	5.5%
EBITDA margin	6.9%	6.6%	

Sacyr Industrial generated €527 million of revenue in 2018, up 1% from 2017.

EPC Contracts

- The oil & gas division invoiced €139 million, down year-on-year due to the completion of projects in Peru for Nuevo Mundo and of the gasoline module at the Pampilla refinery. It is worth highlighting the noteworthy growth of 25% registered by the maintenance subsidiary, Sacyr Nervión.

- The electricity networks and transmission division posted revenue of €49 million, a year-on-year increase of 11%, thanks to a higher rate of revenue generation from the contracts in Chile
- In the industrial processing plant business, revenue reached €92 million at 31 December 2018, compared to €72 million of the previous year. This growth of 27% is due to the contributions from the Cementera de Potosí project in Bolivia and the MSW treatment plant in Melbourne, Australia.
- The Water business posted revenue of €86 million, compared to €74 million in the same period of the previous year, representing growth of 17%. This growth was due to higher revenue from contracts such as the Sohar desalination plant in Oman, the Adelaide water treatment plant in Australia and projects in Spain, including the Ibiza water treatment plant and the Tenerife desalination plant.

Generation Plants

- The power generation plants contributed €159 million of revenue at 31 December 2018, compared to €133 million in the same period of the previous year. This 20% growth rate is attributable to higher revenue from the biomass plants, the contribution from new contracts such as the solar PV plants in Picón and the rise in the electricity pool price.

The average electricity pool price during the year of 2018 was 57.3 €/MWh, compared to 52.2€/MWh for the same period of the previous year.

The upward trend in revenue was accompanied by a 5% growth in EBITDA, which at 31 December 2018 reached €36 million, giving an EBITDA margin of 6.9%.

Procurement and backlog

At 31 December 2018, the Industrial division backlog stood at €2,511 million. The division has continued expanding internationally and has won the following projects:

- Construction of a fuel storage and distribution depot in the town of Mollendo, Arequipa, Peru, with a total budget of €31 million.

- Design and construction of a farm water treatment plant in Adelaide, Australia, for a total of €85 million.
- Construction of three solar PV plants (Picón I, II and III) in Ciudad Real for a total of €46 million.
- Construction of a bulk goods storage facility for Bergé Marítimo in Huelva for €8 million.
- Installation of 13 wind turbines in a wind farm in Lugo for the company Naturgy, for a total of €6 million.

Contracts awarded after the end of the reporting period:

- A consortium including Sacyr Industrial secured the contract for the construction of a pilot 5-MW geothermal plant in Laguna Colorada (Bolivia).

Key milestones

- Inauguration of the expansion of the Pampilla refinery in Peru. The project executed by Sacyr Industrial included the engineering, procurement and construction of the extension to the refinery undertaken to adapt its fuels for the new environmental regulations in Peru, specifically to comply with the sulphur emission requirements in the medium distillates section. The extension will enable the refinery to make full use of the currently installed oil distilling capacity and increase it by a further 20%. It will also facilitate the processing of heavier grades of oil with higher sulphur contents that are also available in the region.

The commissioning of the new units represents a significant and historical milestone for the refinery itself and for the development of the country's energy system. The project consolidates and reinforces Sacyr Industrial's position in the oil & gas sector where it has already completed projects in Bolivia and Spain, in addition to a range of other projects in the areas of electricity infrastructure, power plants and waste treatment in Panama, Ecuador, Bolivia, the UK and Spain.

- Inauguration of the 'Lot 57 Hydrocarbon Production' project executed in the depths of the Peruvian jungle in the Department of Cuzco. That project consisted of the construction of a compression plant that will enable the offset of the gradual drop in pressure at the gas wells in the Kinteroni and Sagari fields, ensuring delivery of the production plateau and delivery conditions in terms of pressure and flow at the Malvinas Plant operated by the Camisea Consortium. Sacyr Fluor, a division of Sacyr Industrial, carried out the engineering, procurement and construction (EPC) work at Unit 400.

VI. Stock market performance

SACYR	DECEMBER		% Chg 18/17
	2018	2017	
Market Price at closing (euros per share)	1.74	2.36	-26.07%
High share price	2.77	2.80	-0.89%
Low share price	1.54	1.90	-19.21%
Market Capitalization at closing (Thousands of euros)*	965,400	1.305.837	-26.07%
Average Trading Volume (Thousands of euros)	1,466,440	1.987.529	-26.22%
Average Daily Trading Volume (Number of shares)	2,430,538	3.325.144	-26.90%
Liquidity (%)	100	100	
Number of shares (Thousands)	553,555	533.111	3.83%
Share Nominal Value	1 EURO	1 EURO	

*Adjusted in 2017 pursuant to capital increase in February and July 2018

VII. Significant holdings

The breakdown of the Group's significant holdings at 31 December 2018, based on the data contained in the register kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), as follows.

	December - 2018
Disa Corporación Petrolífera, S.A.	12.59%
Beta Asociados, S.L.	7.16%
Grupo Corporativo Fuertes, S.L.	6.29%
Prilomi, S.L.	4.67%
Prilou, S.L.	3.33%
Other	65.96%
Total	100.00%

VIII. Appendix: Alternative Performance Measures

The Sacyr Group presents its earnings in accordance with International Financial Reporting Standards (IFRS). The Group also provides certain additional financial measurements (known as Alternative Performance Measures, or APMs), which are used by management in decision making and in evaluating the Group's financial performance, cash flows and financial position.

In order to comply with the Guidelines on Alternative Performance Measures (2015/1415en) published by the European Securities and Markets Authority (ESMA), the table below gives details of each APM, including its definition, reconciliation, explanation of its use, comparisons and consistency.

The Sacyr Group considers that this additional information improves the comparability, reliability and comprehensibility of its financial information.

Alternative Performance Measures

Gross operating profit/(loss) (EBITDA): This indicator shows operating profit or loss before depreciation and amortisation and any change in provisions, excluding extraordinary/ non-recurring profits and losses.

Operating profit/(loss) (EBIT): Calculated as the difference between Operating income (Revenue, Own work capitalised, Other operating income, Government grants released to the income statement) and Operating expenses (Staff costs, Depreciation and amortisation expense, Changes in provisions and Other).

Gross debt: Comprises Non-current financial debt and Current financial debt as shown on the liabilities side of the consolidated statement of financial position, which includes bank borrowings and issues in capital markets (bonds).

Net debt: Calculated as Gross debt less Other current financial assets and Cash and cash equivalents, from the asset side of the consolidated statement of financial position.

Project finance debt (gross or net): This is the financial debt (gross or net) from project companies. In this type of debt, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders.

Corporate debt (gross or net): Debt held by the Group's Parent, comprising bank borrowings and issues in capital markets.

Financial result: The difference between Total finance income and Total finance costs.

Backlog: Value of awarded and closed work contracts pending completion. Contract revenue is included in the backlog once a contract has been signed. The backlog is shown as the percentage attributable to the Group, as per the corresponding consolidation method.

Once a contract has been included in the backlog, the value of production pending completion on the contract remains in the backlog until it is completed or cancelled. Nevertheless, valuation adjustments are made to reflect any changes in prices and time periods agreed with the client. Due to a number of factors, all or part of the backlog linked

to a contract may not actually become income. The backlog is subject to adjustments and cancellation of projects and cannot be taken as an exact indicator of future earnings.

Given that no comparable financial measure is foreseen under IFRS, a reconciliation with the financial statements is not possible. Sacyr Management considers that the backlog is a useful indicator of the Group's future revenues and a customary indicator used by companies in the sector in which Sacyr operates.

The concessions backlog: represents estimated future revenues on concessions, over the concession period, based on the financial plan for each concession. It includes projected fluctuations in the exchange rate between the euro and other currencies, as well as changes in inflation, prices, tolls and traffic volumes.

Market capitalisation: The number of shares at the reporting date, multiplied by the yearend share price.

Like-for-like basis: On occasions, certain figures are corrected to permit a year-on-year comparison, for example, by eliminating non-recurring impairment, significant changes in the consolidation scope that could distort the year-on-year comparison of indicators such as sales, the effect of exchange rates, etc. In each case, details are provided in the notes to the corresponding item.

Average Daily Traffic (ADT): Defined as the total number of users of a concession during a day. ADT is normally calculated as the total number of vehicles travelling on the motorway each day.

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