

Sacyr 2016

Financial Report
First Half



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NOTE:

The financial information presented in this document has been prepared in accordance with International Financial Reporting Standards. This information is not audited and may be modified in the future.

The sale of Testa brought the company outside the scope of consolidation in the second half of 2015. In the first half of the year, Testa was recognised as an discontinued operation.

HIGHLIGHTS FOR THE FIRST HALF OF 2016

- **Completion of the work to extend the Panama Canal**

On 31 May 2016, the GUPC consortium led by Sacyr successfully completed the Panama Canal extension project, the most ambitious engineering feat of the twenty-first century and one of the biggest infrastructure challenges in recent times, placing Sacyr at the very forefront of the civil engineering world. The upgraded canal was inaugurated on 26 June.

- **Redemption of a convertible bond issue worth €200 million**

Sacyr has now redeemed its convertible bond issue due 1 May 2016 for the sum of €200 million.

- **Completion of the Testa sale**

Testa was successfully sold to Merlin Properties in June. It was decided to use approximately €317 million of the proceeds from the sale of the shares to make a partial early repayment of the debt associated with the stake held in Repsol, thus reducing Sacyr's exposure to this debt. The deal has improved the Sacyr Group's balance sheet, enabling it to focus its efforts on strategic growth, while also relaxing the structure of loan collateral and bringing the value of the debt to below the listed price.

- **Rotation of concession assets**

Sacyr successfully sold three hospitals in Portugal in the first quarter of the year to the Aberdeen infrastructure fund, reflecting the Group's strategy of rotating mature assets within its Concessions business so as to be able to invest in new projects under development.

The hospitals were sold for a total of €113 million, including associated debt. The deal generated an attractive return on the equity invested.

- **Refinancing of concession assets**

In the first half of 2016, Sacyr issued €54 million in bonds through Aunor, its concessionaire company for the north-west Murcia toll road. The issue matures in 2025 and is intended to refinance the concession.

Sacyr also managed to refinance the debt pile of the concessionaire companies that manage and operate the Moncloa and Plaza Elíptica transport hubs in Madrid for a total of €190 million. The new arrangement means that the existing loans for the project at the two concessionaire companies, which were due to mature in 2018 and 2019, have now been refinanced with long-term horizons (25 years). The deal was helped by the prevailing low market interest rates.

- **Award of the Roma - Latina motorway**

Following the end of the period, the concessions division secured a contract for the construction and 43-year concession of the “Rome – Latina” toll road, spanning 186 km, with the total investment expected to reach €2,800 million.

- **Dividends**

At the General Meeting held on 16 June 2016, Sacyr shareholders approved the distribution of a scrip dividend as a means of remunerating shareholders.

INCOME STATEMENT

Sacyr's results for the first half of 2016 confirm the strong operating performance of the Group's businesses and a return to strategic growth across our international markets. The operating performance reflects the company's focus on profitability and cash generation, underpinned by stringent contract selection and exhaustive control of risks and costs associated with each contract.

STATEMENT OF INCOME (Thousands of Euros)	1H 2016	1H 2015	% chg 1H16/1H15
Revenue	1,413,916	1,338,627	5.6%
Other income	47,205	52,362	-9.8%
Total operating income	1,461,121	1,390,989	5.0%
External and Operating Expenses	-1,296,219	-1,236,191	4.9%
EBITDA	164,902	154,798	6.5%
Amortisation and depreciation charge	-52,659	-53,125	-0.9%
Trade Provisions	4,223	-2,834	n.s.
NET OPERATING PROFIT	116,466	98,839	17.8%
Financial results	-105,730	-126,104	-16.2%
Forex results	-2,614	5,884	n.s.
Results from equity accounted subsidiaries	73,891	77,100	-4.2%
Provisions for financial investments	-2,179	-2,571	-15.2%
Change in value of financial instruments	-14,289	-19,836	28.0%
Results from sales of non current assets	20,513	-141	n.s.
PROFIT BEFORE TAXES	86,057	33,171	159.4%
Corporate Tax	-15,236	6,361	n.s.
PROFIT FOR CONTINUING ACTIVITIES	70,821	39,532	79.1%
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	28,351	-100.0%
CONSOLIDATE RESULTS	70,821	67,883	4.3%
Minorities	-6,365	-6,148	3.5%
NET ATTRIBUTABLE PROFIT	64,456	61,735	4.4%
Gross margin	11.7%	11.6%	

NET PROFIT

Sacyr posted net profit of €64 million

This marks a 4.4% increase on 1H15, when net profit amounted to €62 million and included a €28 million contribution from Testa under profit from discontinued operations.

OPERATING PERFORMANCE

- Revenue in the first six months amounted to €1,414 million, up 5.6% year on year.
- EBITDA at 30 June stood at €165 million, revealing a year-on-year increase of 6.5%.
- The EBITDA margin was 11.7%, versus 11.6% in the first half of 2015.

Driving revenue and EBITDA growth were the solid performances by the Concessions, Services and Industrial businesses, which offset the slowdown in Construction.

REVENUE (Thousands of Euros)	1H 2016	1H 2015	Chg 1H16/1H15
Construction	687,071	748,476	-8.2%
Concessions	263,183	264,101	-0.3%
Services	399,099	363,751	9.7%
Industrial	187,988	112,986	66.4%
Holding y Adjustment	-123,425	-150,687	
REVENUE	1,413,916	1,338,627	5.6%
International	765,012	686,744	
% International	54%	51%	

EBITDA (Thousands of Euros)	1H 2016	1H 2015	Chg 1H16/1H15
Construction	26,830	36,047	-25.6%
Concessions	99,668	89,900	10.9%
Services	31,088	30,940	0.5%
Industrial	13,232	7,552	75.2%
Holding y Adjustment	-5,916	-9,642	
EBITDA	164,902	154,798	6.5%
Ebitda Margin (%)	11.7%	11.6%	

CONCESSIONS

- The Concessions business posted total revenue of €263 million. This figure is not directly comparable with 2015 as last year's figure included revenue from the Braga and Vila Franca de Xira hospitals in Portugal, which were sold in 2016. In like-for-like terms, revenue has risen by 2%.
- Of the total figure, concession revenue saw 12% growth to reach €145 million in the first half of 2016 (21% stripping out the impact of the sale of the hospitals explained above). This growth can be put down to healthy traffic figures, the partial operational start-up of the Rutas de Algarrobo¹ and Rutas del Desierto² concessions in Chile, plus the contribution made by the Mar 1 and Pasto-Rumichaca motorways in Colombia and Hospital de Antofagasta in Chile.
- The remaining €118 million relates to construction revenue, which was down 12% year on year, owing mainly to the state of construction on our concessions in Chile and Peru.
- EBITDA also performed extremely well, gaining 11% year-on-year (+17% adjusted to reflect the contributions made by the Braga and Vila Franca de Xira hospitals).

SERVICES

- Services saw 10% growth to reach €399 million, fuelled by positive performances across all segments, particularly Multiservices, which gained 20% on the back of the contributions made by the Valoriza Conservación and Valoriza Servicios a la Dependencia contracts.

1 First section in operation in May 2015 and second and last section in May 2016.

2 Start-up of the R-16 section in September 2015

- EBITDA totalled €31 million in the first half of 2016, growing 15% in Multiservices and 5% in Environment. The water business was down slightly due to the completion of various projects. The impact of overheads associated with the international expansion process meant that total EBITDA was up 0.5%.

INDUSTRIAL

- Sacyr Industrial posted a sharp 66% jump in revenue. Of the total of €188 million, noteworthy was the higher revenue from EPC contracts, which amounted to €138 million (versus €52 million in the first half of 2015), already accounting for 73% of total revenue for this division. The increase was down to the larger contribution made by contracts for the refinery in Pampilla (Peru), the regasification plant in Cartagena (Colombia), the cement plant in Oruro (Bolivia) and the electricity infrastructure projects (Mexico, Peru and Panama), as well as by Sacyr Nervión and Sacyr Fluor.

- EBITDA for the first half of 2016 was up 75% year on year to €13 million.

CONSTRUCTION:

- When compared to the first half of 2015, Construction activity was undermined by the slowdown in the markets in which Portuguese subsidiary Somague operates. The situation has been persisting for a year now and has resulted in an 11% year-on-year decline in revenue. Revenue from the rest of the construction business was down 7%, largely as a result of the completion of work on the Rutas del Algarrobo and Rutas del Bio concessions in Chile, which were in full operation in the first half of 2015.
- Somague's scant contribution to EBITDA in the first half of 2016 is reflected in total EBITDA, while the rest of the overseas projects are still contributing positively and sustaining the margin. The gross margin was 3.9%, thanks to the 5.0% return commanded by contracts not belonging to Somague.

FINANCIAL RESULTS

Net financial losses were €106 million, shedding €40 million (-27.4%) year on year thanks to the reduction in bank borrowings. The average interest rate on borrowings stands at 4.13%.

PROFIT AND LOSS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

This heading of the income statement includes €70 million from our 8.38% stake in Repsol.

The carrying amount of our Repsol stake was €15.6/share at 30 June 2016.

The sum of €74 million was recognised for this item at 30 June 2015.

BACKLOG

The revenue backlog amounts to €26,381 million, with over 70% of the portfolio relating to Sacyr's more recurrent concessions and services businesses, which account for 49% and 24%, respectively, of the total portfolio. The construction backlog stands at over €4,400 million thanks to the contracts secured, mainly abroad.

BACKLOG (Thousands of euros)	1H 2016	International	Spain	% Internat.
Construction	4,418	3,691	727	84%
Concessions	12,864	7,503	5,361	58%
Services	6,424	1,948	4,476	30%
Industrial	2,675	619	2,056	23%
Backlog 1H 2016	26,381	13,762	12,619	52%
Backlog 1H 2015*	24,087			
Chg. 1H16/1H15	10%			

*Restated by changing scope of consolidation (Testa, Aeromur, Hospital Braga and Vila Franca de Xira)

Of Sacyr's total backlog, 52% is generated by international contracts given the heavy international component of the Construction and Concessions activities and EPC projects within the Industrial area. Sacyr's international footprint is in fact larger considering that these percentages do not include the backlogs of our concession in Italy (Pedemontana – Veneta), or the backlog relating to the Mar 1 toll road concession in Colombia, which are accounted for using the equity method. Also excluded from the backlog at 30 June 2016 is the contract secured recently to operate the desalination plant at Sohar (Oman) in a deal worth approximately €1,050 million (US\$1,200 million).

In addition to the contract win in Oman, Sacyr successfully penetrated another new market in the first half of 2016, namely Ecuador, through an EPC contract awarded to Sacyr Industrial to enlarge the Chimborazo cement plant in a deal worth €150 million.

In Construction, international contracts account for 84% of the total, with contracts secured in Chile, Colombia, Panama, Peru, Brazil, Mexico, Uruguay, Italy, Portugal, Qatar, Angola and Morocco, among other countries.

Sacyr's international presence is steadily increasing in the concessions business. At 30 June 2016, the international backlog of the concessions business accounted for 58%, with operations in Chile, Colombia, Uruguay, Peru, Italy, Ireland and Portugal. Following the end of the period, the concessions division secured a contract in Italy for the construction and 43-year concession of the "Rome – Latina" motorway, spanning 186 km, with the total investment expected to reach €2,800 million.

Sacyr Industrial is present in countries such as Australia, the United Kingdom, Bolivia, Mexico, Peru, Panama, Chile, Colombia and Ecuador, as well as Spain, with numerous projects in the oil and gas, electricity infrastructure, power plant and waste treatment sectors. It now has backlog projects amounting to €2,675 million. A number of major contracts were secured in the first half of the year, including:

- The construction of the new "Nuevo Mundo" compressor station in Peru, in a deal worth €200 million.
- The main contract to upgrade the Chimborazo cement plant in Riobamba (Ecuador) for UCEM (Unión Cementera Nacional).
- Construction and maintenance contracts awarded by Compañía General de Electricidad de Chile for various medium- and high-voltage power lines, for a total of €92 million.

At Valoriza, the international backlog accounts for 30% of the total, with operations in Algeria, Australia, Portugal, Israel, Oman and other countries, consisting mainly of water projects. The backlog increased in the first half of the year thanks to a number of major contracts, including:

- The contract to design, construct, operate and maintain a seawater desalination plant at Sohar (Oman), a new market for the group, in a deal worth US\$1,200 million

(roughly €1,050 million). Only part of the construction contract, €172 million, was included in Valoriza's backlog at the end of June.

- Street cleaning and waste collection services in the city of Albacete, in a 15-year contract worth €164 million, which may be extended for a further five years.
- The home care services contract awarded by Madrid City Council for the Centro, Arganzuela, Moncloa-Aravaca, Latina and Carabanchel districts. The concession is worth €154 million and runs for three years, which may be extended for a further three years.

CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	1H 2016	DECEMBER 2015	Chg
NON CURRENT ASSETS	6,830,298	6,778,086	52,211
Intangible Assets	15,810	14,816	994
Concessions Investments	1,397,741	1,643,853	-246,112
Fixed Assets	355,924	376,148	-20,224
Financial Assets	3,194,939	3,164,864	30,075
Receivables from concession assets	1,442,148	1,388,989	53,159
Other non Current Assets	236,881	2,838	234,043
Goodwill	186,854	186,578	276
CURRENT ASSETS	3,394,913	3,679,388	-284,475
Non current assets held for sale	207,828	527,535	-319,706
Inventories	194,128	196,661	-2,533
Receivables from concession assets	213,912	213,985	-73
Accounts Receivable	2,179,364	1,997,458	181,907
Financial Assets	114,099	140,928	-26,829
Cash	485,582	602,822	-117,241
ASSETS = LIABILITIES	10,225,211	10,457,474	-232,264
EQUITY	1,930,206	1,911,589	18,617
Shareholder's Equity	1,683,629	1,656,130	27,500
Minority Interests	246,577	255,460	-8,883
NON CURRENT LIABILITIES	4,977,350	5,052,321	-74,971
Financial Debt	4,021,511	4,072,303	-50,793
Financial Instruments at fair value	164,431	161,839	2,592
Provisions	333,900	361,804	-27,904
Other non current Liabilities	457,508	456,374	1,134
CURRENT LIABILITIES	3,317,654	3,493,564	-175,909
Liabilities associated with the non current assets held for sale	214,319	224,186	-9,867
Financial Debt	707,732	850,612	-142,880
Financial Instruments at fair value	22,730	27,780	-5,050
Trade Accounts Payable	1,507,820	1,653,847	-146,027
Operating Provisions	240,160	246,248	-6,088
Other current liabilities	624,892	490,891	134,001

The most significant change to the balance sheet in the first half of 2016 was the sale of the 23% stake held in Testa, which was therefore derecognised from assets held for sale.

EQUITY

Total equity at 30 June 2016 amounted to €1,930 million, of which 87% (or €1,684 million) is attributable to the equity holders of Sacyr while €246 million relates to non-controlling interests in the Group.

BORROWINGS

At 30 June 2016, the Group's total net debt stood at €4,134 million. The breakdown is as follows:

€ Million	1H 2016		
	June 2016	December 2015	Chg.
Project finance	2,055	1,891	163
Other business lines debt	260	150	110
Total Business lines	2,315	2,042	273
Repsol	1,291	1,613	-321
Corporate*	527	525	2
NET DEBT	4,134	4,180	-46

* Bonds €273M

Corporate debt: the Group's net corporate debt amounted to €254 million, corresponding to working capital used by the parent to coordinate and provide the financial management as the Group's parent company.

In addition, the holding shows a financial liability of €273 million at 30 June 2016, largely on account of the outstanding balance of the convertible bond issue placed in 2014 and due to

mature in 2019. On 1 May 2016, the Group redeemed €200 million of convertible bonds issued in 2011 and falling due in May 2016.

Debt from business activities: amounts to €2,315 million, of which 89% is associated with very long-term project finance. It is repaid with cash flows generated by the businesses.

A total of 79% of the debt on business activities, or €1,840 million, is associated with infrastructure concessions and other concession projects.

Repsol debt: the investment vehicle that holds the 8.4% stake in Repsol had net debt of €1,291 million at 30 June 2016, with the principal amounting to €1,310 million. The debt, which matures on 31 January 2018, is serviced with Repsol dividends.

PERFORMANCE ACROSS BUSINESS AREAS

CONSOLIDATED INCOME STATEMENT AS OF JUNE 2016						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	687,071	263,183	399,099	187,988	-123,425	1,413,916
Other Sales	29,808	8,385	5,708	2,104	1,201	47,205
Total Income	716,880	271,568	404,807	190,091	-122,225	1,461,121
External and Operating Expenses	-690,050	-171,900	-373,719	-176,859	116,309	-1,296,219
GROSS OPERATING PROFIT	26,830	99,668	31,088	13,232	-5,916	164,902
Depreciation	-8,708	-22,463	-16,086	-4,504	-898	-52,659
Trade Provisions	6,996	-5,060	-56	2,448	-104	4,223
NET OPERATING PROFIT	25,117	72,145	14,945	11,175	-6,918	116,466
Financial results	-8,599	-44,637	-4,475	-1,945	-46,074	-105,730
Forex results	-1,942	-615	-215	157	1	-2,614
Results from equity accounted subsidiaries	-119	848	3,321	32	69,809	73,891
Provisions for financial investments	-93	-2,044	29	-71	0	-2,179
Change in value of financial instruments at fair value	0	-11,393	-1,898	-999	0	-14,289
Results from sales of non current assets	386	19,850	-2	279	0	20,513
PROFIT BEFORE TAXES	14,751	34,154	11,705	8,628	16,819	86,057
Corporate Tax	-12,655	-10,600	-1,907	-2,648	12,575	-15,236
PROFIT FOR CONTINUING ACTIVITIES	2,096	23,554	9,798	5,980	29,394	70,821
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	0	0
CONSOLIDATE RESULTS	2,096	23,554	9,798	5,980	29,394	70,821
Minorities	-41	-5,219	265	-1,524	155	-6,365
NET ATTRIBUTABLE PROFIT	2,055	18,335	10,063	4,455	29,549	64,456

1H 2016 Results



CONSOLIDATED INCOME STATEMENT AS OF JUNE 2015						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	748,476	264,101	363,751	112,986	-150,687	1,338,627
Other Sales	31,852	9,920	6,392	1,625	2,572	52,362
Total Income	780,329	274,021	370,143	114,611	-148,115	1,390,989
External and Operating Expenses	-744,281	-184,121	-339,203	-107,059	138,473	-1,236,191
GROSS OPERATING PROFIT	36,047	89,900	30,940	7,552	-9,642	154,798
Depreciation	-13,271	-20,782	-14,631	-3,653	-789	-53,125
Trade Provisions	2,669	-3,237	-2,742	476	0	-2,834
NET OPERATING PROFIT	25,446	65,881	13,567	4,375	-10,431	98,839
Financial results	-7,323	-40,748	-5,313	-1,083	-71,637	-126,104
Forex results	4,435	-137	-502	1,093	995	5,884
Results from equity accounted subsidiaries	-162	1,725	2,171	28	73,338	77,100
Provisions for financial investments	-106	-1,863	-608	0	5	-2,571
Change in value of financial instruments at fair value	0	-16,849	-1,911	-1,076	0	-19,836
Results from sales of non current assets	-218	24	53	0	0	-141
PROFIT BEFORE TAXES	22,073	8,034	7,456	3,337	-7,729	33,171
Corporate Tax	-9,725	-2,739	-1,561	-971	21,357	6,361
PROFIT FOR CONTINUING ACTIVITIES	12,348	5,295	5,896	2,366	13,628	39,532
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	28,351	28,351
CONSOLIDATE RESULTS	12,348	5,295	5,896	2,366	41,979	67,883
Minorities	-335	-5,680	280	-383	-30	-6,148
NET ATTRIBUTABLE PROFIT	12,013	-385	6,175	1,983	41,949	61,735

1H 2016 Results



CONSOLIDATED BALANCE SHEET AS OF JUNE 2016						TOTAL
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	
NON CURRENT ASSETS	370,442	3,241,975	638,741	190,832	2,388,308	6,830,298
Intangible Assets	93	39	10,394	3,970	1,314	15,810
Concessions Investments	51,987	1,103,372	242,382	0	0	1,397,741
Fixed Assets	125,570	3,284	120,284	103,551	3,237	355,924
Financial Assets	154,443	529,375	111,881	15,482	2,383,758	3,194,939
Receivables for concession assets	18,738	1,371,843	51,568	0	0	1,442,148
Other non Current Assets	0	234,063	2,818	0	0	236,881
Goodwill	19,610	0	99,414	67,829	0	186,854
CURRENT ASSETS	2,583,642	595,863	489,400	166,246	-440,238	3,394,913
Non current assets held for sale	0	0	0	0	207,828	207,828
Inventories	163,248	286	14,248	15,877	469	194,128
Receivables for concession assets	63	211,271	2,578	0	0	213,912
Accounts Receivable	2,141,521	144,189	343,831	103,325	-553,502	2,179,364
Financial Assets	118,981	30,831	64,578	1,168	-101,460	114,099
Cash	159,827	209,287	64,165	45,876	6,426	485,582
ASSETS = LIABILITIES	2,954,083	3,837,839	1,128,141	357,078	1,948,070	10,225,211
Equity	525,541	755,997	249,592	130,387	268,689	1,930,206
Shareholder's Equity	529,893	557,303	244,760	79,875	271,798	1,683,629
Minority Interests	-4,353	198,694	4,832	50,513	-3,109	246,577
NON CURRENT LIABILITIES	585,736	2,522,744	450,562	70,018	1,348,290	4,977,350
Financial Debt	113,512	1,894,584	199,964	56,515	1,756,935	4,021,511
Financial Instruments at fair value	0	142,195	20,516	1,720	0	164,431
Provisions	333,570	78,413	63,386	3,385	-144,853	333,900
Other non current Liabilities	138,654	407,553	166,696	8,398	-263,792	457,508
CURRENT LIABILITIES	1,842,807	559,097	427,988	156,672	331,090	3,317,654
Liabilities associated with the non current assets held for sale	0	0	0	0	214,319	214,319
Financial Debt	312,314	180,660	102,603	27,858	84,298	707,732
Financial instruments at fair value	0	19,717	1,534	1,480	0	22,730
Trade Accounts Payable	979,434	236,841	141,884	87,044	62,618	1,507,820
Operating Provisions	96,570	4,593	22,326	369	116,302	240,160
Other current liabilities	454,489	117,287	159,642	39,921	-146,447	624,892

1H 2016 Results



CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2015						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
NON CURRENT ASSETS	372,995	3,181,176	640,974	203,575	2,379,366	6,778,086
Intangible Assets	130	50	7,805	5,285	1,547	14,816
Concessions Investments	48,220	1,353,153	242,480	0	0	1,643,853
Fixed Assets	137,004	3,618	125,395	106,725	3,406	376,148
Financial Assets	149,568	506,007	111,139	23,736	2,374,414	3,164,864
Receivables for concession assets	18,738	1,318,348	51,903	0	0	1,388,989
Other non Current Assets	0	0	2,838	0	0	2,838
Goodwill	19,335	0	99,414	67,829	0	186,578
CURRENT ASSETS	2,517,202	558,394	441,862	162,699	-770	3,679,388
Non current assets held for sale	0	0	0	0	527,535	527,535
Inventories	165,121	2,570	14,477	13,799	695	196,661
Receivables for concession assets	125	210,174	3,686	0	0	213,985
Accounts Receivable	2,022,576	133,392	338,643	83,249	-580,403	1,997,458
Financial Assets	117,712	28,010	14,691	452	-19,937	140,928
Cash	211,668	184,248	70,365	65,200	71,341	602,822
ASSETS = LIABILITIES	2,890,197	3,739,570	1,082,836	366,275	2,378,596	10,457,474
Equity	563,458	738,168	252,538	132,715	224,711	1,911,589
Shareholder's Equity	567,989	529,912	247,257	83,234	227,738	1,656,130
Minority Interests	-4,531	208,256	5,280	49,481	-3,026	255,460
NON CURRENT LIABILITIES	567,340	2,420,860	423,192	62,642	1,578,287	5,052,321
Financial Debt	118,875	1,730,853	182,038	46,666	1,993,872	4,072,303
Financial Instruments at fair value	0	140,545	19,286	2,009	0	161,839
Provisions	335,927	82,947	58,501	5,642	-121,213	361,804
Other non current Liabilities	112,539	466,515	163,367	8,325	-294,372	456,374
CURRENT LIABILITIES	1,759,399	580,544	407,107	170,918	575,596	3,493,564
Liabilities associated with the non current assets held for sale	0	0	0	0	224,186	224,186
Financial Debt	261,846	200,956	79,589	30,635	277,587	850,612
Financial instruments at fair value	0	24,562	1,373	1,846	0	27,780
Trade Accounts Payable	1,051,074	255,295	160,095	105,605	81,778	1,653,847
Operating Provisions	98,162	3,714	25,240	2,830	116,302	246,248
Other current liabilities	348,317	96,017	140,810	30,003	-124,256	490,891

CONSTRUCTION

CONSTRUCTION (Thousands of euros)	1H 2016	1H 2015	% Chg 1H16/1H15
Revenue	687	748	-8.2%
Sacyr Construcción	525	567	-7.4%
Somague	162	181	-10.8%
EBITDA	27	36	-25.6%
Sacyr Construcción	26	31	-15.7%
Somague	0	5	n.s.
EBITDA Margin	3.9%	4.8%	
EBITDA Margin Sacyr Construcción	5.0%	5.5%	
EBITDA Margin Somague	0.2%	2.5%	
Backlog	4,418	5,316	-16.9%
International	3,691	4,513	-18.2%
% International Backlog	84%	85%	
Months of activity	39	43	

Revenue from the Construction business through to 30 June 2016 totalled €687 million. Business was down 8% year on year, largely in response to the slowdown in Spain and also at our Portuguese subsidiary Somague, where business has been slow for a year now and which sustained an 11% decline. Revenue from the rest of the construction business was down 7%, largely as a result of the completion of work on the Rutas del Algarrobo and Rutas del Bio concessions in Chile, which were in full operation in the first half of 2015.

Turning to EBITDA, the scant contribution made by Somague in the first half of 2016 is reflected in the construction business, where projects for the other international markets are still contributing positively and sustaining the margin. The total gross margin was 3.9%, thanks to the 5.0% return commanded by contracts not belonging to Somague.

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EBITDA was affected by the workforce changes made by Sacyr Construcción in Spain in a bid to adjust the company's structure to the current market situation.

The construction backlog stood at €4,418 million at 30 June 2016, covering 39 months of operations at current turnover rates. The international construction backlog accounts for 84% of the total backlog.

Construction contracts secured in the first half of 2016 included the contract for special installations at the "Kinaxixi 2" commercial and business complex in Luanda (Angola) for €118 million; the contract to construct an industrial warehouse at Rivas Vaciamadrid (Spain) for €16 million; the contract to enlarge and remodel the National Bank of Angola for €7 million; and the contract to construct the "Canto da Maia" school in the Azores for €5 million.

Following the end of the period, Sacyr secured a contract through its Italian subsidiary SIS for the construction and 43-year operation of the "Rome – Latina" motorway, spanning 186 km, with the total investment expected to reach €2,800 million. The project requires 78 viaducts and overpasses to be built for a combined length of 23,700 metres, plus two tunnels stretching 2,350 metres in total, five cut-and-cover tunnels, 17 junctions and three central toll booths, among other infrastructure.

SACYR CONCESIONES

CONCESSIONS (Thousands of euros)	1H 2016	1H 2015	% Chg. 1H16/1H15	% Chg.* 1H16/1H15
Revenue	263,183	264,101	0%	2%
Revenue from construction	117,861	134,606	-12%	-12%
Revenue from concessions	145,322	129,495	12%	21%
EBITDA	99,668	89,900	11%	17%
EBITDA Margin	68.6%	69.4%		
NET PROFIT	18,335	(385)		

*Variation eliminating the effect of disinvestments during 1H 2016

Revenue at Sacyr Concesiones amounted to €263 million at 30 June 2016. In the first half of the year, the company completed the sale of the Braga and Vila Franca de Xira hospitals, which were both fully consolidated interests. If we strip out the impact of the sale (the hospitals contributed revenue and EBITDA in both 2015 and 2016), revenue would be up 2%.

Of the total revenue figure, €145 million was concession revenue at 30 June 2016, which rose by 12% from the €129 million reported in the first half of 2015 (or 21% excluding the impact of the sale of the hospitals explained above).

The remaining €118 million corresponded to construction revenue, which was down 12% year on year owing mainly to the construction progress on our Rutas de Algarrobo, Valles del Bio and Rutas del Desierto concessions.

Growth in concession revenue was driven by:

- The upturn in traffic on Spanish concessions in operation (+5%).
- The operational start-up of the Rutas del Desierto motorway in Chile in September 2015 (R16 Section) and Section 2 of Rutas de Algarrobo in May 2016.

- The revenue contributions made by the Hospital de Antofagasta and Valles del Desierto concessions in Chile, and by the Pasto-Rumichaca and Montes de María concessions in Colombia.

(€ Thousands)	Revenue		
	1H 2016	1H 2015	Chg (%)
AUTOVÍA DEL TURIA	6,094	5,809	4.9%
AUTOVÍA NOROESTE C.A.R.M.	4,105	4,003	2.6%
VIASTUR	3,517	3,392	3.7%
PALMA MANACOR	4,928	4,548	8.4%
AUTOVÍA DEL BARBANZA	5,458	5,316	2.7%
AUTOVÍA DEL ERESMA	3,210	3,007	6.8%
AUTOVÍA DEL ARLANZÓN	15,046	14,321	5.1%
INTERCAMBIADOR DE MONCLOA	5,926	6,409	-7.5%
INTERCAMBIADOR DE PLAZA ELÍPTICA	3,203	3,215	-0.3%
AUTOPISTA DE GUADALMEDINA	5,821	5,013	16.1%
HOSPITAL DE PARLA	7,863	6,371	23.4%
HOSPITAL DE COSLADA	7,111	6,720	5.8%
HOLDINGS	1,844	355	419.9%
SPAIN	74,125	68,479	8.2%
HOLDINGS	559	566	-1.3%
IRELAND	559	566	-1.3%
HOSPITAL BRAGA	1,239	4,651	-73.4%
HOSPITAL DE VILA FRANCA	1,285	4,623	-72.2%
PARQUE DO NOVO HOSPITAL	155	417	-62.9%
HOLDINGS	586	51	1053.1%
ESCALA PARQUE	327	925	-64.7%
PORTUGAL	3,592	10,667	-66.3%
HOLDING	659	2,257	-70.8%
RUTAS DEL DESIERTO - ACCESOS A IQUIQE	9,605	7,915	21.3%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	9,091	9,192	-1.1%
VALLES DEL DESIERTO - VALLENAR CALDERA	11,323	9,464	19.6%
RUTA DEL LIMARI - RUTA 43	734	460	59.6%
HOSPITAL ANTOFAGASTA	5,476	2,135	156.4%
RUTA DEL ALGARROBO - SERENA VALLENAR	13,852	9,800	41.3%
CHILE	50,739	41,223	23.1%
CONVIAL SIERRA NORTE	7,297	8,560	-14.8%
PERU	7,297	8,560	-4.8%
MONTES DE MARÍA - PUERTA DE HIERRO - CRUZ DEL VIZO	5,631	0	-
VIAL UNIÓN DEL SUR - PASTO RUMICHACA	3,381	0	-
COLOMBIA	9,012	0	-
TOTAL WITHOUT CONSTRUCTION INCOME	145,322	129,495	12.2%
INGRESOS DE CONSTRUCCIÓN	117,861	134,606	-12.4%
TOTAL	263,183	264,101	-0.3%

EBITDA amounted to €100 million, revealing a healthy 11% year-on-year increase (17% excluding the impact of selling the Portuguese hospitals).

TRAFFIC PERFORMANCE

Traffic continued to perform well, in line with previous quarters, showing average growth of 5% at our concessions in Spain. The following table shows traffic data:

	ACUMULATED ADT		
	1H 2016	1H 2015	Change
SHADOW TOLL HIGHWAY SPAIN			
- AUTOVIA DEL NOROESTE	11,600	11,027	5.2%
- Ma-15 PALMA-MANACOR	22,587	20,905	8.0%
- AS-II OVIEDO-GIJÓN (VIASTUR)	23,050	22,232	3.7%
- AUTURSA CV-35	37,907	36,377	4.2%
- ERESMA	7,448	7,017	6.1%
- BARBANZA	12,204	12,171	0.3%
- ARLANZON	19,080	18,273	4.4%
TOLL HIGHWAY SPAIN			
- AP-46 MÁLAGA - LAS PEDRIZAS	10,383	8,925	16.3%
TOLL HIGHWAY OTHER COUNTRIES			
- N6 GALWAY-BALLINASLOE	10,530	9,702	8.5%
- VALLES DEL DESIERTO	4,872	5,119	-4.8%
- R-1 RUTAS DEL DESIERTO	5,796	5,909	-1.9%
- R-16 RUTAS DEL DESIERTO	7,027	-	-
- RUTAS DEL ALGARROBO RG- III	4,410	-	-
- RUTAS DEL ALGARROBO RG-IV	3,268	-	-
- MONTES DE MARÍA - EL CALAMAR	2,706	-	-
- MONTES DE MARÍA - EL CARMEN	3,415	-	-
- UNIÓN VIAL DEL SUR	5,957	-	-

Note: Highways without accumulated ADT data as of 1H2015 are concessions with less than 12 months in operation

All our shadow toll road concessions in Spain reported higher levels of traffic in comparison to the same period of 2015. A particular highlight was the 16% increase in traffic on the Malaga - Las Pedrizas motorway.

International activity accounted for 58% of the backlog at 30 June 2016, up from 46% in the same period last year.

CONTRACT WINS

Following the end of the period, Sacyr was awarded the construction and 43-year operation of the “Rome – Latina” motorway, spanning 186 km, with the total investment expected to reach €2,800 million. We expect to see Average Daily Traffic (ADT) of 32,000 vehicles and total revenue of €12,250 million over the life of the concession.

OTHER MILESTONES IN THE FIRST HALF OF THE YEAR

The following transactions were carried out in the first half of 2016 as part of the strategy of Sacyr Concesiones to rotate and refinance assets with the aim of investing in new projects under development:

- Asset rotation:
 - Sacyr Concesiones successfully sold three concession assets in Portugal in the first half of 2016, following the sale of 98% of the company HC-Hospitais Concesionados -which holds interests in the concession of three hospitals in Portugal (51% of the Braga and Vila Franca de Xira hospitals and 40% of Isla Terceira on the Azores Islands)- to the Aberdeen infrastructure fund. The deal was worth €113 million, including associated debt. Sacyr Concesiones has retained a 2% interest in HC-Hospitais Concesionados and will continue to provide hospital centre management services. The deal generated an attractive return on equity invested, above the average multiples achieved in recent transactions.

- Refinancing:
 - On 27 April, Sacyr Concesiones and British fund Eisser issued €54 million in bonds through Aunor, Sacyr's concessionaire company for the north-west Murcia motorway, with the ultimate aim of refinancing the concession. The issue is due to mature in 2025.
 - In the first half of the year, Sacyr Concesiones and its partner Eisser Infrastructure Partners successfully refinanced the debt piles of the concessionaire companies that manage and operate the Moncloa and Plaza Elíptica transport hubs in Madrid, for a total sum of €190 million. The new arrangement means that the existing bank loans for the project at the two concessionaire companies, which were due to mature in 2018 and 2019, have now been refinanced with long-term horizons (25 years). The deal was helped by the prevailing low market interest rates.

VALORIZA

Revenue at Valoriza amounted to €399 million at 30 June 2016, up 10% year on year and continuing the positive performance seen by the business in recent periods. Growth within Services was fuelled by the Multiservices and Environment businesses (20% and 4%, respectively), thanks to the contribution made by major contracts in the portfolio, especially in the environmental services, infrastructure maintenance and home care services sectors.

VALORIZA (Thousands of Euros)	1H 2016	1H 2015	% Chg. 1H16/1H15
REVENUE	399,099	363,751	9.7%
Environment	158,630	153,024	3.7%
Multi-Services	173,660	144,371	20.3%
Water	65,702	65,010	1.1%
Central	1,107	1,346	-17.8%
EBITDA	31,088	30,940	0.5%
Environment	19,688	18,711	5.2%
Multi-Services	6,570	5,693	15.4%
Water	4,762	5,025	-5.2%
Central	68	1,511	-95.5%
EBITDA Margin	7.8%	8.5%	

The slight drop in the Water business is temporary and not a cause for concern as it is down to the completion of certain projects.

EBITDA amounted to €31 million in the first half of 2016, revealing an EBITDA margin of 7.8%. Of particulate note were the growing returns on the Multiservices and Environment businesses. The impact of overheads associated with the international expansion process brought up total EBITDA for the business (+0.5%).

CONTRACTING AND BACKLOG

Valoriza's backlog stood at €6,424 million, of which international business accounts for 30%. Valoriza continues to see heavy commercial activity across all businesses both in Spain and abroad.

Highlight contracts in the first six months of 2016 include:

- Valoriza Agua began operating in Oman, a new market for the group, by securing a contract to design, build, operate and maintain a seawater desalination plant at Sohar, on the Batinah coast, for US\$1,200 million (approx. €1,050 million). The facility, which will produce 250,000m³ of fresh water a day, is one of the largest investments ever seen in Oman in seawater desalination plants. Only part of the construction contract, €172 million, was included in Valoriza's backlog at the end of the quarter.
- Environmental Services:
 - o Street cleaning and waste collection services in the city of Albacete, in a 15-year contract worth €164 million, which may be extended for a further five years.
 - o Ten-year contract worth €68 million for the collection and transport of municipal solid waste and street and beach cleaning services on the island of Ibiza.
- Multi-services:
 - o Home care services contract awarded by Madrid City Council for the Centro, Arganzuela, Moncloa-Aravaca, Latina and Carabanchel districts. The concession is worth €154 million and runs for three years, which may be extended for a further three years.
 - o Two-year home care services contract worth €29 million for Barcelona City Council (Gracia and El Ensanche districts).
 - o Rolling stock cleaning services on the Madrid Underground (batches 1 and 2), worth €21 million and with a term of four years.

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- Bus and depot cleaning service for the ALSA bus line across all of Spain, in a contract worth €18 million.
- Two-year contract worth €15 million to clean the buildings and facilities of the Elche, Alcoy and Requena hospitals and healthcare centres.

INDUSTRIAL

INDUSTRIAL (Thousands of Euros)	1H 2016	1H 2015	% Chg. 16/15
Revenue	187,988	112,986	66%
-Oil and gas	111,539	36,442	
-Electricity grid	13,877	8,625	
-Environment and mining	8,918	2,099	
-Generation	51,592	65,696	
-Central	2,062	124	
EBITDA	13,232	7,552	75%
EBITDA Margin	7.0%	6.7%	
BACKLOG	2,675	2,578	4%
- National	2,056	2,107	-2%
- International	619	392	58%

Sacyr Industrial's revenue totalled €188 million at 30 June 2016, up 66% on the €113 million reported in the same period of 2015.

Turning to EPC contracts, Oil&Gas managed to triple its revenue to €112 million, while Electrical Infrastructure posted €14 million in revenue, showing 61% growth, and Environment and Mining climbed to €9 million versus the €2 million seen in the same period of the previous year.

This includes the EPC contracts for the refinery in Pampilla (Peru), the regasification plant in Cartagena (Colombia), the cement plant in Oruro (Bolivia) and the electricity infrastructure projects (Mexico, Peru and Panama), as well as the companies Sacyr Nervión and Sacyr Fluor.

Meanwhile, power plants contributed €52 million to revenue. The increase on the first half of 2015 was fuelled by the drop in the electricity pool price caused by weather conditions, which favoured wind and hydro generation. The drop in fuel prices was also behind the

1H 2016 Results

decline in the pool price. The average electricity pool price in the first half of 2016 was €30/MWh, well below the average for 1H15 (€48/MWh).

Higher revenue, coupled with a 75% increase in EBITDA, to reach €13 million, revealed an operating margin of 7%.

CONTRACTING AND BACKLOG

The backlog of the industrial line totalled €2,675 million at 30 June, with the international backlog posting an impressive 82% growth. The first half of the year included the following highlight contracts and projects:

- Construction of the new “Nuevo Mundo” compressor station in Peru, in a deal worth €200 million.
- Main contract to upgrade the Chimborazo cement plant at Riobamba (Ecuador) for UCEM (Unión Cementera Nacional). Worth €160 million, this EPC marks Sacyr’s entry into a new market. The contract includes the design, construction, assembly and start-up of the new clinker line, which will have a capacity of 2,600 tonnes per day.
- Construction and maintenance contracts awarded by Compañía General de Electricidad de Chile for several medium- and high-voltage power lines, for a total of €92 million.
- Construction of the new “Crucero Encuentro” electrical substation for Sociedad Austral de Transmisión Troncal de Chile (Chile). The contract is worth €16 million.

STOCK MARKET PERFORMANCE

SACYR	JUNE		% Chg 16/15
	2016	2015	
Market Price at closing (euros per share)	1.46	3.40	-57.09%
High share price	1.95	4.28	-54.46%
Low share price	1.17	2.89	-59.38%
Market Capitalization at closing (Thousands of euros)*	754,932	1,759,265	-57.09%
Average Trading Volume (Thousands of euros)	1,465,568	3,543,389	-58.64%
Average Daily Trading Volume (Number of shares)	7,097,037	7,510,582	-5.51%
Liquidity (%)	100	100	
Number of shares (Thousands)	517,431	502,212	3.03%
Share Nominal Value	1 EURO	1 EURO	

*Adjusted in 2015 pursuant to capital increase in July 2015, 1x33

SHAREHOLDER STRUCTURE

Significant shareholders of Sacyr, S.A. at the date this information is presented are as follows:

SHAREHOLDER	% Total
Manuel Manrique Cecilia	5,1%
Cymofag	5,1%
DISA. Demetrio Carceller Arce	12,7%
José Manuel Loureda Mantiñán	7,8%
Prilou, S.L.	3,2%
Prilomi, S.L.	4,6%
Grupo Corporativo Fuertes, S.L	6,3%
Beta Asociados, S.L.	5,1%
Grupo Satocan, S.A.	2,6%
TOTAL SIGNIFICANT SHAREHOLDINGS	39,6%

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