

Audit report on the Consolidated Financial Statements  
issued by an Independent Auditor

SACYR, S.A. AND SUBSIDIARIES  
Consolidated Financial Statements and Management Report  
for the year ended  
December 31, 2018

## AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

(Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails). (See note 43)

To the shareholders of SACYR, S.A.:

### Report on the consolidated financial statements

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#### Opinion

We have audited the consolidated financial statements of SACYR, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2018, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2018 and of its consolidated financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRS), and other provisions in the regulatory framework applicable in Spain.

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#### Basis of the opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned regulations.

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

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

### *Impairment of the value of concession projects and investments accounted for using the equity method*

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**Description** At December 31, 2018, the Group recorded concession projects and investments accounted for by the equity method in its consolidated statement of financial position amounting to 1,353,656 thousand euros and 2,156,782 thousand euros, respectively. The disclosures pertaining to these assets can be found in Notes 6 and 9 to the accompanying consolidated financial statements.

At year end, Group management and directors test for indications of impairment and, if necessary, estimate the recoverable amount. The purpose of this analysis is to conclude whether it is necessary to recognize an impairment loss against the aforementioned assets when the carrying amount is higher than the recoverable amount. To determine the recoverable amount, Group management and directors test for impairment using the discounted free cash flow method.

Given the high risk that these assets may be impaired, the relevance of the amounts involved and the fact that the analyses conducted by Group management and directors require complex estimates and judgments, we determine the possible impairment of these assets to be a key audit matter.

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**Our response** In this regard, our audit procedures included:

- u Reviewing, in collaboration with valuation specialists, the reasonableness of the methodology used by Group management and directors and the construction of discounted cash flows, focusing specifically on the discount rate and long-term growth rate applied, as well as the related sensitivity analyses.
- u Reviewing the projected financial information used when testing for impairment by analyzing:
  - Historical and budgetary financial information
  - Current market conditions and our own expectations of their future performance
  - Public information provided by other companies in the sector
  - Assessment of reasonable compliance with the terms established in the Specific Administrative Clauses as well as those set out in the financial business forecasts, in addition to the estimates made by group management for certain concession assets.
- u Verifying whether the information disclosed in the consolidated financial statements meets the requirements established in the regulatory framework for financial information applicable to the Group.

### *Measurement of accounts receivable from concession assets*

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Description	<p>As explained in Note 3.c10 to the accompanying consolidated financial statements, concession arrangements for which the resulting consideration consists of an unconditional contractual right to receive cash or other financial assets from the grantor (or on the grantor's behalf) as compensation for construction and operating services and for which the grantor has little or no discretion to avoid payment, are classified as a financial asset in accordance with the Interpretation of International Financial Information Reporting Standards on Service Concession Arrangements (IFRIC 12). The Group recognized 293,238 thousand euros and 3,552,834 thousand euros for these items in "Current and non-current accounts receivable from concession assets", respectively, in the consolidated statement of financial position at December 31, 2018. The disclosures pertaining to these assets can be found in Note 11 to the accompanying consolidated financial statements.</p> <p>Group management and directors make judgments and estimates regarding concession models which include forecasts of operating expenses, investments, and the internal rate of return.</p> <p>Due to the relevance of the amounts involved and the fact that the analyses made by Group management and directors require them to make complex estimates and judgments regarding cash flows from concession models, we determine the measurement of these assets to be a key audit issue.</p>
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Our response	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"> <li>U Reviewing and assessing, for a sample of concession assets, the reasonableness of the methodologies used by Group management to estimate payments and collections and their effect on the internal rate of return.</li> <li>U Assessing whether the information disclosed in the consolidated financial statements meets the requirements established in the regulatory financial reporting framework applicable to the Group.</li> </ul>
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### *Recoverability of deferred tax assets*

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Description	<p>At December 31, 2018, the Group recognized deferred tax assets amounting to 918,108 thousand euros in the consolidated statement of financial position. The disclosures pertaining to these assets can be found in Note 13 to the accompanying consolidated financial statements.</p> <p>To determine the recoverable amount of these assets, Group management and directors evaluated the Group's capacity to generate taxable profits on the basis of the business plans of its components and the business plan of the Sacyr Group. At least at each reporting period, the recoverability of deductions and unused loss carryforwards are reviewed and recognized as assets to the extent that it has become probable that future taxable profit will allow it to be recovered.</p> <p>Due to the significance of the amounts involved and given that the analysis conducted by Group management and directors require making complex estimates and judgments on the future taxable earnings of the companies comprising the Group, we determined this to be a key audit matter.</p>
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Our response In this regard, our audit procedures included:

- U Reviewing, in collaboration with our tax specialists, the reasonableness of the methodology applied by Group management and directors and the construction of economic forecasts used, focusing primarily on:
  - Historical and budgetary financial information.
  - Current market conditions and our own expectations of their future performance.
  - The tax strategies implemented.
- U Verifying whether the information disclosed in the consolidated financial statements meets the requirements established in the regulatory financial reporting framework applicable to the Group.

#### *Recognition of revenue from non-current contracts*

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**Description** Revenue from construction includes the sum of the stipulated contract price, plus the value of the changes made to original work, as well as claims or incentives which are highly probable to be received and can be reasonably quantified. If contract revenue can be reliability measured, it is recognized based on the contract's stage of completion at the reporting date, using the percentage-of-completion method, that is, costs incurred as a percentage of the total estimated costs. The revenue and cost estimation exercise is significant and involves the use of complex and highly subjective judgment.

As explained in Note 3 to the consolidated financial statements, the Group adopted IFRS 15 "Revenue from contracts with customers" in 2018 using the modified retrospective method, which involved recognizing an adjustment that reduced the balance of "Reserves" and "Non-controlling interests" at the first-time application date (January 1, 2018).

We determined non-current revenue recognition to be a key audit matter since it affects both the measurement of "Completed construction pending appraisal," which at December 31, 2018 amounts to 518,242 thousand euros, and a significant amount of the total volume of consolidated revenue, requiring Group management and directors to make significant and complex estimates.

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Our response In this regard, our audit procedures included:

- U Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes used by the Group's key components for this type of contract.
- U Performing, for the Group's key components using this type of contract, substantive tests, which involved conducting a detailed and individual analysis of a sample of projects to determine the reasonableness of the principal hypotheses applied, as well as analyzing the consistency of the estimates made by the Group last year with the actual contract data for the current year.
- U Reviewing, in collaboration with our valuation experts, the reasonableness of the methodology used by group management and directors to recognize and value submitted claims, focusing primarily on expected estimated recovery and the likelihood that claims will prosper.

- U Reviewing the criteria applied and the calculation methods used by the Group to determine the initial impact of applying IFRS 15 at January 1, 2018.
- U Verifying that the accompanying notes include the information breakdowns requires that the applicable financial reporting framework.

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#### Other information: Consolidated Management Report

Other information refers exclusively to the 2018 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

- a. A specific level applicable to the non-financial information statement, as well as to certain information included in the Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the consolidated management report or where applicable, that the consolidated management report includes the corresponding reference to the separate non-financial information report as stipulated by prevailing regulations and if not, disclose this fact.
- b. A general level applicable to the remaining information included in the consolidated management report, which requires us to evaluate and report on the consistency of said information in the consolidated financial statements, based on knowledge of the Group obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have verified that the non-financial information referred to in paragraph a) above is provided in the separate report "Non-financial information" which is referred in the Consolidated Management Report, that the Corporate Governance Report, referred in that paragraph, is included in the consolidated management report, and that the remaining information contained therein is consistent with that provided in the 2018 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

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#### Responsibilities of the parent company's directors and the audit committee for the consolidated financial statements

The directors of the Parent are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity, financial position and results of the Group, in accordance with IFRS-EU and other provisions in the regulatory framework for financial information applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

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#### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- u Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- u Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- u Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- u Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- u Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- u Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Parent with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters communicated to the Parent's audit committee, we determined those that were of greatest significance in the audit of the consolidated financial statements of the current period and therefore constitute the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Report on other legally-stipulated disclosure requirements

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### Additional report to the Parent's audit committee

The opinion expressed in this audit report is consistent with the additional report we issued for the Parent's audit committee on April 24, 2019.

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### Contracting period

The ordinary general shareholders' meeting held on June 8, 2017 appointed us as auditors of the Group for a period of three years, counting from the year ended December 31, 2016, that is, financial years 2017, 2018, and 2019.

Previously, we were appointed as auditors by the shareholders for one year and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2003.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

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Antonio Vázquez Pérez

April 24, 2019



**Sacyr Group  
(Sacyr, S.A. and Subsidiaries)**

**Consolidated Financial Statements and  
Consolidated Management Report  
for the year ended December 31, 2018  
and**

**AUDITORS' REPORT ON THE CONSOLIDATED  
FINANCIAL STATEMENTS**

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**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AT 31 DECEMBER 2018 AND 2017**

Consolidated statement of financial position at 31 December (thousands of euros)

ASSETS	NOTE	2018	2017
<b>A) NON-CURRENT ASSETS</b>		<b>8,895,502</b>	<b>8,098,033</b>
I. Property, plant and equipment	5	441,230	387,600
II. Concession projects	6	1,353,656	1,370,054
III. Other intangible assets	7	25,901	17,188
IV. Goodwill	8	166,633	166,801
V. Investments accounted for using the equity method	9	2,156,782	2,115,478
VI. Receivables from concessions	11	3,552,834	2,854,735
VII. Non-current financial assets	12	149,754	105,010
VIII. Derivative financial instruments	25	111,160	1,656
IX. Deferred tax assets	13	918,108	837,797
X. Other non-current assets	14	19,444	241,714
<b>B) CURRENT ASSETS</b>		<b>4,954,308</b>	<b>5,478,224</b>
I. Non-current assets held for sale	4	362,172	454,992
II. Inventories	15	209,331	199,937
III. Trade and other receivables	16	1,968,456	2,314,987
- Trade receivables for sales and services		358,372	377,923
- Receivable from construction contracts		1,032,719	1,361,598
- Personnel		1,459	1,447
- Receivable from public entities		216,531	171,324
- Other receivables		359,375	402,695
IV. Receivables from concessions	11	293,238	260,278
V. Current financial investments	12	123,190	113,361
VI. Derivative financial instruments	25	1,256	0
VII. Cash and cash equivalents	17	1,990,212	2,115,992
VIII. Other current assets		6,453	18,677
<b>TOTAL ASSETS</b>		<b>13,849,810</b>	<b>13,576,257</b>

Notes 1 to 43 and Appendices I, II and III form an integral part of this consolidated statement of financial position.

Consolidated statement of financial position at 31 December (thousands of euros)

LIABILITIES	NOTE	2018	2017
<b>A) EQUITY</b>	<b>18</b>	<b>1,507,191</b>	<b>2,004,419</b>
<b>EQUITY OF THE PARENT</b>		<b>1,145,833</b>	<b>1,652,138</b>
I. Share capital		553,555	533,111
II. Share premium		17,162	17,162
III. Reserves		601,698	1,091,751
IV. Profit for the year attributable to the Parent		150,398	130,644
V. Treasury shares		(44,771)	(37,063)
VI. Financial assets at fair value through equity		2,507	66,421
VII. Hedging transactions		(62,799)	(71,570)
VIII. Translation differences		(72,023)	(78,429)
IX. Valuation adjustments		106	111
<b>EQUITY OF NON-CONTROLLING INTERESTS</b>		<b>361,358</b>	<b>352,281</b>
<b>B) NON-CURRENT LIABILITIES</b>		<b>7,915,874</b>	<b>7,253,254</b>
I. Deferred income	19	52,390	54,408
II. Non-current provisions	20.1	313,917	294,882
III. Bank borrowings	22	5,061,232	4,729,167
IV. Other hedged financial debt	23	1,617,442	1,489,252
V. Non-current payables	24	530,295	315,116
VI. Derivative financial instruments	25	105,917	192,800
VII. Deferred tax liabilities	13	233,009	177,629
VIII. Non-current payables to associates		1,672	0
<b>C) CURRENT LIABILITIES</b>		<b>4,426,745</b>	<b>4,318,584</b>
I. Liabilities associated with non-current assets held for sale	4	170,236	176,965
II. Bank borrowings	22	1,097,331	921,205
III. Trade and other payables	26	2,943,554	3,023,372
- Suppliers		2,431,137	2,460,912
- Personnel		46,226	44,941
- Current tax liabilities		23,178	10,122
- Payable to public entities		142,033	111,623
- Other payables		300,980	395,774
IV. Current payables to associates		39,446	47,189
V. Derivative financial instruments	25	18,953	27,127
VI. Current provisions	20.2	157,225	122,726
<b>TOTAL LIABILITIES</b>		<b>13,849,810</b>	<b>13,576,257</b>

Notes 1 to 43 and Appendices I, II and III form an integral part of this consolidated statement of financial position.

**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**SEPARATE CONSOLIDATED INCOME STATEMENT  
AT 31 DECEMBER 2018 AND 2017**

Separate consolidated income statement for the years  
ended 31 December  
(thousand of euros)

SEPARATE INCOME STATEMENT	NOTE	2018	2017
Revenue	28	3,795,717	3,092,606
Own work capitalised		21,591	1,603
Other operating income		296,466	171,709
Government grants released to the income statement		4,335	3,330
Gain on disposal of assets		0	235
<b>TOTAL OPERATING INCOME</b>		<b>4,118,109</b>	<b>3,269,483</b>
Change in inventories		(3,629)	1,296
Supplies	29	(1,543,077)	(1,176,905)
Staff costs	40	(1,052,435)	(949,051)
Losses on disposal of assets		0	(170)
Depreciation and amortisation expense		(138,030)	(118,398)
Impairment of goodwill	8	0	(18,699)
Change in operating provisions		(40,464)	(3,624)
Change in provisions for non-current assets		88	(8,045)
Other operating expenses	30	(975,678)	(739,061)
<b>TOTAL OPERATING EXPENSES</b>		<b>(3,753,225)</b>	<b>(3,012,657)</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>364,884</b>	<b>256,826</b>
<b>SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>	<b>9</b>	<b>200,979</b>	<b>259,114</b>
<b>GAIN/(LOSS) ON ACQUISITION/DISPOSAL OF ASSETS</b>	<b>31</b>	<b>(12,544)</b>	<b>(362)</b>
Revenue from other marketable securities and asset-backed loans		29,856	14,971
Other interest and similar income		68,921	33,434
Exchange differences		48,206	0
<b>TOTAL FINANCE INCOME</b>		<b>146,983</b>	<b>48,405</b>
Finance costs and similar expenses		(346,036)	(222,658)
Change in provisions for financial investments		(57,600)	86,210
Gain/(loss) on financial instruments		(11,140)	(144,754)
Exchange differences		0	(71,236)
<b>TOTAL FINANCE COSTS</b>		<b>(414,776)</b>	<b>(352,438)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>32</b>	<b>(267,793)</b>	<b>(304,033)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>		<b>285,526</b>	<b>211,545</b>
Corporate income tax	13	(77,098)	(42,967)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>208,428</b>	<b>168,578</b>
<b>PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>		<b>208,428</b>	<b>168,578</b>
NON-CONTROLLING INTERESTS		(58,030)	(37,934)
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>150,398</b>	<b>130,644</b>
<b>Basic earnings per share (euros)</b>	<b>33</b>	<b>0.28</b>	<b>0.25</b>
<b>Diluted earnings per share (euros)</b>	<b>33</b>	<b>0.28</b>	<b>0.26</b>
<b>Basic earnings per share for discontinued operations (euros)</b>	<b>33</b>	<b>0.00</b>	<b>0.00</b>
<b>Diluted earnings per share for discontinued operations (euros)</b>	<b>33</b>	<b>0.00</b>	<b>0.00</b>

Notes 1 to 43 and Appendices I, II and III form an integral part of this separate consolidated income statement.

**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
AT 31 DECEMBER 2018 AND 2017**



Consolidated statement of comprehensive income at 31 December (thousands of euros)

	2018	2017
<b>A) CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>208,428</b>	<b>168,578</b>
<b>B) OTHER COMPREHENSIVE INCOME - ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT TO BE RECLASSIFIED IN THE FUTURE TO THE INCOME STATEMENT</b>	<b>(64,938)</b>	<b>1,318</b>
1. Revaluation/(reversal of the revaluation) of property, plant and equipment and intangible assets	0	0
2. Actuarial gains and losses	0	0
3. Participation in other comprehensive income from investments in joint ventures and associates	0	0
4. Equity instruments with changes in other comprehensive income	(64,938)	1,318
5. Other income and expenses that is not reclassified to profit/(loss)	0	0
6. Tax effect		
<b>C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT</b>	<b>8,065</b>	<b>(248,885)</b>
1. Hedging transactions	<b>5,798</b>	<b>3,092</b>
a) Revaluation gains/(losses)	(5,342)	(21,098)
b) Amounts transferred to the income statement	11,140	24,190
c) Amounts transferred to initial carrying amount of hedged items	0	
d) Other reclassifications	0	0
2. Translation differences:	<b>(40,451)</b>	<b>(54,315)</b>
a) Revaluation gains/(losses)	(40,451)	(54,315)
b) Amounts transferred to the income statement	0	0
c) Other reclassifications	0	0
3. Participation in other comprehensive income from investments in associates and joint ventures:	<b>44,172</b>	<b>(196,851)</b>
a) Revaluation gains/(losses):	14,922	(195,984)
b) Amounts transferred to the income statement	29,250	(867)
c) Other reclassifications	0	0
4. Debt instruments at fair value with changes in other comprehensive income:	<b>0</b>	<b>0</b>
a) Revaluation gains/(losses)	0	0
b) Amounts transferred to the income statement	0	0
c) Amounts transferred to initial carrying amount of hedged items	0	0
5. Other income and expenses that may be reclassified subsequently to the income statement:	<b>(5)</b>	<b>(38)</b>
a) Revaluation gains/(losses)	(5)	(38)
b) Amounts transferred to the income statement	0	0
c) Other reclassifications	0	0
6. Tax effect:	<b>(1,449)</b>	<b>(773)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)</b>	<b>151,555</b>	<b>(78,989)</b>
a) Attributable to the Parent	101,655	(102,106)
b) Attributable to non-controlling interests	49,900	23,117

Notes 1 to 43 and Appendices I, II and III form an integral part of this consolidated statement of comprehensive income.

**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
AT 31 DECEMBER 2018 AND 2017**

Consolidated statement of cash flows at 31 December (thousands of euros)

	2018	2017
<b>CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)</b>		
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4+5)</b>	<b>411,770</b>	<b>291,840</b>
1. Profit/(loss) before tax from continuing operations	285,526	211,545
2. Adjustment to profit/(loss) (for EBITDA)	257,763	194,047
(+) Depreciation and amortisation expense	138,030	118,398
(+/-) Other adjustment to profit/(loss) (net)	119,733	75,649
<b>EBITDA (1+2)</b>	<b>543,289</b>	<b>405,592</b>
3. Other cash flows from operating activities	(286,261)	(199,510)
4. Income tax payments	(29,032)	(13,148)
5. Changes in working capital	183,774	98,906
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>(944,467)</b>	<b>(160,113)</b>
1. Payments on investments:	(1,159,504)	(378,643)
(-) Property, plant & equipment, intangible assets and property investments	(170,445)	(132,182)
(+) Other financial assets	(989,059)	(246,461)
2. Income from disposals	47,894	69,340
(-) Property, plant & equipment, intangible assets and property investments	16,675	20,608
(+) Other financial assets	31,219	48,732
(+) Divestment of discontinued operations	0	0
3. Other cash flows from investing activities	167,143	149,190
(+) Cash flows from dividends	115,017	105,587
(+) Cash flows from interest	52,126	43,603
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)</b>	<b>406,917</b>	<b>1,362,957</b>
1. Cash flows and (payments) on share-based instruments	(8,044)	910
(+) Issue	0	0
(-) Depreciation	(8,044)	910
2. Cash flows and (payments) on financial liability instruments	554,998	916,372
(+) Issue	1,960,574	2,831,791
(-) Redemption and amortisation	(1,405,576)	(1,915,419)
3. Payments for dividends and returns on other equity instruments	(52,429)	0
4. Other cash flows from finance activities	(87,608)	445,675
(-) Interest payments	(468,357)	(374,471)
(+/-) Other cash flows/(payments) from finance activities	380,749	820,146
<b>D) INCREASE/(DECREASE) NET OF CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(125,780)</b>	<b>1,494,684</b>
<b>E) CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>2,115,992</b>	<b>621,308</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	<b>1,990,212</b>	<b>2,115,992</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
(+) Cash on hand and at banks	1,902,677	2,021,559
(+) Other financial assets	87,535	94,433
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,990,212</b>	<b>2,115,992</b>

Notes 1 to 43 and Appendices I, II and III form an integral part of this consolidated statement of cash flows.

**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AT 31 DECEMBER 2018 AND 2017**

## Consolidated statement of changes in equity at 31 December (thousands of euros)

	Equity attributable to the Parent						Non-controlling interests	Total equity
	Shareholders' equity					Valuation adjustments		
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit for the year attributable to the Parent			
Thousand euros								
<b>Balance at 31 December 2016</b>	517,431	17,162	1,028,924	(41,519)	120,242	149,283	288,875	2,080,398
<b>Adjusted opening balance</b>	517,431	17,162	1,028,924	(41,519)	120,242	149,283	288,875	2,080,398
<b>Total recognized income/(expense)</b>	0	0	0	0	130,644	(232,750)	23,117	(78,989)
<b>Transactions with owners</b>	15,680	0	(15,680)	4,456	0	0	0	4,456
Capital increases/(reductions)	15,680	0	(15,680)	0	0	0	0	0
Transactions with treasury shares or own equity instruments (net)	0	0	0	4,456	0	0	0	4,456
<b>Other changes in equity</b>	0	0	78,507	0	(120,242)	0	40,289	(1,446)
Transfers between equity accounts	0	0	120,242	0	(120,242)	0	0	0
Other changes	0	0	(41,735)	0	0	0	40,289	(1,446)
<b>Balance at 31 December 2017</b>	533,111	17,162	1,091,751	(37,063)	130,644	(83,467)	352,281	2,004,419

	Equity attributable to the Parent						Non-controlling interests	Total equity
	Shareholders' equity					Valuation adjustments		
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit for the year attributable to the Parent			
Thousand euros								
<b>Balance at 31 December 2017</b>	533,111	17,162	1,091,751	(37,063)	130,644	(83,467)	352,281	2,004,419
Impact of new standards	0	0	(537,332)	0	0	0	(3,704)	(541,036)
<b>Adjusted opening balance</b>	533,111	17,162	554,419	(37,063)	130,644	(83,467)	348,577	1,463,383
<b>Total recognized income/(expense)</b>	0	0	0	0	150,398	(48,742)	49,899	151,555
<b>Transactions with owners</b>	20,444	0	(25,338)	(7,708)	0	0	0	(12,602)
Capital increases/(reductions)	20,444	0	(20,444)	0	0	0	0	0
Distribution of dividends	0	0	(4,894)	0	0	0	0	(4,894)
Transactions with treasury shares or own equity instruments (net)	0	0	0	(7,708)	0	0	0	(7,708)
<b>Other changes in equity</b>	0	0	72,617	0	(130,644)	0	(37,118)	(95,145)
Transfers between equity accounts	0	0	130,644	0	(130,644)	0	0	0
Other changes	0	0	(58,027)	0	0	0	(37,118)	(95,145)
<b>Balance at 31 December 2018</b>	553,555	17,162	601,698	(44,771)	150,398	(132,209)	361,358	1,507,191

Notes 1 to 43 and Appendices I, II and III form an integral part of this consolidated statement of changes in equity.

**Sacyr Group**

**Sacyr, S.A. and Subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
2018**

## **1. Sacyr's activity**

The Sacyr Group (formerly known as the Sacyr Vallehermoso Group until it changed its name following the approval of the General Shareholders' Meeting on 27 June 2013) is formed by the Parent, Sacyr, S.A. and its subsidiaries and associates, which are detailed in Appendix I. Sacyr, S.A. (incorporated in Spain) arose from the merger by absorption of the Sacyr, S.A. Group (absorbed company) by Vallehermoso, S.A. (absorbing company) in 2003, as explained in the financial statements for the year then ending.

The registered office of the Parent is Paseo de la Castellana, 83-85. The Parent is registered in the Madrid Mercantile Register, volume 1884, folio 165, sheet M-33841, entry 677, and its tax identification number is A-28013811.

Its company object is as follows:

- a. The acquisition and construction of urban property for rent or sale.
- b. The purchase and sale of land, building rights and urban development lots, as well as their allocation, land transformation, development of urban infrastructure, division into lots, subdivision, compensation, etc., and, in some cases, subsequent construction of buildings, with involvement in the entire urban development process through to construction.
- c. The administration, conservation, maintenance and, in general, all activities related to the provision of urban facilities and services and the associated land, infrastructure, civil engineering works and other urban facilities provided for by local planning stipulations, either on the Company's own behalf or for third parties, and the provision of architecture, engineering and urban development services relating to the urban lots or their ownership.
- d. The provision and sale of all types of services and supplies relating to communications, IT and power distribution networks, as well as collaboration in the marketing and brokerage of insurance, security services and transport services, either on the Company's own behalf or for third parties.
- e. The management and administration of shopping centres, senior citizen homes and centres, hotels and tourist and student accommodation.
- f. The contracting, management and execution of all kinds of construction work in the broadest sense, both public and private, including roads, water supply projects, railways, port facilities, buildings, environmental projects and, in general, all activities related to construction.
- g. The acquisition, administration, management, development, operation through rental or any other means, construction, purchase and sale of all types of properties, as well as the provision of advisory services in any of the above activities.
- h. The development of all types of engineering and architectural projects, as well as the management, oversight and advisory services on the execution of all types of construction work.
- i. The acquisition, holding, exploitation, administration and sale of all kinds of marketable securities on the Company's own behalf, except for those activities reserved by law, and specifically by the Spanish Securities Market Act, for other types of entities.

- j. The management of public water supply, sewer systems and sewage works.
- k. The management of all types of concessions, subsidies and administrative permits for projects, services and mixed ventures awarded to the Company by the central, regional, provincial and local governments, and investment in the capital of companies responsible for such concessions.
- l. The operation of mines and quarries and the sale of the products extracted.
- m. The manufacture, purchase, sale, import, export and distribution of equipment, and the installation of construction equipment and materials or other items for use in construction.
- n. The acquisition, use in any form, sale, transfer and disposal of all types of intellectual property and patents, and other kinds of industrial property.
- o. The manufacture and sale of prefabricated and other products related to construction.
- p. The provision of support services to Spanish and foreign subsidiaries and investees.
- q. The exploitation, import, export, transport, distribution sale and commercialisation of raw materials of any type, whether vegetable or mineral.

The Company may also carry out any of the activities comprised in its corporate purpose indirectly through equity investments in other entities or companies with similar or identical corporate purposes.

Appendix I provides a list of the subsidiaries that compose the Sacyr Group, their activities and registered addresses, and the percentage of ownership held by the Group.

## **2. Scope of consolidation and subsidiaries**

For the purposes of preparing the consolidated financial statements, the companies that compose the Group are classified as follows:

- a) Subsidiaries: legally independent companies that form a single economic unit with a unified management strategy and over which the Group exercises effective direct or indirect control.
- b) Joint ventures: a joint arrangement in which the parties which have joint control over this arrangement hold rights over its net assets.
- c) Jointly controlled operation: arrangement in which the parties which have joint control over this arrangement hold rights over its net assets and have obligations with respect to its liabilities.
- d) Associates: companies over which one or more Group companies have significant management influence.

### **a) Consolidated companies.**

Subsidiaries have been fully consolidated, such that all the assets, rights and liabilities of the subsidiaries are included in the consolidated statement of financial position of Sacyr, S.A. and all the income and expenses used to determine the subsidiaries' profit or loss are included in the separate consolidated income statement.



Associates have been accounted for using the equity method. Under this method, an investment in an associate is initially recognised at cost and its carrying amount is then increased or decreased to reflect the Group's share in the profit or loss of the associate for the year, since the acquisition date. In the event of changes recognised directly in the associate's equity, the Group recognises its share of these changes directly in its own equity.

Jointly controlled operations included in the scope of consolidation were proportionately consolidated if they have two or more venturers related by a contractual agreement that establishes joint control. The Group reports its share of the assets, liabilities, income and expenses of the joint venture, line by line, in its consolidated financial statements.

Joint ventures have been accounted for using the equity method.

## **A1) 2017**

Companies included within the scope of consolidation for these financial statements are listed in Appendix I, along with details of the ownership interest held by the Group, the consolidation method used, their classification group, activity, registered office and other information.

Auditors' reports for the following companies, audited by an auditor other than the main auditor, were unavailable at the date on which these consolidated financial statements for 2017 were prepared: Inversora Autopista de Levante, S.L., A. Madrid Sur S.A., Alazor Inversiones, S.A., S.C. Vespucio Oriente, S.A., Operadora Avo, S.A., Sacyr Infraestructure, S.A., Sacyr Concessions Limited, N6 Operations Ltd, M6 Concessions Holding Ltd, GSJ Maintenance Ltd, Sacyr Operación y Servicios Perú, S.A.C., N6 Concession Ltd, Scrinser, S.A., Cavosa Obras y Proyectos, S.A., Sacyr Infraestructuras, S.A., Sacyr Construcción Aparcamientos Daoiz y Velarde, S.L., Sacyr Construcción Aparcamientos Virgen del Romero, S.L., Sacyr Construcción Aparcamientos Plaza del Milenio, S.L., Sacyr Construcción Plaza de la Encarnación, S.L., Sacyr Construcción Aparcamientos Juan Esplandiú, S.L., Sacyr Construcción Mercado del Val, S.L. Sacyr Construcción Saudí Company Ltd, Constructora ACS-Sacyr, S.A. Sacyr Costa Rica, S.A., Constructora San José - Caldera, S.A., Sacyr Construcción USA, LLC, B.F. Constructions Limited, Sacyr India Infra Projects Private Ltd, N6 Construction Ltd, M50 (D&C) Ltd, SIS, S.C.P.A., Superestrada Pedemontana Veneta, S.R.L., Nodo di Palermo, S.C.P.A. (NDP, S.C.P.A.), Eurolink, S.C.P.A., SV Lidco Construcciones Generales, Consorcio GDL Viaducto, S.A. de C.V., Consorcio Túnel Guadalajara S.A. de C.V., Sacyr Panamá, S.A., Sercanarias, S.A., Sociedad Economía Mixta de Aguas de Soria, S.L., Metrofangs, S.L., Valdemingómez 2000, S.A., Suardiaz Servicios Marítimos de Barcelona, S.L., Parque Eólico La Sotona, S.L., Consorcio Stabile VIS Societá, C.P.A., Sacyr Operación y Servicios Perú, S.A.C., Consorcio Isotron Sacyr, S.A., Sacyr Industrial Colombia, S.A.S., Sacyr Industrial USA, LLC, Consorcio Stabile VIS Societá, C.P.A., Sacyr Industrial Mexico, S.A., Sacyr Industrial, LLC, Sacyr Industrial Mant. Eléctricos Panamá, S.A.

The companies: Echezarreta, AIE, Castellana Norte, S.A., Biothys, S.L., S.A., Agroconcer, S.A., Servicio de Estacionamiento Regulado, S.L., Tecnologías Medioambientales Asturianas, S.L., Sílices Turolenses, S.A. and EPC Tracker Developments, S.L. were excluded from the scope of consolidation since, as a whole, the effect of their inclusion in the consolidated Group was insignificant.

The items in the consolidated statement of financial position and the separate consolidated income statement of the most significant foreign companies included in the scope of consolidation have been translated into euros at the following exchange rates:

Exchange rate	2017	
	Method	Year-end
US dollar / euro	1.1295	1.2005
Australian dollar / euro	1.4729	1.5372
Chilean peso / euro	732.31	739.01
Libyan dinar / euro	1.5821	1.6340
Mexican peso / euro	21.3390	23.6131
Brazilian real / euro	3.6079	3.9785
New Mozambique metical / euro	71,592.41	70,510.70
Angolan kwanza / euro	187.4293	199.4533
Algerian dinar / euro	125.3900	137.7533
Peruvian nuevo sol/euro	3.6817	3.8912
Colombian peso / euro	3,334.55	3,586.41
Bolivian peso / euro	7.8070	8.307
Indian rupee / euro	73.4988	76.5327
Qatari rial / euro	4.1557	4.3717
Pound sterling / euro	0.8762	0.8881
Omani rial / euro	0.4349	0.4621
Uruguayan peso / euro	32.3632	34.5857
Saudi riyal / euro	4.2367	4.5004
Paraguayan guaraní / euro	32.3632	34.5857
Canadian dollar / euro	1.4645	1.5089

## A2) 2018

Companies included within the scope of consolidation for these financial statements are listed in Appendix I, along with details of the ownership interest held by the Group, the consolidation method used, their classification group, activity, registered office and other information.

Auditors' reports for the following companies, audited by an auditor other than the main auditor, were unavailable at the date on which these consolidated financial statements were prepared: Sacyr Infraestructura USA, LLC, Sacyr Concessions Limited, N6 Operations Ltd, N6 Concession Holding Ltd, N6 Concession Ltd, GSJ Maintenance Ltd, Scrinser, S.A., Cavosa Obras y Proyectos, S.A., Sacyr Construcción Saudí Company LTD, Constructora ACS-Sacyr, S.A., Constructora Vespucio Oriente, S.A., Sacyr Costa Rica, S.A., Constructora San José - Caldera, S.A., Sacyr Construcción USA, LLC, B.F. Constructions Limited, Sacyr India Infra Projects Private Ltd, N6 Construction Ltd, M50 (D&C) Ltd, SIS, S.C.P.A, Superestrada Pedemontana Veneta, S.R.L., Nodo di Palermo, S.C.P.A., Eurolink, S.C.P.A., Consorcio GDL Viaducto, S.A. de C.V., Consorcio Túnel Guadalajara, S.A. de C.V., Sacyr Panamá, S.A., Grupo Unidos por el Canal, S.A., Metrofangs, S.L., Valdeminogómez 2000, S.A., Suardiaz Servicios Marítimos de Barcelona, S.L., Área Limpia, S.A.S. E.S.P., Consorcio Stabile VIS Sociedad, C.P.A., Sacyr Operación y Servicios Perú, S.A.C., Sacyr Industrial Colombia, S.A.S., Sacyr Industrial USA, LLC y Sacyr Industrial Mantenimientos Eléctricos Panamá, S.A.

The companies: AC Technology, S.A.S., Valoriza Facilities México, S.A. de C.V., Operadodra de Hospitales Tlahuac, S.A. de C.V., Castellana Norte, S.A., Biothys, S.L., S.A., Agroconcer, S.A., Servicio de Estacionamiento Regulado, S.L., Tecnologías Medioambientales Asturianas, S.L., Sílices Turolenses, S.A. y EPC Tracker Developments, S.L. were excluded from the scope of consolidation since, as a whole, the effect of their inclusion in the consolidated Group was insignificant.

The items in the consolidated statement of financial position and the separate consolidated income statement of the most significant foreign companies included in the scope of consolidation have been translated into euros at the following exchange rates:

Exchange rate	2018	
	Method	Year-end
US dollar / euro	1.1814	1.1452
Australian dollar / euro	1.5806	1.6260
Chilean peso / euro	757.23	794.60
Libyan dinar / euro	1.6097	1.5971
Mexican peso / euro	22.7031	22.5191
Brazilian real / euro	4.3095	4.4465
New Mozambique metical / euro	71,302.83	70,269.48
Angolan kwanza / euro	297.2871	353.2933
Algerian dinar / euro	137.6933	135.3370
Peruvian nuevo sol/euro	3.8815	3.8560
Colombian peso / euro	3,490.42	3,726.27
Bolivian peso / euro	8.1641	7.911
Indian rupee / euro	80.7127	79.9970
Qatari rial / euro	4.3188	4.1848
Pound sterling / euro	0.8849	0.8984
Omani rial / euro	0.4548	0.4408
Uruguayan peso / euro	36.2483	37.1166
Saudi riyal / euro	4.4342	4.2948
Paraguayan guaraní / euro	6769.0710	6823.7176
Canadian dollar / euro	1.5306	1.5601
Dominican peso / euro	58.5071	57.5152

## b) Changes in the scope of consolidation

The Group files all relevant notices when its interest in any of its direct or indirect subsidiaries exceeds 10% and on any subsequent acquisitions of more than 5%.

## B1) 2017

### b.1.- Business combinations and other acquisitions or increases in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates

- On 4 January 2017, Sacyr Construcción México, S.A. and Sacyr Construcción, S.A.U., formed Sacyr Epcor Naicm S.A. de C.V.; whose corporate purpose is the execution and fulfilment of the contract for the "Construction of the Foundation Slabbing for the Ground Transport Centre at the New International Airport of Mexico"; it holds an ownership interest of 55% and 5% respectively and an investment of 2,680.76 euros and 223 euros respectively.
- On 30 January 2017, Sacyr Concesiones, S.L.U. and Sacyr Concesiones Chile, S.A., formed Sacyr Concesiones Paraguay, S.A., the corporate purpose of which is the construction, conservation and operation of all manner of infrastructure under public concessions; they hold ownership interests of 99% and 1%, respectively, and an investment of 82,814.22 euros and 836.51 euros, respectively.
- On 9 February 2017, Sacyr Chile, S.A. formed the Chilean Consorcio Hospital Quillota Peterca, S.A., whose corporate purpose is the development, construction and execution of the "Building of the Bi Provincial Quillota Petorca Hospital"; it holds an ownership interest of 100% and an investment of 1,319.60 euros.
- On 23 February 2017, Sacyr Construcción, S.A.U. formed Sacyr Construcción Andorra, S.L.U., whose corporate purpose is the contracting, management and execution of all manner of public and private works; it holds an ownership interest of 100% and an investment of 3,000 euros.
- On 27 February 2017, Sacyr Concesiones, S.L. formed Sacyr Infraestructura Canadá INC., whose corporate purpose is the development, construction and execution of all manner of infrastructure; it holds an ownership interest of 100% and an investment of 339,944.91 euros.
- On 1 March 2017, Saopse Colombia, S.A.S., was included in the scope of consolidation. Its corporate purpose is the hiring, management, execution and maintenance of all manner of infrastructure for public and private clients. Valoriza Conservación de Infraestructuras, S.A.U. and Sacyr Concesiones Colombia, S.A.S. hold an ownership interest of 60% and 40%, respectively, and an investment of 18,259.28 euros and 12,137.69 euros, respectively.
- On 1 March 2017, Rutas del Este, S.A., was included in the scope of consolidation. Its corporate purpose is the execution of the public-private contract for the construction and maintenance of the "National Highways no. 2 and 7 from the beginning of the Ypacará city km 183". Sacyr Concesiones, S.L.U. holds an ownership interest of 60% and an investment of 4,641,650 euros.
- On 17 March 2017, Valoriza Facilities, S.A.U. formed Valoriza Centro Especial de Empleo, S.L., whose corporate purpose is to manage specialised employment centres; it is a wholly owned subsidiary with an investment of 75,000 euros.
- On 27 March 2017, Sacyr Fluor, S.A. formed Sacyr Fluor Colombia, S.A.S., the corporate purpose of which is the study and development of engineering projects, and the maintenance and use of all types of energy; it holds an ownership interest of 100%, with an investment of 211,225 euros.
- On 25 April 2017, Sacyr Construcción México, S.A. and Sacyr Construcción, S.A.U. formed Sacyr Alvarga Hospital Acuña SAPI de C.V., the corporate purpose of which is to carry out and fulfil the contract for "Construction of the General Hospital with 90 Beds in the city of Acuña"; they hold an ownership interest of 55% and 5%, respectively, and an investment of 2,656 euros and 241 euros, respectively.

- On 26 April 2017, Valoriza Minería, S.L.U. formed Tungsten San Juan, S.L., whose corporate purpose is to perform exploration, research and investigation, mining and sale of minerals; it holds an ownership interest of 51% and an investment of 33,660 euros.
- On 1 May 2017, Sacyr Investments II, S.A.U. was included in the scope of consolidation. Its corporate purpose is the acquisition, subscription, ownership and administration of share capital or equity of other companies. Sacyr, S.A. holds an ownership interest of 100% and an investment of 444,035,387.71 euros.
- On 1 May 2017, Sacyr Securities II, S.A.U., was included in the scope of consolidation. Its corporate purpose is the acquisition, subscription, ownership and administration of share capital or equity of other companies. Sacyr, S.A. holds an ownership interest of 100% and an investment of 60,000 euros.
- On 1 May 2017, Sacyr Industrial Australia Pty., was included in the scope of consolidation. Its corporate purpose is to study and implement engineering projects and maintain and exploit all types of energy. Sacyr Industrial, S.L.U. holds an ownership interest of 100% and an investment of 1.33 euros.
- On 23 May 2017, Sacyr Concesiones Colombia, S.A.S. formed Unión Vial Rio Pamplonita, S.A.S., the corporate purpose of which is the construction, running and maintenance execution of the "Cúcuta-Pamplona" motorway in Colombia; it holds an ownership interest of 100% and an investment of 21,114,692.72 euros.
- On 1 June 2017, Saopse Uruguay, S.A., was included in the scope of consolidation. Its corporate purpose is the hiring, management, execution and maintenance of all manner of infrastructure for public and private clients. Valoriza Conservación de Infraestructuras, S.A.U. and Sacyr Concesiones S.L.U. hold an ownership interest of 60% and 40%, respectively, and an investment of 376.17 euros and 249.60 euros, respectively.
- On 17 August 2017, Sacyr Concesiones Chile, S.A. formed Sociedad Parking Siglo XXI, S.A., whose corporate purpose is the provision of cafeteria services and complementary services to the Antofagasta Hospital; it holds an ownership interest of 90% and an investment of 97,342 euros.
- On 19 July 2017, Sacyr Concesiones, S.L.U., Sacyr Operaciones and Servicios, S.A. y Sacyr Concesiones México, S.A. de C.V. formed Autovía Pirámides Tulancingo Pachuca, S.A.; the corporate purpose of which is to perform works required to maintain the section of road "Pirámides-Tulancingo Pachuca"; it holds a total ownership interest of 0.5%, 0.1% and 50.4% respectively and investment of 2,379.52 euros, 653.90 euros and 239,246.94 euros.
- On 7 June 2017, Sacyr Concesiones, S.L.U. formed Sacyr Infraestructure UK Limited, S.A., the corporate purpose of which is the construction, operation and maintenance of all types of infrastructure; it holds an ownership interest of 100% and an investment of 271,030.61 euros.
- On 8 August 2017, Sacyr Construcción México, S.A. de C.V. formed APP E262 Pirámides SAPI de C.V., the corporate purpose of which is the construction, conservation and maintenance of the section of road "Pirámides-Tulancingo-Pachuca"; it holds an ownership interest of 51% and an investment of 2,425.2 euros.
- On 19 September 2017, Sacyr Industrial S.L.U. increased its ownership interest by 36.36% in Sacyr Industrial Mantenimientos Eléctricos Panamá, S.A., the corporate purpose of which is the planning and execution of engineering projects and construction works; at 31 December it holds an ownership interest of 96.36% and an investment of 89,053.77 euros.
- On 21 November 2017, Valoriza Renovables, S.L.U. increased its ownership interest by 10% in Compañía Energética Puente del Obispo, S.L., the corporate purpose of which is the performing of research and energy generation projects; at 31 December it holds an ownership interest of 100% and an investment of 8,164,078 euros.

- On 21 November 2017, Valoriza Renovables, S.L.U. increased its ownership interest by 10% in Compañía Energética La Roda, S.L., the corporate purpose of which is the performing of research and energy generation projects; at 31 December it holds an ownership interest of 100% and an investment of 3,308,719 euros.
- On 21 November 2017, Sacyr Valoriza Renovables, S.L.U. increased its ownership interest by 39.7% in Compañía Energética Linares, S.L., the corporate purpose of which is the performing of research and energy generation projects; at 31 December it holds an ownership interest of 100% and an investment of 3,900,423.58 euros.
- On 25 April 2017, Valoriza Renovables, S.L. increased its ownership interest in Compañía Energética Orujera de Linares, S.L. by 5%. Subsequently, and on 21 November 2017, it increased its ownership interest again by 44% in that company, the corporate purpose of which is the production, extraction, sale, import and export of all types of olive residues and vegetable oils and derivatives, at 31 December it holds an ownership interest of 100% and an investment of 2,214,979.55 euros.
- On 21 November 2017, Sacyr Valoriza Renovables, S.L.U. increased its ownership interest by 18.56% in Bioeléctrica de Linares, S.L., the corporate purpose of which is the operating of an electricity generating plant; at 31 December it holds an ownership interest of 100% and an investment of 8,735,672.28 euros.
- On 23 October 2017, Sacyr Concesiones, S.L.U. and Sacyr Concesiones México, S.A. de C.V. formed Consorcio Operador de Hospitales Regionales del Sur, S.A. de C.V. the corporate purpose of which is provision of services to the General Hospital of the Southern Delegation of the ISSSTE in Mexico; it holds an ownership interest of 20% and 31% respectively and an investment of 2,691,355.37 euros and 4,171,600.82 euros respectively.
- On 18 October 2017, Saopse Uruguay, S.A. formed Operadora del Litoral, S.A., (formerly Aprinsa, S.A.), the corporate purpose of which is the maintenance of all types of infrastructure; it holds an ownership interest of 50% and an investment of 826.26 euros.
- On 25 November 2017, Sacyr Construcción, S.A.U. formed Sacyr UK Limited, the corporate purpose of which is the contracting and operation of public and private works; it holds an ownership interest of 100% and an investment of 1,121.40 euros.
- On 1 December 2017, Sacyr Industrial Bolivia, SIB S.L.R. was included in the consolidation scope, the corporate purpose of which is the performing of research studies, projects and services for all types of construction works; Sacyr Industrial, S.L.U., holds an ownership interest of 98% and Sacyr Industrial Operación y Mantenimiento., S.L., holds an ownership interest of 2% and an investment of 36,706.57 euros.
- On 12 December 2017, Sacyr Concesiones, S.L.U. formed Sacyr Concessies B.V., the corporate purpose of which is the construction, conservation and maintenance of all types of infrastructure; it holds an ownership interest of 100% and an investment of 1,000 euros.
- On 20 October 2017, Sacyr Construcción, S.A.U. formed Sacyr Canadá INC, the corporate purpose of which is the contracting and operation of all types of public and private works; it holds an ownership interest of 100% and an investment of 69.96 euros.
- On 1 December 2017, Valoriza Infraestructures Ireland Limited joined the scope of consolidation; its corporate purpose being the maintenance of all types of infrastructures; Valoriza Conservación de Infraestructuras, S.A. holds an ownership interest of 100% and an investment of 3,000 euros.
- On 1 December 2017, Sacyr Operaciones y Servicios Paraguay, S.A. joined the consolidation scope, the corporate purpose of which is the construction, conservation and

operation of all types of infrastructure; Valoriza Conservación de Infraestructuras, S.A. and Sacyr Concesiones, S.L.U. hold ownership interests of 60% and 40%, respectively, and an investment of 4,977.24 euros and 3,318.16 euros, respectively.

- On 16 August 2017, Valoriza Conservación de Infraestructuras, S.A.U., Sacyr Concesiones México, S.A. de C.V. and Sacyr Concesiones, S.L. formed Sacyr Operaciones y Servicios México, S.A. de C.V., the corporate purpose of which is the construction, conservation and operation of all types of infrastructure; they hold ownership interests of 61% and 37.9% and 1.1%, respectively, and an investment of 587.76 euros, 321.01 euros and 10.60 euros, respectively.
- On 27 November 2017, Sacyr Operaciones y Servicios México, S.A. de C.V. formed Autovía Pirámide Tulancingo Pachuca Operación y Servicios, S.A. de C.V., the corporate purpose of which is to perform works required for the conservation, maintenance and cleaning of all types of works and services; it holds an ownership interest of 51% and an investment of 215.98 euros.
- On 22 December 2017, Sacyr Construcción, S.A.U. proceeded to acquire 91% of Cavosa obras y proyectos, S.A. from Sacyr Infraestructuras, S.A. (formerly, Prinur, S.A.), the corporate purpose of which is the work related to demolition, explosives and drilling; it holds an ownership interest of 100% and an investment of 4,972,370.40 euros.
- On 15 December 2017, Sacyr Industrial, S.L.U. increased its ownership interest by 2.09% in Quattro T&D Limited., the corporate purpose of which is the construction of an electric substation; it holds an ownership interest of 50% and an investment of 437,651 euros.

#### **b.2.- Decrease in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates, and other similar transactions**

- On 16 March 2017, Concesionaria Viales Andinas, S.A. sold 49% of Rutas del Algarrobo, S.A.; the final ownership interest that it holds is 51%.
- On 1 January 2017, Waste Resources, S.L. was dissolved, in which the Group had held an ownership interest of 100%.
- On 5 May 2017, Sacyr Colombia, S.A. was dissolved; the Group had held an ownership interest of 100% in it.
- On 6 June 2017, European Tungsten Company S.L. was sold; the Group had held an ownership interest of 51% in it.
- On 6 August 2017, Tenemetro, S.L. was dissolved; the Group had held an ownership interest of 30% in it.
- On 11 October 2017, Soleval Renovables, S.L. was sold; the Group had held an ownership interest of 50% in it.
- On 11 October 2017, Solucía Renovables, S.L. was sold; the Group had held a 50% interest in it.
- On 28 April 2017, Ibervalor Energía Aragonesa, S.A. was dissolved; the Group had held a 50% interest in it.
- On 9 August 2017, Sacyr Construcción, S.A.U., transferred its 50% interest in the Chilean company, Operadora Siglo XXI, S.A. (formerly Sacyr Valoriza Chile, S.A.), 39% to Sacyr Concesiones Chile, S.A., 1% to Valoriza Chile, S.A. and 10% to an external party; the Group holds a total interest of 90%.

- On 3 August 2017, Tecnológica Lena, S.A. was dissolved; the Group had held a 50% interest in it.
- On 14 December 2017, Valoriza Facilities, S.L. and Valoriza Socio Sanitarios, S.L. merged.
- On 7 July 2017, as a result of having opted to receive a dividend in cash, the Sacyr Group reduced its ownership interest in Repsol, S.A. by 0.16%. Subsequently, on 9 January 2018, the same transaction was repeated and its ownership interest was once again reduced, this time by 0.154%.

### **b.3.- Other changes in the composition of the Group.**

In 2017, the consolidation method of SIS S.C.P.A., NDP, S.C.P.A. and Superestrada Pedemontana Veneta, S.R.L. changed due to new management agreements with the shareholders, arising from the development and financing of the project, and moved to a fully consolidated method, rather than the invested method used for accounting purposes in 2014. These changes do not imply the restatement of prior periods.

The date of the new management agreement with the shareholders was 1 July 2017.

## **B2) 2018**

### **b.1.- Business combinations and other acquisitions or increases in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates**

- On 10 January 2018, Valoriza Servicios Medioambientales, S.A. formed Área Limpia, S.A.S.; whose corporate purpose is the provision of public sewage service, collection of unusable waste in the city of Bogota; it holds an ownership interest of 51% and an investment of 878,000 euros.
- On 27 January 2018, Cavosa Obras y Proyectos, S.A., formed Cavosa Colombia, S.A.S.; whose corporate purpose is the drilling, blasting and demolition of land and underground works; it holds an ownership interest of 100% and an investment of 6,688 euros.
- On 1 February 2018, Sacyr Activos I, S.A. was included in the scope of consolidation. Its corporate purpose is the acquisition, subscription, holding, administration and disposal of securities and shares. Sacyr, S.A. holds an ownership interest of 100% and an investment of 60,000 euros.
- On 1 February 2018, Sacyr Activos II, S.A. was included in the scope of consolidation. Its corporate purpose is the acquisition, subscription, holding, administration and disposal of securities and shares. Sacyr, S.A. holds an ownership interest of 100% and an investment of 60,000 euros.
- On 1 February 2018, Financiera Marsyc S.A. was included in the scope of consolidation. Its corporate purpose is the issuance of any type of debt instrument and the execution of loan and credit transactions. Sacyr Concesiones, S.L. holds an ownership interest of 50% and an investment of 30,000 euros.
- On 1 February 2018, Sacyr Construcción México, S.A. de C.V. formed Constructora Hospital Tlahuac, S.A. de C.V., whose corporate purpose will be the design, construction and equipping of a general hospital in the Southern Regional Delegation in a state-owned building; with an ownership interest of 60% and an investment of 2,614.20 euros.
- On 7 February 2018, Sacyr Operaciones y Servicios Perú, S.A. formed Gestora de Servicios Viales, S.A. (GESVIAS); whose corporate purpose will be the provision of operation and



maintenance services for operating the Vial Sierra Norte concession; it holds an ownership interest of 67% and an investment of 6,027 euros.

- On 7 February 2018, the Colombian company Área Limpia, S.A.S. formed the company Procesador de Información del Servicio de Aseo, S.A.S.; whose corporate purpose is the assembly, administration and operation of the information system for the sewage service in Bogotá; it holds an ownership interest of 14.8% and an investment of 25,556.30 euros.
- On 12 March 2018, Valoriza Servicios Medioambientales, S.A. formed Valoritza Serveis Mediambientals, S.L.U., whose corporate purpose is to provide municipal services to Andorra Municipal Council; it holds an ownership interest of 100% and an investment of 3,000 euros.
- On 01 April 2018, Sacyr Concesiones Participadas VI, S.L. was included in the scope of consolidation. Its corporate purpose will be the promotion, construction, upkeep and operation of motorways, roads and tunnels. Sacyr Concesiones, S.L. holds an ownership interest of 100% and an investment of 78,000 euros.
- On 18 April 2018, Sacyr Concesiones Chile, SpA and Sacyr Chile, S.A. formed Sociedad Concesionaria Aeropuerto del Sur, S.A., whose corporate purpose will be the execution, upkeep and operation of the public works at El Tepal Airport in Puerto Montt, with an ownership interest of 61.5% and 1%, respectively, and an investment of 4,475,319 euros and 72,769 euros, respectively.
- On 16 April 2018, Sacyr Concesiones Chile, SpA formed Infra Tec, SpA; its corporate purpose will be the design, development and marketing of systems and products including vehicles and means of transport that make use of information technology; with a 100% interest and an investment of 86,245 euros.
- On 16 May 2018, Sacyr Chile, S.A. formed Constructora Vespucio Oriente, S.A., whose corporate purpose will be the development, engineering, execution and construction of the Américo Vespucio Oriente - Tramo Av. El Salto - Prince of Wales public works concession; it holds an ownership interest of 50% and an investment of 1 euro.
- On 18 May 2018, Sacyr Agua, S.L. (formerly Valoriza Agua, S.L.) was awarded, through a private tender, the company Aguas del Valle del Guadiaro, S.L., the concessionaire of the integral water cycle (drinking water supply, sanitation and wastewater treatment) of the National Tourist Interest Centre of Sotogrande and Pueblo Nuevo de Guadiaro, in Cadiz. This company was subsequently transferred to Valoriza Operaciones del Sur, S.L.; it holds an ownership interest of 100% and an investment of 32,185,037 euros.
- On 18 May 2018, Sacyr Chile, S.A. and Sacyr Construcción, S.A. formed Consorcio Hospital Alto Hospicio, S.A., the purpose of which is the construction of the Alto Hospicio Hospital in Chile, with an ownership interest of 99.9% and 0.01%, respectively, and an investment of 1,332 euros and 1 euro, respectively.
- On 31 May 2018, Sacyr Chile, S.A. and Cavosa Chile, S.A. formed Servicios para Minería y Construcción, SPA, whose corporate purpose will be the contracting, management and execution of all types of works and constructions, with an ownership interest of 80% and 20%, respectively, and an investment of 1,083 euros and 271 euros, respectively.
- On 1 June 2018, Valoriza Operaciones del Sur, S.L. was included in the consolidation perimeter. Its corporate purpose is the management of public services for domestic water supply, sewerage, purification and water reuse. Valoriza Iniciativas y Proyectos, S.L. holds a 100% interest and an investment of 3,000 euros.

- On 19 June 2018, Sacyr Agua, S.L. (formerly Valoriza Agua, S.L.) forms Valoriza Iniciativas y Proyectos, S.L.; whose corporate purpose will be the provision of asset management services related to water supply services and maintenance of stations and plants; it holds an ownership interest of 100% and an investment of 3,000 euros.
- On 22 June 2018, Sacyr Concesiones, S.L.U. formed Concesiones Securities Uno, S.A., the corporate purpose of which is the issue of any type of debt instrument; it holds an ownership interest of 100% and an investment of 60,000 euros.
- On 25 July 2018, Sacyr Industrial S.L.U. and Sacyr Industrial Operación y Mantenimiento, S.L., formed the company Sacyr Industrial Dominicana, S.R.L.; the corporate purpose of which is the planning and execution of engineering projects and construction works; with ownership interests of 99.9% and 0.01%, respectively, and an investment of 1,775 euros and 2 euros, respectively.
- On 6 September 2018, Sacyr Conservación, S.A. (formerly Valoriza Conservación de Infraestructuras, S.A.) forms Concesionaria AP-1 Araba, S.A.; whose corporate purpose is the execution of the "contract for the operation, exploitation, conservation and maintenance of the AP-1 Vitoria-Gasteiz-Éibar motorway; it holds an ownership interest of 25% and an investment of 50,000 euros.
- On 25 June 2018, Sacyr Concesiones, S.L.U. increased its ownership interest in Autopista del Guadalmedina, S.A. by 30% through the exercise of a sales option by a shareholder; the company's purpose is the construction and operation of the Malaga-Las Pedriza motorway; at 31 December 2018, the ownership interest in this company was 70% and the investment 89,791,213 euros.
- On 22 October 2018, VSM Colombia, S.A.S. formed Área Limpia Servicios Medioambientales Colombia, S.A.S., whose corporate purpose is to provide the public toilet service in rural or urban green areas, street cleaning and public areas; it holds an ownership interest of 51% and an investment of 2,737 euros.
- On 5 November 2018, Autovías de Peaje en Sombra, S.L., formed Turia Holdco, S.L., whose corporate purpose is the upkeep and operation of transport infrastructures; it holds a 100% interest and an investment of 23,331,926 euros.
- On 8 October 2018, Sacyr Concesiones, S.L.U. and Sacyr Concesiones Participadas I, S.L. formed Sacyr Concessões e Participações Do Brasil Ltda, whose corporate purpose will be the construction, operation and upkeep of motorways, roads and tunnels, with an ownership interest of 95% and 5%, respectively, and an investment of 220 euros and 11.59 euros.
- On 15 November 2018, Sacyr Concesiones, S.L.U. incorporated Sacyr Concesiones Activos Especiales, S.L., whose corporate purpose will be the construction, operation and upkeep of all types of concessions; it holds a 100% interest and an investment of 3,000 euros.
- On 4 December 2018, Industrial Services SF Perú, S.A.C. and Sacyr Industrial Perú, S.A.C. formed SIF Mollendo, S.A.C., whose corporate purpose is to carry out conceptual engineering studies, with an ownership interest of 51% and 49%, respectively, and an investment of 132.26 euros and 127.08 euros, respectively.
- At 1 December 2018, Consorcio Rutas 2 y 7, S.R.L. was included in the scope of consolidation. Its corporate purpose is the contracting, management and execution of all types of works and constructions. Sacyr Construcción Paraguay, S.R.L., holds an ownership interest of 60% and an investment of 1 euro.
- On 31 December 2018, Sacyr Industrial, S.L.U. increased its ownership interest in Sacyr Industrial México, S.A. de C.V. by 704,680 euros to 89.12%.

## **b.2.- Decrease in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates, and other similar transactions**

- On 15 February 2018, Sacyr Industrial LLC, in which the Group had held an ownership interest of 70%, was dissolved.
- During 2018 the processes for dissolving and liquidating Sacyr Industrial LLC, Fotovlotaica Dos Rios, S.L. and Biomasa de Talavera, S.L. were completed.
- On 17 April 2018, Reciclados y Tratamientos Andaluces, S.L., was dissolved. The Group had held an ownership interest of 5% in it.
- On 31 May 2018, Valoriza Minería, S.L. reduced its shareholding in Tecnologías Extremeñas del Litio, S.L. by 50%; the final ownership interest held is 50%.
- In 2018, the concession company Aeropuerto de la Región de Murcia, S.A. ceased to form part of the scope of consolidation due to the loss of control; the ownership interest in this company was 74%.
- On 31 July 2018 Nuinsa Inversiones S.L.U., which holds the minority interests in Empresa Mixta de Aguas de Las Palmas, S.A. with an ownership interest of 33%, Sercanarias, S.A. with an ownership interest of 50%, Valorinima, S.L. with an ownership interest of 20% and Sociedad Economía Mixta de Aguas de Soria, S.L. with an ownership interest of 14.8%, were sold.
- On 18 July 2018, as a result of having opted to receive the cash dividend, Sacyr Group's interest in Repsol, S.A. was reduced by 0.7%, the total ownership interest being 7.69%. Subsequently, on 16 November 2018, as a result of the repurchase plan carried out by Repsol, S.A., the Group increased its ownership interest by 0.346% and the total ownership interest was 8.03%.  
  
On 11 January 2019 it repeated the same operation as in July and once again opted to receive the cash dividend, the Sacyr Group reduced its ownership interest by 0.162%, with the final ownership interest over Repsol, S.A. is 7.87%.
- On 4 October 2018, Simulador Vialidad Invernal, S.L. was dissolved; the group held an ownership interest of 100% in it.
- On 21 December 2018, the company Fotovoltaica Dos Ríos, S.L. was dissolved; the group held an ownership interest of 100% in it.
- On 21 December 2018, Biomasa de Talavera, S.L.U., in which the Group had held an ownership interest of 100%, was dissolved.

## **b.3.- Other changes in the composition of the Group.**

There were no additional changes in 2018.

## **3. Basis of presentation and consolidation**

### a) Basis of presentation

The Parent's directors have prepared these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

a.1) Standards and interpretations adopted by the European Union applicable in 2018

The accounting policies used to prepare these consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2017, except for the following standards, interpretation and amendments to the standards which have been applied for the first time in this financial year.

- IFRS 9 Financial instruments

In July 2014, the IASB published the final version of IFRS 9 Financial instruments which replaces IAS 39 Financial Instruments: measurement and classification and all previous versions of IFRS 9. This standard includes these three phases of the project for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 applies to the financial years which commence on 1 January 2018 or subsequently, with early application being permitted. Except for hedge accounting, retrospective application is required, however the comparative information need not be modified. For hedge accounting, the requirements are generally applied prospectively, except for certain exceptions.

The Group has adopted the new standard on the mandatory effective date and has not restated the comparative information. The Group has made a detailed assessment of the impacts of the three aspects of IFRS 9 and has not detected any significant changes in its statement of financial position and equity.

(a) Classification and measurement

(a.1) Financial assets

IFRS 9 has introduced a new classification for financial assets, which are now classified in one of the following three categories:

1. Amortized cost
2. Fair value with changes in other comprehensive income
3. Fair value with changes in income

The inclusion of an asset in either category depends on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is classified as an asset at amortised cost if, within the business model, the objective is to maintain it in order to obtain the contractual flows and those flows consist of payment on specified dates of principal and interest on the amount of principal outstanding.

A financial asset is classified as an asset at fair value with changes in other comprehensive income if the financial asset remains within a business model whose objective is achieved by obtaining contractual cash flows and selling the asset, and the contractual cash flows are only payments of principal and interest on the outstanding principal amount.

Exceptionally, entities may also elect to classify as financial assets at fair value with changes in other comprehensive income those equity instruments that at the time of their initial recognition are designated as such by the entity and that designation is irrevocable. The Group initially designated the equity instruments it held over Itinere as a financial asset at fair value with changes in other comprehensive income.

The remaining financial assets by exclusion are classified as at fair value with changes in income. Financial assets that were previously classified as available-for-sale financial assets were generally classified in this category.

The Group's business model for the initial classification of financial assets in accordance with IFRS 9 was assessed on the date of initial application, 1 January 2018. The assessment of whether contractual cash flows from financial assets corresponded solely to principal and interest was made on the basis of facts and circumstances existing at the time of initial recognition of the assets.

#### (a.2) Financial liabilities

The changes introduced by IFRS 9 regarding the classification and measurement of financial liabilities have not been significant from the perspective of non-financial companies. Financial liabilities are generally classified at amortised cost, except for those held for trading, in which case they are classified at fair value with change in profit or loss.

#### (b) Impairment

IFRS 9 has introduced an impairment model based on expected loss, rather than the incurred loss that was the model in IAS 39.

Under this model, a financial asset must be impaired at all times based on its expected loss in value over the next 12 months, unless there has been a significant increase in credit risk, in which case it must be impaired based on the expected loss over the remaining life of the asset.

If a financial asset has become impaired by a substantial change in its credit risk and there is objective evidence of such impairment, its interest will then begin to be calculated at its net provision value.

The new impairment model also applies to commercial assets and customer contracts under IFRS 15 and to receivables generated in accordance with IFRIC 12.

The methodology used by the Group consists of applying a percentage calculated on the basis of the probability of default (PD) and the percentage of effective loss that is ultimately uncollectible to the balances of its financial assets, based on the best estimates for each period.

The determination of the expected loss has been carried out on the basis of listed and unlisted information from financial information providers, in particular Bloomberg and Reuters. For public customers, the probability of default (PD) implicit in CDS (credit default swaps) quoted on government bonds of the countries where they operate has been considered. For the most significant private customers, the individualised PD derived from the financial analysis of each of them was used. The analysis for the rest of the customers has been carried out by grouping them by the sectors and countries in which they operate and using their specific PD.

- IFRS 15 – Revenue from contracts with customers

IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and applies to all revenue arising from contracts with customers, with limited exceptions. IFRS 15 establishes a five-step model that applies to the accounting for revenue from customer contracts and requires revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise their opinion, taking into account all relevant facts and circumstances, when applying each stage of the model to contracts with their customers. The standard also specifies the posting for incremental costs to obtain a contract and for

costs directly related to the performance of a contract. In addition, these regulations require additional breakdowns.

The Group adopted IFRS 15 using the amended retroactive method as at 1 January 2018. Under this method, the standard may be applied to all contracts existing on the date of initial application or only to contracts that have not been completed by that date. The Group has chosen to apply the standard to all contracts existing on 1 January 2018.

The cumulative effect of the initial application of IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of prior years' profit or loss. Therefore, comparative information has not been updated and continues to be presented in accordance with IAS 11, IAS 18 and related interpretations.

The effect of applying IFRS 15 at 1 January 2018 is as follows:

<i>Thousand euros</i>	
<b>ASSETS</b>	<b>(225,060)</b>
Non current assets	65,435
Loans to PPEQ	(3,365)
Deferred Tax Assets	68,800
Current assets	(290,495)
Customers	(41,678)
Work completed pending certificatic	(252,035)
Public Administrations	3,218
<b>LIABILITIES</b>	<b>(225,060)</b>
Equity of the parent	(537,332)
Equity of non-controlling interests	(3,704)
Non current liabilities	293,710
Non-current provisions	290,955
Deferred Tax Liabilities	2,755
Current liabilities	22,266
Advances received on orders	(6,050)
Work completed pending certificatic	1,009
Current provisions	27,307

The effects of the application of IFRS 15 on each item in the consolidated financial statements for the year ended 31 December 2018 are detailed below. The application of IFRS 15 did not have a material impact on Other comprehensive income or on the cash flows from the Group's operating, investing and financing activities.

Thousand euros			
A S S E T S	IFRS 15	Previous years IFRS	Increase/ (Decrease)
<b>A) NON-CURRENT ASSETS</b>	<b>8,895,502</b>	<b>9,010,154</b>	<b>(114,652)</b>
I. Property, plant and equipment	441,230	441,230	0
II. Concession projects	1,353,656	1,353,656	0
III. Other intangible assets	25,901	25,901	0
IV. Goodwill	166,633	166,633	0
V. Investments accounted for using the equity method	2,156,782	2,156,782	0
VI. Receivables from concessions	3,552,834	3,552,834	0
VII. Non-current financial assets	149,754	324,636	(174,882)
VIII. Derivative financial instruments	111,160	111,160	0
IX. Deferred tax assets	918,108	857,878	60,230
X. Other non-current assets	19,444	19,444	0
<b>B) CURRENT ASSETS</b>	<b>4,954,308</b>	<b>5,126,879</b>	<b>(172,571)</b>
I. Non-current assets held for sale	362,172	362,172	0
II. Inventories	209,331	209,331	0
III. Trade and other receivables	1,968,456	2,141,027	(172,571)
- Trade receivables for sales and services	358,372	400,050	(41,678)
- Receivable from construction contracts	1,032,719	1,166,830	(134,111)
- Personnel	1,459	1,459	0
- Receivable from public entities	216,531	213,313	3,218
- Other receivables	359,375	359,375	0
IV. Receivables from concessions	293,238	293,238	0
V. Current financial investments	123,190	123,190	0
VI. Derivative financial instruments	1,256	1,256	0
VII. Cash and cash equivalents	1,990,212	1,990,212	0
VIII. Other current assets	6,453	6,453	0
<b>TOTAL ASSETS</b>	<b>13,849,810</b>	<b>14,137,033</b>	<b>(287,223)</b>
Thousand euros			
L I A B I L I T I E S	IFRS 15	Previous years IFRS	Increase/ (Decrease)
<b>A) EQUITY</b>	<b>1,507,191</b>	<b>1,938,873</b>	<b>(431,682)</b>
<b>EQUITY OF THE PARENT</b>	<b>1,145,833</b>	<b>1,577,515</b>	<b>(431,682)</b>
I. Share capital	553,555	553,555	0
II. Share premium	17,162	17,162	0
III. Reserves	601,698	1,139,030	(537,332)
IV. Profit for the year attributable to the Parent	150,398	44,748	105,650
V. Treasury shares	(44,771)	(44,771)	0
VI. Financial assets at fair value through equity	2,507	2,507	0
VII. Hedging transactions	(62,799)	(62,799)	0
VIII. Translation differences	(72,023)	(72,023)	0
IX. Valuation adjustments	106	106	0
<b>EQUITY OF NON-CONTROLLING INTERESTS</b>	<b>361,358</b>	<b>361,358</b>	<b>0</b>
<b>B) NON-CURRENT LIABILITIES</b>	<b>7,915,874</b>	<b>7,793,681</b>	<b>122,193</b>
I. Deferred income	52,390	52,390	0
II. Non-current provisions	313,917	194,479	119,438
III. Bank borrowings	5,061,232	5,061,232	0
IV. Other hedged financial debt	1,617,442	1,617,442	0
V. Non-current payables	530,295	530,295	0
VI. Derivative financial instruments	105,917	105,917	0
VII. Deferred tax liabilities	233,009	230,254	2,755
VIII. Non-current payables to associates	1,672	1,672	0
<b>C) CURRENT LIABILITIES</b>	<b>4,426,745</b>	<b>4,404,479</b>	<b>22,266</b>
I. Liabilities associated with non-current assets held for sale	170,236	170,236	0
II. Bank borrowings	1,097,331	1,097,331	0
III. Trade and other payables	2,943,554	2,948,595	(5,041)
- Suppliers	2,431,137	2,436,178	(5,041)
- Personnel	46,226	46,226	0
- Current tax liabilities	23,178	23,178	0
- Payable to public entities	142,033	142,033	0
- Other payables	300,980	300,980	0
IV. Current payables to associates	39,446	39,446	0
V. Derivative financial instruments	18,953	18,953	0
VI. Current provisions	157,225	129,918	27,307
<b>TOTAL LIABILITIES</b>	<b>13,849,810</b>	<b>14,137,033</b>	<b>(287,223)</b>

Thousands euros

SEPARATE INCOME STATEMENT	IFRS 15	Previous years IFRS	Increase/ (Decrease)
Revenue	3,795,717	3,780,645	15,072
Own work capitalised	21,591	21,591	0
Other operating income	296,466	280,738	15,728
Government grants released to the income statement	4,335	4,335	0
Gain on disposal of assets	0	0	0
<b>TOTAL OPERATING INCOME</b>	<b>4,118,109</b>	<b>4,087,309</b>	<b>30,800</b>
Change in inventories	(3,629)	(3,629)	0
Supplies	(1,543,077)	(1,543,077)	0
Staff costs	(1,052,435)	(1,052,435)	0
Losses on disposal of assets	0	0	0
Depreciation and amortisation expense	(138,030)	(138,030)	0
Impairment of goodwill	0	0	0
Change in operating provisions	(40,464)	(141,472)	101,008
Change in provisions for non-current assets	88	88	0
Other operating expenses	(975,678)	(978,721)	3,043
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,753,225)</b>	<b>(3,857,276)</b>	<b>104,051</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>364,884</b>	<b>230,033</b>	<b>134,851</b>
<b>SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>	<b>200,979</b>	<b>200,979</b>	<b>0</b>
<b>GAIN/(LOSS) ON ACQUISITION/DISPOSAL OF ASSETS</b>	<b>(12,544)</b>	<b>(12,544)</b>	<b>0</b>
Revenue from other marketable securities and asset-backed loans	29,856	19,476	10,380
Other interest and similar income	68,921	68,921	0
Exchange differences	48,206	48,206	0
<b>TOTAL FINANCE INCOME</b>	<b>146,983</b>	<b>136,603</b>	<b>10,380</b>
Finance costs and similar expenses	(346,036)	(346,036)	0
Change in provisions for financial investments	(57,600)	(57,600)	0
Gain/(loss) on financial instruments	(11,140)	(11,140)	0
Exchange differences	0	0	0
<b>TOTAL FINANCE COSTS</b>	<b>(414,776)</b>	<b>(414,776)</b>	<b>0</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>(267,793)</b>	<b>(278,173)</b>	<b>10,380</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>285,526</b>	<b>140,295</b>	<b>145,231</b>
Corporate income tax	(77,098)	(41,221)	(35,877)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>208,428</b>	<b>99,074</b>	<b>109,354</b>
<b>PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>208,428</b>	<b>99,074</b>	<b>109,354</b>
NON-CONTROLLING INTERESTS	(58,030)	(54,326)	(3,704)
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>150,398</b>	<b>44,748</b>	<b>105,650</b>

The Group operates in different industrial sectors and geographies which are subject to different legal and contractual regulations. Thus, the Group coordinated with different operating divisions and project teams within each business to assess potential repercussions of the new standards in the various units of the Group.

Key criteria and estimates were used to determine the effect, such as for example evaluation of the probability of the client accepting variances and accepting claims, the estimated project completion date and the degree of implementation. Having performed this evaluation, the individual position of the legal procedures involved was taken into account, for the applicable agreements, including arbitration and litigation.

The main effects on the group's areas of activity are outlined below:

- o Construction revenue

Commonly, works contracts, and their fulfilment, for the purposes of IFRS 15, can be equated to a single performance obligation. Revenues to be recognised in the income statement will continue to be recognised throughout the fulfilment of the



contract, nevertheless, IFRS 15 lays down more stringent requirements of success probability for the recognition of contractual variances, such as changes and claims.

Additionally, under IAS 11, tendering costs are capitalised when it is deemed likely that the contract shall be obtained, nevertheless, under IFRS 15, costs can only be capitalised if they are expected to be recoverable.

- o Revenue from services

Service activity typically consists of plant maintenance and provision of defined services, for the purposes of IFRS 15, can be equated to a single performance obligation or as highly interrelated performance obligations. Revenues to be recognised in the income statement will continue to be recognised throughout the fulfilment of the contract, nevertheless, IFRS 15 lays down more stringent requirements of success probability for the recognition of contractual variances, such as changes and claims.

- o Concession income

Recognition of income stated by the Sacyr group for Concession income, meets the income recognition criteria laid down in IFRS 15. In order to be able to record operating or construction income in each of the financial activities, the construction or operating service is conveyed both specifically (for example, delivery of sections built or purchase of equipment) and on an on-going basis (for example, conservation, maintenance, operation, management...).

a.2) Standards and interpretations adopted by the European Union but whose application is not mandatory for this year.

The Group intends to adopt the standards, interpretations and amendments to the standards issued by the IASB, which are not obligatory in the European Union at the date of preparation of these consolidated financial statements, when they enter into force, if they are applicable. Although the Group is currently analysing their impact, based on the analyses performed to date, the Group considers that the initial application of such standards, interpretations and amendments will not have a significant impact on its consolidated financial statements, except for the following:

- IFRS 16 Leases

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases - Incentives and SIC-27 Evaluating the substance of transactions in the legal form of a lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise all leases in one single model similar to the current recognition of financial leases in accordance with IAS 17. The standard includes two exemptions in the recognition of leases by lessees: leases of low-value assets (e.g. a lease of a personal computer) and short-term leases (i.e. leases of 12 months or less). At the start of a lease, the lessee records a liability for the lease payments to be made (i.e. the lease liability) and an asset which represents the right to use the underlying asset during the lease period. The lessees must recognise the interest expense on lease liabilities separately from the depreciation expense of the lease assets in the income statement.

Lessees are also required to reassess the lease liability if certain events occur (e.g. a change in the lease term; a change in future lease payments that results from a change of index or interest rate used to determine these payments). The lessee will generally recognise the amount of reassessment of the lease liability as an adjustment in the asset for which it has the right of use.

Recognition under IFRS 16 is not substantially altered with respect to that for the current IAS 17 standard. Lessees continue to classify leases using the same principles as at present and recognise two types of leases: operating and finance leases.

IFRS 16 also requires both lessors and lessees to make more extensive disclosures of information than those stipulated in IAS 17.

IFRS 16 comes into force for financial years beginning on or after January 1, 2019, with early application being permitted, but not before an entity applies IFRS 15. A lessee may choose to apply the standard retrospectively either totally or in a transitional modified form. The transitional provisions of the standard allow for certain exemptions for lease contracts ending within 12 months of the date of initial application and for lease contracts for which the underlying asset is of low value.

The Group will apply the amended retroactive method without amending the comparative figures of the previous year and has preliminarily assessed the potential effect of first-time application of IFRS 16 in its consolidated financial statements involving an initial increase in assets and debt of approximately 72.9 million euros.

The 2018 individual financial statements of each Group company will be presented for approval at their respective General Shareholders' Meetings within the periods established by prevailing legislation. The Sacyr Group's consolidated financial statements for 2018 were prepared by the Parent's Board of Directors on 28 March 2019. They are expected to be approved at the Parent's General Shareholders' Meetings without any modifications.

Unless stated otherwise, the figures in these consolidated financial statements are shown in thousands of euros, rounded to the nearest thousand.

#### b) Comparative information

For comparison purposes, these consolidated financial statements include figures at the previous year's reporting date in the statement of financial position, in the separate consolidated income statement, in the consolidated statement of comprehensive income, in the consolidated statement of changes in equity and in the consolidated statement of cash flows. Notes to items in the separate consolidated income statement and consolidated statement of financial position show comparative information for the previous year's close.

#### c) Accounting policies

The accompanying consolidated financial statements were prepared in accordance with IFRS and comprise the consolidated statement of financial position, separate consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity, and the accompanying notes, which form an integral part of the consolidated financial statements. These consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value with changes in other comprehensive income, financial assets at fair value with changes in income, and derivative financial instruments at fair value.

The accounting policies were applied uniformly to all Group companies.

The most significant accounting policies applied by the Sacyr Group in preparing the consolidated financial statements under IFRS are as follows:

##### c.1) Use of judgements and estimates

In preparing the consolidated financial statements the Group's directors have used estimates to measure certain items. These estimates are based on past experience and various other factors believed to be reasonable under the circumstances. These estimates refer to:

- The assessment of potential impairment losses on certain assets (see Notes 5, 6, 7, 8 and 9).
- The useful life of property, plant and equipment and intangible assets (see Notes 5, 6, 7 and 8).
- The recoverability of deferred tax assets (see Note 13).
- Estimates for the consumption of concession assets (see Note 6).
- Provisions against liabilities (see Note 20).

The Group continuously revises its estimates. However, given the inherent uncertainty of such estimates, there is a substantial risk of significant changes in the future value of these assets and liabilities should the assumptions, facts or circumstances on which these estimates were based change significantly. The key assumptions about the future and other significant data regarding the estimation of uncertainty at the reporting date that carry a significant risk of causing material changes in the value of assets or liabilities in the coming year are as follows:

- Impairment of non-financial non-current assets

The Group assesses non-financial assets annually for indications of impairment, based on appropriate impairment tests where circumstances make it advisable to do so.

- Deferred tax assets

Deferred tax assets are recognised based on the Group's estimate of their future recoverability in light of projected future taxable profit.

- Provisions

The Group recognises provisions against risks based on judgements and estimates as to their probability and the amount of any loss, recognising the corresponding provision when the risk is considered probable.

- Measurement of fair value, value in use and present value

Measurements of fair value, value in use and present value require the Group to calculate future cash flows and make assumptions about the future values of these flows and the discount rates to apply. Estimates and assumptions are based on past experience and other factors believed to be reasonable under the circumstances.

- Percentage-of-completion method based on costs

For construction contracts, the Group considered the percentage of completion method to be the most appropriate method for determining progress in meeting the obligations, as indicated in Note 3-c.24.

## c.2) Basis of consolidation

The consolidated financial statements comprise the financial statements of Sacyr, S.A. and subsidiaries at 31 December 2018 and 2017. The financial statements of the subsidiaries are prepared for the same accounting period as those of the Parent, using uniform accounting policies. Adjustments are made as required to harmonise any differences in accounting policies.

Information on subsidiaries, joint ventures and associates is provided in Appendix I, which forms an integral part of these consolidated financial statements.

#### c.2.1 Consolidation principles

Consolidated companies are consolidated from the date that the Group obtains control of the company and deconsolidated when the Group ceases to exercise control. When control of a subsidiary ceases during the course of a year, the consolidated financial statements report its results only for the part of the year during which the subsidiary was under Group control.

#### c.2.2 Subsidiaries

Companies included in the scope of consolidation are fully consolidated in the following circumstances: (i) where the Parent company has a direct or indirect shareholding of over 50% and a majority of the voting rights in the corresponding governing bodies, (ii) where the ownership interest is equal to or less than 50% but there are agreements between shareholders that allow the Sacyr Group to control the management of the subsidiary.

#### c.2.3 Jointly controlled operations

Jointly controlled operations are included in the scope of consolidation using the proportionate consolidation method if there are two or more venturers related by a contractual arrangement that establishes joint control. The Group reports its share of the assets, liabilities, income and expenses of the joint venture, line by line, in its consolidated financial statements.

The Sacyr Group also includes temporary joint ventures (Uniones Temporales de Empresas, or UTEs) and economic interest groupings (Agrupaciones de Interés Económico, or AIEs) under this heading.

#### c.2.4 Associates

The companies in which the Sacyr Group does not hold control, but over which it does exercise significant influence or joint control in those cases in which the requirements of IFRS 11 are not met in order to be classified as "Jointly controlled operations", were accounted for using the equity method. For the purpose of preparing these consolidated financial statements, it was considered that the Group exercises significant influence over those companies in which it has a holding of over 20%, except in specific cases where, although the percentage ownership is lower, the existence of significant influence can be clearly demonstrated, as it may participate in the financial and operating decisions of the investee, mainly through representation on the board of directors, participation in policy-making processes or the provision of essential technical information.

Investments in associates are recognised in the consolidated statement of financial position at cost plus changes in the percentage of ownership subsequent to the initial acquisition, depending on the Group's interest in the net assets of the associate, less

any impairment in value. The profit or loss of the associate is reflected in the separate consolidated income statement in proportion to the Group's ownership interest. In the event of changes recognised directly in the associate's equity, the Group recognises its share of these changes directly in its own equity.

#### c.2.5 Intra-group transactions

The following transactions and balances have been eliminated on consolidation:

- Reciprocal debit and credit balances and costs and income arising from intra-group transactions.
- Gains and losses from buying and selling property, plant and equipment and any material unrealised gains on inventories or other assets.
- Internal dividends and interim dividends payable recognised by the company paying them.

#### c.2.6 Financial year end

The reporting date for the financial statements of most Sacyr Group companies is 31 December. Companies whose financial years do not end at 31 December have prepared pro-forma financial statements as at that date.

#### c.2.7 Non-controlling interests

The interest of non-controlling shareholders in the equity and profit or loss of the consolidated subsidiaries is presented under "Equity attributable to non-controlling interests" in the consolidated statement of financial position and under "Non-controlling interests" in the separate consolidated income statement, respectively.

#### c.2.8 Translation of financial statements of foreign subsidiaries

The consolidated statement of financial position and separate consolidated income statement items of consolidated foreign companies are translated to euros using the year-end exchange rate method, which means:

- All assets, rights and obligations are converted to euros using the exchange rate prevailing at the foreign subsidiaries' reporting date.
- Separate consolidated income statement items are translated at the average exchange rate for the year.
- The difference between the equity of foreign companies, including the separate consolidated income indicated in the preceding section, translated at historical exchange rates, and the equity value arising from translating the assets, rights and obligations using the above criteria, is shown with a negative or positive sign as "Translation differences" under equity in the consolidated statement of financial position.

Transactions in currencies other than each company's functional currency are recognised at the exchange rates prevailing at the transaction date and are subsequently translated to euros as explained in this note.

### c.3) Business combinations and goodwill

Business combinations are recognised using the acquisition method.

Identifiable assets acquired and liabilities assumed are recognised at their fair value at the acquisition date. For each business combination, the acquirer measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition costs are recognised as expenses in the income statement.

When the Group acquires a business, it will classify or designate the acquired assets and liabilities as necessary based on contractual agreements, economic circumstances, accounting and operating policies and other relevant conditions applying at the acquisition date.

If the business combination is carried out in several steps, the Group remeasures its previous interest in the equity of the acquiree previously held at fair value at the acquisition date and recognises any resulting gains or losses in income.

Any contingent consideration that the Group transfers is recognised at fair value at the acquisition date. Subsequent changes in fair value of contingent considerations classified as an asset or liability, will be recognised with any resulting gain or loss being recognised in either income or other comprehensive income. If the contingent consideration is classified as equity it is not remeasured and subsequent settlement is accounted for within equity.

Goodwill arising from a business combination is initially measured at cost at the time of the acquisition. This is the excess of the consideration transferred plus any non-controlling interest in the acquiree over net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the acquiree's net assets, the difference is recognised in income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than their carrying amount, the Group recognises an impairment loss.

Impairment losses relating to goodwill cannot be reversed in future periods.

If goodwill has been allocated to a cash-generating unit and the entity sells or otherwise disposes of an activity from this unit, the goodwill associated with the activity is included in the carrying amount of the business when determining the gain or loss from disposal, and it is measured based on the relative values of the activity disposed of and the retained portion of the cash-generating unit.

### c.4) Other intangible assets

This heading includes computer software, industrial property and leasehold assignment rights. These assets are carried at acquisition or production cost, less accumulated amortisation and

any accumulated impairment losses. An intangible asset is recognised only if it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Costs incurred in each development project are capitalised when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete the asset for use or sale,
- how the asset will generate future economic benefits,
- the availability of resources to complete the asset, and
- the ability to measure reliably the expenditure during development

Capitalised development costs are amortised over the period of expected future revenue or benefit from the project.

"Computer software" shows the carrying amount of computer programmes acquired from third parties and intended for use over several years. Computer software is amortised over its useful life, which is generally four years.

"Leasehold assignment rights" is the amount paid for the right to lease business premises. Assignment rights are amortised over their useful life, which is generally five years.

In light of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, which set a European Community target for the reduction of greenhouse gas emissions, an emissions rights trading system has been created.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset. They are recognised in the separate consolidated income statement when the asset is derecognised.

#### c.5) Property, plant and equipment

Property, plant and equipment is measured at cost, including all directly related costs incurred before the asset becomes available for use, net of accumulated depreciation and accumulated impairment losses.

The costs of expanding, upgrading or improving property, plant and equipment that increase its productivity, capacity or efficiency, or prolong its useful life are capitalised as an increase in the cost of the asset.

Repair and maintenance costs for the year are recognised in the separate consolidated income statement.

Leased assets in which the terms of the arrangement transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. Properties acquired through finance leases are carried at the lower of fair value and the present value of the minimum lease payments at the inception of the lease, less any accumulated depreciation and impairment.

Depreciation is recognised in the separate consolidated income statement on a straight-line basis over the estimated useful life of each asset. Depreciation of the assets begins from the moment they become available for use.

The cost of property, plant and equipment is depreciated using the straight-line method over the period of the asset's estimated useful life, except for machinery, which is depreciated using the declining balance method in nearly all cases:

Buildings for own use	50 - 68
Machinery	5 - 10
Materials for installations	2 - 4
Tools and associated equipment	4 - 8
Transport equipment	5 - 8
Furniture and fittings	9 - 12
Data processing equipment	3 - 4
Complex pieces of plant and equipment	2 - 4
Other property, plant and equipment	5

At the end of each reporting period, the Group reviews and, where necessary, adjusts the assets' residual values, useful life and depreciation method.

Borrowing costs that are directly attributable to the acquisition or development of property, plant and equipment are capitalised when assets require more than a year to be ready for use.

#### c.6) Investment property

Investment properties are recognised at acquisition cost, including directly attributable start-up costs, the initial estimate of decommissioning costs and transaction costs. Subsequent investments in the property are recognised at cost, applying the same criteria as for property, plant and equipment.

In accordance with the accounting treatment required by IAS 23, borrowing costs that are directly attributable to the acquisition or development of investment property are capitalised when assets require more than a year to be ready for their intended use.

The costs of any improvements that increase the properties' rental yield are capitalised each year. In contrast, repairs that do not prolong or improve the useful life of the assets, as well as maintenance costs, are recognised in the separate consolidated income statement as incurred.

Investment property is derecognised when sold or permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of any investment property are recognised in the separate consolidated income statement for the year of the retirement or disposal.

Investment property is depreciated based on its acquisition cost using the straight-line method over its estimated useful life, as revised annually, which is 50-68 years.

The Group remeasures its investment property when the market value of the assets falls below their net carrying amount. Market value is appraised independently.

#### c.7) Concession projects

Under the various concession agreements, until each concession project becomes operational, all planning, construction, expropriation and other expenses, including the corresponding portions of administration expenses and finance costs until the start-up date, and the depreciation of other property, plant and equipment, are capitalised as investments in concession projects.



Investment in these concession projects includes any revaluations applied by any company under prevailing legislation until the date of transition to IFRS.

For certain subsidiaries where the carrying amount of equity at the date of acquisition is greater than the associated investment, the excess is recorded under "Concession projects".

Certain companies have begun to depreciate some items of returnable property, plant and equipment whose estimated useful life is less than the concession period. These items continue to be depreciated over their estimated useful life.

In relation to other investments in concession projects, i.e., returnable assets that are not technically depreciated over the life of the concession, the Group has opted to use a depreciation method based on the economic use of the assets under concession, except for hospital concessionaire companies, which depreciate the assets on a straight-line basis over the period in question.

Service concession arrangements acquired through business combinations after 1 January 2004 (transition date to IFRS) are measured in accordance with IFRS 3 at fair value (based on discounted cash flow valuations at the acquisition date) and depreciated on a straight-line basis over the concession period.

With respect to accounting methods, see Note 3.c.10).

#### c.8) Financial assets

Financial assets are initially measured at fair value, which generally coincides with acquisition cost, adjusted for any directly attributable transaction costs, except financial assets held for trading, for which gains or losses are recognised in profit or loss for the year.

The Group classifies financial assets into the following groups:

- Loans to companies accounted for using the equity method: These includes loans granted by the various Group companies to companies accounted for using the equity method. These assets are measured at amortised cost.
- Equity financial instruments at fair value with changes in other comprehensive income: correspond to investments in equity instruments that have been irrevocably designated by the Group as at fair value with changes in other comprehensive income. These assets are initially measured in the consolidated statement of financial position at fair value. Changes in the fair value of these instruments are recorded as income or expense in the statement of other comprehensive income and are not subsequently reclassified to the income statement. The dividends generated by these equity instruments are recorded in the income statement as income if there is any.
- Financial assets at fair value through profit or loss: This heading includes the financial assets held for trading, derivative financial instruments not assigned as accounting hedges as well as financial assets which, when initially recognised, are designated to be measured at fair value through profit or loss. They are initially measured at fair value which, unless proven otherwise, is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transaction costs will be recognised in profit and loss for the year.

Such assets are subsequently measured at fair value, recognising the gains and losses from the changes in this fair value in the income statement, without deducting transaction costs.

- Receivables from certain service concession agreements which apply the financial asset model under IFRIC 12 (see Note 3.c.10). This right is measured at its amortised

cost, and during the term of the agreement, at the closing date, a financial income calculated on the basis of an effective interest rate is recorded.

- Other loans and receivables: After their initial measurement at the fair value of the collection rights, loans and receivables are carried at amortised cost, which means the original carrying amount less repayments of principal, plus interest receivable, less any provision for impairment or default. Accrued interest is recognised in the consolidated income statement as an increase in the amount receivable, unless paid as accrued.
- Financial assets held for trading: Those acquired for the purpose of selling them in the near term to obtain profits from fluctuations in their prices. They are measured at fair value through profit or loss.
- Derivative financial instruments at fair value: The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its interest rate and foreign currency risks. (see Note 3.c.22 for a detailed explanation).
- Hybrid financial instruments: Include financial instruments which combine a non-derivative host contract and an embedded derivative, which cannot be transferred separately.

The Company recognises and values the main contract and the embedded derivative separately when the nature of the financial instrument is one of liability and:

- a) The characteristics and economic risks inherent to the embedded derivative are not closely related to those of the host contract.
- b) a separate instrument with the same conditions as those of the embedded derivative would comply with the definition of a derivative instrument.
- c) The hybrid instrument is not measured at fair value through profit or loss.

In this case, the embedded derivative is accounted for as a derivative financial instrument and the host contract is accounted for according to its nature.

When the nature of the hybrid financial instrument is that of an asset, the main contract component is not separated from the implicit derivative component and the classification standards for financial assets are applied to the hybrid instrument as a whole.

On initial recognition, an entity may elect to designate the entire hybrid (combined) contract as a financial asset or financial liability at fair value through profit or loss unless:

- a) the embedded derivative(s) do not significantly modify the cash flows which it would otherwise have generated, or
  - b) it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited.
- Guarantees and deposits given: these represent the amounts posted as a guarantee of compliance with obligations or as a deposit.

Financial assets are derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset and transferred substantially all the risks and rewards incidental to ownership of the asset.

In the accompanying consolidated statement of financial position, financial assets and, in general, all assets and liabilities, are classified on the basis of their contractual or estimated maturity. For this purpose, those maturing in 12 months or less are classified as current and those maturing in over 12 months, as non-current.

The Group generally recognises normal purchases and sales of financial assets at the settlement date.

There are no significant differences between the fair value and the carrying amount of the Sacyr Group's financial assets and liabilities that are measured using the amortised cost method.

## c.9) Impairment

### c.9.1 Impairment of property, plant and equipment and intangible assets

Impairment losses are recognised for all assets or, where appropriate, the related cash-generating units, when an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the separate consolidated income statement.

The Group assesses at each reporting date whether there is an indication that a non-current asset may be impaired. Where such indications exist, in the case of goodwill, the recoverable amount of the assets is estimated, as the case may be.

Recoverable amount is the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate largely independent cash flows, the recoverable amount is determined for the cash-generating units to which the asset belongs.

Impairment losses in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and, second, to reduce the carrying amount of the other assets based on a review of the individual assets that show indications of impairment.

Except in the case of goodwill, a previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal of an impairment loss is recognised in the separate consolidated income statement.

An impairment loss can only be reversed up to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset.

### c.9.2 Impairment losses on financial assets (net)

IFRS 9 has introduced an impairment model based on expected loss, rather than the incurred loss that was the model in IAS 39.

Under this model, a financial asset must be impaired at all times based on its expected loss in value over the next 12 months, unless there has been a significant increase in credit risk, in which case it must be impaired based on the expected loss over the remaining life of the asset.

If a financial asset has become impaired by a substantial change in its credit risk and there is objective evidence of such impairment, its interest will then begin to be calculated at its net provision value.

The new impairment model also applies to commercial assets and customer contracts under IFRS 15 and to receivables generated in accordance with IFRIC 12.

The methodology used by the Group consists of applying a percentage calculated on the basis of the probability of default (PD) and the percentage of effective loss that is ultimately uncollectible to the balances of its financial assets, based on the best estimates for each period.

The determination of the expected loss has been carried out on the basis of listed and unlisted information from financial information providers, in particular Bloomberg and Reuters. For public customers, the probability of default (PD) implicit in CDS (credit default swaps) quoted on government bonds of the countries where they operate has been considered. For the most significant private customers, the individualised PD derived from the financial analysis of each of them was used. The analysis for the rest of the customers has been carried out by grouping them by the sectors and countries in which they operate and using their specific PD.

#### c.10) Concession assets

IFRIC 12 regulates the accounting treatment of public-private partnership agreements on service concession arrangements from the concession operator's point of view and prescribes accounting methods based on the nature of the agreements entered into with the grantor. It applies to public-private service concession agreements when:

- The grantor controls or regulates which services the concession operator needs to provide in respect of infrastructure, to whom it should provide the services and at what price.
- The grantor controls all significant residual interests in the infrastructure once the concession agreement expires.

Under such agreements, the concession operator acts as service provider, rendering construction or infrastructure upgrade services specifically, and operating and maintenance service during the lifetime of the concession.

Depending on the type of rights that the concession operator receives as consideration for the construction or upgrade work, the following accounting methods are applied:

##### 1. Intangible asset model

This method is usually applied when the concession operator has the right to charge users for the use of the public service. The right is not unconditional, rather it depends on users using the service. Therefore the concession operator assumes the demand risk.

In these cases the asset that should be recognised as consideration for the construction or upgrade services (i.e., the value of the right to charge users for a public service under the concession) is measured in accordance with IAS 38 "Intangible assets" and amortised over the lifetime of the concession.

##### 2. Financial asset model

Under this model, the concession operator recognises a financial asset where it has an unconditional contractual right to receive from the grantor (or from others on the grantor's behalf) cash or another financial asset as consideration for the construction and operation services provided, and the grantor has little or no possibility of avoiding the payment. This means that the grantor guarantees payment to the concession operator of a fixed or measurable sum or, in some cases, makes good on any deficit in income. In this case, the operator assumes no demand risk, as it would be paid even if no one used the infrastructure.

In this case the measurement shall be in accordance with IAS 32, IFRS 9 and IFRS 7 in relation to financial assets. The financial asset is recognised under financial assets from the moment work begins, calculated using an effective interest rate equal to the project's internal rate of return.

### 3. Mixed model

Under the mixed model, the financial asset model is applied to the elements of the agreement where payment of a sum is guaranteed and the intangible asset model is applied to the unguaranteed portion. The key distinction is between the elements of income that offset the initial investment in the assets (intangible asset model) and those that are paid in settlement of receivables (financial asset model).

In accordance with the transitional provisions of IFRIC 12, the main implication for the consolidated financial statements is that concession projects for which income is guaranteed by the authorities are classified and measured as financial assets.

The Group separately recognises income and expenses corresponding to infrastructure construction or upgrade services for the concession, whether the construction is carried out by a Group company or by an unrelated third party; that is, it records the gross amount of such income and expenses.

#### c.11) Non-current assets held for sale and associated liabilities

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continued use. This condition is deemed to have been met only when disposal is highly probable and the asset is available for immediate sale in its current state. The sale must be expected to occur within one year from the classification date.

These assets are measured at the lower of carrying amount and fair value less costs to sell or, where IFRS 9 applies, at fair value without deducting any costs to sell.

Liabilities related to assets that meet the above definition are recognised under "Liabilities associated with non-current assets held for sale" on the liability side of the consolidated statement of financial position.

#### c.12) Inventories

Land lots, developments under construction and completed buildings, in each case held for sale, are measured at cost of acquisition or construction, as described below:

- Buildings are measured according to the cost system indicated below for developments under construction or at cost in the case of buildings that were acquired after completion, including costs directly attributable to the acquisition.
- Developments under construction include costs incurred for real estate developments whose construction is not yet complete. This heading includes direct construction costs certified by the relevant project managers, development costs and finance costs incurred over the construction phase. Once construction has begun, the value of buildings and other structures includes the cost of the land lots on which they are built.
- Land lots and adaptation of land are valued at cost of acquisition, which includes costs directly related to purchases. The value of unbuilt land and lots also includes the capitalised cost of spending on the project, on urban development and on planning up to the point where the lot is ready for development.

"Inventories" includes the finance costs accrued during the construction phase.

Stockpiles of raw and other materials and consumables are valued at cost.

Products and work in progress are measured at production cost, which includes the cost of materials, labour and any direct production costs incurred.

The Group writes down the value of its inventories where the cost booked exceeds market value, based on independent appraisals.

Project start-up costs are costs incurred up to the start of construction and are recognised in profit or loss based on the stage of completion over the lifetime of the project.

In the real estate business, impairment losses are recorded to cover any estimated losses on projects in full.

"Raw materials and other supplies" includes greenhouse gas emission rights received under the various national allocation plans, and also those acquired.

In light of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, which set a European Community target for the reduction of greenhouse gas emissions, an emissions rights trading system has been created.

Emission rights are measured at the lower of acquisition price or market value. However, when this involves rights acquired free of charge, the acquisition price is considered to be the market price of these rights at the time of their acquisition. On 31 December 2018, SENDECO, the Spanish CO<sub>2</sub> emission rights trading system, published the price of a CO<sub>2</sub> emission right at 7.74 euros (6.11 euros in 2017).

A balancing entry is made under "Equity, Grants, donations and bequests received" in the statement of financial position for those emission rights acquired free of charge and is released to income as the rights are used.

Emission rights are not amortised but a provision for emission costs is recognised under "Other provisions" in line with the actual use of the greenhouse gas emission rights; this provision remains on the liability side of the statement of financial position until the moment of use. In April of each year the rights consumed in the previous year are settled with the authorities and adjustments are made to greenhouse gas emission rights under intangible assets, provisions and government grants.

#### c.13) Receivables

Discounted bills pending maturity at 31 December are included in the accompanying consolidated statement of financial position under "Trade receivables for sales and services", with a balancing entry in "Bank borrowings".

#### c.14) Cash and cash equivalents

"Cash and cash equivalents" comprise cash on hand and at banks, and short-term deposits with an original maturity of three months or less and no exposure to significant changes in value. However, this cash may only be used by the Group company owning it.

#### c.15) Capital increase costs

Capital increase costs are recognised as a decrease in equity, net of any tax effect.

#### c.16) Treasury shares

Shares of the Parent held by the Group are shown at cost and recognised as a deduction from equity. No gain or loss is recognised in profit or loss on the purchase, sale or redemption of treasury shares. Any gains or losses on the sale of these shares are recognised directly in equity at the time they are sold.

#### c.17) Provisions and contingencies

Provisions are recognised in the consolidated statement of financial position when the Group has a present obligation (legal, contractual or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Amounts recognised as provisions are the best estimate of the amounts required to offset the present value of the obligations at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the liability.

The policy on contingencies and expenses is to make provisions for the estimated amount of probable or certain liabilities arising from legal proceedings in progress, compensation or obligations pending, and for guarantees and other similar commitments. This provision is recorded when the contingency or obligation giving rise to the indemnity or payment arises.

The provision for completion of construction is recorded as a liability in the consolidated statement of financial position and reflects the estimated amount of the payment liabilities for completing construction which cannot yet be determined or for which the actual settlement date is not known, since they depend on the fulfilment of certain conditions. Provisions are made according to the best estimates of the annual accrual, which is between 0.5% and 1% of the completed project.

The Group assesses its obligations and liabilities by considering the potential obligations arising from past events whose existence must be confirmed by uncertain future events not under the Group's control as "contingent liabilities".

#### c.18) Financial liabilities

Financial liabilities are classified, for measurement purposes, into the following categories:

- Bank borrowings and payables

These include trade payables for goods and services plus negative balances on non-trade transactions not including derivatives.

They are initially recognised in the consolidated statement of financial position at fair value, which, unless there are indications to the contrary, is the transaction price measured as the fair value of the consideration received less directly attributable transaction costs.

Subsequently, they are measured at amortised cost. Accrued interest is recognised in the separate consolidated income statement using the effective interest rate method.

However, trade payables due within one year that have no contractual interest rate and are expected to be paid in the short term are measured at their nominal value when the effect of not discounting cash flows is insignificant.

- Hedging derivatives

See Note 3.c.22).

Financial liabilities are derecognised when the corresponding obligation is settled, cancelled or expires.

Liabilities maturing in less than 12 months from the date of the consolidated statement of financial position are classified as current and those with longer maturity periods as non-current, except mortgage loans on items of inventory or related to non-current assets held for sale, which are reclassified as current regardless of the maturity date.

#### c.19) Foreign currency transactions

Foreign currency transactions are converted to euros at the exchange rate prevailing at the date of the transaction. Gains or losses from foreign currency transactions are recognised in the separate consolidated income statement as they occur.

Foreign currency receivables and payables are translated to euros using the closing exchange rate. Unrealized exchange differences on transactions are recognised in the separate consolidated income statement.

#### c.20) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Non-repayable grants used to finance returnable assets are recognised as deferred income at their fair value. These grants are recognised as income in proportion to the depreciation charged for the assets financed with the grants.

Certain Chilean companies have recognised in their financial statements the annual grants receivable from the Chilean Ministry of Public Works under their respective concession contracts. These receivables are recognised in income following the same criteria as those used to depreciate the concession assets.

#### c.21) Income tax

Income tax expense each year is calculated as the sum of the current tax resulting from applying the appropriate tax rate to the taxable profit for the year, after taking into account all applicable tax credits and relief, and the change in deferred tax assets and liabilities recognised in the separate consolidated income statement.

Income tax expense is recognised in the separate consolidated income statement except when it relates to items recognised directly in equity, in which case it is recognised in equity.

In accordance with Royal Decree 4/2004, of 5 March, approving the consolidated Corporate Income Tax Law, Sacyr, S.A. and its subsidiaries have decided, with the approval of each company's corporate bodies, to file consolidated tax returns, and have duly notified the Spanish tax authorities, which assigned tax identification number 20/02 to the head of the tax group.

Companies forming part of the tax group are listed in Appendix II of these consolidated financial statements.



Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, on the basis of the tax rates in force at the reporting date.

Deferred income tax is recognised using the liability method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The Group recognises deferred tax assets for all deductible temporary differences, and unused tax credit and tax loss carryforwards, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credit and tax loss carryforwards can be utilised, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences relating to investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be recovered.

The carrying amount of the deferred tax assets is reviewed by the Group at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be applied. The Group also reassesses unrecognised deferred tax assets at each reporting date and recognises them to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The Group recognises deferred tax liabilities for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary difference can be controlled by the Parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### c.22) Hedging derivatives

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting is taken directly to the separate consolidated income statement for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction, or
- hedges of a net investment in a foreign operation.

Hedges of the foreign currency risk of a firm commitment are recognised as cash flow hedges.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

*- Fair value hedges*

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability, or of an unrecognised firm commitment, or of an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. In fair value hedges, the carrying amount of the hedged item is adjusted to reflect gains and losses in the hedged risk, the derivative is remeasured at fair value and the gains and losses from both are recognised in the income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability, with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in the income statement.

The Group discontinues the hedge accounting if the hedging instrument expires or is sold, terminated or exercised, no longer meets the criteria for hedge accounting, or the Group revokes the designation.

*- Cash flow hedges*

Cash flow hedges are hedges of exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while any ineffective portion is recognised immediately in the separate consolidated income statement.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged finance income or expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of

a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the separate consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is no longer expected to occur, the amount is taken to the separate consolidated income statement.

#### *- Hedges of a net investment*

Hedges of a net investment in a foreign operation, including hedges of a monetary item accounted for as part of the net investment, are treated similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity, while any gains or losses relating to the ineffective portion are recognised in the separate consolidated income statement. On disposal of the foreign operation, the accumulated value of any such gains or losses recognised directly in equity is transferred to the separate consolidated income statement.

#### c.23) Related parties

The Group defines related parties as its direct and indirect shareholders, related companies, directors and key management personnel, as well as any individuals or legal entities dependent on such persons.

#### c.24) Income and expense recognition

In general, revenues and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

In 2018, the Group applied IFRS 15 for the first time, thereby adapting its policy of recognising revenue from contracts with customers. The application of this new standard has entailed significant changes that have mainly affected the Construction and Services areas in the aspects explained below:

##### i. General income recognition criteria

IFRS 15 indicates that for each contract with a customer, the separate performance obligations contained in the contract must be identified and the contract price allocated to each identified performance obligation.

An entity recognises revenue from a contract to the extent that it meets its contractual obligations to perform by transferring a promised good or service to the customer at the price assigned to the obligation indicated above. When establishing the exact moment at which the transfer of the good or service to its customer takes place, the entity must determine whether the obligations of the contract are met over time or at a given moment.

Given the nature of the Group's activities, the transfer of goods and services to its customers is generally satisfied over time because either the customer simultaneously receives and consumes the benefits provided by the entity's performance of the obligations, or the entity's performance of the obligations does not create an asset with an alternative use for the entity and the entity has a claimable right to payment of what has been performed to date or a right to compensation for what has been performed to date in the event of termination.

Once it has been established that the transfer of goods or services occurs over time, the entity must determine an appropriate method to measure the progression in the fulfilment of the obligations and recognise the corresponding income according to the price assigned to the obligation and the progression in its fulfilment.

The methods selected by the Group to measure progress in meeting its contractual obligations vary depending on the specific good or service covered by the contract, but in general terms the following were considered to be the most appropriate:

- Elapsed time method

For recurring service contracts (maintenance, cleaning, waste collection, etc.) with a homogeneous transfer pattern over time and with fixed periodic payments over the life of the contract (monthly payments, annual instalments, etc.), the Group considered that the most appropriate method of measuring progress in compliance with obligations is the elapsed time method, whereby revenues are recognised on a straight-line basis over the term of the contract and their costs on an accrual basis.

- Percentage-of-completion method based on costs

In the case of construction contracts, the Group considered the percentage of completion method to be the most appropriate method for determining the progression in compliance with the obligations. Under this method, the costs incurred are measured each month in relation to the total estimated costs for completing the contract, giving rise to a percentage of the percentage of completion. Recognised revenue shall be the contract price multiplied by the percentage of completion. The costs of these contracts are recognised on an accrual basis.

The difference between the original production amount at the beginning of each project and the amount certified up to each reporting date is recorded as "Completed work pending certification" under "Trade and other receivables".

Auxiliary work performed for construction projects, including general and specific construction installations and study and project expenses, is allocated proportionally in accordance with the ratio of costs incurred to total budgeted costs. The unamortised amount is recognised under "Inventories" in the consolidated statement of financial position.

The estimated costs of termination of the project or contract are provisioned on an accrual basis to "Trade provisions" in the consolidated statement of financial position over the life of the project or contract, and recognised in profit or loss based on the proportion of work completed as a percentage of estimated costs. Costs incurred after completion of the work up to its final settlement are charged against these provisions.

- Revenues recorded in concessionaires (IFRIC 12)

The concession companies in the group record their ordinary revenues in accordance with IFRIC 12, which has been described in note 3.c.10.

## ii. Recognition of revenue from modifications, claims and disputes

An amendment to a contract is a change in the scope or price of the contract (or both). The Group's general criterion is to recognise the income derived from an amendment of the contract when there is technical and economic conformity by the customer.

In the event that the Group considers that it is entitled to charge certain amounts for amendments made to a contract even if these have not been approved by the customer (either due to a disagreement in scope or price) or due to other circumstances not

expressly taken into account in the contract (disputes and claims for reimbursement of costs, revision of prices, etc.), income shall be recognised under the conditions indicated in IFRS 15 for cases of "variable consideration".

The recognition of revenue in the case of 'variable consideration' implies that revenue from variable consideration is recognised only when it is highly probable that a significant reversal of the amount of recognised revenue will not occur in the future when the uncertainty associated with such claims or variable prices is subsequently resolved, taking into account both the probability and the magnitude of such a reversal.

The costs related to the execution of amendments to the contract are recognised when they occur, regardless of whether or not the customer has approved them and whether or not revenue related to their execution has been recognised.

#### c.25) Transferable mortgage loans.

Transferable mortgage loans are recognised under "Bank borrowings" in the consolidated statement of financial position and classified as current if they relate to inventory financing carried as current assets in the consolidated statement of financial position.

#### c.26) Advances received on orders

This line item appears under "Trade and other payables" on the liability side of the accompanying consolidated statement of financial position and includes prepayments received from customers on uncompleted work, and on buildings awaiting delivery.

#### c.27) Termination benefits.

Companies must compensate employees contracted for a project or service when they cease to work on the projects for which they were contracted through no fault of their own.

As there is no foreseeable need to terminate the contracts of employees and given that employees who retire or leave the Company of their own accord are not entitled to compensation, any termination benefits are recognised in the income statement when decisions are made and notified to the employee concerned.

#### c.28) Environment.

Costs incurred to acquire systems, equipment and installations for the purpose of eliminating, mitigating or monitoring the potential environmental impact of the Group's activities carried out in the normal course of business are considered to be investments in fixed assets.

Other environment-related expenses that do not concern the acquisition of fixed assets are recorded as expenses for the year.

The Parent's directors consider that any contingencies arising in connection with environmental matters are sufficiently covered by the third-party liability insurance policies taken out.

#### c.29) Segment information

The Group identifies segments based on the following factors:

- The businesses engage in similar economic activities.

- To provide consolidated financial statements to users, with the relevant financial information on the activities of the Group's businesses and the economic environments in which it operates.

The Group's management controls the volume of assets, revenue and operating results of the operating segments separately for the purposes of making decisions on the allocation of resources and assessing results and performance. (see note 41).

#### **4. Non-current assets held for sale and discontinued operations**

At 31 December 2018, the Group had classified its contributions to the investment in Vallehermoso División Promoción, S.A. as non-current asset held for sale and discontinued operations, with those in Itinere classified as non-current assets held for sale.

The detail of the consolidated statement of financial position in respect of these non-current assets held for sale at 31 December 2018 and 2017 is as follows:

ASSETS	Thousand euros	
	2018	2017
<b>A) NON-CURRENT ASSETS</b>	<b>266,458</b>	<b>345,171</b>
I. Property, plant and equipment	2,123	1,982
II. Other intangible assets	3	0
III. Investments accounted for using the equity method	3,381	3,381
IV. Non-current financial assets	201,696	244,189
V. Derivative financial instruments	0	38,714
VI. Deferred tax assets	52,605	49,903
VII. Other non-current assets	6,650	7,002
<b>B) CURRENT ASSETS</b>	<b>95,714</b>	<b>109,821</b>
I. Inventories	91,950	107,352
II. Trade and other receivables	3,608	1,909
III. Current financial investments	2	144
IV. Cash and cash equivalents	153	415
V. Other current assets	1	1
<b>TOTAL ASSETS</b>	<b>362,172</b>	<b>454,992</b>

  

LIABILITIES	Thousand euros	
	2018	2017
<b>A) EQUITY</b>	<b>0</b>	<b>0</b>
<b>B) NON-CURRENT LIABILITIES</b>	<b>26,994</b>	<b>42,169</b>
I. Non-current provisions	17,328	32,433
II. Non-current payables	9,666	9,736
<b>C) CURRENT LIABILITIES</b>	<b>143,242</b>	<b>134,796</b>
I. Bank borrowings	1,029	7,664
II. Trade and other payables	15,879	17,050
III. Current provisions	126,334	110,082
<b>TOTAL LIABILITIES</b>	<b>170,236</b>	<b>176,965</b>

Income and expenses after tax under "Profit for the year from discontinued operations" in the separate consolidated income statement at 31 December 2018 and 2017 were as follows:

SEPARATE INCOME STATEMENT	Thousand euros	
	2018	2017
Revenue	746	5,247
Other operating income	171	170
Gain on disposal of assets	0	0
<b>TOTAL OPERATING INCOME</b>	<b>917</b>	<b>5,417</b>
Change in inventories	(9,258)	(31,288)
Supplies	(466)	(228)
Staff costs	(885)	(1,041)
Depreciation and amortisation expense	0	(23)
Change in operating provisions	9,220	14,419
Other operating expenses	(1,769)	(10,542)
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,158)</b>	<b>(28,703)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>(2,241)</b>	<b>(23,286)</b>
<b>GAIN/(LOSS) ON ACQUISITION/DISPOSAL OF ASSETS</b>	<b>0</b>	<b>1</b>
Other interest and similar income	1,913	20,911
<b>TOTAL FINANCE INCOME</b>	<b>1,913</b>	<b>20,911</b>
Finance costs and similar expenses	(38)	(7,010)
Change in provisions for financial investments	0	5,432
<b>TOTAL FINANCE COSTS</b>	<b>(38)</b>	<b>(1,578)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>1,875</b>	<b>19,333</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(366)</b>	<b>(3,952)</b>
Corporate income tax	366	3,952
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>0</b>	<b>0</b>

The cash flows arising from discontinued operations in 2018 and 2017 were as follows:

Thousand euros	2018	2017
Cash flow from operating activities of discontinued operations	(7,244)	1,700
Cash flow from investing activities of discontinued operations	2,133	19,116
Cash flow from financing activities of discontinued operations	4,849	(21,083)
<b>VARIATION IN CASH FROM DISCONTINUED ACTIVITIES</b>	<b>(262)</b>	<b>(267)</b>

#### 4.1 Vallehermoso División Promoción, S.A.

Under IFRS 5, the Group's 100% interest in Vallehermoso División Promoción, S.A. at 31 December 2018 and 2017 was classified as a non-current asset held for sale as the value of the asset is expected to be recovered through its sale rather than its continuing use. Under international accounting standards, this condition is deemed to have been met only when disposal is highly probable and the assets are available for immediate sale in their present condition.

The transaction is deemed to be a discontinued operation under international accounting standards, since it represents a business line which is significant and may be separated from the other lines.



Under IFRS 5, Vallehermoso División Promoción, S.A. is available, in its current conditions for immediate sale. This sale is highly probable since the management is committed to its disposal, a programme exists to find a buyer and external advisers have been hired in this connection. The sale is being actively negotiated at fair value and the disposal is expected to take place in the course of a year.

Under paragraph 9 of IFRS 5, events or circumstances may arise which extend the period for the sale's completion beyond one year. An extension of the period required to complete a sale does not prevent the asset from being classified as held for sale, if the delay is caused by events or circumstances beyond the entity's control. The sale process of Vallehermoso has been slowed down in recent months as a result of negotiations with financial institutions.

The breakdown of the profit and loss from these non-current assets held for sale at 31 December 2018 and 2017 is as follows:

SEPARATE INCOME STATEMENT	Thousand euros	
	2018	2017
Revenue	746	5,247
Other operating income	171	170
Gain on disposal of assets	0	0
<b>TOTAL OPERATING INCOME</b>	<b>917</b>	<b>5,417</b>
Change in inventories	(9,258)	(31,288)
Supplies	(466)	(228)
Staff costs	(885)	(1,041)
Depreciation and amortisation expense	0	(23)
Change in operating provisions	9,220	14,419
Other operating expenses	(1,769)	(10,542)
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,158)</b>	<b>(28,703)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>(2,241)</b>	<b>(23,286)</b>
<b>GAIN/(LOSS) ON ACQUISITION/DISPOSAL OF ASSETS</b>	<b>0</b>	<b>1</b>
Other interest and similar income	1,913	20,911
<b>TOTAL FINANCE INCOME</b>	<b>1,913</b>	<b>20,911</b>
Finance costs and similar expenses	(38)	(7,010)
Change in provisions for financial investments	0	5,432
<b>TOTAL FINANCE COSTS</b>	<b>(38)</b>	<b>(1,578)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>1,875</b>	<b>19,333</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(366)</b>	<b>(3,952)</b>
Corporate income tax	366	3,952
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>0</b>	<b>0</b>

The independent expert Gesvalt Sociedad de Tasación, S.A appraised the Group's real estate assets classified as inventories at 31 December 2018, issuing its report on 31 December 2018.

The appraisal was performed on a portfolio of land, developments under construction and completed buildings in accordance with the tenth edition of the RICS Appraisal Standards published on July 2017 by the Royal Institution of Chartered Surveyors. This standard defines fair value as: "the price to be received on selling an asset, or that would be paid to transfer an obligation, in a transaction that is performed in an ordered and appropriate manner between market participants on the measurement date".

In order to calculate the value of the land, in its various states of urban development earmarked to future developments, the dynamic residual method was applied in all cases. This method is based on the discounting of cash flows during the period. These flows are established based on a forecast of revenue and expenses associated with the most probable real estate development which could be built on the land in accordance with the principle of better and greater use, calculating the foreseeable development period of the whole operation. The discount rate is the expected IRR, which includes the operation's risk factor in each case. In general, a rate of around 15% has been applied for land.

The appraisal of different land took into account coincidences in the same city or environment of the capacity of this nucleus in the absorption of the finished product, setting possible and probable scenarios, always within the rational forecast conditions, in which going beyond horizons exceeding 10 years represents too risky a venture. Likewise, the forming of new economic cycles which cannot be compared to past cycles in terms of developments over time were considered.

In order to calculate the value of property for-sale, each property was calculated under the "Free Market Value" assumption, which is defined as the best price which can reasonably be obtained from the sale of a property if it had been performed without conditions and in cash at the appraisal date, supposing: (i) there is a seller willing to sell, (ii) that, taking into account the nature of the property and the market situation, there was, prior to the appraisal date, a reasonable period of time for the adequate marketing of the property, to reach an agreement on price and conditions, and to perform the sale, (iii) that the market situation, level of prices and other circumstances on any previous date assumed to perform the sale, were the same as on the appraisal date, (iv) any offer exceeding that of a buyer with special interest in the acquisition is not taken into account, and (v) that the parties to the transaction have acted on an informed basis, prudently and without coercion.

The assets and liabilities of the Vallehermoso Group and Sacyr Gestión de Activos are recognised at their carrying amount and not at their fair value.

With regard to the warnings, restrictions, appraisal methods and key assumptions, this section of the report, which should be considered as a whole, contains all the information, assumptions and estimates conditioning it. It is also stated that the land appraisals were performed in the event of compliance with the development periods envisaged by law in each case, in accordance with the urban development status at the appraisal date.

However, an accelerated sale of assets in their current condition could result in a lower value than the current carrying amount.

#### **4.2 Itínere Infraestructuras, S.A.**

At 31 December 2018, the Group considered that its interest and other balances in Itínere Infraestructuras, S.A. meet the necessary requirements to be classified as a "Non-current asset held for sale", under IFRS 5, the Group has estimated the fair value of the shares according to the sale price agreed in its sale plan. Under international accounting standards, this condition is deemed to have been met only when disposal is highly probable and the assets are available for immediate sale in their present condition. At 31 December 2018 and 31 December 2017, the ownership interest held in this company was 17.56% and 15.51%, as a result of the conversion of 1,705 convertible debentures into shares on 31 October 2018.

Under IFRS 5, Itínere is available, in its current conditions for immediate sale. This sale is highly probable since management is committed to its disposal, a programme exists to find a buyer and external advisers have been contracted for this. The sale is being actively negotiated at fair value and the disposal is expected to take place in the course of one year.

Under paragraph 9 of IFRS 5, events or circumstances may arise which extend the period for the sale's completion beyond one year. An extension of the period required to complete a sale does not prevent the asset from being classified as held for sale, if the delay is caused by events or circumstances beyond the entity's control.

At 31 December 2018 and 2017, the breakdown of non-current assets held for sale was as follows:

Thousand euros	2018	2017
Shareholding (shares in Itínere Infraestructuras, S.A.)	201,589	238,619
Convertible bonds	0	5,427
Option to convert the convertible bonds into shares (derivative)	0	38,714
<b>TOTAL</b>	<b>201,589</b>	<b>282,760</b>

At 31 December 2017, the Group estimated the recoverable value based on the calculation of the value of all the Itínere shares using the dividend discounting method (cash flows), subsequently adjusting this figure for the Group's effective ownership interest at the reference date of the analysis. The assumptions used by the Group to estimate the recoverable value of the holding in Itínere Infraestructuras, S.A. were as follows:

- Projections of income and costs based on the forecast variations in the consumer price index (CPI) and on a study of operations performed by an independent expert.
- A period to generate flows in line with the term of the different concession agreements covering the following motorways: Audasa, Aucalsa, Audenasa, Autoestradas and AP-1
- An investment plan which included cash payments for the maintenance, replacement and upgrade of the infrastructures.
- A loan repayment and refinancing schedule in line with the estimated flows.
- The discount rate used the dynamic discount rate methodology, with the average discount rate over the entire valuation period being 9.18%. This discount rate took into account, inter alia, a risk-free rate of 2.40% and a risk premium of 6.50%.

Taking the foregoing assumptions into account, in 2017 an increase in the value of the investment in Itínere amounting to 1,172 thousand euros was recognised.

On 25 July 2014, Itínere Infraestructuras, S.A.'s subordinated share-convertible bond issue was drawn up on a public deed. 11,000 bonds were issued with a par value of 5 thousand euros, and the bond issue totalled 55 million euros. The bonds carried annual interest of 12%, except in the event of partial obligatory early redemption, which carried an annual interest of 10%. The final maturity date was 31 October 2018. Via the Parent, the Group subscribed the convertible bonds in its 15.50% stake held at that moment in Itínere Infraestructuras, S.A. It subscribed 1,705 bonds with a par value of 5 thousand euros, paying out 8,525 thousand euros.

Itínere Infraestructuras, S.A. made an early partial mandatory repayment of the obligations dated 2 January 2015, in the amount of 5,047 thousand euros. Finance income recognised in the income statement for the bonds in 2017 amounted to 581 thousand euros.

As mentioned above, the Group subscribed Itínere Infraestructuras, S.A.'s share-convertible bond issue. The option to convert the bonds into shares could be exercised in the first five days of each quarter from 2015 to 2018, both inclusive. The bonds would be converted into new Itínere shares with a par value of 55 million euros and preferential subscription rights. The option to convert the bonds into shares was tied to each of the bonds, and could not be transferred separately from the bonds.

The bonds would be measured at their par value plus the cumulative interest until the conversion date; the shares, at their present par value (0.49 euros per share) or at the lower par value in the case of a capital reduction.

The Group measured the conditions established in the accounting framework in order to recognise this convertibility option into shares separately from the issue of debentures. At 31 December 2017, the value of the financial asset at fair value through profit or loss amounted to 38,714 thousand euros. With the aforementioned conversion of debentures into shares, the Group has derecognised this financial asset from its statement of financial position by allocating a value adjustment loss of 16,334 thousand euros at the date of conversion to the income statement.

The "exponential" method was used to measure the Itinere share convertibility options (call options). This exponential method is based on a one-step binomial method via implicit probabilities and the application of an exponential function.

Firstly, an estimate is made of two values of the underlying share. One determines a rise therein and the other a fall in value with respect to the current value.

- The higher value is set on the basis of the expected return of the share which, in percentage terms, would be equivalent to the company's WACC. The lower is approximately half the lower amount and below the present value.
- The underlying value of the option (spread) is obtained in each case by the difference between the estimated higher and lower values and the value for the year.

Based on the estimated higher and lower values, the growth factors and the decline in the underlying value are obtained, producing an estimated probability of the value of the share.

On 31 October 2018, a public deed was drawn up converting all the debentures into shares. At this conversion date, the value of the bond of each converted bond was 3,242.537765 euros (resulting from adding the nominal value of the converted bond of 2,157.80 euros plus accrued interest (net of withholdings) of 1,084.737765 euros) and the value of the share was 0.49 euros, corresponding to the nominal unit value per share. The number of new shares issued by Itinere Infraestructuras, S.A. totalled 11,282,707, which were subscribed and paid up by the Group through the share-convertible bond issue. After the share-convertible bond issue, the Group owns 17.56% of Itinere Infraestructuras, S.A. The fair value at which these new shares were recognised amounted to 27,908 thousand euros.

At 31 December 2018, the Group has estimated the fair value of the shares in accordance with the price agreed in its sales plan. This meant that a negative valuation adjustment was recognised and an amount of 64,938 thousand euro was recognised in equity, excluding the tax effect (see note 37).

## 5. Property, plant and equipment

Movement in property, plant and equipment in 2017 and 2018 and the related accumulated depreciation are as follows:

2017 Thousand euros	Balance at 31-Dec-16	Additions	Disposals	Restatements and transfers	Changes in scope of	Exchange rate effect	Balance at 31-Dec-17
Land and buildings	169,274	7,633	(2,577)	(632)	0	(128)	173,570
Plant and machinery	558,335	32,509	(30,442)	4,405	15,860	(2,770)	577,897
Other installations, tools and furniture	91,636	6,785	(3,216)	(1,482)	6,704	(391)	100,036
Prepayments and work-in-progress	15,013	7,451	(2,603)	(601)	0	(1,083)	18,177
Other items of property, plant and equipment	204,849	41,138	(13,583)	(3,007)	7,608	(1,241)	235,764
<b>Cost</b>	<b>1,039,107</b>	<b>95,516</b>	<b>(52,421)</b>	<b>(1,317)</b>	<b>30,172</b>	<b>(5,613)</b>	<b>1,105,444</b>
Impairment	(8,283)	(8,028)	3,839	0	0	0	(12,472)
<b>Impairment</b>	<b>(8,283)</b>	<b>(8,028)</b>	<b>3,839</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,472)</b>
Land and buildings	(81,984)	(3,021)	1,081	0	0	48	(83,876)
Plant and machinery	(380,410)	(26,843)	17,988	54	(8,302)	2,020	(395,493)
Other installations, tools and furniture	(73,560)	(6,516)	3,187	374	(4,256)	211	(80,560)
Other items of property, plant and equipment	(131,520)	(19,057)	6,457	889	(2,956)	744	(145,443)
<b>Accumulated amortisation</b>	<b>(667,474)</b>	<b>(55,437)</b>	<b>28,713</b>	<b>1,317</b>	<b>(15,514)</b>	<b>3,023</b>	<b>(705,372)</b>
<b>TOTAL</b>	<b>363,350</b>	<b>32,051</b>	<b>(19,869)</b>	<b>0</b>	<b>14,658</b>	<b>(2,590)</b>	<b>387,600</b>

  

2018 Thousand euros	Balance at 31-Dec-17	Additions	Disposals	Restatements and transfers	Changes in scope of	Exchange rate effect	Balance at 31-Dec-18
Land and buildings	173,570	711	(1,983)	(69)	0	(233)	171,996
Plant and machinery	577,897	39,503	(15,706)	13,966	121	(1,458)	614,323
Other installations, tools and furniture	100,036	18,208	(8,507)	237	34	(657)	109,351
Prepayments and work-in-progress	18,177	27,664	(1,773)	(594)	18	(1,162)	42,330
Other items of property, plant and equipment	235,764	41,361	(16,864)	(639)	11,035	(1,831)	268,826
<b>Cost</b>	<b>1,105,444</b>	<b>127,447</b>	<b>(44,833)</b>	<b>12,901</b>	<b>11,208</b>	<b>(5,341)</b>	<b>1,206,826</b>
Impairment	(12,472)	(638)	652	0	0	0	(12,458)
<b>Impairment</b>	<b>(12,472)</b>	<b>(638)</b>	<b>652</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,458)</b>
Land and buildings	(83,876)	(2,771)	1,225	113	0	(20)	(85,329)
Plant and machinery	(395,493)	(32,351)	9,902	323	(91)	218	(417,492)
Other installations, tools and furniture	(80,560)	(10,661)	6,993	111	(34)	310	(83,841)
Other items of property, plant and equipment	(145,443)	(25,618)	11,904	609	(8,239)	311	(166,476)
<b>Accumulated amortisation</b>	<b>(705,372)</b>	<b>(71,401)</b>	<b>30,024</b>	<b>1,156</b>	<b>(8,364)</b>	<b>819</b>	<b>(753,138)</b>
<b>TOTAL</b>	<b>387,600</b>	<b>55,408</b>	<b>(14,157)</b>	<b>14,057</b>	<b>2,844</b>	<b>(4,522)</b>	<b>441,230</b>

In 2017, the most significant additions, both in Technical plant and machinery and in Other items of property, plant and equipment, came from the purchase of equipment for the Albacete, Alcalá de Henares cleaning contracts, the Catarroja waste collection and cleaning service in Valencia, the Madrid-Barajas Adolfo Suárez airport cleaning service and the waste collection service in Madrid by Ute RM2.

Regarding derecognitions, these were mainly due to the sale of construction machinery both in Spain and Colombia.

Lastly, changes in scope for financial year 2017, corresponded mainly to the change in the accounting of SIS, S.c.p.A., from using the equity method in 2016 to full consolidation in 2017.

In 2018 the increase in technical installations and machinery is mainly due to the acquisition of construction machinery at construction sites in Colombia. The additions to Other tangible fixed assets are mainly due to purchases for the provision of public sewage service and the collection of unusable waste in the city of Bogotá and various construction materials in Colombia.

Regarding derecognitions, the most significant correspond mainly to the derecognition of construction machinery.

Impairment losses and the corresponding reversals are reported under "Change in provisions for non-current assets" in the separate consolidated income statement. The main assets affected by impairment losses relate to plant at the Group's different energy plants.

The detail of property, plant and equipment located outside Spain at 31 December 2017 and 2018 is as follows:

2017 Thousand euros	Portugal	Libya	Angola	Italy	Cape Verde	Chile	Ireland	Mexico	Colombia	Australia	Other	TOTAL
Land and buildings	54,055	640	4,166	0	3,571	0	3,706	100	0	4,879	100	71,217
Plant and machinery	75,119	7,848	5,783	25,678	4,957	9,786	148	18,097	2,080	2	2,016	151,514
Other installations, tools and furniture	17,140	112	1,299	5,510	1,114	3,839	41	65	468	0	1,130	30,718
Prepayments and work-in-progress	4,973	0	400	1,170	343	2,473	0	11	6,736	0	145	16,251
Other items of property, plant and equipment	20,972	5,604	1,323	6,909	1,134	6,506	36	203	3,082	0	4,747	50,516
<b>Cost</b>	<b>172,259</b>	<b>14,204</b>	<b>12,971</b>	<b>39,267</b>	<b>11,119</b>	<b>22,604</b>	<b>3,931</b>	<b>18,476</b>	<b>12,366</b>	<b>4,881</b>	<b>8,138</b>	<b>320,216</b>
<b>Impairment</b>	<b>(7,010)</b>	<b>0</b>	<b>(564)</b>	<b>0</b>	<b>(483)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,057)</b>
<b>Accumulated amortisation</b>	<b>(112,071)</b>	<b>(12,799)</b>	<b>(8,511)</b>	<b>(19,962)</b>	<b>(7,295)</b>	<b>(15,907)</b>	<b>(2,197)</b>	<b>(12,970)</b>	<b>(481)</b>	<b>(1)</b>	<b>(3,316)</b>	<b>(195,510)</b>
<b>TOTAL</b>	<b>53,178</b>	<b>1,405</b>	<b>3,896</b>	<b>19,305</b>	<b>3,341</b>	<b>6,697</b>	<b>1,734</b>	<b>5,506</b>	<b>11,885</b>	<b>4,880</b>	<b>4,822</b>	<b>116,449</b>

  

2018 Thousand euros	Portugal	Libya	Angola	Italy	Cape Verde	Chile	Ireland	Mexico	Colombia	Australia	Other	TOTAL
Land and buildings	53,291	655	4,097	0	3,512	0	3,706	0	0	4,615	46	69,922
Plant and machinery	72,279	8,030	5,534	28,814	4,743	10,965	148	20,512	29,076	54	10,185	190,340
Other installations, tools and furniture	16,808	115	1,266	5,317	1,085	4,488	41	294	5,370	21	2,117	36,922
Prepayments and work-in-progress	4,896	0	394	0	338	207	0	11	9,144	23,277	741	39,008
Other items of property, plant and equipment	20,335	5,734	1,248	9,414	1,069	5,603	38	342	12,557	0	6,291	62,631
<b>Cost</b>	<b>167,609</b>	<b>14,534</b>	<b>12,539</b>	<b>43,545</b>	<b>10,747</b>	<b>21,263</b>	<b>3,933</b>	<b>21,159</b>	<b>56,147</b>	<b>27,967</b>	<b>19,380</b>	<b>398,823</b>
<b>Impairment</b>	<b>(7,166)</b>	<b>0</b>	<b>(577)</b>	<b>0</b>	<b>(494)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,237)</b>
<b>Accumulated amortisation</b>	<b>(111,322)</b>	<b>(14,278)</b>	<b>(8,395)</b>	<b>(25,481)</b>	<b>(7,195)</b>	<b>(15,027)</b>	<b>(2,385)</b>	<b>(17,166)</b>	<b>(8,924)</b>	<b>(50)</b>	<b>(5,008)</b>	<b>(215,231)</b>
<b>TOTAL</b>	<b>49,121</b>	<b>256</b>	<b>3,567</b>	<b>18,064</b>	<b>3,058</b>	<b>6,236</b>	<b>1,548</b>	<b>3,993</b>	<b>47,223</b>	<b>27,917</b>	<b>14,372</b>	<b>175,355</b>

At year-end 2018, the Group had 261,784 thousand euros of fully depreciated property, plant and equipment in use (223,297 thousand euros in 2017).

All items of property, plant and equipment are used in operations.

In 2018 and 2017, no finance costs were capitalised as an addition to property, plant and equipment.

Group companies take out insurance policies to adequately cover potential risks that could affect the items recognised under "Property, plant and equipment".

## 6. Concession projects

Movements in the various items under "Concession projects" in 2017 and 2018 and the related accumulated depreciation were as follows:

2017 Thousand euros	Balance at 31-Dec-16	Additions	Disposals	Restatements and transfers	Changes in scope of	Exchange rate effect	Balance at 31-Dec-17
Concession projects	1,759,137	3,776	(26,533)	2,764	0	43	1,739,187
Concession projects under construction	63,869	32,393	(833)	(1,527)	0	(1,739)	92,163
<b>Cost</b>	<b>1,823,006</b>	<b>36,169</b>	<b>(27,366)</b>	<b>1,237</b>	<b>0</b>	<b>(1,696)</b>	<b>1,831,350</b>
Impairment	(14,725)	0	13,513	0	0	0	(1,212)
<b>Impairment</b>	<b>(14,725)</b>	<b>0</b>	<b>13,513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,212)</b>
Depreciation	(406,014)	(60,180)	7,348	(1,237)	0	(1)	(460,084)
<b>Accumulated amortisation</b>	<b>(406,014)</b>	<b>(60,180)</b>	<b>7,348</b>	<b>(1,237)</b>	<b>0</b>	<b>(1)</b>	<b>(460,084)</b>
<b>TOTAL</b>	<b>1,402,267</b>	<b>(24,011)</b>	<b>(6,505)</b>	<b>0</b>	<b>0</b>	<b>(1,697)</b>	<b>1,370,054</b>

2018 Thousand euros	Balance at 31-Dec-17	Additions	Disposals	Restatements and transfers	Changes in scope of	Exchange rate effect	Balance at 31-Dec-18
Concession projects	1,739,187	5,632	(804)	73,133	41,811	(3,208)	1,855,751
Concession projects under construction	92,163	8,798	0	(67,808)	0	(1,631)	31,522
<b>Cost</b>	<b>1,831,350</b>	<b>14,430</b>	<b>(804)</b>	<b>5,325</b>	<b>41,811</b>	<b>(4,839)</b>	<b>1,887,273</b>
Impairment	(1,212)	(7,127)	81	0	0	0	(8,258)
<b>Impairment</b>	<b>(1,212)</b>	<b>(7,127)</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,258)</b>
Depreciation	(460,084)	(62,772)	37	(1,824)	(716)	0	(525,359)
<b>Accumulated amortisation</b>	<b>(460,084)</b>	<b>(62,772)</b>	<b>37</b>	<b>(1,824)</b>	<b>(716)</b>	<b>0</b>	<b>(525,359)</b>
<b>TOTAL</b>	<b>1,370,054</b>	<b>(55,469)</b>	<b>(686)</b>	<b>3,501</b>	<b>41,095</b>	<b>(4,839)</b>	<b>1,353,656</b>

The increase in this heading in 2017 was again mainly due to Ruta del Limarí, due to progress made in the project.

In 2018, the increase was mainly due to the progress of the work on the Limarí Route before it was put into service.

In 2018 the change in the scope of consolidation is entirely due to the incorporation of the new company Aguas del Valle del Guadiaro.

The reclassifications from concession projects under construction to concession projects correspond mainly to the opening of the motorway between La Serena and Ovalle in July 2018, in the region of Coquimbo, northern Chile (Sociedad Concesionaria Ruta del Limarí, S.A.).

The concession projects under construction or being operated by the Group's concessionaire companies at the reporting dates in 2018 and 2017 are as follows:

Thousand euros	2017						
	operating provisions			Construction			
	Cost	Accum. amortisation	Provision	Net	Cost	Provision	Net
Víastur Conc. del Principado de Asturias, S.A.	123,360	(50,769)	0	72,591	0	0	0
Aut. del Eresma, Cons. Junta Castilla y León, S.A.	106,383	(27,823)	0	78,560	0	0	0
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	109,718	(32,503)	0	77,215	0	0	0
Aut. Del Arlanzón, S.A.	245,550	(84,914)	0	160,636	0	0	0
S.C. de Palma de Manacor, S.A.	173,196	(65,457)	0	107,739	0	0	0
Autov. del Turia, Conc. Generalitat Valenciana S.A	255,926	(65,225)	0	190,701	247	0	247
Aut. del Guadalmedina	351,749	(29,435)	0	322,314	0	0	0
<b>Total motorways in Spain</b>	<b>1,365,882</b>	<b>(356,126)</b>	<b>0</b>	<b>1,009,756</b>	<b>247</b>	<b>0</b>	<b>247</b>
S.C. Ruta del Limarí	0	0	0	0	63,924	0	63,924
<b>Total other motorways</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,924</b>	<b>0</b>	<b>63,924</b>
<b>Motorways</b>	<b>1,365,882</b>	<b>(356,126)</b>	<b>0</b>	<b>1,009,756</b>	<b>64,171</b>	<b>0</b>	<b>64,171</b>
Valoriza Servicios Medioambientales, S.A.	34,763	(12,743)	0	22,020	2,332	0	2,332
Tratamientos de Residuos La Rioja, S.L.	4,491	(1,415)	0	3,076	0	0	0
Biorreciclaje de Cádiz, S.A.	25,401	(5,982)	0	19,419	0	0	0
<b>Waste treatment</b>	<b>64,655</b>	<b>(20,140)</b>	<b>0</b>	<b>44,515</b>	<b>2,332</b>	<b>0</b>	<b>2,332</b>
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59,000	(28,320)	0	30,680	0	0	0
Somague Ambiente, S.A.	163,017	(36,568)	0	126,449	25,660	0	25,660
Sacyr, S.A.U. Alcadia desalination plant	1,367	(631)	0	736	0	0	0
Valoriza Agua, S.L.	26,742	(9,081)	0	17,661	0	0	0
<b>Water</b>	<b>250,126</b>	<b>(74,600)</b>	<b>0</b>	<b>175,526</b>	<b>25,660</b>	<b>0</b>	<b>25,660</b>
Somague SGPS	300	(139)	0	161	0	0	0
Sacyr Construcción S.A.U (Juan Esplandiú)	4,005	(736)	0	3,269	0	0	0
Sacyr Construcción S.A.U (Pza. Encarnación)	39,426	(6,571)	0	32,855	0	0	0
Sacyr Construcción S.A.U (Daoiz and Velarde)	5,065	(232)	0	4,833	0	0	0
Sacyr Construcción S.A.U (Virgen del Romero)	4,648	(903)	0	3,745	0	0	0
Sacyr Construcción S.A.U (Plaza del Milenio)	3,028	(499)	0	2,529	0	0	0
Sacyr Construcción S.A.U (Val market)	2,052	(138)	(1,212)	702	0	0	0
<b>Other</b>	<b>58,524</b>	<b>(9,218)</b>	<b>(1,212)</b>	<b>48,094</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONCESSION PROJECTS</b>	<b>1,739,187</b>	<b>(460,084)</b>	<b>(1,212)</b>	<b>1,277,891</b>	<b>92,163</b>	<b>0</b>	<b>92,163</b>

Thousand euros	2018						
	operating provisions			Construction			
	Cost	Accum. amortisation	Provision	Net	Cost	Provision	Net
Víastur Conc. del Principado de Asturias, S.A.	123,360	(55,294)	0	68,066	0	0	0
Aut. del Eresma, Cons. Junta Castilla y León, S.A.	106,383	(31,026)	0	75,357	0	0	0
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	109,718	(36,641)	0	73,077	0	0	0
Aut. Del Arlanzón, S.A.	245,550	(101,147)	0	144,403	0	0	0
S.C. de Palma de Manacor, S.A.	173,196	(70,224)	0	102,972	0	0	0
Autov. del Turia, Conc. Generalitat Valenciana S.A	255,926	(73,012)	0	182,914	1,031	0	1,031
Aut. del Guadalmedina	351,749	(36,737)	0	315,012	0	0	0
<b>Total motorways in Spain</b>	<b>1,365,882</b>	<b>(404,081)</b>	<b>0</b>	<b>961,801</b>	<b>1,031</b>	<b>0</b>	<b>1,031</b>
S.C. Ruta del Limarí	65,015	(505)	0	64,510	0	0	0
<b>Total other motorways</b>	<b>65,015</b>	<b>(505)</b>	<b>0</b>	<b>64,510</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Motorways</b>	<b>1,430,897</b>	<b>(404,586)</b>	<b>0</b>	<b>1,026,311</b>	<b>1,031</b>	<b>0</b>	<b>1,031</b>
Valoriza Servicios Medioambientales, S.A.	39,689	(15,137)	0	24,552	2,878	0	2,878
Tratamientos de Residuos La Rioja, S.L.	4,491	(1,654)	0	2,837	0	0	0
Biorreciclaje de Cádiz, S.A.	25,401	(6,582)	0	18,819	0	0	0
<b>Waste treatment</b>	<b>69,581</b>	<b>(23,373)</b>	<b>0</b>	<b>46,208</b>	<b>2,878</b>	<b>0</b>	<b>2,878</b>
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59,000	(30,680)	0	28,320	0	0	0
Somague Ambiente, S.A.	163,271	(41,734)	0	121,537	25,743	0	25,743
Sacyr, S.A.U. Alcadia desalination plant	1,367	(736)	0	631	0	0	0
Aguas del Valle del Guadiaro, S.L.	41,811	(1,334)	0	40,477	0	0	0
Valoriza Agua, S.L.	31,297	(12,142)	0	19,155	0	0	0
<b>Water</b>	<b>296,746</b>	<b>(86,626)</b>	<b>0</b>	<b>210,120</b>	<b>25,743</b>	<b>0</b>	<b>25,743</b>
Somague SGPS	300	(151)	0	149	0	0	0
Sociedad Concesionaria Aeropuerto del Sur, S.A.	0	0	0	0	1,871	0	1,871
Sacyr Construcción S.A.U (Juan Esplandiú)	4,005	(841)	(2,550)	614	0	0	0
Sacyr Construcción S.A.U (Pza. Encarnación)	39,429	(7,557)	0	31,872	0	0	0
Sacyr Construcción S.A.U (Daoiz and Velarde)	5,065	(359)	0	4,706	0	0	0
Sacyr Construcción S.A.U (Virgen del Romero)	4,648	(1,023)	(1,320)	2,305	0	0	0
Sacyr Construcción S.A.U (Plaza del Milenio)	3,028	(575)	(2,605)	(152)	0	0	0
Sacyr Construcción S.A.U (Val market)	2,050	(267)	(1,783)	0	0	0	0
<b>Other</b>	<b>58,525</b>	<b>(10,773)</b>	<b>(8,258)</b>	<b>39,494</b>	<b>1,871</b>	<b>0</b>	<b>1,871</b>
<b>CONCESSION PROJECTS</b>	<b>1,855,749</b>	<b>(525,358)</b>	<b>(8,258)</b>	<b>1,322,133</b>	<b>31,523</b>	<b>0</b>	<b>31,523</b>

Concession projects under construction include interest on the borrowings that effectively finance investment in the motorway concerned. These finance costs were capitalised under "Concession projects under construction". "Concession projects in operation" also includes interest capitalised by the concessionaire companies.



The Group performs impairment tests on its concession assets, with the breakdown of the most significant being the following:

a) Autovía de Barbanza Concesionaria Xunta de Galicia, S.A.:

In relation to the Autovía del Barbanza, Concesionaria de la Xunta de Galicia, S.A., the Group carried out impairment tests at both end year-end 2017 and 2018. The reinvestment curve used is based on the PEF of the bid, correcting the amount of the reinvestment in vertical signalling according to a May 2017 API bid. The traffic curves and growth estimates were identical for both years, with 2018 traffic being updated to the value forecast at year-end. In addition, in January 2015 the adjusted balance considered in the previous year's test became effective. The effect of this measure has been to increase the toll by 35.5%. The 2018 and 2019 tolls have been updated in the 2018 test, already approved. At the end of both years, the recoverable amount estimated was not considered to be less than the carrying amount, so no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6,50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.58 in 2017).

The calculation of the  $K_e$  = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic  $K_e$  as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

There are three key assumptions to take into account in the analyses of the impairment test, namely inflation, interest rates and traffic.

The value assigned to inflation was determined by taking the consensus of analysts and international bodies for the years 2018, 2019, 2020, 2021, 2022 and 2023.

In relation to the amount that the concession operator must pay the banks for interest on the loan granted, it should be taken into account, in the case of Barbanza, that 80% of the interest rate is covered by a derivative that mitigates any possible fluctuations that may arise in the Euribor projections for the coming years. In this case, the Euribor yield curve used was that obtained from the US company Bloomberg in December 2018.

With regard to traffic, the impairment test was prepared on the basis of the actual traffic on the motorway during the last available month (November 2018). The increase in the growth of traffic with regard to previous years seems to support the idea that Galicia may recover from the economic crisis at a different rate than the rest of Spain.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. The impairment test estimated an average rise in traffic of 2.87% (3.01% in 2017).

Accordingly, in order for the carrying amount to equal the recoverable amount, traffic would need to decrease by 3.35% with respect to the expected variation.

b) Viastur Concesionaria del Principado de Asturias, S.A.

Impairment tests were also carried out for Viastur Concesionaria del Principado de Asturias, S.A. at both year-end 2017 and 2018. The 2018 test took into account the debt restructuring schedule signed in February 2018, as well as second restructuring in 2020. The CAPEX and OPEX lines are those given in the bank restructuring technical report. In terms of traffic, by 2018 the growth expected at year-end has been incorporated, while for the following years the traffic series called "base" from the traffic report prepared by the Traffic Advisor in the debt restructuring process was taken into account. At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6,50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.58 in 2017).

The calculation of the  $K_e$  = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic  $K_e$  as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

There are three key assumptions to take into account in the analyses of the impairment test, namely inflation, interest rates and traffic.

The value assigned to inflation was determined by taking the consensus of analysts and international bodies for the years 2018, 2019, 2020, 2021, 2022 and 2023.

Regarding the amount that the concessionary company must pay to financial entities for interest on the loan which it holds. The Euribor yield curve used was that obtained from the US company Bloomberg in December 2018.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. The impairment test estimated an average rise in traffic of 2.51% (2.73% in 2017).

Accordingly, in order for the carrying amount to equal the recoverable amount, traffic would need to increase by 15.5% with respect to the expected variation.

c) Autopista del Guadalmedina Concesionaria Española, S.A.

With regard to Autopista del Guadalmedina Concesionaria Española, S.A., two new links (in Casabermeja and in the MA-20) have been considered, referred to in the test as "Agreement II". The completion of these links, which are expected to be approved by the Ministry of Public Works at the beginning of 2019, entails significant increases in income due to: Increase in the length of the road for toll purposes as a result of its extension; Increase in traffic, as these new links will have to collect traffic from the

region of Casabermeja, Almogía and Colmenar, among others, with major urban centres and industrial estates currently without exit to the motorway and, therefore, without quick and direct access to Malaga, and finally the extension of the high season days. The entry into operation of these new links in 2021 has been taken into account. With respect to the traffic curve, the 2017 Impairment test traffic curve was updated and slightly reduced for tolls. The new traffic curve reflects the effect of the entry into operation of the new northbound Malaga Airport corridor, currently under construction, which will enable the Highway to be considered as the most direct, fastest and safest route for all users heading to the airport or surrounding areas. It also includes the effect of the increase of traffic in the corridor. In 2018, traffic in the corridor increased by 2.3% compared to the previous year. This fact, together with the increase in collections, means an improvement in motorway traffic. In addition, the actual tariffs to be applied in 2019 have been introduced. The refinancing of the project carried out in 2018 has also been included. At the end of both years, as the recoverable amount was not considered to be less than the recognised carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6.50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.63 in 2017).

The calculation of the  $K_e$  = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic  $K_e$  as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

The value assigned to inflation was determined by taking the consensus of analysts and international bodies for the years 2018, 2019, 2020, 2021, 2022 and 2023.

In relation to the amount that the concession operator must pay the banks for interest on the loan granted, it should be taken into account, in the case of Guadalmedina, there is a fixed-rate financing that mitigates any possible fluctuations that may arise in the Euribor projections for the coming years.

With regard to traffic, reasonably possible decreases are not expected to occur in the Average Daily Traffic (ADT) curves. With the current assumptions, the recoverable value significantly exceeds the carrying amount. Accordingly, no decline in value is envisaged.

d) Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A.:

With regard to Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A., the Group carried out impairment tests at both year-end 2017 and 2018. The reinvestment curves and traffic growth forecasts were identical for both years. With regard to refundable advances, the Refundable Advances Order was deemed applicable under the terms set forth in the provisions of this Order until 2018 inclusive. The market rate for a product with similar characteristics is considered for its calculation as a discount rate. At the end of both years, as the recoverable amount was not

considered to be less than the carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6.50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.58 in 2017).

The calculation of the Ke = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic Ke as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

The average value of the Ke discount rate over the life of the concession resulting from applying this method is 11.33%. The average value of this discount rate would have to increase to 15.66% for the carrying amount to equal the recoverable amount. This increase would be derived from increasing the key variables Risk Free Rate (Rf) to 4.25% and the Market Premium (Rm) to 8.34%.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. In the event of a 16.3% decrease in traffic, the recoverable value would equal its book value.

#### e) Autovía del Turia, Concesionaria de la Generalitat Valenciana, S.A.:

An impairment test was also performed at year-end 2017 and 2018 for Autovía del Turia, Concesionaria de la Generalitat Valenciana, S.A. For the 2018 test, assumptions have been introduced in accordance with the Resolution of the Regional Government of 30 May 2018 approving the New Planning Proposal for Phase II works presented to the Generalitat Valenciana on 28 September 2017, affecting investments from 2018 onwards and, from 2020 onwards, toll increases and toll road barriers. For 2019, approved tariffs have been considered. Traffic for 2017 and 2018 has been updated, considering for the rest of the years the traffic forecasts estimated in the Traffic Study dated 21 June 2018 carried out by Deloitte, within the framework of the Due Dilligence of the Financing of the Phase II project. The maximum limits for traffic subscriptions are those considered in the approved New Planning Proposal for Phase II works. The amount invested in the Phase II Works is that of the EPC signed with Sacyr Infraestructuras, with a distribution of 11.29 million euros in 1H 2019, 13.64 million euros in 1H 2019 and 11.57 million euros in 1H 2020. The reinvestments planned for the period 2019-2041 are equivalent to those included in the Technical Due Diligence report issued by Steer Davies, within the framework of the Due Diligence of the Phase II Works Financing process. The OPEX for the years 2019 to 2041 is updated to 50% of the CPI. Likewise, in the 2018 Impairment Test, a new tranche of subordinated debt was considered to cover the financing needs relating to Phase II works. At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6.50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.58 in 2017).

The calculation of the  $K_e$  = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic  $K_e$  as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

The average value of the  $K_e$  discount rate over the life of the concession resulting from applying this method is 11.33%. The average value of this discount rate would have to increase to 15.26% for the carrying amount to equal the recoverable amount. This increase would be derived from increasing the key variables Risk Free Rate (Rf) to 4.00% and the Market Premium (Rm) to 8.09%.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. In the event of a 3.50% decrease in traffic, the recoverable value would equal its book value.

f) Carretera Palma-Manacor Concessionària del Consell Insular de Mallorca, S.A.:

Respective impairment tests were also carried out for Carretera Palma-Manacor Concessionària del Consell Insular de Mallorca, S.A. at year-end 2017 and 2018. Identical CAPEX curves were used in both years. The OPEX estimated in 2018 and 2019 have been updated taking into account those provided for at year-end and in the budget. Regarding traffic, with the exception of 2018 and 2019, which use traffic values included at year-end and forecast in the budget, the traffic growth indicated in the Traffic Report prepared by Deloitte in September 2017 has been taken onto account. Regarding tariffs, the 2018 test updates 2018; the 2019 tariffs with the CPI and, from 2020 onwards, an increase is estimated in accordance with existing macroeconomic forecasts. The 2018 Impairment Test also maintains the current financing. At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6.50% (6.50% in 2017).

Unleveraged beta = 0.58 (0.58 in 2017).

The calculation of the  $K_e$  = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic  $K_e$  as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

The average value of the Ke discount rate over the life of the concession resulting from applying this method is 6.26%. For the carrying amount to equal the recoverable amount, the average value of this discount rate would have to increase to 20.07%. This increase would result from increasing the key variables Risk Free Rate (Rf) to 9.76% and the Market Premium (Rm) to 13.86%.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. In the event of a 43.24% decrease in traffic, the recoverable value would equal its book value.

g) Autovía del Arlanzón, S.A.:

Respective impairment tests were also carried out for Autovía del Arlanzón, S.A. at year-end 2017 and 2018. Both the CAPEX curve and the forecast traffic growth rate curve were updated in 2018, in line with the best estimates of the concessionaire, based on the technical analysis which the technical and traffic assessment company, Steer Davies Gleave (SDG) performed on both curves. The depreciation rates of the concession assets, approved by the Administration, have been applied. The financial conditions have been adjusted to those of the new financial debt (On Loan contract) signed on 8 February 2018 with Financiera Marsyc. With regard to the allocation to P&L of the cost of derivative disruption, this has been adjusted to a non-linear criterion. With respect to the subordinated debt, the payment of the interest accrued on it has been reformulated so that the interest accrued and due in the year is paid in that year, and there was no debt at the end of the period for this item. The amounts in the reserve accounts have been adjusted to those included in the Financial Model of the refinancing, as well as the amounts considered for the payment of dividends. The short-term tax debt for future years has been adjusted to an average of 1.5 million euros, which differs from the debt forecast for 2018 by 6.18 million euros, as the latter is not considered representative of a consolidated performance parameter, as it includes in 2018 the IRC debt (19%) on dividends payable in December 2018, as well as including a high VAT debt that will be paid in January 2019, corresponding to the VAT charged on several year-end certifications for a large amount (continuing performance criterion). At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

The values used to perform the impairment test were as follows:

Risk-free (Rf) rate = 2.41% (2.43% in 2017).

Market spread (Ms) = 6.50% (6.50% in 2017).

Unlevered beta = 0.58 (0.58 in 2017).

The calculation of the Ke = Risk-free rate + market spread x leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic Ke as the discount rate instead of the WACC is based on two aspects:

- The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
- The debt/equity ratio changes over time. It begins with a very high leverage and ends with an unlevered asset.

The average value of the Ke discount rate over the life of the concession resulting from applying this method is 6.87%. The average value of this discount rate would have to increase to 45.73% for the carrying amount to equal the recoverable amount. This increase would be derived from increasing the key variables Risk Free Rate (Rf) to 33.28% and the Market Premium (Rm) to 37.37%.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. In the event of a 34.15% decrease in traffic, the recoverable value would equal its book value.

The accrued capitalised borrowing costs, concession periods and investments committed are as follows:

	Capitalised finance costs		Concession period		Committed investment (thousand euros)
	2018	2017	Date put into service	End of concession	
<b>Motorways</b>					
Viastur Conc. del Principado de Asturias, S.A.	4,537	4,537	2007	2035	0
Aut. del Eresma. Cons. Junta Castilla y Leon, S.A.	4,557	4,557	2008	2041	0
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	5,478	5,478	2008	2036	0
Autop. del Guadalmedina Conc. Española, S.A.	8,547	8,547	2011	2044	0
Aut. Del Arlanzón, S.A.	4,214	4,214	2011	2026	0
S.C. de Palma de Manacor, S.A.	4,642	4,642	2007	2042	0
Autov. del Turia, Conc. Generalitat Valenciana S.A	7,892	7,892	2008	2041	37,378
S.C. Ruta del Limari	3,357	2,469	2018	2042	4,772
<b>Waste treatment</b>					
Valoriza Servicios Medioambientales, S.A.					
Underground containers	0	0	2007	2019	0
Las Calandrias waste treatment plant	0	0	2002	2023	0
Guadarrama green areas	0	0	2008	2022	0
Puertollano car park	0	0	2011	2045	0
Majadahonda SUW	0	0	2012	2022	0
Boadilla SUW	0	0	2001	Extended	0
Los Hornillos waste treatment centre	21,861	21,315	2011	2030	0
Maresme integrated waste treatment centre	0	0	2007	2024	0
Edar Cariño water treatment plant	0	0	2006	2026	0
Butarque thermal sludge-drying plant	705	705	2002	2028	0
La Paloma plant	0	0	2003	2022	0
La Rioja waste treatment	476	464	2009	2029	0
<b>Water</b>					
Somague Ambiente, S.A.					
AGS Paços Ferreira	2,017	2,017	2004	2039	0
Aguas de Barcelos	12,728	12,728	2005	2034	0
Aguas do Marco	2,290	2,290	2005	2039	0
Emp. Mixta Aguas S. Cruz de Tenerife, S.A.	0	0	2006	2031	0
Valoriza Agua, S.L.					
Guadalajara water concession	0	0	2009	2034	6,280
Almaden water concession	0	0	2010	2035	0
Valdaliga concession	0	0	2012	2025	169
Aguas del Valle del Guadiaro	0	0	2003	2053	0
<b>Other</b>					
Somague SGPS (Parque de Estacionamiento Vila Real)	0	0	1999	2019	0
S. Concesionaria Aeropuerto del Sur, S.A.	0	0	2018	2024	33,999
Plaza del Centenario car park	0	0	2011	2051	0
Virgen del Romero car park	0	0	2011	2049	0
Juan Esplandiú car park	0	0	2011	2049	0
Mercado del Val	0	0	2014	2030	0
Plaza de la Encarnación car park	0	0	2011	2051	0
Daoiz y Velarde car park	0	0	2016	2056	0

At 31 December 2017 and 2018, none of the items reported by Group companies under "Concession projects" were subject to guarantees, other than the terms of the project financing, or to ownership restrictions.

At 31 December 2017 and 2018, the entire investment recognised under "Concession projects" relates to returnable assets that Group companies will transfer back to the concession grantors upon expiry of the concession period, as per the specific concession agreements. These companies do not expect to incur any additional costs on the reversion of

the infrastructures at the end of the concession periods, other than those already budgeted in the relevant economic and financial plans.

Group companies take out insurance policies to adequately cover potential risks that could affect the items recognised under "Concession projects".

There are no significant undertakings to make repairs now or in the future other than those that are usual for this type of company.

## 7. Other intangible assets

Movements in "Other intangible assets" in 2017 and 2018 and the related accumulated amortisation were as follows:

2017 Thousand euros	Balance at 31-Dec-16	Additions	Disposals	Restatements and transfers	Changes in scope of	Exchange rate effect	Balance at 31-Dec-17
Industrial property	4,166	412	(96)	2,099	335	0	6,916
Goodwill	2,095	2,159	0	(73)	0	0	4,181
Development costs	71,262	4	0	5	0	0	71,271
Transfer rights	8,598	1,226	(205)	(1,858)	0	0	7,761
Computer software	33,886	1,622	(40)	(370)	562	(31)	35,629
Other intangible assets	3,630	0	0	0	0	0	3,630
Down payments	288	1,979	(417)	(14)	0	(61)	1,775
<b>Cost</b>	<b>123,925</b>	<b>7,402</b>	<b>(758)</b>	<b>(211)</b>	<b>897</b>	<b>(92)</b>	<b>131,163</b>
Industrial property	(3,419)	(268)	8	(395)	(327)	0	(4,401)
Goodwill	(181)	(434)	81	240	0	0	(294)
Other intangible assets	(71,861)	(343)	0	(3)	(2)	0	(72,209)
Transfer rights	(2,982)	(286)	0	0	0	0	(3,268)
Computer software	(32,438)	(1,450)	38	369	(349)	27	(33,803)
<b>Accumulated amortisation</b>	<b>(110,881)</b>	<b>(2,781)</b>	<b>127</b>	<b>211</b>	<b>(678)</b>	<b>27</b>	<b>(113,975)</b>
<b>TOTAL</b>	<b>13,044</b>	<b>4,621</b>	<b>(631)</b>	<b>0</b>	<b>219</b>	<b>(65)</b>	<b>17,188</b>
<b>2018 Thousand euros</b>	<b>Balance at 31-Dec-17</b>	<b>Additions</b>	<b>Disposals</b>	<b>Restatements and transfers</b>	<b>Changes in scope of</b>	<b>Exchange rate effect</b>	<b>Balance at 31-Dec-18</b>
Industrial property	6,916	541	(104)	(6)	0	0	7,347
Goodwill	4,181	37	0	(2,159)	0	0	2,059
Development costs	71,271	0	(3)	0	(5)	0	71,263
Transfer rights	7,761	783	0	0	(454)	0	8,090
Computer software	35,629	4,902	(5,659)	(538)	57	(32)	34,359
Other intangible assets	3,630	8,076	0	0	0	(612)	11,094
Down payments	1,775	16,932	(18)	(15,497)	0	(38)	3,154
<b>Cost</b>	<b>131,163</b>	<b>31,271</b>	<b>(5,784)</b>	<b>(18,200)</b>	<b>(402)</b>	<b>(682)</b>	<b>137,366</b>
Industrial property	(4,401)	(409)	45	79	0	(7)	(4,693)
Goodwill	(294)	(520)	0	106	0	0	(708)
Other intangible assets	(72,209)	(1,008)	4	0	4	62	(73,147)
Transfer rights	(3,268)	(286)	0	0	0	0	(3,554)
Computer software	(33,803)	(1,634)	5,649	457	(57)	25	(29,363)
<b>Accumulated amortisation</b>	<b>(113,975)</b>	<b>(3,857)</b>	<b>5,698</b>	<b>642</b>	<b>(53)</b>	<b>80</b>	<b>(111,465)</b>
<b>TOTAL</b>	<b>17,188</b>	<b>27,414</b>	<b>(86)</b>	<b>(17,558)</b>	<b>(455)</b>	<b>(602)</b>	<b>25,901</b>

There were no significant changes in 2017.

Of note in 2018 was the increase in advances and other intangible assets, mainly due to acquisitions from Sacyr Environment Australia. Advances are reclassified to property, plant and equipment in the course of construction.

The detail of intangible assets located outside Spain at 31 December 2017 and 2018 is as follows:



2017	Portugal	Libya	Chile	Ireland	Italy	Other	TOTAL
<i>Thousand euros</i>							
Industrial property	156	0	0	0	335	0	491
Development costs	0	0	0	0	3	1	4
Computer software	5,512	94	262	6	564	136	6,574
<b>Cost</b>	<b>5,668</b>	<b>94</b>	<b>262</b>	<b>6</b>	<b>902</b>	<b>137</b>	<b>7,069</b>
<b>Accumulated amortisation</b>	<b>(5,652)</b>	<b>(94)</b>	<b>(253)</b>	<b>(6)</b>	<b>(827)</b>	<b>(128)</b>	<b>(6,960)</b>
<b>TOTAL</b>	<b>16</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>75</b>	<b>9</b>	<b>109</b>

2018	Portugal	Libya	Chile	Ireland	Italy	Other	TOTAL
<i>Thousand euros</i>							
Industrial property	116	0	0	0	388	0	504
Development costs	0	0	0	0	0	1	1
Computer software	51	96	256	6	583	148	1,140
<b>Cost</b>	<b>167</b>	<b>96</b>	<b>256</b>	<b>6</b>	<b>971</b>	<b>149</b>	<b>1,645</b>
<b>Accumulated amortisation</b>	<b>(155)</b>	<b>(96)</b>	<b>(253)</b>	<b>(6)</b>	<b>(867)</b>	<b>(127)</b>	<b>(1,504)</b>
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>104</b>	<b>22</b>	<b>141</b>

At 31 December 2018 and 2017 fully amortised intangible assets in use totalled 71,132 thousand and 95,836 thousand euros, respectively.

## 8. Goodwill

### 8.1. Movement

Movements in "Goodwill" in 2017 and 2018 were as follows:

2017	Balance at 31 December 2016	Additions	Disposals	Impairment and exchange-rate effect	Balance at 31 December 2017
<i>Thousand euros</i>					
<b>Services Group</b>	<b>99,189</b>	<b>0</b>	<b>0</b>	<b>(217)</b>	<b>98,972</b>
Valoriza Servicios Medioambientales	94,987	0	0	0	94,987
Suardiaz	1,385	0	0	(48)	1,337
Hidurbe	781	0	0	(74)	707
Aguas do Marco	2,036	0	0	(95)	1,941
<b>Industrial Group</b>	<b>67,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,829</b>
Sacyr Fluor	67,829	0	0	0	67,829
<b>Somague Group</b>	<b>18,482</b>	<b>0</b>	<b>(18,482)</b>	<b>0</b>	<b>0</b>
Somague Engenharia (Soconstroj)	18,482	0	(18,482)	0	0
<b>TOTAL</b>	<b>185,500</b>	<b>0</b>	<b>(18,482)</b>	<b>(217)</b>	<b>166,801</b>

2018	Balance at 31 December 2017	Additions	Disposals	Impairment and exchange-rate effect	Balance at 31 December 2018
<i>Thousand euros</i>					
<b>Services Group</b>	<b>98,972</b>	<b>0</b>	<b>0</b>	<b>(168)</b>	<b>98,804</b>
Valoriza Servicios Medioambientales	94,987	0	0	0	94,987
Suardiaz	1,337	0	0	0	1,337
Hidurbe	707	0	0	(74)	633
Aguas do Marco	1,941	0	0	(94)	1,847
<b>Industrial Group</b>	<b>67,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,829</b>
Sacyr Fluor	67,829	0	0	0	67,829
<b>TOTAL</b>	<b>166,801</b>	<b>0</b>	<b>0</b>	<b>(168)</b>	<b>166,633</b>

In 2017, there was total impairment of the goodwill which the Group held with Soconstroï – Sociedade de Construções, S.A., since the recoverable amount was lower than the carrying amount.

There were no significant changes in 2018.

## **8.2. Impairment test of goodwill**

At each reporting date, the Group performs an impairment test on each cash-generating unit to which goodwill has been assigned. An analysis is performed in order to identify the recoverable amount. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Fair value is defined as the price for which a company could be sold between knowledgeable, willing parties in an arm's length transaction.

The recoverable amount of each cash-generating unit determined by this method is then compared to its carrying amount. Where the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised in the separate consolidated income statement.

Where the recoverable amount cannot be measured reliably (usually because the company is not listed on an organised financial market), it is assessed using other valuation methods.

Goodwill is valued by discounting forecast future cash flows to their present value at a discount rate that reflects the time value of money and the risks specific to the asset.

### **a) Goodwill of Valoriza Servicios Medioambientales**

Valoriza Servicios Medioambientales projects the cash flows of all projects currently in its backlog until the end of their concession term. The cash flows of each project carry the value of the assets of each project until they end (concession projects, accounts receivable for concession assets, property, plant and equipment, etc.).

The following key assumption is taken into account when calculating the projects' cash flows.

- a) Fees received from the customer with their possible price reviews and extensions. These fees are stipulated in each tender and in each bid and constitute the contract price. The tender specifications include the price review formulas and the periods from which they are claimable. Sometimes, as a result of extensions of towns, increases in population or new neighbourhoods, contracts are extended, but they have not been considered in the models. In the flows considered, only the contracts in force have been included, with their current prices and subsequent reviews.
- b) Evolution of operating costs. Improvements in margins when the contracts reach maturity. Contracts usually attain stability in the income statement from the third or fourth year of the contract, since at the beginning they have start-up, service preparation, labour force adjustment costs, etc. From the third year, or the fourth on occasions, services have been adjusted, retirements are covered (or otherwise) by more productive employees (more hours, lower salaries, without seniority). A considerable reduction in absenteeism is usually attained and vehicle performance is maximised (more efficient routes, service reorganisation). For all of these reasons, margins improve and greater stability is obtained.
- c) The average collection period vis-à-vis the customer and its foreseeable evolution: following the supplier payment plan, which enabled old debt to be collected, and the approval of the Budget Stability Law in 2012, municipal councils are complying reasonably well with the Law, although they are not paying services at 30 days. An average collection period of between 90 and 120 days has been considered, without much variation over the years of the concession.

- d) Replacement investment: these do not normally exist in cleaning and collection contracts, but do exist in certain treatment projects. When they are included in our offering, they have been considered in the models.

In order to prepare cash flows for the goodwill impairment test, the key assumptions for the goodwill impairment test are:

- a. Discount rate
- b. Perpetual growth rate from year five

The flows are based on the company's budgets, and on the best performance estimate of these contracts until maturity, in conformity with the contracts signed with customers, normally from the public sector. Values do reflect past experiences, since the urban service contracts are usually quite stable. Normally a fee is charged to the customer, reviewable on the basis of a series of parameters (personnel costs, fuel, CPI) associated with operating costs, and the experience indicates to us that there is usually a notable improvement in margins when the contracts reach maturity (more efficient service, stability and improved collection, use of synergies and other services in the area).

The reason for having considered extensive periods for the projects is the fact that the service concessions usually last 8-10 years in the area of cleaning and collection, and 10-15 years in the waste services area. Aside from the stability afforded by revenue and results of this extensive concession term, the public tender itself foresees maintaining the company's contract.

For the goodwill impairment test, the flows of all the individual projects contributed each year are added together. From a certain year onwards, the flows reflect the completion of certain contracts but they do not show the inclusion of new contracts. That is, in the projection of the total flows of Valoriza Servicios Medioambientales, only the contracts in force for the first five years have been considered, without including new awards. Accordingly, in year five, instead of continuing to project and reflect a company with a declining flow (as a result of not having included new contracts), perpetual income is paid, which is based on the amount of cash flow in year five, and which reflects the company's continuity value, via the arrangement of new contracts, which replace contracts which have ended. This assumption reflects the company's past reality. In 2010-2018, the pace of growth in contracts for Valoriza Servicios Medioambientales remained strong, reaching a backlog of 2,153 million euros. Accordingly, the perpetual income in year five to validate goodwill does not represent a residual value, since the company has contracts in its backlog with terms far exceeding five years (as previously explained, service concessions usually last 8-10 years in the area of cleaning and collection, and 10-15 years in the waste services area). But year five is considered to reflect the appropriate time to grant a value to the company based on perpetual income, given that the non-inclusion of new contracts would distort the company's value in use. The percentage of the residual value with respect to the recoverable amount, obtained from the foregoing, is 74%.

An analysis was performed on the variations in the key variables in the goodwill impairment test. It was established that for a perpetual growth rate of between 1.5% and 2.5% (between 1% and 2% in 2017) and a discount rate of between 10% and 11% (between 10.5% and 11% in 2016), the company's fair value would be equal to its carrying amount.

The estimated cash flow projections are based on the budgets approved by company management, using a discount rate of 6.63% (6.63% at 31 December 2017).

Varying the perpetual growth rate between 1% and 2% (between 1% and 2% in 2017), the company's valuation ranged between -7% and 7.5% (-6.6% and 7.2% in 2017), without giving rise to asset impairment at any time.

Varying the discount rate between 6.0% and 7.0% (between 6.0% and 7.0% in 2017), the company's valuation ranged between +13.9% and -6.7% (+13.3% and -6.4% in 2017), without giving rise to asset impairment at any time.

## **b) Goodwill of Sacyr Fluor**

Company management has considered that the most reasonable method of estimating the value of Sacyr Fluor, S.A. is the discounted cash flow method, based on discounting those free cash flows that are estimated to be generated by the Company. The estimated cash flow projections are based on the 5-year Business Plan approved by the company's management.

For the preparation of the cash flows for the goodwill impairment test, the key assumptions are:

- Income to be updated (estimated free cash flows)
- Discount rate
- Perpetual growth rate from year five

Income to be updated is normally projected into the future for a period of between five and ten years, depending on the business cycle and the ability to make reasonable estimates of the business in the long term. In this case, it has been considered reasonable to value the Company by discounting the cash flow projections from its five-year business plan at present value.

The viability and business plan of Sacyr Fluor, S.A. was developed on the basis of opportunities identified by the partners in the geographical locations of Portugal, South America and the Middle East; specifically in Colombia, Ecuador, Peru, Paraguay, Uruguay, Bolivia, Oman, Angola, Egypt, Libya, Tunisia, Morocco and Algeria.

The discount rate is determined as the minimum return that must be required from the Company and is calculated as the weighted average cost of capital ("WACC") of the different sources of financing available to the Company, using a discount rate of 9.0% (13.7% as of 31 December 2017), as it incorporates a risk premium for all new projects not existing at the date this valuation was prepared.

The perpetual growth rate used is 4.5% (2.7% in 2017) which is the weighted result of the countries where the company's revenue generation is being projected.

The Group performed a sensitivity analysis relating to the discount rate of +/- 0.5%. A change in the discount rate of -0.5% implies a 15% increase in valuation; conversely, a change of +0.5% implies a 12% reduction in valuation, without any deterioration in the value of the asset.

The Group performed a sensitivity analysis relating to the perpetual growth rate of +/- 0.5%. A change in the growth rate "g" of -0.5% implies a reduction in valuation of 10%; on the other hand, a change of +0.5% implies an increase in valuation of 13%, without any deterioration in the value of the asset.

## **9. Investments accounted for using the equity method**

Under IAS 28 (paragraphs 29 and 30), once the value of an investment in companies accounted for using the equity method is zero, any additional losses are recorded by the Group as non-current provisions, insofar as it has incurred any legal or constructive obligations.

The movements in "Investments Accounted for Using the Equity Method" in 2017 and 2018 were as follows:

Thousand euros	Balance at 31 December 2016	Changes in scope	Share of profit/(loss)	Impairment	Dividends received	Change in equity	Additions	Disposals	Balance at 31 December 2017
Alcorec, S.L.	19	0	(2)	0	0	0	0	0	17
Biomosas del Pirineo, S.A.	60	0	0	0	0	0	0	0	60
Consorcio Stabile VIS Societat C.P.A.	66	0	0	0	0	0	0	0	66
Desarrollo Vial al Mar, S.A.S.	13,990	0	1,937	0	0	185	0	0	16,112
Envaltor Naval, S.L.	21	0	0	0	0	0	0	0	21
Engigás-Cabo Verde	2	0	(2)	0	0	0	0	0	0
Eurolink S.C.P.A.	7,013	0	0	0	0	0	0	0	7,013
Finsa, S.R.L.	23	0	0	0	0	(23)	0	0	0
Geida Skikda, S.L.	5,114	0	1,414	0	(385)	0	0	0	6,143
Geida Tlemcen, S.L.	15,387	0	4,331	0	(2,159)	0	0	0	17,559
GSA - Gestao de Sitemas Ambientais, S.A.	302	0	72	0	0	(141)	0	0	233
H.S.E. - Empreendimentos Imobiliários, Lda	50	0	(11)	0	0	(3)	0	0	36
Ibervalor Energía Aragonesa, S.A.	11	(11)	0	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	66	0	0	0	0	0	0	0	66
Iniciativas Medioambientales del Sur, S.L.	140	0	0	0	0	(4)	0	0	136
Operadora Avo, S.A.	16	0	1	0	0	(1)	0	0	16
Parque Eólico La Sotonera, S.L.	2,515	0	403	0	0	(103)	0	0	2,815
Repsol, S.A.	2,061,434	0	167,220	77,266	(108,111)	(238,219)	0	0	1,959,590
Sociedad Concesionaria Vespucio Oriente, S.A.	25,925	0	1,875	0	0	36,413	0	0	64,213
Valorinima Group	1,888	0	60	0	0	(26)	0	0	2,222
Soleval Renovables, S.L.	1,384	(1,436)	52	0	0	0	0	0	0
Somague Panama	8	0	0	0	0	0	0	0	8
Tenemetra, S.L.	350	(1,825)	1,495	0	(20)	0	0	0	0
Via Expreso	14,949	0	291	0	(3,233)	(264)	0	0	11,743
<b>Asociates</b>	<b>2,149,033</b>	<b>(3,272)</b>	<b>179,135</b>	<b>77,266</b>	<b>(113,908)</b>	<b>(202,185)</b>	<b>0</b>	<b>0</b>	<b>2,086,069</b>
Compost del Pirineo, S.A.	56	0	(16)	0	0	0	0	0	40
Constructora ACS-Sacyr, S.A.	54	0	0	0	0	(2)	0	0	52
Constructora Neco Sacyr, S.A.	0	0	0	0	0	5	0	0	5
Constructora San Jose-San Ramon, S.A.	1,970	0	13	0	0	(1,936)	0	0	47
Constructora, San Jose- Caldera, S.A.	314	0	0	0	0	(313)	0	0	1
Desarrollos Eólicos Extremeños, S.L.	716	0	(22)	0	0	0	0	0	694
Empresa Mixta de Aguas de Las Palmas, S.A.	23,442	0	(478)	0	0	0	0	0	22,964
GSJ Maintenance Ltd	1,980	0	425	0	(630)	0	0	0	1,675
Metrofangs, S.L.	3,266	0	86	0	0	0	0	0	3,352
N4 Operations Ltd	544	0	491	0	(550)	0	0	0	485
NDP, S.C.P.A.	10,134	(12,350)	2,217	0	0	0	0	0	1
Sociedad Sacyr Agua Santa, S.A.	100	0	(3)	0	0	(4)	0	0	93
<b>Joint Arrangements</b>	<b>42,476</b>	<b>(12,350)</b>	<b>2,713</b>	<b>0</b>	<b>(1,180)</b>	<b>(2,250)</b>	<b>0</b>	<b>0</b>	<b>29,409</b>
<b>GRUPO SACYR</b>	<b>2,191,509</b>	<b>(15,622)</b>	<b>181,848</b>	<b>77,266</b>	<b>(115,088)</b>	<b>(204,435)</b>	<b>0</b>	<b>0</b>	<b>2,115,478</b>

  

Thousand euros	Balance at 31 December 2017	Changes in scope	Share of profit/(loss)	Impairment	Dividends received	Change in equity	Additions	Disposals	Balance at 31 December 2018
Alcorec, S.L.	17	0	0	0	0	(17)	0	0	0
Biomosas del Pirineo, S.A.	60	0	(26)	0	0	0	0	0	34
Concesionaria AP-1 Araba, S.A.	0	50	17	0	0	0	0	0	67
Consorcio Stabile VIS Societat C.P.A.	66	0	0	0	0	1	0	(1)	66
Desarrollo Vial al Mar, S.A.S.	16,112	0	3,652	0	0	(454)	0	0	19,310
Envaltor Naval, S.L.	21	0	(1)	0	0	0	0	0	20
Eurolink S.C.P.A.	7,013	0	0	0	0	0	0	0	7,013
Geida Skikda, S.L.	6,143	0	1,580	0	(1,160)	(99)	0	0	6,464
Geida Tlemcen, S.L.	17,559	0	4,406	0	(3,820)	(107)	0	0	18,038
GSA - Gestao de Sitemas Ambientais, S.A.	233	0	67	0	0	(147)	0	0	153
H.S.E. - Empreendimentos Imobiliários, Lda	36	0	(17)	0	0	(18)	0	0	1
Infoser Estacionamiento Regulado, A.I.E.	66	0	0	0	0	0	0	0	66
Iniciativas Medioambientales del Sur, S.L.	136	0	0	0	0	0	0	0	136
N4 Concession Ltd	0	0	0	0	0	221	0	0	221
Operadora Avo, S.A.	16	0	0	0	0	(1)	0	0	15
Parque Eólico La Sotonera, S.L.	2,815	0	249	0	(403)	0	0	0	2,661
Pazo de Congreso de Vigo, S.A.	0	0	0	0	0	2,165	0	0	2,165
Procesador de Información del Servicio de Aseo, S.A.S.	0	22	29	0	0	0	0	0	51
Repsol, S.A.	1,959,590	0	184,283	0	(71,746)	(50,266)	0	0	2,021,861
Sociedad Concesionaria Vespucio Oriente, S.A.	64,213	0	3,054	0	0	(4,636)	0	0	62,631
Valorinima Group	222	(255)	33	0	0	0	0	0	0
Somague Panama	8	0	0	0	0	0	0	0	8
Valdemingómez 2000, S.A.	0	0	2,301	0	0	(1,536)	0	0	765
Via Expreso	11,743	0	911	0	0	(110)	0	(3,198)	9,346
<b>Asociates</b>	<b>2,086,069</b>	<b>(183)</b>	<b>200,538</b>	<b>0</b>	<b>(77,129)</b>	<b>(55,004)</b>	<b>0</b>	<b>(3,199)</b>	<b>2,151,092</b>
Compost del Pirineo, S.A.	40	0	(16)	0	0	0	0	0	24
Constructora ACS-Sacyr, S.A.	52	0	(6)	0	0	(3)	0	0	43
Constructora Neco Sacyr, S.A.	5	0	0	0	0	2	0	0	7
Constructora San Jose-San Ramon, S.A.	47	0	0	0	0	(1)	0	0	46
Constructora, San Jose- Caldera, S.A.	1	0	0	0	0	0	0	0	1
Constructora Vespucio Oriente, S.A.	0	0	124	0	0	0	0	0	124
Desarrollos Eólicos Extremeños, S.L.	694	0	(11)	0	0	1	0	0	684
Empresa Mixta de Aguas de Las Palmas, S.A.	22,964	(22,292)	(672)	0	0	0	0	0	0
GSJ Maintenance Ltd	1,675	0	459	0	(675)	0	0	0	1,459
Metrofangs, S.L.	3,352	0	102	0	(639)	0	0	0	2,815
N4 Operations Ltd	485	0	469	0	(550)	0	0	0	404
NDP, S.C.P.A.	1	0	0	0	0	0	0	0	1
Tecnologías Extremeñas del Litio, S.L.	0	3	0	0	0	0	0	0	3
Sociedad Sacyr Agua Santa, S.A.	93	0	(8)	0	0	(6)	0	0	79
<b>Joint Arrangements</b>	<b>29,409</b>	<b>(22,289)</b>	<b>441</b>	<b>0</b>	<b>(1,864)</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>5,690</b>
<b>GRUPO SACYR</b>	<b>2,115,478</b>	<b>(22,472)</b>	<b>200,979</b>	<b>0</b>	<b>(78,993)</b>	<b>(55,011)</b>	<b>0</b>	<b>(3,199)</b>	<b>2,156,782</b>

In addition to the companies included in these tables, the Group has shareholdings in other companies accounted for using the equity method whose value is zero.

The assumptions and procedures used to assess impairment in the various companies are explained below:

Repsol, S.A.:

The Sacyr Group is represented on Repsol's Board of Directors, since it holds two positions thereon, one of which is the second deputy chairman of the company.

In addition, one of the directors is a member of the delegated committee of the board of directors and the other of the following committees in which the financial and operating policies of the investee company are established: Appointments Committee, Remuneration Committee and Sustainability Committee.

As a result of the foregoing, Sacyr considers that it complies with the conditioning factors of significant influence under IAS 28. Accordingly, it accounts for its investment in Repsol, using the equity method.

The Sacyr Group measures its investment in Repsol at its recoverable amount. NIC 36 defines the recoverable value of an asset as the higher of the asset's fair value less the costs to sell and its value in use.

At 31 December 2018, the quoted price of Repsol shares was 14.08 euros per share (14.745 euros per share in 2017), leading to a valuation (fair value) of Sacyr's holding of 1,728 million euros (1,809 million euros in 2017). Nonetheless, the value in use of the Repsol investment is higher than its fair value, and the stake's recoverable value is therefore considered to be its value in use.

The Sacyr Group views this shareholding as a stable long-term investment and has no plans to accept a selling price for the shares below their value in use. The Group estimates the value in use pursuant to IAS 36.

Based on Repsol's financial statements for the year ended 2018 and the updating of the 2016-2020 Strategic Plan submitted by Repsol on 6 June 2018, the Group estimated the recoverable amount of its holding in Repsol, by comparing it with the carrying amount of this investment, in order to reassess the value recognised in this regard.

Since it acquired its interest in Repsol, the Group estimates its value in use, which was based on the calculation of the value of total assets by the free discounted cash flows method (cash flows) which this Group expects to generate, subsequently deducting the value of net financial debt and the non-controlling interests at the reference date of the analysis:

The Group estimated free cash flows based on its forecasts of the cash flows it will receive as a core shareholder in Repsol and on the Strategic Plan announced by Repsol.

Medium-term projections were used (five years), taking into account the maturity periods of the Group's major exploration and extraction projects. Likewise, perpetual income was considered from the last projected period, using the Gordon-Shapiro model. This applies a normalised free cash flow based on the cash flow for the last projected year, recurring perpetual investment in line with that of the last projected period and the maintenance of the productive capital stock. A perpetual growth rate (g) of 1% in nominal terms was applied (1% in 2017).

Projected cash flows were discounted at a rate based on the weighted average cost of capital (WACC), which, considering the weightings of each source of capital, is estimated at around 9.61% (9.55% in 2017). The key assumptions used in calculating the WACC were as follows:

- Cost of equity (Ke): using a discount rate of 11.4% (11.3% in 2017), based on the capital asset pricing model (CAPM) for construction, and the following parameters:
  - Risk-free rate (Rf): using the average weighted risk-free rates of countries in which Repsol operates (Spain, Argentina, Brazil, Mexico, Libya, Algeria, the United States, etc.) based on the yield on the respective long-term government fixed-interest

assets (generally maturing at 10 years). The weighted average for these rates, based on Repsol's share of the net assets and exposure, is approximately 4.55% (4.09% in 2017).

- Market risk spread of 6.21% (6.24% in 2017), considered globally for all markets in which Repsol operates.
- Leveraged beta of 1.11 (1.15 in 2017), based on the correlation between the trading price of Repsol shares and the Spanish benchmark index.
- Specific spread: a specific spread may be applied to allow for any risks left out of previous parameters.
- The cost of bank borrowings after tax (Kd): a rate of around 2.32% is considered (2.53% in 2017).

In addition, a sensitivity analysis is performed regarding the residual growth rate (between 0.5% and 1.5% in 2018 and between 0.5% and 1.5% in 2017) and the WACC (between 9.01% and 10.21% in 2018 and between 9.25% and 9.85% in 2017).

The range of the value per share reached with this analysis, after excluding extreme values, lay between 15.9 euros and 17.1 euros per share, placing the central value at 16.5 euros per share, which represents a value of the stake of 2,025 million euros.

A cross-over of values was obtained from this analysis, which excludes extreme values, in order to calculate the sensitivity of the reasonably possible changes in any of the key assumptions. This cross-over of values shows the following underlying impact of Sacyr's profit/loss after tax (in millions of euros):

	Perpetual growth				
	0.50%	0.75%	1.00%	1.25%	1.50%
9.11%			160.82		
9.36%		30.80	77.35	126.79	
9.61%	-83.27	-42.81	0.00	45.37	93.54
9.86%		-111.32	-71.86	-30.11	
10.11%			-138.76		

Pursuant to IAS 36, the Group assessed a reasonably possible change in two other key assumptions on which management based its calculation of the recoverable amount of Repsol, S.A.: the euro/dollar exchange rate and the price of a barrel of Brent. Due to the correlation between both variables, the sensitivity thereof must be jointly analysed. Moreover, variations in key assumptions beyond the confines of normal market setups mean the measurement method may need to be reviewed, since this may result in a change to the business model. As a result of this analysis, it was concluded that:

- A 1% appreciation in the euro against the dollar in the entire projected period led to a drop in the value per share of -1.9% (-1.8% in 2017).
- An increase of 1% in the price of a barrel of Brent in the entire projected period led to a rise in the value per share of 0.6% (0.56% in 2017).

Moreover, variations of key assumptions beyond the confines of normal market setups mean the measurement method requires a global analysis, or even a change to the business model.

Autopista Madrid Sur (Radial 4):

Inversora de Autopistas del Sur, S.L., in which the Group holds a 35% interest and which owns 100% of the concessionaire Autopista Madrid Sur, C.E.S.A., which relates to the R4 motorway asset.

On 14 September 2012 the R4 Board of Directors resolved to file for insolvency proceedings. The Inversora de Autopistas del Sur and Autopista Madrid Sur insolvency proceedings are being processed jointly. On 4 October 2012 an Order was received accepting voluntary insolvency proceedings.

On 12 April 2017, the company filed for liquidation at the Mercantile Chamber processing the bankruptcy, having received on 17 May an Order confirming the passage to the liquidation phase. Subsequently, Madrid Commercial Court no. 4 transmitted the ruling via which the Liquidation Plans submitted by the Insolvency Administrators and the concessionaire are approved. The Government Delegation in National Concessionaires of Toll Highways notified that SEITSA intended to take over control of the management of the R4 on 1 February 2018. The transfer finally took place without incident on 21 February 2018.

On 14 July 2018, the Official State Gazette published the Resolution of 13 July 2018, of the Government Delegation to the National Toll Motorway Concession Companies, which provides for the publication of the Council of Ministers Agreement of 13 July 2018, resolving the administrative concession contract for the construction, upkeep and operation of the toll motorway.

This resolution resolves to terminate the concession contract, to order the Ministry of Development to seize the construction and operation bonds, to order the Ministry of Development to process the contract liquidation file, with due quantification of the value of the RPA of the Administration, to authorise the Ministry of Development to adopt the provisional measures necessary to guarantee the correct provision of the service and to order the Ministry of Development to proceed to pay into the Public Treasury, charged to the construction bond seized, the investment corresponding to the cultural 1% that has not been executed.

The Group made impairment provision for the entire investment and the subordinated loans with both companies. It did not recognise any further provisions, nor did it consider that any additional liabilities would arise.

#### Inversora Autopista Madrid Levante (AP-36):

Inversora de Autopistas de Levante, S.L., in which the Group holds a 40% interest and which owns 100% of the concessionaire Autopista Madrid-Levante Sur, C.E.S.A., which relates to the AP36 motorway asset (Ocaña-La Roda).

The Ocaña-La Roda Motorway filed for bankruptcy on 19 October 2012. On 4 December 2012 an Order was received in acceptance of voluntary insolvency proceedings.

On 24 February 2015 the Judge at Commercial Court No. 2 refused to accept the proposed proceedings submitted by SEITSA, and ruled that the liquidation phase should commence for both companies. On 4 September 2015 the company was notified of a Resolution of 31 July 2015 to suspend the period granted to the Insolvency Administrators to present the Liquidation Plan until the appeal submitted by the State Lawyer against the Order of 26 February 2015 had been resolved.

By agreement between the Government Delegation in National Concessionaires of Toll Highways and the Insolvency Administrators, on 15 March 2018 SEITSA took over control of the management of the AP36 without incident.

On 14 July 2018 it was published in the Official State Gazette of Resolution of 13 July 2018, of the Government Delegation to the National Toll Motorway Concession Companies, which provides for the publication of the Council of Ministers Agreement of 13 July 2018, resolving



the administrative concession contract for the construction, upkeep and operation of the toll motorway.

This resolution resolves to terminate the concession contract, to order the Ministry of Development to retain one hundred per cent of the construction bond in order to guarantee payment of the amount due as cultural 1% and to seize the exploitation bond, to order the Ministry of Development to process the liquidation file of the contract, with due quantification of the value of the patrimonial responsibility of the Administration, authorise the Ministry of Public Works to adopt the necessary provisional measures to guarantee the correct provision of the service and order the Ministry of Public Works to pay the investment corresponding to the part of the cultural 1% that has not been executed, which may be covered by the guarantee, into the Public Treasury from the retained construction bond, and order the Ministry of Public Works to initiate a procedure to determine and demand the amount of the investment of the cultural 1% that cannot be covered by the guarantee.

The Group made impairment provision for the entire investment and the subordinated loans with both companies. It did not recognise any further provisions, nor did it consider that any additional liabilities would arise.

#### Accesos de Madrid (R-3 and R-5 Motorways):

In accordance with the insolvency proceedings no. 701/2012, pursuant to a ruling of 16 September 2014: 1) the common phase of insolvency proceedings was declared to have ended 2) the agreement phase commenced 3) the written processing of the agreement was resolved and written agreement proposals could be submitted until 16 October 2014; and 4) in order to exercise adherence, a period of one month was set following the completion of this presentation period.

On 16 October 2014 Accesos de Madrid presented its proposed agreement to the Court, which granted it leave to proceed. The grantor authority also presented its proposed agreement.

On 30 January 2015 Accesos de Madrid challenged the appeal for reconsideration filed by the State Lawyer against the Order of 6 November 2014, which granted leave to proceed to the proposal of Accesos de Madrid and urged the Administration to rectify certain aspects of its proposal.

An Order on 19 February 2015 compelled both Accesos de Madrid and the Administration to make good a number of defects, and the period granted was suspended. Accesos de Madrid presented clarifications to this requirement.

On 5 May 2016, notification was received of a number of Orders of 3 May 2016, which began the liquidation process for the companies Alazor Inversiones, S.A. and Accesos de Madrid C.E.S.A.

In the liquidation order for Accesos de Madrid C.E.S.A. the concession agreement was declared to be terminated and a total cessation of the insolvent company's business activity in relation to the abovementioned concession was ordered on 1 October 2016.

On 28 September 2016, the Insolvency Administrators submitted a petition to the Madrid Commercial Court number 6, through which the Liquidation Plan for Accesos de Madrid, C.E.S.A. was presented. In addition, the petition asked for the closure and cessation of activity order to be overruled, requesting that the court hearing be held on 1 July 2017.

An Order of 30 September 2016 overruled the closure and cessation of business activity decision, with the insolvent company continuing its operations.

Finally, an Order of 30 December 2016, (i) partially approved the Liquidation Plan; (ii) ordered the Insolvency Administrators to present a progress report within the first five calendar days of each month; (iii) ordered the removal of all charges, encumbrances, impediments and personal guarantees of an obligational nature, that could affect the moveable or immoveable assets subject to the liquidation plan and made by virtue of credits included or excluded in the insolvency process and (iv) ordered the 6th Section, the assessment of insolvency, to be prepared.

For both companies, by Order of November 2017 the following is agreed: (i) the opening, ex officio, of the liquidation phase; (ii) the suspension, during the liquidation phase, of the company administrators in their administration and provision faculties, which shall be entirely assumed by the insolvency administrators, (iii) the removal of the company administrators and/or liquidators, where relevant, who shall be replaced in their positions, faculties, functions and duties by the insolvency administrators; (iv) dissolution of the company; (v) the early repayment of deferred claims and conversion of those amounts consisting of other forms into cash; (vi) notices of the initiation of the liquidation phase published on the Court bulletin board and publication in the Insolvency Public Register; (vii) registration of the initiation of the liquidation phase in the Trade Register; (viii) registration of the initiation of the liquidation phase in the Property Register and in the other Registers in which assets of the insolvent party appear; (ix) submission of the various official documents and orders to the Inspector of the insolvent party for them to be completed; (x) the insolvency administrators are required to submit the liquidation plan in a period of fifteen days; and for Accesos de Madrid, (xi) the concessional contract signed between the National Administration and the insolvent party is declared terminated and ineffective by means of Ministry of the Law and this Resolution.

Pursuant to Order of 14 March 2018, the liquidation plan of Accesos de Madrid is approved, with the date set for transfer to the public entity, SEITTSA, of 10 May 2018 at 6am.

The Government Delegate in the National Concessionaires of Toll Motorway Concession notified the intention for SEITTSA to become responsible for the management of R3 and R5 on 10 May 2018, the transfer having been made without incident.

By means of an Order dated 4 July 2018, the Madrid Access tender was declared successful.

On 14 July 2018 it was published in the Official State Gazette of Resolution of 13 July 2018, of the Government Delegation to the National Toll Motorway Concession Companies, which provides for the publication of the Council of Ministers Agreement of 13 July 2018, resolving the administrative concession contract for the construction, upkeep and operation of the toll motorways.

This resolution resolves to terminate the concession contract, to order the Ministry of Development to seize the construction and operation bonds, to order the Ministry of Development to process the contract liquidation file, with due quantification of the value of the patrimonial responsibility of the Administration, to authorise the Ministry of Development to adopt the provisional measures necessary to guarantee the correct provision of the service and to order the Ministry of Development to proceed to pay into the Public Treasury, with charge to the construction bond seized, the investment corresponding to the cultural 1% that has not been executed.

By Order of 17 October 2018 of the Mercantile Court No. 6 of Madrid, the filing of section 6 of the rating is agreed, as the Public Prosecutor also qualified the tendering of Alazor Inversiones, S.A. as successful.

To date, no liquidation proposal has been received from the Ministry of Public Works.

With regards to the ordinary proceedings filed by the original creditors, and notified to the shareholders in October 2013, it is worth mentioning that, in September 2018, after those withdrawn from the appeal that they filed against its dismissal, the funds that acquired the debt filed new ordinary proceedings on January 2019 against Alazor Inversiones S.A. (Sacyr

S.A.) and its guarantors (Sacyr Concesiones S.L. and Sacyr Construcción S.A.), claiming funds injection into Alazor Inversiones S.A., under the Support Agreement signed with regards to the financing of the works of the construction, maintenance and operation of the administrative concession. The claim requests Sacyr S.A. and its guarantors a payment of € 180,123,710.80. In 18 February, it was filed a written reply to the claim, and the legal process is pending the preliminary hearing to take place. The Directors estimate that Sacyr and its guarantors' arguments are well funded and reasonable and strongly documented, qualifying the risk as possible. The Group made impairment provision for the entire investment and the subordinated loans with both companies.

#### Pazo de Congresos de Vigo:

The Sacyr Group has a total investment in Pazo de Congresos de Vigo, S.A. of 11.11%.

The most significant events affecting Pazo de Congresos de Vigo in 2017, were as follows:

- On 14 November, a notice of the Order from Madrid Commercial Court was received pursuant to which the liquidation phase of Pazo de Vigo was agreed. Therein the concession contract was declared resolved for insolvency purposes and it ordered the complete termination of company activity regarding the asset with deadline of 31 March 2018, with the provision of the facility to the City Council, and the initiation of the insolvency ruling section.
- On 28 December, the filing of the Liquidation Plan was formalised, by the Insolvency Administrators.

Key milestones in 2018:

- On 21 February, notification was received from the Commercial Court, approving the liquidation plan presented by the bankruptcy administration.
- In June Vigo Municipal Council approves the opening of the administrative file with a liquidation proposal of 35.2 million euros, discounting the subsidies of 28.3 million euros, i.e. a total of 63.5 million euros.
- The bankruptcy administration understands that this proposal can be considered reasonable in terms of the realisation of the concessional asset.
- In December, the aforementioned administrative settlement file was collected and the debt associated with this concession asset was cancelled.

#### N6 Concession Ltd:

N6 Concession Ltd is a mixed asset, in view of the income flows arising from the payment of users ("traffic risk"), plus payments guaranteed by the Administration.

Historically, the low level of traffic on the road made it necessary to verify year after year whether it was expected that the portion of the company's intangible assets could be borne by the discounting of future operating flows, without including the amount of traffic income, which had led to classification as a mixed asset.

In order to calculate the operating flows, the company considered the assumptions to be taken into account (traffic, opex, capex, etc.) were always based on the reports of the company's external advisors or on ongoing contracts. When these flows had been calculated, a discount rate of 1.7% was considered for the year ended 31 December 2018 (1.7% for the year ended 31 December 2017).

These are the main assumptions which were included in the impairment test for intangible assets.

At 31 December 2018, the calculation of the impairment test for this company did not entail any impairment (the same as in the year ended 31 December 2017).

Concerning financial assets, Irish Administration payments are discounted at 9.4%. The financial model assumed collection of sums benchmarked against the 2% consumer price index, although this rate was not reached over the last three years. As a result, impairment provision was made against receivables on concession financial assets in the amount of 0.08 million euros at 31 December 2018 (0.31 million euros for the year ended 31 December 2017). The table below presents the financial highlights of the main companies accounted for using the equity method in 2017:

	Dividends received	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue from ordinary operations	Profit/(loss) continuing operations	Profit/(loss) discontinued operations	Other profit	Total profit
Firso, S.R.L.	0	20	69	9	187	0	(7)	0	0	(7)
Desarrollo Vial al Mar, S.A.S.	0	26,600	112,194	72,551	23,400	70,454	5,167	0	(8,616)	(3,451)
Alcazar Inversiones, S.A.	0	69,433	1,019,648	1,078,049	24,657	27,973	(15,380)	0	0	(15,380)
A. Madrid Sur, S.A.	0	31,618	1,123,270	778,720	630,516	18,054	(27,665)	0	0	(27,665)
Inversora de Autopistas de Levante, S.L.	0	25,679	457,507	631,164	47,211	14,193	(22,925)	0	0	(22,925)
CSI Maintenance Ltd	0	4,676	1,626	2,577	0	16,753	945	0	0	945
N6 Operations Ltd	0	1,299	317	685	41	5,708	981	0	0	981
N6 Concession Holding Ltd	0	0	0	0	0	0	0	0	0	0
N6 Concession Ltd	0	28,628	52,584	11,604	140,766	11,421	(9,033)	0	822	(821)
Sociedad Concesionaria Vespucia Oriente, S.A.	0	42,405	89,963	1,326	2,613	13,431	3,750	0	(5,535)	(1,785)
Operadora Avo, S.A.	0	480	32	479	5	1,343	2	0	(2)	(1)
Consorcio Stabile VIS Societa C.P.A.	0	7,837	993	8,680	0	3,268	(0)	0	0	(0)
Aguas de Toledo, A.I.E.	0	0	0	0	0	0	0	0	0	0
Solucia Renovables, S.L.	0	0	0	0	0	0	0	0	0	0
Enervator Navoi, S.L.	0	52	0	(1)	0	0	(0)	0	0	(0)
Biomazas del Pirineo, S.A.	0	243	277	167	218	0	0	0	0	0
Residuos de Construcción de Cuenca, S.A.	0	38	0	99	0	0	(13)	0	0	(13)
Sacorec, S.L.	0	(58)	0	0	0	0	0	0	0	0
Bosener, S.A.	0	6,133	4,368	2,796	8,271	0	901	0	0	901
Compost del Pirineo, S.A.	0	31	497	237	211	0	(32)	0	0	(32)
Cultivos Energéticos de Castilla, S.A.	0	88	253	43	75	0	(2)	0	0	(2)
Desgajificación de Vertederos, S.A.	0	1	0	182	0	0	(0)	0	0	(0)
Gestión de Participes del Biomedicaje, S.A.	0	70	0	42	237	0	(0)	0	0	(0)
Reciclados y Tratamientos Andaluces, S.L.	0	1	84	208	0	0	0	0	0	0
Infosur Estacionamiento Regulado, A.I.E.	0	182	0	(178)	0	0	0	0	0	0
Iniciativas Medioambientales del Sur, S.L.	0	0	278	7	0	0	(0)	0	0	(0)
Inte RCD Huelva, S.L.	0	(107)	0	0	0	0	0	0	0	0
Alcorec, S.L.	0	379	397	592	0	5	(24)	0	0	(24)
Inte RCD Bahía de Cádiz, S.L.	0	(472)	0	0	0	0	0	0	0	0
Inte RCD, S.L.	0	0	(0)	217	0	0	(0)	0	0	(0)
Metrofanga, S.L.	0	18,324	0	2,812	0	0	396	0	0	396
Parque Eólico La Sotonera, S.L.	102	2,573	12,391	2,222	3,410	227	1,335	0	0	1,335
Valdemingómez 2000, S.A.	0	16,147	93	15,563	4,517	0	(1,047)	0	0	(1,047)
Plataformas por la Movilidad, A.I.E.	0	879	1,106	901	1,000	0	0	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	0	45,248	23,863	22,315	15,128	5,710	132	0	0	132
Sercanorias, S.A.	0	2,792	293	1,277	2,375	0	553	0	0	553
Geida Skikda, S.L.	1,736	538	10,810	76	11,273	1,623	4,286	0	0	4,286
Geida Tlemcen, S.L.	5,888	91	21,452	73	21,450	5,888	8,662	0	0	8,662
Valotrimo, S.L.	0	756	3,706	3,751	711	0	164	0	0	164
Sociedad Economía Mixta de Aguas de Sorla, S.L.	0	3,106	11,277	1,264	76,579	1	185	0	0	185
Desarrolllos Eólicos Extremeños, S.L.	0	5	2,175	109	682	0	(44)	0	0	(44)
M.S0 (D&C) Ltd	0	149	0	71	7,798	0	(0)	0	0	(0)
N6 Construction Ltd	0	510	0	333	90,589	0	(0)	0	0	(0)
Grupo Unidos por el Canal, S.A.	0	1,337,599	6,659	1,153,743	681,473	40,163	(29)	0	0	(29)
Sociedad Sacor Agua Santa, S.A.	0	189	4	5	0	0	(6)	0	0	(6)
Constructora ACS-Sacor, S.A.	0	1,072	0	970	0	0	0	0	0	0
Constructora Necso Sacor, S.A.	0	113	56	372	0	0	1	0	0	1
Constructora San Jose-San Ramon, S.A.	0	403	0	252	0	0	38	0	0	38
Constructora, San Jose- Caldera, S.A.	0	7,010	21	10,566	(0)	0	(104)	0	0	(104)
Eurolink S.C.P.A.	0	60,654	0	23,154	0	872	0	0	0	0
Pazo de Congreso de Vigo, S.A.	0	414	54,552	3,757	62,975	0	0	0	0	0
Repsol YPF, S.A.	0	14,771,000	45,086,000	12,035,000	17,759,000	0	2,121,000	0	(631,000)	2,121,000
SMNL Concessões Rodoviarias do Portugal, S.A.	0	50,055	110,954	619,636	4,896	25,783	(2,765)	0	0	(2,765)
Haçor Domus, Compra e Venda de Imóveis, Ltda	0	2,088	0	52	0	0	(25)	0	0	(25)
H.S.E. - Empreendimentos Imobiliários, Ltda	0	456	10	269	72	56	0	0	(38)	(38)
Via Expresso	3,232	60,932	161,991	24,239	145,333	27,166	0	0	4,453	4,453
Gestao de Sistemas Ambientais, S.A.	0	495	10	1	0	180	177	0	(34)	143

	Cash	Current financial liabilities	Non-current financial liabilities	Depreciation and amortisation	Borrowing income	Borrowing Costs	Capital gains tax
Finso, S.R.L.	18	0	0	1	0	0	0
Desarollo Vial al Mar, S.A.S.	26,400	69,353	4,324	375	1,160	2,903	4,393
Alazor Inversiones, S.A.	66,846	664,384	173,528	15,580	0	26,833	(7,976)
A. Madrid Sur, S.A.	18,178	720,446	175,857	4,477	9,631	37,744	6
Inversora de Autopistas de Levante, S.L.	24,632	618,312	0	9,429	5	18,216	0
G&J Maintenance Ltd	2,698	0	0	946	0	49	115
N6 Operations Ltd	607	14	60	106	0	4	141
N6 Concession Holding Ltd	18	0	0	0	0	0	0
N6 Concession Ltd	25,897	9,507	40,321	2,376	4	10,473	0
Sociedad Concesionaria Vespucio Oriente, S.A.	273	0	0	47	539	0	221
Operadora Avo, S.A.	23	0	0	8	0	0	7
Consorcio Stable VIS Societat C.P.A.	447	914	0	248	0	53	0
Aguas de Toledo, A.I.E.	0	0	0	0	0	0	0
Solucia Renovables, S.L.	0	0	0	0	0	0	0
Enervator Naval, S.L.	52	0	0	0	0	0	0
Biomassas del Pirineo, S.A.	243	83	218	0	0	0	0
Residuos de Construcción de Cuenca, S.A.	38	0	0	1	0	0	0
Sacorec, S.L.	(58)	0	0	0	0	0	0
Boremer, S.A.	3,756	974	0	968	0	46	300
Compost del Pirineo, S.A.	30	58	0	12	0	11	0
Cultivos Energéticos de Castilla, S.A.	(197)	0	0	2	0	0	0
Desgasificación de Vertederos, S.A.	1	90	0	0	0	0	0
Gestión de Partícipes del Biorreciclaje, S.A.	70	10	0	0	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	0	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	182	0	0	0	0	0	0
Iniciativas Medioambientales del Sur, S.L.	0	0	0	0	0	0	(0)
Inte RCD Huelva, S.L.	(107)	0	0	0	0	0	0
Alcorec, S.L.	169	16	0	8	0	1	0
Inte RCD Bahía de Cádiz, S.L.	(472)	0	0	0	0	0	0
Inte RCD, S.L.	0	0	0	0	0	0	0
Metrofrangs, S.L.	7,328	0	0	0	128	0	40
Parque Eólico La Sotonera, S.L.	2,039	823	0	646	0	110	445
Valdemingómez 2000, S.A.	(251)	698	0	216	13	124	0
Plataforma por la Movilidad, A.I.E.	438	0	0	154	54	49	0
Empresa Mixta de Aguas de Las Palmas, S.A.	4,027	0	1,599	2,846	1,865	(8)	0
Sercanarias, S.A.	238	0	0	30	0	142	224
Geida Skikda, S.L.	44	0	0	0	0	0	0
Geida Tiencen, S.L.	42	0	0	0	0	0	0
Valorinima, S.L.	571	443	0	0	0	67	0
Sociedad Economía Mixta de Aguas de Soria, S.L.	2,126	451	6,987	558	15	177	71
Desarrollos Edílicos Extremeños, S.L.	5	0	545	0	0	22	(13)
M 50 (D&C) Ltd	167	0	0	0	0	0	0
N6 Construccion Ltd	510	0	0	0	0	0	0
Grupo Unidos por el Canal, S.A.	5,111	211,205	298,267	0	55	48,882	29
Sociedad Sacyr Agua Santa, S.A.	188	0	0	0	0	0	(4)
Constructora ACS-Sacyr, S.A.	612	0	0	0	15	0	0
Constructora Nesco Sacyr, S.A.	2	0	0	0	0	0	0
Constructora San Jose-San Ramon, S.A.	0	0	0	0	0	0	0
Constructora, San Jose- Caldera, S.A.	32	0	0	0	0	0	0
Eurolink S.C.P.A.	301	0	0	0	0	17	(1)
Pazo de Congreso de Vigo, S.A.	283	1,080	62,975	0	0	0	0
Repsol YPF, S.A.	4,601,000	4,206,000	10,080,000	2,399,000	194,000	677,000	1,220,000
SMNL Concessões Rodoviarías do Portugal, S.A.	42,207	629,417	0	7,490	15	11,234	4,224
Haçor Domus, Compra e Venda de Imóveis, Ltda	9	0	0	0	0	0	0
H.S.E. - Empreendimentos Imobiliários, Ltda	124	0	40	0	0	0	0
Via Expresso	54,749	14,850	138,683	12,565	2,119	3,262	1,066
Gestao de Sistemas Amiantais, S.A.	305	0	0	0	0	0	35

#### Reconciliation

	Shareholders' equity	% stake	Shareholding value	Adjustments	PPE	Transfer restriction on equity	Cash outflow commitments
Finso, S.R.L.	(107)	100.00%	(107)	0			
Desarollo Vial al Mar, S.A.S.	42,965	37.50%	16,112	(0)	16,112	15,351.00	0
Alazor Inversiones, S.A.	(10,625)	25.14%	(2,673)	(2,673)	0	0	0
A. Madrid Sur, S.A.	(254,348)	35%	(89,022)	(89,022)	0	0	0
Inversora de Autopistas de Levante, S.L.	(195,189)	40%	(78,074)	(78,074)	0	0	0
G&J Maintenance Ltd	3,725	45%	1,676	1	1,675	0	0
N6 Operations Ltd	970	50%	485	0	485	0	0
N6 Concession Holding Ltd	0	45%	0	0	0	0	0
N6 Concession Ltd	(71,158)	45%	(32,021)	(32,021)	0	889	0
Sociedad Concesionaria Vespucio Oriente, S.A.	128,430	50%	64,215	2	64,213	0	0
Operadora Avo, S.A.	28	50%	14	14	0	0	0
Consorcio Stable VIS Societat C.P.A.	150	9%	13	(53)	66	0	0
Aguas de Toledo, A.I.E.	0	50%	0	0	0	0	0
Solucia Renovables, S.L.	0	50%	0	0	0	0	0
Enervator Naval, S.L.	53	40%	21	0	21	0	0
Biomassas del Pirineo, S.A.	135	44%	59	(1)	60	0	0
Residuos de Construcción de Cuenca, S.A.	(61)	50%	(30)	(29)	(1)	0	0
Sacorec, S.L.	(58)	5%	(3)	(3)	0	0	0
Boremer, S.A.	(564)	50%	(283)	(283)	0	0	0
Compost del Pirineo, S.A.	81	50%	40	0	40	0	0
Cultivos Energéticos de Castilla, S.A.	223	44%	98	0	98	0	0
Desgasificación de Vertederos, S.A.	(180)	50%	(90)	(90)	0	0	0
Gestión de Partícipes del Biorreciclaje, S.A.	(209)	33.34%	(70)	(70)	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	(123)	5%	(4)	(4)	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	360	18.34%	66	0	66	0	0
Iniciativas Medioambientales del Sur, S.L.	272	50%	136	(0)	136	0	0
Inte RCD Huelva, S.L.	(107)	20.00%	(21)	(21)	0	0	0
Alcorec, S.L.	184	10%	18	18	0	0	0
Inte RCD Bahía de Cádiz, S.L.	(472)	20.00%	(94)	(94)	0	0	0
Inte RCD, S.L.	(217)	33.33%	(72)	(72)	0	0	0
Metrofrangs, S.L.	15,512	21.60%	3,351	(1)	3,352	0	0
Parque Eólico La Sotonera, S.L.	9,332	30.16%	2,815	(0)	2,815	0	0
Valdemingómez 2000, S.A.	(3,840)	40%	(1,534)	(1,553)	17	0	2,783
Plataforma por la Movilidad, A.I.E.	4	14.68%	1	1	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	31,668	33%	10,450	(12,513)	22,963	0	0
Sercanarias, S.A.	(568)	50%	(284)	(284)	0	0	0
Geida Skikda, S.L.	(1)	33%	(0)	(6,143)	6,143	0	0
Geida Tiencen, S.L.	0	50%	0	(17,559)	17,559	0	0
Valorinima, S.L.	0	20%	0	594	(594)	0	0
Sociedad Economía Mixta de Aguas de Soria, S.L.	(63,460)	14.80%	(9,392)	(10,210)	818	0	0
Desarrollos Edílicos Extremeños, S.L.	1,389	50%	695	1	694	0	0
M 50 (D&C) Ltd	(7,700)	42.50%	(3,273)	(3,273)	0	0	0
N6 Construccion Ltd	(90,382)	42.50%	(38,412)	(38,412)	0	0	0
Grupo Unidos por el Canal, S.A.	(490,958)	41.60%	(204,239)	(204,239)	0	0	0
Sociedad Sacyr Agua Santa, S.A.	188	50%	94	1	93	0	0
Constructora ACS-Sacyr, S.A.	102	50%	51	(1)	52	0	0
Constructora Nesco Sacyr, S.A.	(203)	50%	(101)	(106)	5	0	0
Constructora San Jose-San Ramon, S.A.	151	33%	50	3	47	0	0
Constructora, San Jose- Caldera, S.A.	(3,534)	33%	(1,166)	(1,167)	1	0	0
Eurolink S.C.P.A.	37,500	18.70%	7,013	(1)	7,013	0	0
Pazo de Congreso de Vigo, S.A.	(11,767)	11.11%	(1,307)	(1,307)	0	0	0
Repsol YPF, S.A.	30,063,000	8.58%	2,579,080	619,490	1,959,590	0	0
SMNL Concessões Rodoviarías do Portugal, S.A.	(463,523)	25%	(115,881)	(115,881)	0	0	0
Haçor Domus, Compra e Venda de Imóveis, Ltda	2,036	39%	794	17	777	0	0
H.S.E. - Empreendimentos Imobiliários, Ltda	125	28%	35	35	0	0	0
Via Expresso	53,351	11%	5,869	5,869	0	0	0
Gestao de Sistemas Amiantais, S.A.	304	50%	252	0	0	0	0

For 2018:

	Dividends received	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue from ordinary operations	Profit/(loss) continuing operations	Profit/(loss) discontinued operations	Other profit	Total profit
Finsa, S.R.L.	0	19	68	0	315	0	(139)	0	0	(139)
Desarollo Vial al Mar, S.A.S.	0	25,962	232,086	154,336	52,225	0	9,737	0	(10,779)	(1,042)
GSJ Maintenance Ltd	0	4,628	857	2,239	0	0	1,021	0	0	1,021
N6 Operations Ltd	0	1,089	335	576	40	1,052	938	0	0	938
N6 Concession Holding Ltd	0	0	0	0	0	0	0	0	0	0
N6 Concession Ltd	0	21,358	49,392	3,060	146,895	0	(8,539)	0	(5,711)	(14,250)
Sociedad Concesionaria Vespucio Oriente, S	0	5,259	135,023	9,446	5,571	0	6,108	0	(7,057)	(949)
Operadora Avo, S.A.	0	456	25	452	4	0	(0)	0	(2)	(2)
Consorcio Stabile VIS Societat C.P.A.	0	6,544	1,567	7,961	0	4,570	0	0	0	0
Envalvar Naval, S.L.	0	52	0	0	0	0	(1)	0	0	(1)
Tecnologías Extremeñas del Lítio, S.L.	0	(1,440)	1,447	2	0	0	0	0	0	0
Concesionaria AP-1 Araba, S.A.	0	755	68	556	0	0	67	0	0	67
Biomásas del Pirineo, S.A.	0	243	0	166	0	0	(58)	0	0	(58)
Residuos de Construcción de Cuenca, S.A.	0	37	0	99	0	0	(0)	0	0	(0)
Sacorec, S.L.	0	(58)	0	0	0	0	0	0	0	0
Boremer, S.A.	0	3,477	4,108	1,013	7,171	0	(33)	0	0	(33)
Compost del Pirineo, S.A.	0	13	485	249	200	0	(32)	0	0	(32)
Cultivos Energéticos de Castilla, S.A.	0	(197)	311	43	75	0	(2)	0	0	(2)
Desgasificación de Vertederos, S.A.	0	1	0	182	0	0	(0)	0	0	(0)
Gestión de Participes del Biorreciclaje, S.A.	0	70	0	42	237	0	(0)	0	0	(0)
Reciclados y Tratamientos Andaluces, S.L.	0	0	0	0	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	0	182	0	(178)	0	0	0	0	0	0
Iniciativas Medioambientales del Sur, S.L.	0	0	279	7	(0)	0	(0)	0	0	(0)
Inte RCD Huelva, S.L.	0	(107)	0	0	0	0	0	0	0	0
Alcorec, S.L.	0	311	52	142	976	1	(32)	0	0	(32)
Inte RCD Bahía de Cádiz, S.L.	0	(472)	0	0	0	0	0	0	0	0
Inte RCD, S.L.	0	0	(0)	218	0	0	(1)	0	0	(1)
Metrofangs, S.L.	639	15,701	0	2,675	0	0	472	0	0	472
Parque Eólico La Sotonera, S.L.	403	2,183	11,749	2,066	3,042	62	827	0	0	827
Valdemingómez 2000, S.A.	0	15,927	8,706	13,699	9,021	296	5,753	0	0	5,753
Procesador de Información del Servicio de A	0	854	48	545	16	0	193	0	0	193
Plataforma por la Movilidad, A.I.E.	0	879	1,106	901	1,080	0	0	0	0	0
Geida Skilda, S.L.	3,991	613	10,811	4	0	0	3,936	0	0	3,936
Geida Tlemcen, S.L.	8,006	92	21,432	3	0	0	7,922	0	0	7,922
Desarrollos Eólicos Extremeños, S.L.	0	1	2,175	109	700	0	(23)	0	0	(23)
M 50 (D&C) Ltd	0	158	0	60	7,798	0	(0)	0	0	(0)
N6 Construction Ltd	0	495	0	289	90,589	0	(0)	0	0	(0)
Grupo Unidos por el Canal, S.A.	0	1,222,495	783	364,865	1,376,970	0	(21,780)	0	0	(21,780)
Sociedad Sacyr Agua Santa, S.A.	0	161	0	1	0	0	(16)	0	0	(16)
Constructora ACS-Sacyr, S.A.	0	763	243	922	0	0	(12)	0	0	(12)
Constructora Necso Sacyr, S.A.	0	81	52	320	0	0	2	0	0	2
Constructora Sacyr - Necso, S.A.	0	(0)	0	0	0	0	0	0	0	0
Constructora Vespucio Oriente, S.A.	0	10,947	266	10,964	0	0	249	0	0	249
Constructora San Jose-San Ramon, S.A.	0	413	0	264	0	0	(0)	0	0	(0)
Constructora San Jose- Caldera, S.A.	0	884	22	4,404	(0)	0	(106)	0	0	(106)
Eurolink S.C.P.A.	0	60,502	0	23,002	0	669	0	0	0	0
Pazo de Congreso de Vigo, S.A.	0	75,454	0	67,724	0	0	0	0	0	0
Repsol YPF, S.A.	71,746	17,294,000	43,484,000	12,810,000	17,054,000	0	2,341,000	0	0	2,341,000
SMNL Concessões Rodoviarías do Portugal, S	0	29,017	99,073	602,899	2,958	30,168	(3,239)	0	0	(3,239)
Haçor Domus, Compra e Venda de Imóveis, Lda	0	1,622	0	0	0	1,650	(414)	0	0	(414)
H.S.E. - Empreendimentos Imobiliários, Lda	0	329	9	319	67	15	(83)	0	0	(83)
Via Expresso	3,198	44,370	150,893	25,095	138,064	11,624	21,054	0	0	7,305
Gestao de Sistemas Ambientais, S.A.	0	287	11	6	0	167	162	0	0	162

	Cash	Current financial liabilities	Non-current financial liabilities	Depreciation and amortisation	Borrowing income	Borrowing Costs	Capital gains tax
Finsa, S.R.L.	16	0	0	1	0	0	0
Desarollo Vial al Mar, S.A.S.	25,291	113,157	15,617	450	1,165	8,969	5,065
GSJ Maintenance Ltd	1,552	0	0	908	0	0	146
N6 Operations Ltd	370	0	39	100	0	1	121
N6 Concession Holding Ltd	0	0	0	0	0	0	0
N6 Concession Ltd	18,370	1,010	117,447	2,131	12	10,030	0
Sociedad Concesionaria Vespucio Oriente, S./	2,053	0	4,870	29	1,168	0	1,052
Operadora Avo, S.A.	114	0	4	10	0	0	1
Consorcio Stabile VIS Societat C.P.A.	72	840	0	309	0	39	0
Envalvar Naval, S.L.	52	0	0	0	0	0	1
Tecnologías Extremeñas del Lítio, S.L.	(1,445)	0	0	0	0	0	0
Concesionaria AP-1 Araba, S.A.	45	0	0	0	0	8	22
Biomásas del Pirineo, S.A.	243	83	0	59	0	0	0
Residuos de Construcción de Cuenca, S.A.	37	0	0	0	0	0	0
Sacorec, S.L.	(58)	0	0	0	0	0	0
Boremer, S.A.	1,278	1	0	0	636	13	(12)
Compost del Pirineo, S.A.	12	58	0	12	0	11	0
Cultivos Energéticos de Castilla, S.A.	(197)	0	0	2	0	0	0
Desgasificación de Vertederos, S.A.	1	90	0	0	0	0	0
Gestión de Participes del Biorreciclaje, S.A.	70	0	0	0	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	0	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	182	0	0	0	0	0	0
Iniciativas Medioambientales del Sur, S.L.	0	0	0	0	0	0	(0)
Inte RCD Huelva, S.L.	(107)	0	0	0	0	0	0
Alcorec, S.L.	61	0	0	0	0	2	0
Inte RCD Bahía de Cádiz, S.L.	(472)	0	0	0	0	0	0
Inte RCD, S.L.	0	0	0	0	0	0	0
Metrofangs, S.L.	4,701	0	0	0	119	0	37
Parque Eólico La Sotonera, S.L.	1,492	814	0	647	1	91	276
Valdemingómez 2000, S.A.	4,349	0	1,852	82	842	1,022	691
Procesador de Información del Servicio de As	152	0	0	5	0	0	0
Plataforma por la Movilidad, A.I.E.	438	0	0	0	0	0	0
Geida Skilda, S.L.	74	0	0	0	0	0	0
Geida Tlemcen, S.L.	43	3	0	0	0	0	0
Desarrollos Eólicos Extremeños, S.L.	1	0	564	0	0	22	0
M 50 (D&C) Ltd	157	0	3,299	0	0	0	0
N6 Constructuion Ltd	495	0	39,447	0	0	0	0
Grupo Unidos por el Canal, S.A.	2,536	221,516	350,954	1,360	735	46,939	0
Sociedad Sacyr Agua Santa, S.A.	159	0	0	0	3	0	4
Constructora ACS-Sacyr, S.A.	573	0	0	0	14	0	0
Constructora Necso Sacyr, S.A.	2	0	0	0	0	0	0
Constructora Sacyr - Necso, S.A.	(0)	0	0	0	0	0	0
Constructora Vespucio Oriente, S.A.	751	0	0	6	0	58	0
Constructora San Jose-San Ramon, S.A.	0	0	0	0	0	0	0
Constructora San Jose- Caldera, S.A.	33	65	0	0	0	0	0
Eurolink S.C.P.A.	206	0	0	0	0	0	4
Pazo de Congreso de Vigo, S.A.	804	38,670	0	0	0	0	0
Repsol YPF, S.A.	4,786,000	4,289,000	9,392,000	(2,140,000)	17,000	(407,000)	(1,386,000)
SMNL Concessões Rodoviarías do Portugal, S./	26,566	593,707	0	(5,665)	92,217	(10,715)	(4)
Haçor Domus, Compra e Venda de Imóveis, L	1,605	0	0	0	0	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	75	319	86	0	0	0	0
Via Expresso	40,377	20,053	131,385	(11,534)	1,174	(2,486)	(903)
Gestao de Sistemas Ambientais, S.A.	0	0	0	0	0	0	34

SACYR GROUP

Reconciliation							
Shareholders' equity	% stake	Shareholding value	Adjustments	PPE	Transfer restriction on equity	Cash outflow commitments	
Finsa, S.R.L.	(229)	49%	(112)	(112)	0	0	0
Desarrollo Vial al Mar, S.A.S.	51,487	37.5%	19,308	(2)	19,310	25,291	0
GSJ Maintenance Ltd	3,246	45%	1,461	2	1,459	0	0
N4 Operations Ltd	808	50%	404	0	404	0	0
N4 Concession Holding Ltd	0	45%	0	0	0	0	0
N4 Concession Ltd	(79,205)	45%	(35,642)	(35,863)	221	18,370	0
Sociedad Concesionaria Vespucio Oriente, S.A.	125,266	50%	62,633	2	62,631	2,053	0
Operadora Avo, S.A.	25	50%	13	(2)	15	0	0
Consorcio Stable VIS Societá C.P.A.	150	49%	74	8	66	0	0
Enervalor Naval, S.L.	52	40%	21	1	20	0	0
Tecnologías Extremeñas del Lítio, S.L.	5	50%	3	(0)	3	0	0
Concesionaria AP-1 Araba, S.A.	267	25%	67	(0)	67	0	0
Biomás del Pirineo, S.A.	77	44%	34	(0)	34	0	0
Resíduos de Construcción de Cuenca, S.A.	(61)	50%	(31)	(31)	0	0	0
Sacorec, S.L.	(58)	5%	(3)	(3)	0	0	0
Boremer, S.A.	(599)	50%	(299)	(299)	0	0	0
Compost del Pirineo, S.A.	49	50%	24	0	24	0	0
Cultivos Energéticos de Castilla, S.A.	(4)	44%	(2)	(2)	0	0	0
Desgasificación de Vertederos, S.A.	(181)	50%	(90)	(90)	0	0	0
Gestión de Participes del Biorreciclaje, S.A.	(209)	33.34%	(70)	(70)	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	0	5%	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	360	18.34%	66	0	66	0	0
Iniciativas Medioambientales del Sur, S.L.	271	50%	136	(0)	136	0	0
Inte RCD Huelva, S.L.	(107)	20%	(21)	(21)	0	0	0
Alcorec, S.L.	(755)	10%	(76)	(76)	0	0	0
Inte RCD Bahía de Cádiz, S.L.	(472)	20%	(94)	(94)	0	0	0
Inte RCD, S.L.	(218)	33.33%	(73)	(73)	0	0	0
Metrofangs, S.L.	13,026	21.6%	2,814	(1)	2,815	0	0
Parque Eólico La Sofonera, S.L.	8,823	30.16%	2,661	0	2,661	0	0
Valdemingómez 2000, S.A.	1,913	40%	765	0	765	0	3,417
Procesador de Información del Servicio de Aser	342	7.50%	26	(25)	51	0	0
Plataforma por la Movilidad, A.I.E.	4	14.68%	1	1	0	0	0
Geida Skikda, S.L.	19,586	33%	6,463	(1)	6,464	0	0
Geida Tlemcen, S.L.	36,077	50%	18,039	1	18,038	0	0
Desarrollos Eólicos Extremeños, S.L.	1,366	50%	683	(1)	684	0	0
M 50 (D&C) Ltd	(7,701)	42.5%	(3,273)	(3,273)	0	0	0
N6 Construcción Ltd	(90,382)	42.5%	(38,412)	(38,412)	0	0	0
Grupo Unidos por el Canal, S.A.	(518,557)	41.6%	(215,720)	(215,720)	0	0	0
Sociedad Sacyr Agua Santa, S.A.	160	50%	80	1	79	0	0
Construtora ACS-Sacyr, S.A.	83	50%	42	(1)	43	0	0
Construtora Necso Sacyr, S.A.	(187)	50%	(93)	(100)	7	0	0
Construtora Sacyr - Necso, S.A.	0	50%	0	0	0	0	0
Construtora Vespucio Oriente, S.A.	249	50%	125	1	124	0	0
Construtora San Jose-San Ramon, S.A.	148	33%	49	3	46	0	0
Construtora San Jose- Caldera, S.A.	(3,498)	33%	(1,154)	(1,155)	1	0	0
Eurolink S.C.P.A.	37,500	18.70%	7,013	(1)	7,013	0	0
Pazo de Congreso de Vigo, S.A.	7,730	11.11%	859	(1,306)	2,165	0	0
Repsol YPF, S.A.	30,468,000	7.87%	2,397,832	375,971	2,021,861	0	0
SMNL Concessões Rodovias do Portugal, S.A	477,766	25%	119,442	119,442	0	0	0
Haçor Domus, Compra e Venda de Imóveis, Lt	1,621	39%	632	632	0	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	4	28%	1	0	1	0	0
Via Expresso	84,964	11%	9,346	0	9,346	0	0
Gestao de Sistemas Ambientais, S.A.	297	50%	148	148	0	0	0

The Group classifies companies as associates when it exercises significant influence over their management, regardless of whether its holding is less than 20%, in fulfilment of the conditions of IAS 28.

## 10. Contribution by proportionately consolidated companies

The tables below present the financial highlights of the proportionately consolidated companies in 2017 and 2018:

Thousand euros	2017					
	Non-current assets	Assets assets	Non-current liabilities	Liabilities liabilities	revenue	Expenses
Consorcio GDL Viaducto, S.A. de C.V.	0	19,322	1,091	14,557	64,002	62,765
Consorcio Túnel Guadalajara, S.A. de C.V.	122	52,021	780	49,903	85,364	87,881

  

Thousand euros	2018					
	Non-current assets	Assets assets	Non-current liabilities	Liabilities liabilities	revenue	Expenses
Consorcio GDL Viaducto, S.A. de C.V.	6	28,755	1,206	18,102	37,926	32,534
Consorcio Túnel Guadalajara, S.A. de C.V.	81	60,631	354	57,675	87,393	87,159
Consorcio Rutas 2 y 7, S.R.L.	1,235	6,150	0	6,094	18,261	16,966

There were no contingent liabilities or commitments in respect of the investments of the above-mentioned businesses in 2018 and 2017.

## 11. Receivables from concessions

As indicated in Note 3.c.10), following application of IFRIC 12 some concession projects have been classified as financial assets and recorded under "Receivables from concessions". This item includes receivables from the public authorities granting the concessions under the various agreements.

Pursuant to IFRIC 12 "Service Concession Arrangements", these companies recognised a financial asset instead of an intangible asset for the building investment undertaken (construction services), as they have an unconditional right acknowledged in legally enforceable agreements to receive cash or other financial assets from the grantor for the construction services provided, either through the collection of specific measurable amounts, or through the collection of any shortfalls between the amounts received from users of the public services and the specific or measurable amounts.

Pursuant to the instructions of the IFRIC 12 Interpretations Committee, Sociedad Concesionaria Rutas Limarí, S.A. recognised a receivable by way of a consideration for construction services, as the company has an unconditional contractual right to receive cash or other financial assets from the grantor (investment subsidies), the value of which discounted at the risk rate for this type of instrument is equivalent to 64.97% of the estimated cost of construction. This is therefore a combined concession asset consisting of intangible assets, and also a financial asset in the percentage stated.

The movements in this heading in 2018 and 2017 were as follows:

2017	Balance at 31-Dec-16	Additions	Disposals	Restatements and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31-Dec-17
Thousand euros							
Non-current receivables from concessions	1,712,627	802,551	(8,581)	(257,460)	679,879	(74,281)	2,854,735
Current receivables from concessions	173,877	43,187	(206,548)	257,460	0	(7,698)	260,278
2018	Balance at 31-Dec-17	Additions	Disposals	Restatements and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31-Dec-18
Thousand euros							
Non-current receivables from concessions	2,854,735	1,208,310	(526)	(425,737)	0	(83,948)	3,552,834
Current receivables from concessions	260,278	26,679	(291,165)	306,623	0	(9,177)	293,238

In 2017, there was an increase in this headings, mainly due to the change in accounting method of Superestrada Pedemontana Veneta, S.R.L. which went from using the equity method in 2016 to being fully consolidated from 1 July 2017, and due to the progress made in the construction works in the Chilean, Colombian, Uruguayan and Peruvian concessions in 2016 and 2017.

In addition, new projects located in the American continent were included which are beginning to contribute to this heading and in some cases, significantly so. These are:

- the Paraguayan company, Rutas del Este S.A., which was the first highway project under the Paraguayan concession and which entails the construction and operation of Highways 2 (between Asunción and Coronel Oviedo) and 7 (between Coronel Oviedo and Caaguazú). Its development is vital for the nation's growth, since this is the most important corridor in the country and where 70% of the country's economic activity is concentrated. The contract comprises 170 km of motorways that will be duplicated, improved, operated and maintained by the concessionaire, including the construction of five alternative routes between the cities of Asunción and Caaguazú.
- the Mexican company, Autovía Pirámides Tulancingo Pachuca, S.A. de C.V. The General Directorate of Road Maintenance in Mexico awarded Grupo Sacyr Concesiones its first public private partnership project in the country: the renovation, maintenance and upkeep of 91.5 km of highway between Pirámides, Tulancingo and Pachuca. The 10-year project consists of the renovation, maintenance and upkeep of two road sections: Pirámides-Tulancingo and Tulancingo-Pachuca, in the states of México and Hidalgo. The road has an Average Daily Traffic (ADT) of 19,473 vehicles.



Among the works to be carried out are road surfacing, reinforcing embankments, drainage and horizontal and vertical signage, among others.

- the Mexican company Consorcio Operador de Hospitales Regionales del Sur, S.A. de C.V.: the National Institute of Social Security and Social Services for Workers awarded the concession for the new General Hospital in the southern regional district of Mexico City to a consortium led by Sacyr Concesiones. The project includes the financing, design, construction and outfitting of the hospital, in addition to its operation and maintenance for a period of 23 years. The hospital will serve more than 1.2 million people in the south of the Mexican capital. It will have a total of 250 beds and 36 consultation rooms to treat 32 medical specialties, over 33,480 square metres.
- the Colombian company, Unión Vial Río Pamplonita, S.A.S. The motorway is in the Norte de Santander department in the north-east of the country. The project involves the construction of 47 km of second carriageway, 4 km of single carriageway, and the refurbishment of the existing 67 km. The awarding of the Cúcuta-Pamplona reinforces Sacyr's position as the leading construction company and concessionaire in Colombia. The Group has another three Fourth Generation motorway projects in the country.

During 2018 construction work continued to progress in the Colombian, Mexican, Peruvian, Uruguayan and Paraguayan concessions. In addition, a new company located in the Americas has been added to the consolidation perimeter and is beginning to make its contribution under this heading, albeit in a minor way.

This is the Chilean company Sociedad Concesionaria Aeropuerto del Sur, S.A. The Sacyr Concesiones Group has obtained the first airport concession in Chile, which contemplates for six years the expansion, financing, construction and management of the El Tepual-Puerto Montt airport. This award, in consortium with Agunsa, has an investment of 29 million euros, and also includes the expansion and improvement of the passenger terminal, as well as the construction of parking for 152 vehicles and the widening of access roads to the site, among other more general actions.

The disposals in both years relate to the amounts received from the grantor Authority by each concession operator.

The detail of "Receivables from concessions" is as follows:

Thousand euros	2018		2017	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Autovía del Noroeste Concesionaria de CARM, S.A.	45,029	11,105	45,260	10,997
<b>Total motorways in Spain</b>	<b>45,029</b>	<b>11,105</b>	<b>45,260</b>	<b>10,997</b>
Sociedad Concesionaria Vial Sierra Norte, S.A.	86,410	48,245	11,085	32,383
Sociedad Concesionaria Valles del Desierto, S.A.	100,568	30,847	120,458	31,552
Sociedad Concesionaria Ruta del Limarí, S.A.	113,394	10,391	112,246	10,920
Sociedad Concesionaria Rutas del Desierto, S.A.	140,658	13,060	145,964	13,404
Sociedad Concesionaria Valles del Bio Bio, S.A.	275,688	23,464	317,836	22,400
Sociedad Concesionaria Ruta del Algarrobo, S.A.	253,929	23,814	263,847	26,234
Concesionaria Vial Unión del Sur, S.A.S.	137,791	0	54,424	0
Sociedad Concesionaria Vial Montes de María, S.A.S.	83,483	0	40,042	0
Consortio PPP Rutas del Litoral S.A.	41,496	4,196	2,803	1,738
Rutas del Este, S.A.	40,145	0	6,905	0
Autovía Pirámides Tulancingo Pachuca, S.A. de CV	20,961	16,768	0	3,034
Unión Vial Río Pamplonita, S.A.S.	62,712	0	22,186	0
Superstrada Pedemontana Veneta, S.R.L.	1,384,528	0	974,081	0
<b>Total motorways abroad</b>	<b>2,741,763</b>	<b>170,785</b>	<b>2,071,877</b>	<b>141,665</b>
Motorways	2,786,792	181,890	2,117,137	152,662
Sociedad Concesionaria Salud Siglo XXI, S.A.	177,916	51,478	214,728	49,415
Hospital de Parla, S.A.	72,941	15,556	74,948	15,052
Hospital del Noreste, S.A.	70,297	16,789	73,460	16,172
Consortio Operador de Hospitales Regionales del Sur, S.A. c	23,242	0	2,037	0
Hospitals	344,396	83,823	365,173	80,639
Intercambiador de Transportes de Moncloa, S.A.	131,191	15,297	133,252	15,055
Interc. de Transporte de Plaza Elíptica, S.A.	46,419	7,878	47,381	7,736
Transport hubs	177,610	23,175	180,633	22,791
Valoriza Servicios Medioambientales, S.A.	42,773	4,075	46,671	3,915
Waste treatment	42,773	4,075	46,671	3,915
Desaladora de Alcudia (Sacyr Construcción, S.A.U. and Sad	308	62	158	266
Myah Gulf Oman Desalination Company SAOC	182,207	0	126,415	0
Valoriza Agua, S.A.	366	5	423	5
Water	182,881	67	126,996	271
Sociedad Concesionaria Aeropuerto del Sur, S.A.	465	0	0	0
Sacyr Construcción, S.A.U (Gisa police stations)	17,917	208	18,125	0
Other	18,382	208	18,125	0
<b>RECEIVABLES, CONCESSION PROJECTS</b>	<b>3,552,834</b>	<b>293,238</b>	<b>2,854,735</b>	<b>260,278</b>

Concession periods and the investment commitment are as follows:

	Concession period		Committed investment (thousand euros)
	Date put into service	End of concession	
<b>Motorways</b>			
Autovía del Noroeste Concesionaria de CARM, S.A.	2001	2026	0
Sociedad Concesionaria Vial Sierra Norte, S.A.	2014	2039	44,506
Sociedad Concesionaria Valles del Desierto, S.A.	2011	2025	0
Sociedad Concesionaria Ruta del Limarí, S.A.	2018	2042	3,100
Sociedad Concesionaria Rutas del Desierto, S.A.	2014	2035	0
Sociedad Concesionaria Valles del Bio Bio, S.A.	2016	2040	0
Sociedad Concesionaria Ruta del Algarrobo, S.A.	2015	2043	1,851
Concesionaria Vial Unión del Sur, S.A.S.	2015	2044	483,544
Sociedad Concesionaria Vial Montes de María, S.A.S.	2015	2040	113,302
Consorcio PPP Rutas del Litoral, S.A.	2017	2041	61,625
Rutas del Este, S.A.	2017	2047	410,409
Unión Vial Río Pamplonita, S.A.S.	2017	2044	418,939
Autovía Pirámides Tulancingo Pachuca, S.A. de C.V.	2017	2027	71,092
Superstrada Pedemontana Veneta, S.R.L.	2020	2059	2,000,340
<b>Hospitals</b>			
Sociedad Concesionaria Salud Siglo XXI, S.A.	2017	2032	0
Hospital de Parla, S.A.	2007	2035	0
Hospital del Noreste, S.A.	2007	2035	0
Consorcio Operador de Hospitales Regionales del Sur, S.A. de C.V.	2019	2042	86,545
<b>Transport hubs</b>			
Intercambiador de Transportes de Moncloa, S.A.	2008	2043	0
Interc. de Transporte de Plaza Elíptica, S.A.	2007	2040	0
<b>Waste treatment</b>			
Valoriza Servicios Medioambientales, S.A.			
Los Hornillos waste treatment centre	2011	2030	0
La Paloma plant	2003	2022	0
Las Calandrias	2003	2023	0
Guadarrama green areas	2008	2022	0
Cleaning and solid urban waste collection, Majadahonda	2012	2022	0
<b>Water</b>			
Alcudia desalination plant	2010	2025	0
Myah Gulf Oman Desalination Company SAOC	-	2038	20,991
<b>Other</b>			
Sacyr Construcción, S.A.U (Gisa police stations)	2007	2032	0
Sociedad Concesionaria Aeropuerto del Sur, S.A.	2018	2024	5,317

There are no significant undertakings for repairs or replacements either now or in the future, other than the habitual repairs and replacements for this type of company. Concession arrangements usually include the following infrastructure procedures:

- a) Major repair and replacement works when they are carried out with respect to periods of use exceeding one year, enforceable in relation to the conditions that must be met by each of the infrastructures to make them suitable for the services and activities for which they are used.
- b) The procedures required to revert the infrastructure to the grantor entity at the end of the concession, in the state of use and operation set forth in the concession arrangement.

## 12. Non-current and current financial assets

The movements in the various accounts under this heading of non-current financial assets in 2017 and 2018 were as follows:

2017 Thousand euros	Balance at 31-Dec-16	Additions	Disposals	Restatements and transfers	Exchange rate effect	Balance at 31-Dec-17
Loans to companies accounted for using the equity method	109,102	8,407	(400)	0	0	117,109
Other loans	50,759	14,148	(7,508)	(21,310)	(1,178)	34,911
Financial assets at fair value with change in profit or loss	10,634	1,975	(5,910)	1,570	(22)	8,247
Other financial assets at amortised cost	0	31,831	0	0	(2,235)	29,596
Non-current guarantees and deposits given	23,280	4,514	(2,893)	294	(622)	24,573
<b>Cost</b>	<b>193,775</b>	<b>60,875</b>	<b>(16,711)</b>	<b>(19,446)</b>	<b>(4,057)</b>	<b>214,436</b>
Impairment	(106,896)	(6,355)	3,755	0	70	(109,426)
<b>Impairment</b>	<b>(106,896)</b>	<b>(6,355)</b>	<b>3,755</b>	<b>0</b>	<b>70</b>	<b>(109,426)</b>
<b>TOTAL</b>	<b>86,879</b>	<b>54,520</b>	<b>(12,956)</b>	<b>(19,446)</b>	<b>(3,987)</b>	<b>105,010</b>

  

2018 Thousand euros	Balance at 31-Dec-17	Additions	Disposals	Restatements and transfers	Exchange rate effect	Balance at 31-Dec-18
Loans to companies accounted for using the equity method	117,109	8,767	(21,940)	0	0	103,936
Other loans	34,911	64,428	(12,539)	(12,903)	(1,019)	72,878
Financial assets at fair value with change in profit or loss	8,247	226	(1,293)	(133)	(2)	7,045
Other financial assets at amortised cost	29,596	15,831	0	0	(2,116)	43,311
Non-current guarantees and deposits given	24,573	3,552	(13,071)	70	198	15,322
<b>Cost</b>	<b>214,436</b>	<b>92,804</b>	<b>(48,843)</b>	<b>(12,966)</b>	<b>(2,939)</b>	<b>242,492</b>
Impairment	(109,426)	(131)	16,819	0	0	(92,738)
<b>Impairment</b>	<b>(109,426)</b>	<b>(131)</b>	<b>16,819</b>	<b>0</b>	<b>0</b>	<b>(92,738)</b>
<b>TOTAL</b>	<b>105,010</b>	<b>92,673</b>	<b>(32,024)</b>	<b>(12,966)</b>	<b>(2,939)</b>	<b>149,754</b>

Of note in 2017 and 2018 was the increase in "Other Financial Assets at Depreciated Cost" due to balances attributable to Sociedad Concesionaria Vial Unión del Sur, S.A.S. and Sociedad Concesionaria Vial Montes de María, S.A.S. amounting to 20,599 thousand euros and 22,712 thousand euros, respectively (15,092 thousand euros and 16,738 thousand euros in 2017, respectively). In both cases, the amounts reflect the collection at explicit toll points and which are payable to the National Transport Agency given that the revenue generated by those Colombian concessions are paid for by that agency in accordance with the compensation laid down in the contract between the two parties.

As required by law, Group companies have disclosed all companies in which they have taken up a shareholding of over 10% or, where they already held such a shareholding, any additional acquisitions or sales above 5%.

"Loans to companies accounted for using the equity method" reports the Group's loans to companies consolidated in this manner.

"Guarantees and deposits given" mainly comprises the percentage of guarantees paid by lessees that Spain's regional governments require as a deposit.

The "Other Loans" heading mainly includes loans to other shareholders of certain Group companies in which the ownership interest is less than 100%.

The breakdown of current financial assets at 31 December 2018 and 2017 is as follows:

<i>Thousand euros</i>	<b>2018</b>	<b>2017</b>
Loans to companies accounted for using the equity method	29,912	34,302
Other current assets	14,844	8,904
Debt securities	29,239	32,374
Loans to third parties	38,931	36,864
Short-term deposits and guarantees	21,984	11,974
Provisions	(11,720)	(11,057)
<b>TOTAL</b>	<b>123,190</b>	<b>113,361</b>

In 2017, there was an increase in "Debt securities" mainly related to an investment in short term bonds.

There were no significant changes in 2018.

In 2018 and 2017, "Other current financial assets" related mainly to fixed-term deposits.

### **13. Tax situation**

#### **13.1. Consolidated tax group**

As indicated in Note 3.c.21, in compliance with Corporate Income Tax Law, 27/2014 of 27 November, Sacyr, S.A. and its subsidiaries have decided, with the approval of each company's corporate bodies, to file a consolidated tax return, and have duly notified the A.E.A.T. (the Spanish tax authorities), which assigned the tax identification number 20/02 to the head of the Tax Group.

Companies forming part of the tax group are listed in Appendix II of these consolidated financial statements.

#### **13.2. Years open for inspection**

At year-end 2018, the Group had 2012 to 2018 open for review for all the taxes applicable to it. Specifically, the Large Taxpayers Office of the Spanish Tax Authorities initiated inspections of Sacyr, S.A. as the Parent of the Tax Group 20/02, for the verification of corporate income tax from 2012 to 2014, and VAT for the periods from 06/2013 to 12/2015, as the Parent of the VAT Group 410/2008. This verification has not yet been completed.

The return signed in dispute by Sacyr, S.A. as Parent of the Tax Group 20/02 in relation to Corporate Income Tax for the periods 2004 to 2007, totalling 75,824,683.84 euros, are currently being challenged at Spain's Appeals Court ("Audiencia Nacional"). This review was instigated against Sacyr, S.A. and included payment agreements and the imposition of penalties, and all of them related to subsidiaries of the Tax Group for those periods. Of this amount, 74,607,971.34 euros correspond to the Group, as the sum in respect of Merlin Properties (the company that absorbed Testa Inmuebles en Rentas, Socimi, S.A.) was eliminated because the company no longer forms part of the Group. In February 2019, Spain's Appeals Court ("Audiencia Nacional") has now considered practically the entire appeal submitted and although the ruling has not yet been confirmed, the total amount of these assessments has been reduced to 1,294,921.49 euros.

The return signed in dispute by Sacyr, S.A. as Parent of the Tax Group 20/02 in relation to Corporate Income Tax for the periods 2007 to 2010, totalling 128,796,080.93 euros, is now being challenged at Spain's Central Administrative Economic Tribunal. This review was initiated against Sacyr, S.A. and will not under any circumstances entail payments to the tax authorities,

as they will merely involve smaller recognised tax loss carryforwards. Of this amount, 125,784,482.75 euros correspond to the group, as the sum in respect of Merlin Properties (the company that absorbed Testa Inmuebles en Renta, Socimi, S.A.) was eliminated because the company no longer forms part of the group. The sanction proceedings deriving from the aforementioned tax return have also been appealed before the Central Administrative Economic Tribunal.

The VAT return for the period between May 2009 and December 2010, signed in dispute by Sacyr, S.A. as Parent of the VAT Tax Group 410/08, for a total cumulative amount of 14,336,876.11 euros, is currently being challenged at the Central Administrative Economic Tribunal. The sanction proceedings deriving from this tax return have also been appealed before the same Tribunal.

With regards to the return in relation to the partial inspection of VAT for the period 11/2011 to 12/2012, signed by Sacyr, S.A. as the Parent of the VAT Group 410/08, for a total amount of 8,929,577.48 euros, is also being challenged at the Central Administrative Economic Tribunal.

The Parent's management and its tax advisers do not expect the final outcome of the review proceedings under way and of the appeals submitted to have a significant impact on the financial statements at year-end 2018.

### 13.3. Tax rate

The main nominal tax rates used in calculating tax on the income of the Group companies for 2018 are as follows:

Spain:	25 %
Portugal:	21 %
Chile:	25,5 %
Mexico:	30 %
Panama:	25 %
Brazil:	15% to 25%
Ireland:	12,5 %
Great Britain:	19 %
Ecuador:	22 %
Costa Rica:	30 %
Italy:	24 %
United States:	32,5 %
Libya:	15% to 40%
Algeria:	19% to 26%
Australia:	30 %
Qatar:	10 %
India:	40% to 43.26%
Oman:	15 %
Colombia:	34 %
Peru:	29,5 %
Bolivia:	25 %
Uruguay:	25 %
Paraguay:	10 %

Income tax expense on continuing operations recognised by the Sacyr Group at 31 December 2018 and 2017 amounted to 77,098 thousand euros and 42,967 thousand euros respectively, which represents an effective rate on pre-tax earnings of 27.00% and 20.31% respectively.

The reconciliation between accounting income and taxable income, and tax expense reconciliation before and after deductions and adjustments are as follows:

<i>Thousand euros</i>	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Consolidated profit before tax</b>	<b>285,526</b>	<b>211,545</b>
Profit and loss of companies using the equity method	(200,104)	(279,551)
Other consolidated adjustments	(4,254)	3,587
Permanent differences	209,223	246,980
<b>Tax profit/loss</b>	<b>290,391</b>	<b>182,561</b>
x average tax rate	26.04%	25.33%
<b>Tax expense before deductions and other adjustments</b>	<b>75,611</b>	<b>46,243</b>
Deductions and rebates for the year	(3,161)	(2,314)
Adjustment of prior years' income tax	73	(1,205)
Adjustment due to change in tax rate	0	0
Other adjustments	4,575	243
<b>Income tax</b>	<b>77,098</b>	<b>42,967</b>
Effective tax rate	27.00%	20.31%
Breakdown of Capital Gains tax:		
(-/+ ) Deferred tax expense/income from continuing operations	(38,577)	(10,502)
(-/+ ) Current tax expense/income from continuing operations	(38,521)	(32,465)

In 2018:

In terms of reconciliation of accounting income and taxable income, in addition to corrections in respect of the results provided by the companies recorded using the equity method, most of the permanent differences are accounted for by: losses obtained in foreign branches and subsidiaries that do not have tax deductibility, mainly from the construction business; amounts of non-deductible financial expenses on which the Group has considered that there will be no future recovery in a period of less than ten years and which therefore have not been capitalised; provisions linked to the Group's responsibilities as a shareholder associated with its ownership interest in Grupo Unidos por el Canal, and changes in the value of derivatives linked to the value of the Group's ownership interest in Repsol.

In 2017:

In terms of reconciliation of accounting income and taxable income, in addition to corrections in respect of the results provided by the companies recorded using the equity method, most of the permanent differences are accounted for by: losses obtained in foreign subsidiaries that are not tax deductible, mainly from the construction business, and those losses from derivative financial instruments related to the Group's stake in the associate Repsol, S.A., and the non-deductible finance costs that the Group has estimated will not be recoverable in a period of less than 10 years and which therefore have not been capitalised

### 13.4. Change in deferred tax

Movements in deferred tax assets and liabilities in 2018 and 2017 were as follows:

<i>Thousand euros</i>	<b>Balance at 12/31/2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Restatements and transfers</b>	<b>Changes in scope of consolidation</b>	<b>Exchange rate effect</b>	<b>Impact on equity</b>	<b>Balance at 12/31/2017</b>
Deferred tax assets	821,800	103,590	(67,482)	0	3,927	(21,800)	(2,238)	837,797
Deferred tax liabilities	150,481	76,742	(30,132)	(392)	6,983	(26,542)	489	177,629
<i>Thousand euros</i>	<b>Balance at 12/31/2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Restatements and transfers</b>	<b>Changes in scope of consolidation</b>	<b>Exchange rate effect</b>	<b>Impact on equity</b>	<b>Balance at 12/31/2018</b>
Deferred tax assets	837,797	163,617	(71,066)	510	(1,886)	(7,474)	(3,390)	918,108
Deferred tax liabilities	177,629	106,603	(41,520)	0	7,679	(17,625)	244	233,010

In 2018, movements in deferred tax assets were affected by the application of IFRS 15, which led to the recognition of deferred tax assets amounting to approximately 69 million euros. Other movements in deferred tax assets were mainly caused by the temporary differences resulting from the different taxation and accounting criteria used to measure certain assets and liabilities, chiefly in the concessions segment as a consequence of the application of IFRS-EU. Lastly, movements were also generated by temporary differences arising from the results obtained by the dependent UTEs whose accounting allocation differs from their tax allocation, as well as the offsetting of tax losses from previous years amounting to 13.5 million euros in the Sacyr, S.A. tax group.

As in 2018, the movement in deferred tax liabilities in 2017 was mainly due to temporary differences due to different tax and accounting criteria in the valuation of various assets, mainly due to the valuation of the account receivable for concession projects held by the Group in Chile. There is also a small effect from the application of IFRS 15, which resulted in the recognition of deferred tax liabilities of approximately 2.8 million euros.

Movements in deferred tax assets in 2017 were mainly caused by the temporary differences resulting from the different taxation and accounting criteria used to measure certain assets and liabilities, chiefly in the concessions segment as a consequence of the application of IFRS-EU. Finally, movements were also generated by temporary differences resulting from the results obtained from temporary joint ventures, where the accounting treatment differs from the tax treatment, and capitalisation of tax-loss carryforwards generated in the year.

In 2018 and 2017, the balance of "Deferred tax assets" is broken down as follows:

Thousand euros	2018	2017
<b>DEFERRED TAX ASSETS</b>	<b>918,108</b>	<b>837,797</b>
<b>SACYR, S.A. TAX GROUP IN SPAIN</b>	<b>758,901</b>	<b>660,039</b>
<b>1. TOTAL DEDUCTIONS AND CARRYFORWARDS OF THE CONSOLIDATED TAX GROUP</b>	<b>472,790</b>	<b>488,030</b>
<b>1.1. Deductions</b>	<b>282,956</b>	<b>289,866</b>
Sacyr Vallehermoso Participaciones Mobiliarias SL (double taxation on dividends)	199,065	199,065
Rest of consolidated tax group (*)	83,891	90,801
<b>1.2. Tax loss carryforwards</b>	<b>189,834</b>	<b>198,164</b>
Sacyr Vallehermoso Participaciones Mobiliarias SL (sale of 10% of Repsol)	82,342	81,407
Rest of consolidated tax group (*)	107,492	116,757
<b>2. TAX EFFECT OF FINANCIAL INSTRUMENTS</b>	<b>37,242</b>	<b>5,100</b>
<b>3. TEMPORARY DIFFERENCES ARISING BETWEEN ACCOUNTING AND TAXABLE PROFIT</b>	<b>248,869</b>	<b>166,909</b>
Other	248,869	166,909
<b>COMPANIES NOT INCLUDED IN THE TAX GROUP</b>	<b>159,207</b>	<b>177,758</b>

(\*) The credits of Vallehermoso División Promoción are not recognised under "Deferred tax assets" as they are classified as Non-current assets held for sale.

The Group assessed the recoverability of the consolidated deferred tax assets relating to tax loss carryforwards and unused tax credits, based on the evaluation of the economic projections of each of the companies forming the consolidated Tax Group in line with its own business plans and with the Sacyr Group's strategic plan.

The Group has deductible temporary differences which were not recognised as deferred tax assets in the statement of financial position. These differences were mainly non-deductible finance costs, the impact of which on deferred tax assets was 67 million euros (43 million euros in 2017). Article 16 of Corporate Income Tax Law 27/2014 stipulates a limit on the deductibility of finance costs whereby finance costs may generally only be deducted up to 30% of operating profits.



### 13.5. Tax loss carryforwards

Some Tax Group companies have tax losses that can be carried forward and offset against taxable income of individual companies in subsequent years.

Unused tax loss carryforwards at 31 December 2018 applicable in future years and considered recoverable are broken down as follows:

<b>Consolidated tax group</b>		
<b>Year generated</b>	<b>Thousand euros</b>	<b>Cumulative</b>
2001	1,014	1,014
2002	331	1,345
2003	0	1,345
2004	0	1,345
2005	109	1,454
2006	0	1,454
2007	0	1,454
2008	20,212	21,666
2009	69	21,735
2010	3,963	25,698
2011	308,970	334,668
2012	138,271	472,939
2013	125,873	598,812
2014	0	598,812
2015	182,043	780,855
2016	23,113	803,968
2017	142,319	946,287
2018	0	946,287
<b>TOTAL BASE</b>	<b>946,287</b>	

The Corporate Income Tax Law 27/2014 in Spain eliminated the temporary limit for the offset of tax losses, which had previously been set at 18 years. This means that tax assets will not expire. These tax loss carryforwards are expected to be offset against future profits and unrealised gains.

In 2018, the consolidated Tax Group was not able to deduct all the finance costs generated in the year. At year-end, the Group had finance costs amounting to 269 million euros (173 million euro in 2017) which were not subject to tax relief and which may be deducted in the following tax periods with no time limit. However, in line with the accounting principle of prudence, they were not capitalised since it cannot be guaranteed that they will be deducted over the next ten years.

### 13.6. Unused tax credits

At 31 December 2018, the Tax Group had 286,196 thousand euros in unused tax credits, accrued in 2018 and previous years (2007 to 2017). The yearly breakdown is as follows:

<b>Year generated</b>	<b>Amount (thousand euros)</b>	<b>Cumulative (thousand euros)</b>
2007	11,236	11,236
2008	9,421	20,657
2009	49,294	69,951
2010	60,533	130,484
2011	52,799	183,283
2012	35,430	218,713
2013	33,065	251,778
2014	29,095	280,873
2015	1,611	282,484
2016	1,620	284,104
2017	1,861	285,965
2018	231	286,196
<b>TOTAL</b>	<b>286,196</b>	

The main unused tax relief relates to the tax credits for the double taxation of dividends of Repsol, S.A., the 2009 reinvestment tax relief and R&D&i tax credits. The maximum periods to apply unused tax relief are unlimited for tax credits for double taxation, 18 years for R&D&i tax credits and 15 years for the remaining tax relief, all calculated from the period in which they were generated.

#### **14. Other non-current assets**

At 31 December 2017 this heading mainly included the amount that Sociedad Concesionaria Aeropuerto de Murcia, S.A. had reclassified from "Concessions Projects" in 2016 to this heading and which at 31 December 2018 had been derecognised due to its removal from the scope of consolidation due to the Group's loss of control of the company.

## 15. Inventories

The detail of Group inventories at 31 December 2018 and 2017 was as follows:

	2018	2017
<b>Thousand euros</b>		
Auxiliary work and start-up costs	69,078	62,592
Down payments	57,222	56,385
Construction materials and other supplies	37,686	44,557
Goods for resale	28,062	33,785
Land and lots	15,548	0
Finished goods	3,773	4,477
Work-in-progress and semi-finished goods	2,840	4,726
Adaptation of land	371	0
By-products, waste and recycled materials	73	76
Provisions	(5,322)	(6,661)
<b>TOTAL</b>	<b>209,331</b>	<b>199,937</b>

The Group's inventories, which are classified as non-current assets held for sale, include finance costs, and no further amounts were added in 2017 and 2018. Total cumulative finance costs included in inventories totalled 2,237 thousand euros in 2018 and 2,237 thousand euros in 2017.

At 31 December 2018, the carrying amount of finished buildings used to secure mortgage debts including the Vallehermoso Group, was 294 thousand euros (294 thousand euros in 2017); and the carrying amount of the land used to secure mortgage debts amounted to 0 thousand euros (8,048 thousand euros in 2017).

Additionally, at 2018 year-end, including the Vallehermoso Group, the mortgage debt guaranteed by finished buildings amounted to 643 thousand euros (722 thousand euros in 2017); and the debt guaranteed by the land amounted to 0 thousand euros (6,568 thousand euros in 2017).

The Group's property assets classified as inventories at 31 December 2018 are classified under "Non-Current Assets Held for Sale". At 31 December 2017, the book value of these assets amounted to 107 million euros.

At 31 December 2018 and 2017, the majority of the gas emission rights and consumed rights were contributed by the following companies:

	2018				2017			
	Balance		Consumption		Balance		Consumption	
	Number of rights	Value (thousand euros)	Number of rights	Value (thousand euros)	Number of rights	Value (thousand euros)	Number of rights	Value (thousand euros)
Compañía Energética Puente del Obispo	94,616	1,262	94,313	1,255	94,849	588	94,712	587
Compañía Energética Las Villas	112,883	1,471	112,496	1,463	90,976	538	108,351	675
Compañía Energética Pata de Mulo	55,998	638	55,782	633	71,816	440	71,661	439
Compañía Energética de Linares	96,615	1,388	96,419	1,384	77,923	473	89,591	565
<b>TOTAL</b>	<b>360,112</b>	<b>4,759</b>	<b>359,010</b>	<b>4,735</b>	<b>335,564</b>	<b>2,039</b>	<b>364,315</b>	<b>2,266</b>

## 16. Trade and other receivables

The breakdown of "Trade and other receivables" at 2018 and 2017 year-end is as follows:

<u>Thousand euros</u>	<b>2018</b>	<b>2017</b>
Customers	872,849	864,435
Completed work pending certification	518,242	875,086
Personnel	1,459	1,447
Receivable from companies accounted for using the equity method	79,324	69,671
Other receivables	393,716	438,438
Receivable from public entities	216,531	171,324
Impairment	(113,665)	(105,414)
<b>TOTAL</b>	<b>1,968,456</b>	<b>2,314,987</b>

The breakdown by business and type of customer trade receivables at 31 December 2017 and 2018 is as follows:

<b>2017</b> <u>Thousand euros</u>	<b>Central government</b>	<b>Autonomous regions</b>	<b>Local authorities</b>	<b>Public sector companies</b>	<b>Private customers</b>	<b>TOTAL</b>
Construction,	186,925	19,325	13,959	53,618	212,226	<b>486,053</b>
Services	8,575	16,915	85,374	28,954	92,430	<b>232,248</b>
Industrial	73	708	0	1,033	59,861	<b>61,675</b>
Concessions,	36,825	20,852	3,795	16,825	6,147	<b>84,444</b>
Adjustments and others	0	0	0	0	15	<b>15</b>
<b>TOTAL</b>	<b>232,398</b>	<b>57,800</b>	<b>103,128</b>	<b>100,430</b>	<b>370,679</b>	<b>864,435</b>

<b>2018</b> <u>Thousand euros</u>	<b>Central government</b>	<b>Autonomous regions</b>	<b>Local authorities</b>	<b>Public sector companies</b>	<b>Private customers</b>	<b>TOTAL</b>
Construction,	168,406	27,209	15,710	94,523	228,612	<b>534,460</b>
Services	11,183	30,082	80,164	3,911	106,642	<b>231,982</b>
Industrial	0	1,546	0	71	59,645	<b>61,262</b>
Concessions,	4,083	22,207	3,564	6,882	6,994	<b>43,730</b>
Adjustments and others	0	0	0	0	1,415	<b>1,415</b>
<b>TOTAL</b>	<b>183,672</b>	<b>81,044</b>	<b>99,438</b>	<b>105,387</b>	<b>403,308</b>	<b>872,849</b>

The average collection period for the Sacyr Group in 2018 was approximately 126 days (141 days in 2017).

In 2017, completed work pending certification increased mainly due to the change in accounting method of NDP, S.C.P.A. and SIS, S.c.p.A. and due to the performance of the Group's business activities. In 2018 there was a decrease mainly due to the first application of IFRS 15, as indicated in note 3.

The line-item "Receivable from associates" includes the Group's balances at equity-accounted companies. In 2017, there was a significant decrease in this heading as a result of the change in the accounting of SIS, S.c.p.A., which as mentioned above, went from using the equity method to full consolidation. There were no significant changes during 2018.

The heading "Other receivables" increased in 2017, mainly due to the change in accounting of SIS, S.c.p.A. and Superstrada Pedemontana Veneta, S.R.L. There has been no significant change in 2018.

"Receivables from public entities" at 31 December 2018 and 2017 mainly comprises VAT and Income Tax payments owed to the Group.

## **17. Cash and cash equivalents**

The detail of "Cash and cash equivalents" in 2018 and 2017 is as follows:

<b><i>Thousand euros</i></b>	<b>2018</b>	<b>2017</b>
Cash	1,902,677	2,021,559
Other cash equivalents	87,535	94,433
<b>TOTAL</b>	<b>1,990,212</b>	<b>2,115,992</b>

Of this total cash amount, 1,853.6 million euros are unrestricted (1,890.9 million euros in 2017) for those companies who hold cash for the specific development of their business activities. Specifically, 1,175.8 million euros (1,459.3 million euros in 2017) correspond, exclusively, to the Pedemontana project to cover the pending investment.

The restricted portion is due mainly to the restrictions established for the lending agreements arranged, which oblige the fixed assets to have the required amount to service the debt at the next maturity date. This situation occurs mainly in the concessions area and in the project companies financed through "Project finance", due to the reserve accounts to service debt (which guarantee the round of debt servicing).

## **18. Equity**

Details and movements in this heading in 2017 and 2018 are shown in the consolidated statement of changes in equity, which forms an integral part of the consolidated annual financial statements.

### a) Allocation of profits of Sacyr, S.A. (Parent)

The distribution of 2018 profits proposed by the Directors of the Parent and to be submitted for approval at the General Shareholders' Meeting is as follows:

<b>Euros</b>	<b>2018</b>	<b>2017</b>
<b>Basis of distribution</b>	<b>(170,913,251.63)</b>	<b>(491,185,130.22)</b>
Income statement	(170,913,251.63)	(491,185,130.22)
<b>Application</b>	<b>(170,913,251.63)</b>	<b>(491,185,130.22)</b>
To prior years' loss carryforwards	(170,913,251.63)	(491,185,130.22)

During the last five years, the Company has distributed dividends as follows:

<b>Thousand euros</b>	<b>Dividends</b>
2017	0
2016	0
2015	25,727
2014	0
2013	0
<b>Total</b>	<b>25,727</b>

### Limitations on the distribution of dividends

The Company is required to transfer 10% of profit for the year to a legal reserve until the reserve reaches at least 20% of share capital. The reserve cannot be distributed to shareholders unless it exceeds 20% of share capital.

Once the legal or Company bylaw requirements are met, dividends may only be distributed against profit for the year or against unrestricted reserves if the value of equity is not lower than that of share capital or does not fall below share capital as a result of this distribution. Accordingly, profit recognised directly in equity may not be distributed either directly or indirectly. Where losses exist from previous years that reduce the Company's equity to below the amount of share capital, profit must be allocated to offset these losses.

Within the framework of the Scrip Dividend programme agreed at the General Meeting of Shareholders held on 8 June 2017, the Board of Directors approved the execution in January 2018 of a capital increase charged to voluntary reserves from undistributed profits (scrip dividend) with the irrevocable commitment to purchase the free allocation rights at a guaranteed fixed price of 0.052 euros gross per right. This operation resulted in a cash disbursement in February 2018 for 1,146 thousand euros for those shareholders who opted to sell their assignment rights to the Company and 10,647,265 new shares for those who opted to receive new shares in the Company.

At the 2018 Annual Shareholders' Meeting, held on 7 June, two new Scrip Dividends were also approved, with similar characteristics to those carried out at the beginning of the year.

In mid-June, the first of these was implemented. The shareholders were able to choose: between receiving a new share for every 48 existing shares held, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.051 euros, gross, per right. This operation resulted in a cash disbursement in July 2018 for 3,748 thousand euros for those shareholders who opted to sell their assignment rights to the Company and 9,797,346 new shares for those who opted to receive new shares in the Company.

On 20 December 2018, the Company's Board of Directors proposed the implementation of a new bonus share issue, the shareholders were able to choose between receiving a new share for every 35 existing shares held, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.051 euros, gross, per right.

Over 95% of shareholders chose the Scrip Dividend in shares, for which a total of 15,039,736 new shares were issued, with Sacyr's new share capital now comprising a total of 568,595,065 shares. The new shares began trading on Spanish stock markets on 20 February 2019.

#### b) Share capital and share premium.

At 31 December 2017 and 2018 the share capital of the Parent was 533,111 thousand euros and 553,555 thousand euros, represented by 533,110,718 and 553,555,329 shares, respectively, of 1 euro par value each, fully subscribed and paid. All shares are of the same class. No shares bear founder rights. All of the shares have been admitted for trading on Spain's Continuous Market.

The General Shareholders' Meeting held on 12 June 2014, authorised the Board of Directors, during a maximum period of five years, to increase share capital through monetary contributions up to a maximum of 251,106,216 euros.

In 2017, the Parent carried out a share capital increase charged to reserves in the amount of 15,679,727 euros, by issuing 15,679,727 shares with a par value of 1 euro each, all of the same class.

In 2018, the Parent carried out a share capital increase charged to reserves in the amount of 20,444,611 euros, by issuing 20,444,611 shares with a par value of 1 euro each, all of the same class.

The share premium is subject to the same restrictions and can be used for the same purposes as voluntary reserves, including conversion to share capital.

The Parent's shareholders at 31 December 2018 and 2017, were as follows, according to the data registered at Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("Iberclear"). (article 6 of the Bylaws).

	2018	2017
Disa Corporación Petrolifera, S.A.	12.59%	12.47%
Grupo Corporativo Fuertes, S.L.	6.29%	6.27%
Beta Asociados, S.L.	7.16%	5.50%
Prilomi, S.L.	4.67%	4.66%
Prilou, S.L.	3.33%	3.16%
Other	65.96%	67.94%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### c) Reserves

#### - Reserves of the Parent

The breakdown of the reserves of the Group's Parent at 31 December 2018 and 2017 is as follows:

<i>Thousand euros</i>	<b>2018</b>	<b>2017</b>
Legal reserve	103,486	103,486
Voluntary reserve	1,048,873	1,074,547
<b>Total</b>	<b>1,152,359</b>	<b>1,178,033</b>

Companies are required to transfer at least 10% of profit for the year to a legal reserve until this reserve reaches 20% of share capital. This reserve is not distributable to shareholders, and may only be used to cover the receivable balance of the income statement if no other reserves are available.

At 31 December 2017 and 2018, the Company's legal reserve amounted to 19.4% and 18.7% of share capital, respectively.

The Parent's voluntary reserves are unrestricted.

#### - Other reserves

In 2018, the changes in reserves were due mainly to the impact of the application of new international standards and the transfer to reserves of profit from the previous year. In addition, other changes in reserves took place which affected the Group, mainly as a result of the change in Repsol's equity.

In 2017, the changes in reserves were due mainly to the transfer to reserves of profit for the previous year. In addition, other changes in reserves took place which affected the Group, mainly as a result of the change in Repsol's equity.

### d) Valuation adjustments

Movements in the reserve for unrealised gains and losses are recognised in the consolidated statement of comprehensive income and include:

#### - Equity instruments with changes in other comprehensive income.

As explained in Note 4, the interest in Itinere Infraestructuras, S.A. was recognised at fair value, with no deduction of any potential costs to sell, as these costs were non-material. Changes resulting from restatements to fair value are recognised directly in equity under "Equity instruments with changes in other comprehensive income", which in 2018 amounted to 64,938 thousand euros.

#### - Hedging instruments.



The reconciliation between the fair values of hedging instruments described in Note 25 and adjustments recognised in the consolidated income statement and consolidated equity is as follows:

<b>Fair value at 31 December 2016</b>	<b>(127,056)</b>
Income and expense recognised directly in equity	(21,098)
Ineffective hedge, changes in scope and other	(12,307)
Transfer to separate consolidated income statement	24,190
<b>Fair value at 31 December 2017</b>	<b>(136,271)</b>
Income and expense recognised directly in equity	(5,342)
Ineffective hedge, changes in scope and other	29,504
Transfer to separate consolidated income statement	11,140
<b>Fair value at 31 December 2018</b>	<b>(100,969)</b>

- Translation differences

This is the difference between translating the equity of companies reported in non-euro currencies at year-end and at historical exchange rates. In 2018 and 2017, the main movements in this heading were due to the performance of Repsol Group.

e) Treasury shares.

At 31 December 2018, the Parent held 10,951,549 treasury shares, equivalent to 1.9784% of its share capital. At the average exchange rate, the price paid was 4.1716 per share.

Movements in treasury shares in 2017 and 2018 were as follows:

<b>Balance at 31/12/16</b>	<b>6,068,302</b>
Shares bought	49,693,234
Shares transferred	(55,361,090)
Bonus share issue	22,141
<b>Balance at 31/12/17</b>	<b>422,587</b>
Shares incorporated	40,099,128
Shares transferred	(29,709,816)
Bonus share issue	139,650
<b>Balance at 31/12/18</b>	<b>10,951,549</b>

In the whole of 2018, Sacyr continued with its liquidity agreement entered into on 10 July 2017 with Banco de Sabadell, S.A. and pursuant to Circular 1/26, of 2017 December, of the Spanish National Securities Market Commission (CNMV).

Between 1 January and 31 December 2018, 40,099,128 and 29,709,816 Sacyr shares were incorporated and transferred, respectively.

At 31 December 2018, Sacyr was custodian of 17,446 Sacyr shares, which were those that were not subscribed in the bonus issues of 2017 and 2018.

Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, and pursuant to Article 59 of the Corporate Enterprises Act, it will sell and deposit the resulting amount, together with the dividend rights received during this entire period, in the General Deposit Fund, where it will be available to its shareholders.

At the end of 2018, the Sacyr share price was 1.744 euros, 26.07% lower than at the prior year close (2.359 euros per share).

f) Equity of non-controlling shareholders.

“Non-controlling interests” shown under equity on the consolidated statement of financial position represents the value of all the stakes held by minority shareholders in the equity of the Group’s consolidated subsidiaries. “Non-controlling interests” on the consolidated income statement reflects the portion of profit or loss for the year attributable to these non-controlling shareholders.

In 2017, there was an increase in this heading, mainly as a result of the change in accounting of SIS S.C.P.A., NDP, S.C.P.A. and Superestrada Pedemontana Veneta, S.R.L., as described in Note 2, and of the sale of 49% of Sociedad Concesionaria Ruta del Algarrobo, S.A.

There were no significant changes in 2018.

## **19. Deferred income**

Movements in “Deferred income” in 2017 and 2018 were as follows:

<b>2017</b>	<b>Balance at</b>	<b>Additions</b>	<b>Disposals</b>	<b>Restatements and transfers</b>	<b>Balance at</b>
<b>Thousand euros</b>	<b>31-Dec-16</b>				<b>31-Dec-17</b>
Government grants	56,020	2,623	(4,242)	7	54,408
<b>TOTAL</b>	<b>56,020</b>	<b>2,623</b>	<b>(4,242)</b>	<b>7</b>	<b>54,408</b>

  

<b>2018</b>	<b>Balance at</b>	<b>Additions</b>	<b>Disposals</b>	<b>Restatements and transfers</b>	<b>Balance at</b>
<b>Thousand euros</b>	<b>31-Dec-17</b>				<b>31-Dec-18</b>
Government grants	54,408	826	(2,844)	0	52,390
<b>TOTAL</b>	<b>54,408</b>	<b>826</b>	<b>(2,844)</b>	<b>0</b>	<b>52,390</b>

The amount in this heading for both years consists mainly of the non-refundable government grant by the Mallorca Regional Government provided to Sociedad Concesionaria de Palma de Manacor, S.A., for the construction of the Plaza de la Encarnación car park in Seville awarded by the town council of Seville, and the grant provided for the Alcudia Desalination Plant by the Ministry of the Environment.

## 20. Provisions

### 20.1. Non-current provisions

Movements in this heading at 2017 and 2018 year-end were as follows:

2017 Thousand euros	Balance at 31-Dec-16	Additions	Disposals		Restatements and transfers	Exchange rate effect	Balance at 31-Dec-17
			Reversals	Amounts used			
Non-current provisions	370,428	50,375	(22,141)	(12,317)	(91,158)	(305)	294,882
<b>Reconciliation</b>							
Provisions for income tax	19,973	1,981	0	(539)	0	0	21,415
Other provisions (income statement by nature)	92,821	33,837	(8,050)	(8,502)	(9,786)	(297)	100,023
Associates (financial)	171,727	4,246	(14,091)	0	(69,953)	0	91,929
Provisions for pensions and similar obligations	3,831	268	0	(1,265)	0	(8)	2,826
Major repairs (other operating costs)	82,076	10,043	0	(2,011)	(11,419)	0	78,689

2018 Thousand euros	Balance at 31-Dec-17	Additions	Disposals		Restatements and transfers	Exchange rate effect	Balance at 31-Dec-18
			Reversals	Amounts used			
Non-current provisions	294,882	345,549	(28,166)	(15,633)	(282,950)	235	313,917
<b>Reconciliation</b>							
Provisions for income tax	21,415	99	(155)	(6,070)	1,227	0	16,516
Other provisions (income statement by nature)	100,023	25,257	(17,597)	(5,564)	(3,721)	308	98,706
Associates (financial)	91,929	310,527	(290)	(1,554)	(277,741)	0	122,871
Provisions for pensions and similar obligations	2,826	328	0	(165)	(432)	(27)	2,530
Major repairs (other operating costs)	78,689	9,338	(10,124)	(2,280)	(2,283)	(46)	73,294

Non-current provisions include:

- a) Provisions for losses in companies accounted for using the equity method that exceed the investment in them, in accordance with IAS 28 (paragraphs 29 and 30), amounting to 123 million euros at 31 December 2018 (92 million euros at 31 December 2017). Once the value of the investment in companies accounted for using the equity method is reduced to zero, the provision for any additional losses are recorded by the Group insofar as it has incurred in the legal or implicit obligations. The losses relating to Grupo Unidos por el Canal, S.A. are of particular note here.

In 2010, Sacyr, S.A. bought a stake in Grupo Unidos por el Canal, S.A., the company which holds the Project and Construction contract for the third set of locks for the Panama Canal. Although Sacyr, S.A. is the owner of the holding, the construction division staff is representing the Group as a whole in the project, with an internal agreement existing between the Company and its shareholder that the profits or losses will be assumed by Sacyr Construcción, S.A. (sole shareholder company) without this implying the transfer of the rights, benefits or interests that Sacyr, S.A. may have in the contract or in the company, as is expressly prohibited in the construction works agreement. At 31 December 2016 and 2017, Sacyr Group held a 48% stake in the consortium awarded the contract to build the third set of locks on the Panama Canal, with respect to the customer, and this was the basis whereby the initial guarantees currently in force were established. There are also internal agreements concerning the redistribution of percentages in the results of members of the consortium, which allocate Sacyr, S.A. a 41.6% share in earnings. This company is accounted for using the equity method and this is the main explanation for the variation between the two years, which results from new loans being granted by the Group.

On 31 May 2016, GUPC successfully completed the extension of the third set of locks on the Panama Canal, with delivery being received by the ACP on 24 June 2016. After the delivery of the works, the project has a three-year maintenance contract, which is being developed within the contractually established standards of operational quality.

In December 2018, the outstanding balance of advance payments by ACP and GUPC stood at 300 million US dollars, corresponding to advance payments stipulated in the contract: "Mobilisation Security" and "Plant Security" and to payments made directly to certain suppliers based on a series of changes in the Contract signed with ACP.

GUPC has filed several objective quantified claims amounting to date to 4,221.3 million US dollars. These claims, originating from diverse unplanned costs arising from the project, are currently going through the international arbitration process with the ICC (Arbitration court with head office in Miami, subject to Panamanian Law, which is governed by the rules of the International Chamber of Commerce). The arbitration proceedings established will take a decision on the liability of those unforeseen costs with respect to which the GUPC has presented various claims.

Additionally, Sacyr and the other GUPC consortium members, have filed claims with regards to the damages caused, increasing the total amount claimed to the ACP up to 5,200 million US dollars.

The Group's estimated value of the claims as of December 2018 amounts to 1,307.5 million US dollars (1,283.7 million US dollars in 2017), which represents a 31% of the total claims filed awaiting for resolution. The change in value in 2018 is due exclusively to the financial update. Such amounts are adjusted in the consolidation process using the equity method in Sacyr, S.A.'s financial statements, in accordance with applicable accounting standards.

No new collections of claims took place in 2018, as the DAB (Dispute Adjudication Board) has not given any rulings on these claims and those relating to the ICC's Arbitration Court in Miami are still pending, with 346.4 million US dollars having been collected to date.

To date, 4 arbitration processes have been started, grouping together several claims, detailed as follows:

- Arbitration 1: Pacific Cofferdam, updated in the amount of 194.1 million US dollars: the arbitration process with the Miami ICC commenced in 2016. The proceedings were held in January 2017 and, on 25 July, the ICC issued a ruling denying GUPC's claim, putting an end to this claim.
- Arbitration 2: Basalt, concrete formulae, faults and laboratory, in the amount of 463.1 million US dollars.
- Arbitration 3: Floodgates and labour, in the amount of 593.9 million US dollars
- Arbitration 4: Disruption, prototype, general concrete and omnibus, in the amount of 2,970.2 million US dollars.

On 23 October 2018 the independent expert DFL Associate, Ltd. updated the report analysing each claim, describing the status of each until that date, and establishing a fair estimate of the amount that the Company can expect from each. The estimates are based on its own research and experience and on the documentation provided by GUPC. Its conclusion is that the Company should reasonably expect to recover 2,057.8 million US dollars.

b) Provisions to cover risks associated with lawsuits in progress. These were recorded in accordance with the best estimates at year-end and there is no material amount. By business areas, they are as follows:

- Services
  - Grupo Valoriza Servicios Medioambientales, Sadyt and Facilities were provisioned for onerous contracts with which the Company expects a negative cash flow for construction completion and environmental action.
- Industrial

- Provisions for greenhouse gas emissions by several power companies (C.E. Puente del Obispo, C.E. Pata de Mulo, C.E. de Linares and C.E. de las Villas). This provision is allocated as the rights are used. Emission rights are not amortised.
- Concessions
  - Based on the concession sector's circumstances and in view of the uncertainties in the regulatory and market conditions, in 2018 the Group recorded non-current provisions amounting to 16.2 million euros (31.5 million euros in 2017) for the contingencies and liabilities that it would have to assume as the shareholder vis-à-vis third parties in the event of an asset impairment at its investees beyond the capital provided.
  - Provisions provided for large repairs envisaged in the concession agreement amounting to 30,062 thousand euros (35,007 thousand euros in 2017).

The amount of financial adjustments is not significant.

- c) Provisions for tax claims include tax liabilities whose amount or due date is uncertain and where an outflow of resources from the group will probably be required to settle a liability arising from a present obligation. The application in 2018 was mainly due to the derecognition of the previously recognised tax risk of Río Narcea Recursos, S.A.U. There were no significant changes in 2017

## 20.2. Current provisions

Movements in this heading in 2017 and 2018 were as follows:

2017 Thousand euros	Balance at 31-Dec-16	Change in operating provisions	Additions	Disposals		Restatements and transfers	Ex. rate effect	Changes in scope of consolidation	Balance at 31-Dec-17
				Reversals	Amounts used				
Current provisions	220,778	3,624	48,735	(146,831)	(26,259)	6,913	17,865	(2,099)	122,726
<b>Reconciliation</b>									
Change in operating provisions	193,311	3,624	29,015	(133,264)	(24,213)	(4,051)	17,842	(1,877)	80,387
Other responsibilities (income statements by nature)	26,844	0	17,263	(13,082)	(1,283)	(452)	23	(175)	29,138
Provisions for taxes	0	0	525	(1)	0	0	0	(37)	487
Other trade provisions (income statements by nature)	106	0	252	0	(246)	0	0	(10)	102
Provision for Major Repairs ST	517	0	1,680	(484)	(517)	11,416	0	0	12,612
<b>2018</b> Thousand euros									
Current provisions	122,726	0	123,070	(53,987)	(8,741)	(25,261)	(582)	0	157,225
<b>Reconciliation</b>									
Change in operating provisions	80,387	0	108,886	(36,333)	(2,073)	(29,616)	(141)	0	121,110
Other responsibilities (income statements by nature)	29,138	0	11,993	(9,499)	(5,480)	1,767	(456)	0	27,463
Provisions for taxes	487	0	0	0	(501)	305	13	0	304
Other trade provisions (income statements by nature)	102	0	324	0	(54)	0	2	0	374
Provision for Major Repairs ST	12,612	0	1,867	(8,155)	(633)	2,283	0	0	7,974

In 2017, there was a decrease in the amount of current provisions, arising mainly from the application of 93 million euros corresponding to coverage of the potential risks it had to assume as shareholder of the Madrid radial motorways in relation to the legal proceedings filed by third parties.

## **21. Contingent liabilities**

The Group assesses its obligations and liabilities by considering the potential obligations arising from past events whose existence must be confirmed by uncertain future events not under the Group's control as "contingent liabilities". At 31 December 2017 and 2018 there were no material contingent liabilities that could have a significant impact on the Group's financial statements or which could lead to an outflow of resources.

At 31 December 2017 and 2018 Group companies had provided guarantees of 2,237,441 thousand euros and 2,448,855 thousand euros, respectively. The breakdown of guarantees provided in each segment is as follows:

<b>2017</b>	<b>Financial guarantees</b>		<b>Technical guarantees</b>		<b>TOTAL</b>
	<b>Spain</b>	<b>Outside</b>	<b>Spain</b>	<b>Outside</b>	
<b>Thousand euros</b>					
Holding	94,354	113,712	20	214,052	422,137
Construction	78,734	243,228	200,796	550,410	1,073,168
Concessions	1,688	0	70,017	317,958	389,663
Valoriza	6,971	7,678	208,121	116,792	339,562
Vallehermoso	4,626	0	8,285	0	12,911
<b>Total</b>	<b>186,373</b>	<b>364,618</b>	<b>487,239</b>	<b>1,199,212</b>	<b>2,237,441</b>

<b>2018</b>	<b>Financial guarantees</b>		<b>Technical guarantees</b>		<b>TOTAL</b>
	<b>Spain</b>	<b>Outside</b>	<b>Spain</b>	<b>Outside</b>	
<b>Thousand euros</b>					
Holding	93,187	115,367	20	19,119	227,693
Construction	9,796	75,821	199,438	1,106,442	1,391,497
Concessions	1,668	10,092	64,437	381,793	457,990
Services	8,255	1,874	218,266	61,123	289,518
Industrial	3,945	4,217	10,404	51,205	69,771
Vallehermoso	4,172	0	8,214	0	12,386
<b>Total</b>	<b>121,023</b>	<b>207,371</b>	<b>500,779</b>	<b>1,619,682</b>	<b>2,448,855</b>

In the construction divisions, these were performance guarantees signed up on contracts with customers and tenders, and any advances received.

In the Concessions division, a distinction is made between technical guarantees (deposits for tender, construction and operation of toll motorways) and financial guarantees (bank guarantees).

The guarantees extended by the Valoriza Group largely correspond to construction contracts.

In the Real Estate Development division (Vallehermoso Group), a distinction is made between:

- Technical guarantees, relating to the contracts for construction and sale of developments, land tenders and down payments from property buyers.
- Financial guarantees, which mainly relate to deferred payments for the acquisition of land.

The holding's technical guarantees mainly concern the project to build the third set of locks on the Panama Canal.

The amount of the guarantees and collateral posted by Sacyr directly or indirectly via Grupo Unidos por el Canal, S.A. (GUPC) for construction of the third set of locks on the Panama Canal is as follows:

<b><u>Guarantees (millions of US dollars)</u></b>	<b><u>Guarantee by Sacyr</u></b>
Corporate credit guarantee granted to GUPC	109,6
Guarantee for the payment of suppliers and employees	21,6
Good performance guarantee	22,0
Advances	366,0
<b>Guarantees at 31 December 2017</b>	<b>5192</b>
Advances	(238,4)
<b>Guarantees at 31 December 2018</b>	<b>280,8</b>

In addition, the GUPC members jointly guarantee the correct operation of the work carried out, in accordance with the appendix of the VO 108 contract, for 150 million US dollars.

No liabilities other than those recorded and described in these notes to the consolidated financial statements that would result in an outflow of resources for the Group are expected to arise.

There are operating leases amounting to 90,923 thousand euros, of which 24,837 thousand euros are classified in the short term.

## **22. Bank borrowings**

The table below shows the Group's financial debt with banks by division at year-end 2017 and 2018. Schedules are prepared based on the contractual maturity of financing agreements. Debt maturities are classified in the consolidated statement of financial position in accordance with applicable accounting standards.

The breakdown of the Group's gross financial debt at 31 December 2017, by division and contractual maturity, was follows:

2017	2018	2019	2020	2021	2022	Subsequent years	TOTAL BORROWINGS
<b>Sacyr</b>	<b>332,363</b>	<b>258,834</b>	<b>41,000</b>	<b>4,050</b>	<b>4,238</b>	<b>80,324</b>	<b>720,809</b>
- Bank borrowings	254,188	9,408	33,800	4,050	4,238	9,537	315,221
- Bonds and other marketable debt securities	78,175	249,426	7,200	0	0	70,787	405,588
<b>Construction Group</b>	<b>130,020</b>	<b>76,302</b>	<b>144,154</b>	<b>9,334</b>	<b>11,156</b>	<b>1,482,137</b>	<b>1,853,103</b>
- Bank borrowings	129,856	20,526	24,154	9,334	9,234	33,059	226,163
- Bonds and other marketable debt securities	164	55,776	120,000	0	1,922	1,449,078	1,626,940
<b>Grupo Sacyr Concesiones (1)</b>	<b>299,383</b>	<b>237,723</b>	<b>178,295</b>	<b>135,857</b>	<b>136,839</b>	<b>1,492,788</b>	<b>2,480,885</b>
- Bank borrowings	291,685	232,305	172,390	129,420	130,253	1,474,610	2,430,663
- Bonds and other marketable debt securities	7,698	5,418	5,905	6,437	6,586	18,178	50,222
<b>Services Group</b>	<b>78,374</b>	<b>68,271</b>	<b>33,931</b>	<b>29,342</b>	<b>23,392</b>	<b>148,073</b>	<b>381,383</b>
- Bank borrowings	78,374	68,271	33,931	29,342	23,392	148,073	381,383
<b>Industrial Group</b>	<b>39,922</b>	<b>4,681</b>	<b>8,000</b>	<b>6,249</b>	<b>5,856</b>	<b>80,573</b>	<b>145,281</b>
- Bank borrowings	39,922	4,681	8,000	6,249	5,856	80,573	145,281
<b>Somague Group</b>	<b>42,868</b>	<b>13,418</b>	<b>14,821</b>	<b>12,368</b>	<b>13,809</b>	<b>76,485</b>	<b>173,769</b>
- Bank borrowings	42,868	13,418	14,821	12,368	13,809	76,485	173,769
<b>TOTAL DEBT PAYABLE</b>	<b>922,930</b>	<b>659,229</b>	<b>420,201</b>	<b>197,200</b>	<b>195,290</b>	<b>3,360,380</b>	<b>5,755,230</b>
Transaction costs to be distributed	0	0	0	0	0	0	(104,858)
<b>TOTAL DEBT</b>	<b>922,930</b>	<b>659,229</b>	<b>420,201</b>	<b>197,200</b>	<b>195,290</b>	<b>3,360,380</b>	<b>5,650,372</b>
<b>Grupo Vallehermoso (2)</b>	<b>7,014</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>362</b>	<b>7,664</b>
- Bank borrowings	7,014	72	72	72	72	362	7,664
<b>TOTAL DEBT PAYABLE</b>	<b>7,014</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>362</b>	<b>7,664</b>

Figures include 26 million euros of accrued unpaid interest.

(1) At Sacyr Concesiones current bank borrowings include all Viastur's financial data as the coverage ratios used to service the debt is lower than that stipulated in the contract.

(2) In Vallehermoso's figures, accounting classification by term differs from the contractual maturities owing to the classification of debt associated with inventories classified as current debt.

Gross financial debt at 31 December 2017 amounted to 5,650 million euros, up by 1,215 million euros versus financial debt of 4,435 million euros at 31 December 2016.

This increase in gross financial debt arose, mainly, due to the change in the Group's scope of consolidation. With effect from 1 July 2017, the Italian companies Superestrada Pedemontana Veneta S.p.A. and S.I.S., S.C.P.A. joined the Sacyr Construcción Group; they contribute 1,627 million euros in debt instruments and other marketable securities.

The main characteristics of debt in each division at 31 December 2017 were as follows:

- Holding: The Parent's debt includes Debt instruments and other marketable securities in the amount of 406 million euros, spread across convertible bonds, simple bonds and promissory notes programmes.

This heading includes a convertible bond issue launched in May 2014, for 250 million euros, consisting of 2,500 bonds each with a value of 100,000 euros, maturing on 8 May 2019, and with a 4% fixed annual nominal coupon paid on a quarterly basis. The initial swap or conversion price at 31 December 2017 was 5.284 euros.

Three issues of simple bonds: (i) one amounting to 26.2 million euros launched on 7 May 2015 with 5-year maturity, in December 2016 early redemption of 186 bonds in the nominal amount of 18.6 million euros with an outstanding nominal balance at 31 December 2017 of 7.6 million euros, annual coupon of 4.5%; (ii) in November 2016

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Sacyr S.A., launched another simple bond issue, under par, in the amount of 30 million euros, coupon of 4.75% payable annually and maturing on 23 November 2023, subject to English Law. In November 2017, they bought back 262 bonds, nominally equivalent to 26.2 million euros, which appear without being redeemed in the statement of financial position as a financial asset. (iii) a third simple bond issue, at par value, launched on 16 November 2017, for 44 million euros, with a coupon of 4.5% payable annually and maturing on 16 November 2024.

On 25 April 2017, the one-year renewal of the ECP promissory notes programme was registered, launched in April 2016, with a maximum amount of 300 million euros at a variable interest rate.

On 3 October 2017 Sacyr S.A. launched a Company promissory notes programme with maturity of one year and a maximum amount of 250 million euros at a variable interest rate, which has been renewed until 3 October 2019.

The total amount available at the end of 2017 under both programmes was 85.7 million euros.

Floating-rate bank debt amounted to 315 million euros with 68% financed at a variable rate and 32% at a fixed rate; they consist of working capital credits and corporate loans used by Sacyr S.A. to coordinate and provide financial management as the Group's Parent.

- Construction (Sacyr Group and Somague): Bank borrowings totalled 400 million euros: 76% with a variable interest rate and 24% at fixed interest; 43% was repayable at short term. In the last year, Somague Engenharia refinanced 122 million euros of short-term debt, extending its maturity to 2023, thus at year-end 2017, 75% of its debt had maturity dates of 2019 onwards.

Effective on 1 July 2017, the Italian companies, Superestrada Pedemontana Veneta S.p.A. and S.I.S., S.C.P.A. joined the scope of consolidation of Sacyr Construcción Group; this implied the inclusion 1,627 million euros in financial debt under the heading "Debt instruments and other marketable securities".

The trading company Superestrada Pedemontana Veneta S.p.A. issued Senior bonds in the amount of 1,221 million euros, over a 30-year term, with a current variable coupon at year-end 2017, Eonia +100bp, fixed coupon in the infrastructure construction period of 5.0% and, another Subordinate bond issue in the amount of 350 million euros, a 10-year term, coupon of 8% modifiable under certain events.

On 31 March 2017, the Italian company S.I.S., S.C.P.A. issued bonds in two tranches under English Law in the amount of 57.4 million euros, for a 2-year term with option to extend it one further year.

This division finances net working capital generated through the use of credit facilities, loans and sales of trade receivables. A total of 93% of the borrowings come from activity outside Spain.

- Concessions (Sacyr Concesiones Group): gross financial debt at 31 December 2017 amounted to 2,481 million euros, divided into 2,431 million euros in concession project financing and 50 million euros in bonds.

At year-end, this financial debt had increased by 218 million euros versus 31 December 2016. The main increases were due to borrowing required by the Chilean companies and the Peruvian concessionaire, and to obtain financing throughout 2017 in various companies in Uruguay and Mexico: Consorcio PPP Rutas del Litoral S.A. and Autovía Pirámides Tulancingo Pachuca, S.A. de C.V.

In addition, the change in exchange rates at year-end, mainly for the Chilean and Peruvian companies (with debt stated in US dollars) led to a decrease in the debt with credit institutions from one year to the next.

A total of 48.9% of this financial debt is hedged against interest rate rises. The debt will be serviced with cash flows generated by the concessions. 88% is contractually due from 2019 onwards. Projects outside Spain, i.e. Chile, and Peru, account for 53% of the division's borrowings.

All of Viastur Concesionaria del Principado de Asturias, S.A.'s bank borrowings, 97.4 million euros, are shown as current liabilities on the basis of the expected failure to meet the debt service coverage ratio in 2017.

With regard to Autovía del Turia, Concesionaria de la Generalitat Valenciana, S.A., the debt service coverage ratio in 2016 was lower than that stipulated in the company's loan agreement, for which reason, at 31 December 2016, total bank borrowings were classified as current liabilities in the statement of financial position. Finally, this situation of not complying with the debt service coverage ratio did not arise in 2017, thus the financial debt is already classified in accordance with its maturity date.

The bond issue launched by Autovía del Noroeste Concesionaria de CARM, S.A. in April 2016 remains outstanding, with a fixed annual coupon of 4.75%, redeemable and realizable in calendar semesters, with maturity at 30 June 2025. The balance at 31 December 2017 stood at 50.2 million euros.

- Valoriza Group: distributes the 381 million euros of gross financial debt stated at 31 December 2017 in two blocks; firstly, the structured financing, 54% of the total and which is in turn 44% hedged against the risk of increases in interest rates. This is debt acquired by the concessionary businesses for water treatment and environmental services, which is serviced by cash flows generated by the concessions; meanwhile, the debt associated with works and contracts, encompassed in the remaining 46%, is of a corporate nature and finances the net working capital arising from the operation of service contracts of the following lines of business activity: Environment, Water and Multiservices.

Gross financial debt at 31 December 2017 was up 12 million euros on a year earlier, mainly due to the provision of the loan granted for the execution of the contract to "design, build, operate and maintain a seawater desalination plant in Sohar, Oman".

With regard to repayments, 303 million euros (80% of gross financial debt) reach contractual maturity from 2019 onwards.

- Industrial Group: had a gross financial debt at 31 December 2017 of 145 million euros, with 80% allocated to the long-term structured financing of projects, 70% hedged against interest rate increases, which mainly finance energy companies via Valoriza Renovables S.L.; the remaining 20% finances borrowings in connection with construction work contracts and working capital arising from its business activity.

The table below shows the maturities of bank borrowings at 31 December 2017, including the estimated interest on financial debt:

2017	2018	2019	2020	2021	2022	Subsequent years	TOTAL BORROWINGS
- Bank borrowings	922,930	659,229	420,201	197,200	195,290	3,360,380	5,755,230
- Interest payable	170,223	166,599	146,630	135,208	127,947	1,242,966	1,989,573
<b>TOTAL DEBT PAYABLE</b>	<b>1,093,153</b>	<b>825,828</b>	<b>566,831</b>	<b>332,408</b>	<b>323,237</b>	<b>4,603,346</b>	<b>7,744,803</b>
Transaction costs to be distributed	0	0	0	0	0	0	(104,858)
<b>TOTAL DEBT</b>	<b>1,093,153</b>	<b>825,828</b>	<b>566,831</b>	<b>332,408</b>	<b>323,237</b>	<b>4,603,346</b>	<b>7,639,945</b>
<b>Grupo Vallehermoso</b>							
- Bank borrowings	7,014	72	72	72	72	362	7,664
- Interest payable	80	12	10	9	8	17	136
<b>TOTAL DEBT PAYABLE G. VALLEHERMOSO</b>	<b>7,094</b>	<b>84</b>	<b>82</b>	<b>81</b>	<b>80</b>	<b>379</b>	<b>7,800</b>

The breakdown of the Group's gross financial debt at 31 December 2018, by division and contractual maturity, was as follows:

2018	2019	2020	2021	2022	2023	Subsequent years	TOTAL BORROWINGS
<b>Sacyr</b>	<b>560,312</b>	<b>119,247</b>	<b>75,531</b>	<b>191,200</b>	<b>107,482</b>	<b>78,448</b>	<b>1,132,220</b>
- Bank borrowings	104,075	32,500	75,531	128,783	78,431	36,287	455,607
- Bonds and other marketable debt securities	456,237	86,747	0	62,417	29,051	42,161	676,613
<b>Construction Group</b>	<b>131,006</b>	<b>29,078</b>	<b>220,767</b>	<b>147,972</b>	<b>21,285</b>	<b>1,245,516</b>	<b>1,795,624</b>
- Bank borrowings	73,606	29,078	15,292	13,580	7,198	28,470	167,224
- Bonds and other marketable debt securities	57,400	0	205,475	134,392	14,087	1,217,046	1,628,400
<b>Grupo Sacyr Concesiones</b>	<b>276,657</b>	<b>212,273</b>	<b>142,691</b>	<b>150,070</b>	<b>860,967</b>	<b>959,077</b>	<b>2,601,735</b>
- Bank borrowings	256,402	188,185	114,677	118,082	830,923	690,086	2,198,355
- Bonds and other marketable debt securities	20,255	24,088	28,014	31,988	30,044	268,991	403,380
<b>Services Group</b>	<b>74,686</b>	<b>70,994</b>	<b>42,143</b>	<b>39,282</b>	<b>27,233</b>	<b>225,768</b>	<b>480,106</b>
- Bank borrowings	74,686	70,994	42,143	39,282	27,233	225,768	480,106
<b>Sacyr Group (Industrial)</b>	<b>27,803</b>	<b>6,518</b>	<b>6,445</b>	<b>6,101</b>	<b>6,503</b>	<b>66,511</b>	<b>119,881</b>
- Bank borrowings	27,803	6,518	6,445	6,101	6,503	66,511	119,881
<b>Somague Group</b>	<b>29,613</b>	<b>9,580</b>	<b>11,450</b>	<b>42,914</b>	<b>45,713</b>	<b>0</b>	<b>139,270</b>
- Bank borrowings	29,613	9,580	11,450	42,914	45,713	0	139,270
<b>TOTAL DEBT PAYABLE</b>	<b>1,100,077</b>	<b>447,690</b>	<b>499,027</b>	<b>577,539</b>	<b>1,069,183</b>	<b>2,575,320</b>	<b>6,268,836</b>
Transaction costs to be distributed	0	0	0	0	0	0	(110,273)
<b>TOTAL DEBT</b>	<b>1,100,077</b>	<b>447,690</b>	<b>499,027</b>	<b>577,539</b>	<b>1,069,183</b>	<b>2,575,320</b>	<b>6,158,563</b>
<b>Grupo Vallehermoso (1)</b>	<b>458</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>283</b>	<b>1,029</b>
- Bank borrowings	458	72	72	72	72	283	1,029
<b>TOTAL DEBT PAYABLE</b>	<b>458</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>283</b>	<b>1,029</b>

Figures include 30 million euros of accrued unpaid interest.

(1) In Vallehermoso's figures, accounting classification by term differs from the contractual maturities owing to the classification of debt associated with inventories classified as current debt.

Gross financial debt at 31 December 2018 amounted to 6,159 million euros, up by 509 million euros versus financial debt of 5,650 million euros at 31 December 2017.

The main characteristics of debt in each division at 31 December 2018 were as follows:

- Holding: The Parent's debt includes debt instruments and other marketable securities in the amount of 677 million euros, spread across convertible bonds, simple bonds and promissory notes programmes.

On 4 May 2018, Sacyr S.A. placed a fixed-income security issue (European Medium Term Note Programme) up to a maximum amount of 500 million euros, for a period of twelve months, renewable annually. The programme's prospectus was approved on the same day by the Central Bank of Ireland and it is subject to English law. Under this programme, at 30 June 2018, 631 bonds of 100,000 euros each, for a total amount of 63.1 million euros, with an annual 2.836% coupon, payable quarterly and maturing on 12 June 2022.

Bonds issued prior to 1 January 2017, which are recognised in the statement of financial position for the year-ended 31 December 2018:

1. Convertible bonds for a nominal amount of 250 million euros, which mature on 8 May 2019 and have an annual coupon of 4% that is payable quarterly.
2. Simple bonds, with an outstanding nominal balance of 7.6 million euros, which are payable with an annual coupon of 4.5% and mature on 5 May 2020.
3. Simple bonds issued for a nominal amount of 30 million euros, with a 4.75% coupon payable annually and maturing on 23 November 2023. In November 2017, Sacyr bought back 262 of the bonds for 100,000 euros each, nominally equivalent to 26.2 million euros. These bonds have not been redeemed and are recognised in the statement of financial position as a financial asset.
4. Simple bonds issue for a total amount of 44 million euros, with a 4.5% coupon payable annually and maturing on 16 November 2024.

In April 2018, the one-year renewal of the ECP promissory notes programme was registered, launched in April 2016, for a maximum amount of 300 million euros at a variable interest rate.

On 3 October 2017 Sacyr S.A. launched an ECP promissory notes programme with maturity of one year and a maximum amount of 250 million euros at a variable interest rate. In October 2018, Sacyr, S.A. registered the renewal of this programme.

The amount available under both programmes at 31 December 2018 was 285 million euros.

The 456 million euros of bank borrowings is financed 81% at a variable rate and 19% at a fixed rate; it consists of working capital credits and corporate loans used by Sacyr S.A. to coordinate and provide financial management as the Group's Parent; 22% of bank borrowings mature in 2019.

This heading includes a syndicated loan to fund the return of the advances of the Panama Canal, signed on 29 November 2018, at a variable interest rate for a term of 5 years, the outstanding balance of which, at 31 December 2018, stood at 218 million euros.

In 2019, 560 million euros of this will mature, which breaks down as follows: a total nominal amount of 250 million euros for the convertible bond, a total of 206 million euros for the ECP promissory notes and a total of 104 million euros for loans and credit facilities.

- Construction (Engineering and Infrastructures Group and Somague): The division's bank borrowings totalled 306 million euros: 87% with a variable interest rate and 13% at fixed interest; 34% was repayable at short term. The Somague Group accounts for 45% of bank borrowings. At 31 December 2018, the bonds issued by the Italian companies, Superestrada Pedemontana Veneta S.p.A. and S.I.S., S.C.P.A. for the amount of 1,628 million euros were recognised under the heading Debt instruments and other marketable securities, with the following breakdown:

The trading company Superestrada Pedemontana Veneta S.p.A. issued Senior bonds in the amount of 1,221 million euros, over a 30-year term, with a current variable coupon at year-end 2018, Eonia +100bp, fixed coupon in the infrastructure construction period of 5.0% and, another Subordinate bond issue in the amount of 350 million euros, a 10-year term, coupon of 8% modifiable under certain events.

On 31 March 2017, the Italian company S.I.S., S.C.P.A. issued bonds in two tranches under English Law in the amount of 57.4 million euros, for a 2-year term with option to extend it one further year.

This division finances net working capital generated through the use of credit facilities, loans and sales of trade receivables. A total of 92% of the borrowings come from activity outside Spain.

- Concessions (Sacyr Concesiones Group): gross financial debt at 31 December 2018 amounted to 2,602 million euros, divided into 2,198 million euros for financing of concession projects and 404 million euros of bonds for project finance.

The increases in financial debt during 2018 are mainly related to borrowings by various Latin American companies: Consorcio PPP Rutas del Litoral S.A. in Uruguay; Rutas del Este, S.A. in Paraguay; Autovía Pirámides Tulancingo Pachuca, S.A. de C.V. and Consorcio Operador de Hospitales Regionales del Sur, S.A. de C.V. in Mexico; and Concesionaria Vial Unión del Sur, S.A.S. and Concesionaria Vial Montes de María, S.A.S. in Colombia.

In addition, the appreciation of the euro against the Chilean peso, led to a notable reduction in the financial debt of the Chilean companies in 2018 compared to the year-ended 31 December 2017.

A total of 60% of this financial debt is hedged against interest rate rises. The debt will be serviced with cash flows generated by the concessions. 89% is contractually due from 2020 onwards. Projects outside Spain, i.e. Chile, Colombia, Peru, Paraguay, Mexico and Colombia account for 52% of the division's borrowings.

Of particular note among the financial transactions carried out by Concessions in 2018 are:

1. The issue of 1,440 bonds of 100,000 euros each by Financiera Marsyc S.A. on 1 February 2018, for a total nominal amount of 144 million euros, with a fixed annual coupon of 2.61%, payable and redeemable half-yearly, and maturing on 31 December 2025. Part of the funds obtained from the bond issue were used to make a full early repayment of the bank borrowings of the company, Autovía del Arlanzón.
2. On 3 August 2018, Autopista del Guadalmedina Sociedad Concesionaria S.A. issued covered bonds in the amount of 196 million euros, with an annual coupon of 3.70%, maturing 31 December 2041; and subordinate bonds in the total amount of 33 million euros, fixed annual coupon of 6.25%, maturing 31 December 2019, payable half-yearly.

3. On 27 April 2018, Hospitales Concesionados, S.L. signed a loan agreement with Banco Santander for 33 million euros at a fixed interest rate of 4% and maturing on 27 April 2028.
  4. On 13 September 2018, Sacyr Concesiones Securites Uno, S.A. signed a loan agreement for 40 million euros at a variable interest rate and maturing in December 2025.
- Services (Services Group): distributes the 480 million euros of gross financial debt stated at 31 December 2018; firstly, the structured financing, 68% of the total and which is in turn 37% hedged against the risk of increases in interest rates. This is debt acquired by the concessionary businesses for water treatment and environmental services, which is serviced by cash flows generated by the concessions; meanwhile, the debt associated with works and contracts, encompassed in the remaining 32%, is of a corporate nature and finances the net working capital arising from the operation of service contracts of the following lines of business activity: Environment, Water and Multiservices.

Gross financial debt at 31 December 2018 was up 99 million euros on a year earlier, mainly due to the provision of the loan granted for the execution of the contract to "design, build, operate and maintain a seawater desalination plant in Sohar, Oman", the financing of the new contracts for waste collection, road cleaning, maintenance of green spaces and waste transport in Bogotá, Colombia; the drawdowns from the credit facility granted for the construction of the mechanical biological treatment plant for municipal waste in Melbourne, Australia; and the loan granted for financing the contract awarded for the management of the integrated water cycle in Sotogrande, Cádiz.

With regard to repayments, 405 million euros (84% of gross financial debt) reach contractual maturity in 2020 onwards.

- Industrial Group: had a gross financial debt at 31 December 2018 of 120 million euros, with 76% allocated to the long-term structured financing of projects, 86% hedged against interest rate increases, which mainly finance energy companies via Valoriza Renovables S.L.; the remaining 24% finances borrowings in connection with construction work contracts and working capital arising from its business activity.

According to the bank borrowings maturity schedule, 77% of the maturity is non-current, from 2020 onwards, current maturities amount to 28 million euros.

The table below shows the maturities of bank borrowings at 31 December 2018, including the estimated interest on financial debt:

2018	2019	2020	2021	2022	2023	Subsequent years	TOTAL BORROWINGS
- Bank borrowings	1,100,077	447,691	499,027	577,539	1,069,181	2,575,321	6,268,836
- Interest payable	182,020	182,958	165,445	145,528	115,065	1,017,236	1,808,252
<b>TOTAL DEBT PAYABLE</b>	<b>1,282,097</b>	<b>630,649</b>	<b>664,472</b>	<b>723,067</b>	<b>1,184,246</b>	<b>3,592,557</b>	<b>8,077,088</b>
Transaction costs to be distributed	0	0	0	0	0	0	(110,273)
<b>TOTAL DEBT</b>	<b>1,282,097</b>	<b>630,649</b>	<b>664,472</b>	<b>723,067</b>	<b>1,184,246</b>	<b>3,592,557</b>	<b>7,966,815</b>
<b>Grupo Vallehermoso</b>							
- Bank borrowings	458	72	72	72	72	283	1,029
- Interest payable	14	4	3	3	2	4	30
<b>TOTAL DEBT PAYABLE G. VALLEHERMOSO</b>	<b>472</b>	<b>76</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>287</b>	<b>1,059</b>

Pursuant to IAS 32, convertible bonds are a compound financial instrument that includes a financial liability and an equity component. In the consolidated statement of financial position

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the two components are presented separately: They are separated firstly based on the value of the liability component and later assigning the rest of the value of the equity instrument.

At 31 December 2017, the Group's financial debt due to its nature was summarised under the following headings and each division had the following basic characteristics:

<b>2017</b> <b>Million euros (Audited)</b>	<b>Amount</b>	<b>Current average interest rate</b>	<b>Date of next interest rate review</b>	<b>Interest rate review period</b>
Credit facilities	265	3.69%	As per facility	1,3,6,12 months
Loans	592	3.89%	As per loan	1,3,6,12 months
Concession project finance	2,736	4.18%	As per loan	1,3,6,12 months
Mortgage loans and leasing	55	4.46%	As per loan	1,3,6,12 months
Bonds and other marketable debt securities	2,082	2.81%	As per issue	1,3,6,12 months
Other and accrued unpaid interest	(80)	-	-	-
<b>TOTAL</b>	<b>5,650</b>			

The main character of the debt corresponds to concession projects, including debt instruments and bonds issued by Autoestrada Pedemontana Veneta S.p.A. and Aunor, which amounts to 4,357 million euros, representing 77% of total financial debt of the Group. In this type of financing, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders. These guarantees entail pledging the shares of the concession operators, their major current accounts and collection rights (insurance claims, contracts etc.).

Debt instruments, bonds and other marketable securities, deducted by Pedemontana Veneta and Aunor, amounted to 461 million euros outstanding after four bond issues and two promissory notes programme carried out by Sacyr S.A., along with a bond issue by S.I.S., S.C.P.A..

Operating working capital requirements are financed mainly through credit facilities and loans, which at 31 December 2017 had an outstanding balance of 265 and 592 million euros, respectively.

Capital-intensive strategic investment made by the Group where returns are generated in the long term have their own project finance. These investments and the concession projects form part of the Group's long-term financing policy.

The Sacyr Construcción Group, Valoriza and Industrial Groups took out mortgage loans in the amount of 4 million euros and, leases in the amount of 51 million euros.

In April 2017, SVPM made an early redemption of the loan which financed its interest in Repsol, the gross debt of which stood at 769 million euros at 31 December 2016. Cancellation of the loan was performed using funds obtained through the derivative instrument subscribed in April 2017 on 72.7 million Repsol shares.

Interest-bearing borrowings and loans and debt securities are recognised at amortised cost which, unless more reliable evidence is provided, is equivalent to fair value; therefore, there are no significant differences between the fair value and the carrying amount of the Sacyr Group's financial assets and liabilities.

Most of the Group companies' floating-rate financing arrangements are benchmarked to Euribor, as are any related hedges. Their review frequency is based on the loans' characteristics: at short term, at one to three months for the working capital policies, and at six months for the longer-term structured debt associated with specific assets and project financing. In any case, interest rates on non-current financial liabilities are reviewed regularly, at intervals of less than a year.

The following table presents a summary of the Group's borrowings, according to their nature, at 31 December 2018:

<b>2018</b> <b>Million euros</b>	<b>Amount</b>	<b>Current average interest rate</b>	<b>Date of next interest rate review</b>	<b>Interest rate review period</b>
Credit facilities	165	4.01%	As per facility	1,3,6,12 months
Loans	799	3.10%	As per loan	1,3,6,12 months
Concession project finance	2,515	4.42%	As per loan	1,3,6,12 months
Mortgage loans and leasing	52	3.77%	As per loan	1,3,6,12 months
Bonds and other marketable debt securities (1)	2,709	2.97%	As per issue	1,3,6,12 months
Other and accrued unpaid interest	(81)	-	-	-
<b>TOTAL</b>	<b>6,159</b>			

(1) Includes borrowings linked to concession projects: Pedemontana Veneta 1,571 million euros and Sacyr Concesiones 403 million euros.

The main character of the debt corresponds to concession projects, 2,515 million euros, which together with the debt instruments and bonds issued by Autoestrada Pedemontana Veneta S.p.A. for 1,571 million euros and the bonds issued by Sacyr Concesiones Group companies for 403 million euros, amounts to a total of 4,489 million euros, which represents 73% of the Group's total financial debt. In this type of financing, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders. These guarantees entail pledging the shares of the concession operators, their major current accounts and collection rights (insurance claims, contracts etc.).

Debt instruments, bonds and other marketable securities, deducted by Pedemontana Veneta and Sacyr Concesiones Group companies, amounted to 735 million euros outstanding after five bond issues and two promissory notes programme carried out by Sacyr S.A., along with a bond issue by S.I.S., S.C.P.A.

Capital-intensive strategic investment made by the Group where returns are generated in the long term have their own project finance. These investments and the concession projects form part of the Group's long-term financing policy.

Operating working capital requirements are financed mainly through credit facilities and loans, which at 31 December 2018 had an outstanding balance of 165 and 799 million euros, respectively. To a lesser extent, the working capital is financed by sales of trade receivables.

The engineering and infrastructures, services and industrial Groups have leasing and factoring contracts in the amount of 49 million euros and mortgage loans in the amount of 3 million euros.

Interest-bearing borrowings and loans and debt securities are recognised at amortised cost which, unless more reliable evidence is provided, is equivalent to fair value; therefore, there are no significant differences between the fair value and the carrying amount of the Sacyr Group's financial assets and liabilities.

The main benchmark used for most of the Group companies' floating-rate financing arrangements, and any related hedges, is the Euribor. Their review frequency is based on the loans' characteristics: at short term, at one to three months for the working capital policies, and at six months for the longer-term structured debt associated with specific assets and project financing. In any case, interest rates on non-current financial liabilities are reviewed regularly, at intervals of less than a year.

The average interest rate on borrowings at 31 December 2018 was around 3.7%, the same rate as in the year ended 31 December 2017.



The Sacyr Group has non-euro borrowings taken out by companies whose cash flows are also generated in foreign currency, thereby providing a natural hedge against currency risk. The breakdown of the Group's consolidated borrowings at 31 December 2018 and 2017 is as follows:

<i>Thousands of units</i>						
Company	Type of financing	Currency of loan	2018 foreign currency	2018 thousands of euros	2017 foreign currency	2017 thousands of euros
Somague Angola	Working capital loan	AOA	428,191	1,212	633,065	3,174
Somague Angola	Corporate loan	AOA	926,335	2,622	1,209,684	6,065
Somague Engenharia Sucursal Angola	Working capital loan	AOA	461,754	1,307	809,980	4,061
Somague Angola	Finance leases	AOA	0	0	2,792	14
<b>Angola</b>			<b>1,816,280</b>	<b>5,141</b>	<b>2,655,521</b>	<b>13,314</b>
Sacyr Environment Australia Pty Ltd.	Project Financing	AUD	17,178	10,565	0	0
<b>Australia</b>			<b>17,178</b>	<b>10,565</b>	<b>0</b>	<b>0</b>
Somague Engenharia Sucursal Brasil	Working capital loan	BRL	4,353	979	5,018	1,261
Somague Engenharia Sucursal Brasil	Corporate loan	BRL	3,255	732	3,995	1,004
Somague Mph Construções	Working capital loan	BRL	2,250	506	2,861	719
<b>Brazil</b>			<b>9,858</b>	<b>2,217</b>	<b>11,875</b>	<b>2,984</b>
Sacyr Chile	Working capital loan	CLF	89	22	0	0
<b>Chile</b>			<b>89</b>	<b>22</b>	<b>0</b>	<b>0</b>
Consorcio Isotron Sacyr S.A.	Working capital loan	CLP	3,383,407	4,258	358,420	485
Consorcio Isotron Sacyr S.A.	Discount/Factoring	CLP	1,233,219	1,552	0	0
Sacyr Chile	Working capital loan	CLP	3,412,012	4,294	11,705,179	15,839
Sacyr Concesiones Chile	Corporate loan	CLP	57,663,327	72,569	48,236,661	65,272
Sacyr Industrial Mantenimientos Chile, Spa	Working capital loan	CLP	1,065,559	1,341	588,991	797
Sacyr Industrial Mantenimientos Chile, Spa	Finance leases	CLP	1,094,959	1,378	1,507,580	2,040
Sacyr Industrial Mantenimientos Chile, Spa	Corporate loan	CLP	529,998	667	662,892	897
Sacyr Operaciones y Servicios, S.A.	Finance leases	CLP	1,029,802	1,296	0	0
Sociedad Concesionaria Ruta del Algarrobo	Project Financing	CLP	183,465,194	230,890	183,593,732	248,432
Sociedad Concesionaria Ruta del Limari	Project Financing	CLP	135,732,777	170,819	125,288,060	169,535
Sociedad Concesionaria Rutas del Desierto	Project Financing	CLP	102,116,430	128,513	105,342,180	142,545
Sociedad Concesionaria Salud Siglo XXI	Project Financing	CLP	136,963,613	172,368	163,663,372	221,463
Sociedad Concesionaria Valles del Bío Bío	Project Financing	CLP	205,202,272	258,246	205,711,563	278,361
Sociedad Concesionaria Valles del Desierto.	Project Financing	CLP	78,740,092	99,094	92,302,349	124,900
<b>Chile</b>			<b>911,632,661</b>	<b>1,147,285</b>	<b>938,960,980</b>	<b>1,270,566</b>
Consorcio Isotron Sacyr S.A.	Working capital loan	USD	4,970	4,340	7,567	6,303
Sacyr Chile Sucursal Colombia	Corporate loan	USD	0	0	861	717
<b>Chile</b>			<b>4,970</b>	<b>4,340</b>	<b>8,428</b>	<b>7,020</b>
Sacyr Construcción (Colombia branch)	Working capital loan	COP	22,521,576	6,044	31,295,014	8,726
<b>Colombia</b>			<b>22,521,576</b>	<b>6,044</b>	<b>31,295,014</b>	<b>8,726</b>
Area Limpia, S.A.S. E.S.P.	Project Financing	USD	28,578	24,955	0	0
Concesionaria Vial Unión del Sur, S.A.S.	Project Financing	USD	38,109	33,277	0	0
Sociedad Concesionaria Vial Montes de María	Project Financing	USD	28,842	25,185	0	0
<b>Colombia</b>			<b>95,529</b>	<b>83,417</b>	<b>0</b>	<b>0</b>
Consorcio Operador de Hospitales Regionales del Sur,	Project Financing	MXN	414,667	18,414	0	0
Autovia Piramides Tulancingo Pachuca, S.A. de CV	Project Financing	MXN	832,509	36,969	125,976	5,335
Sacyr Concesiones	Project financing	MXN	0	0	60,001	2,541
SV México Holding	Project financing	MXN	0	0	95,066	4,026
<b>Mexico</b>			<b>1,247,176</b>	<b>55,383</b>	<b>281,043</b>	<b>11,902</b>
Myah Gulf Oman Desalination Company	Asset-linked	OMR	11,992	27,204	5,157,065	25,856
Myah Gulf Oman Desalination Company	Project Financing	OMR	62,310	141,356	42,890	92,815
<b>Oman</b>			<b>74,302</b>	<b>168,560</b>	<b>5,199,954</b>	<b>118,671</b>
Rutas del Este S.A.	Project financing	P&L	254,927,266	37,359	0	0
<b>Paraguay</b>			<b>254,927,266</b>	<b>37,359</b>	<b>0</b>	<b>0</b>
Sacyr Concesiones	Corporate loan	USD	14,243	12,437	27,178	22,639
Sacyr Construction (Peru branch)	Working capital loan	USD	459	401	779	649
Sacyr Construction (Peru branch)	Finance leases	USD	1	1	37	31
Sainca	Project financing	USD	0	0	17,196	14,324
Sociedad Concesionaria Vial Sierra Norte	Project financing	USD	0	0	106,947	89,085
Sacyr Concesiones Perú	Project financing	USD	0	0	12,635	10,525
<b>Peru</b>			<b>14,703</b>	<b>12,839</b>	<b>164,772</b>	<b>137,253</b>
Somague Engenharia	Working capital loan	USD	9,569	8,356	10,700	8,913
<b>Portugal</b>			<b>9,569</b>	<b>8,356</b>	<b>10,700</b>	<b>8,913</b>
Sacyr Construction (Qatar)	Corporate loan	QAR	43,099	10,299	68,339	15,578
Sacyr Construction (Qatar)	Working capital loan	QAR	0	0	1,616	3,497
<b>Qatar</b>			<b>43,099</b>	<b>10,299</b>	<b>69,955</b>	<b>19,075</b>
Sacyr Construcción Uruguay, S.A.A	Working capital loan	USD	277	242	0	0
<b>Uruguay</b>			<b>277</b>	<b>242</b>	<b>0</b>	<b>0</b>
Consorcio PPP Rutas del Litoral S.A.	Finance leases	UYU	1,522	41	0	0
Consorcio PPP Rutas del Litoral S.A.	Project Financing	UYU	1,377,842	37,122	0	0
Somague Mph Construções	Project financing	UYU	0	0	218,789	6,326
<b>Uruguay</b>			<b>1,379,364</b>	<b>37,163</b>	<b>218,789</b>	<b>6,326</b>

Maturity schedules for foreign currency denominated borrowings outstanding at companies which operate in other currencies at year-end 2017 and 2018 are as follows:

For Chile:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	107,943	185,007	133,269	68,578	782,789	1,277,586

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	149,635	120,849	65,016	65,645	750,502	1,151,647

For Colombia:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	8,726	0	0	0	0	8,726

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	35,385	35,527	3,268	3,936	11,345	89,461

For Peru:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	57,944	12,712	14,828	15,026	36,743	137,253

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	12,994	0	0	0	(155)	12,839

For Qatar:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	16,594	2,481	0	0	0	19,075

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	10,299	0	0	0	0	10,299

For Oman:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	0	28,849	3,303	5,214	81,305	118,671

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	1,607	30,138	5,031	5,466	126,318	168,560

For Mexico:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	1,477	3,026	2,238	218	4,943	11,902

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	16	3,253	8,858	11,251	32,005	55,383

For Uruguay:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	148	0	0	1,031	5,147	6,326

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	1,027	30	1,354	808	34,186	37,405

For Angola:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	13,314	0	0	0	0	13,314

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	5,141	0	0	0	0	5,141

For Brazil:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	1,556	1,428	0	0	0	2,984

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	1,395	409	202	211	0	2,217

For Portugal:

<u>Thousand euros</u>	2018	2019	2020	2021	Subsequent years	Total
2017	8,913	0	0	0	0	8,913

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	8,356	0	0	0	0	8,356

For Australia:

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	0	250	564	545	9,206	10,565

And for Paraguay:

<u>Thousand euros</u>	2019	2020	2021	2022	Subsequent years	Total
2018	37,359	0	0	0	0	37,359

### **23. Other hedged financial debt**

In 2016, 2017 and 2018, the Group arranged financial derivatives on its Repsol shares, to hedge changes in value below certain prices. The proceeds from these derivatives are recognised under this heading on the liability side of the statement of financial position.

In September and December 2016 and April 2017, Sacyr, through three wholly-owned holding companies, signed financial derivatives contracts with the aim of reducing its exposure to stock market fluctuations and maintaining any potential increase in the share price up to a certain level agreed with the financial institutions that act as the counterparty.

The financial derivatives arranged in September and December 2016, consist of Prepaid Forward contracts with underlying of 20 and 30 million Repsol shares, with the voting rights of the shares being maintained. The proceeds from these prepaid forward contracts is recognised under the heading "Other hedged financial debt" on the liability side of the statement of financial position. At the same time, Call Spread contracts were also signed with the same counterparties, enabling, until their maturity and through payment of a premium, any potential increase in the Repsol shares to be recovered, up to a certain price.

The derivative arranged in April 2017 and modified in December of the same year, involves a hedge of 72,704,411 Repsol shares for a term of over 5 years.

Through these hedges the Company removes the risk of fluctuations in the Repsol share price below a threshold of approximately: 10.5, 11.8 and 13.7 euros per share for 20, 30 and 72.7 million Repsol shares.

The funds obtained were used to fully repay the loan associated with the stake in Repsol, allowing the financial burden to be reduced and increasing the flexibility of the hedging structure.

In addition, the Group arranged another financial derivative in July and September 2018 on 12.5 and 17.5 million Repsol shares, this derivative was settled in November 2018.

The valuation of these derivatives contracts, including future premiums, must be recognised as trading, i.e. at fair value, recognising the changes directly in the income statement. At 31 December 2018, "Gain/(loss) on financial instruments" of 68.3 million euros (-49.2 million euros at 31 December 2017) was recorded within the financial result.

The breakdown of this information is given in Note 25 to these consolidated financial statements.

## **24. Non-current payables**

The breakdown of “Non-current payables” in 2018 and 2017 was as follows:

<b><i>Thousand euros</i></b>	<b>2018</b>	<b>2017</b>
Bills of exchange payable	22,750	223
Other payables	464,791	311,341
Guarantees and deposits received	42,754	3,552
<b>TOTAL</b>	<b>530,295</b>	<b>315,116</b>

“Other payables” mainly comprises payables to suppliers of property, plant and equipment where payment does not fall due for more than a year. In 2017, this also reflected the balances provided by Autopista del Guadalmedina Concesionaria Española, S.A., which included the subordinated and participating loans granted by the company's other partners.

There were no significant changes in 2017.

An increase in this item was recorded in 2018, mainly due to the refinancing operation of Concesionaria Vial Sierra Norte, S.A., which was carried out during the year and involved the derecognition of the previous financial debt and the recognition of this new debt under this heading.

The balances include an implied interest rate, and there is considered to be no significant difference between their carrying amount and fair value.

## 25. Derivative financial instruments

The Sacyr Group does not subscribe to instruments that impair its asset solvency. The group arranges derivatives which act as their hedges only if the risk can be assumed, i.e. generally long-term financing at floating rates. The objective is to always maintain prospectively effective hedges between the derivatives and the underlying, avoiding speculative positions in the domestic and international financial markets.

The Group seeks to adapt financial liabilities to the best market conditions, and thus occasionally refinances certain liabilities. When a liability or its underlying is renegotiated, the derivative financial instrument used to hedge the related cash flow risk is adapted accordingly.

The derivative financial instruments arranged by the Group hedge exposure to changes in flows associated with financing, and almost all are cash flow hedges as defined by IFRS 9. Their objective is to reduce the risk of interest rate variations and their impact on the cash flows associated with the financing hedged, specifically those arising from the increased costs thereof as a result of rising benchmark interest rates, enabling the cost of the transaction to be set.

In the overwhelming majority of cases, variable financing rates are swapped to fixed rates using interest rate swaps (IRS) and, as a result, the Group transforms its variable-rate financing into fixed-rate financing for the hedged amount. Nearly all the Group's derivatives are indexed to the euro; only in Chile and Colombia does the group arrange derivatives in non-euro currency. Two cross-currency swaps were signed to convert the project finance in Chilean pesos (CLP) into units of account (CLF), the interest rates for which are expected to be more favourable to the concessionaires; and in order to convert the project finance in Chilean pesos (CLP) in dollar (USD) financing. The Group partially hedges the financing based on the arranged derivatives; notional derivatives account for an average of 72% of the principal of the underlying debt.

In 2017, the hedged financing and the hedge instruments used could be stated as follows:

Thousand euros	HEDGED ITEM		HEDGE		
	Main	Benchmark rate payable	Nature	Notional	Benchmark rate hedged
<b>Loans to finance concession projects and others</b>	<b>1,423,862</b>			<b>1,077,828</b>	
Services (Utilities)	216,068	Euribor	IRS	164,218	Euribor
Infrastructure (Motorways, Hospitals, transport hubs)	1,207,794	euribor/ICP (1)	IRS /CCS	913,610	euribor/ICP (1)
<b>TOTAL</b>	<b>1,423,862</b>			<b>1,077,828</b>	

(1) ICP: "Indice Cámara Promedio"

The main financing lines hedged and the instruments used to hedge them at year-end 2018 were as follows:

Thousand euros	HEDGED ITEM		HEDGE		
	Main	Benchmark rate payable	Nature	Notional	Benchmark rate hedged
<b>Loans to finance concession projects and others</b>	<b>1,484,714</b>			<b>1,023,489</b>	
Services (Utilities)	225,741	Euribor	IRS	193,641	Euribor
Infrastructure (Motorways, Hospitals, transport hubs)	1,258,973	euribor/ICP (1)	IRS /CCS	829,848	euribor/ICP (1)
<b>TOTAL</b>	<b>1,484,714</b>			<b>1,023,489</b>	

(1) ICP: "Indice Cámara Promedio"

The changes in the notional amounts of derivative financial instruments tied to the financing of both hedges and the speculative ones at 31 December 2017 and 2018 were as follows:

<i>Thousand euros</i>	CHANGE 2017			
	Notional 31-12-16	Change in current instruments at 31 December 2016	New instruments	Notional 31-12-17
Loans to finance service concession projects	135,542	(42,680)	81,600	174,462
Loans to finance infrastructure concession projects	782,058	144,591	62,058	988,707
<b>TOTAL</b>	<b>917,600</b>	<b>101,911</b>	<b>143,658</b>	<b>1,163,169</b>

<i>Thousand euros</i>	CHANGE 2018			
	Notional 31-12-17	Change in current instruments at 31 December 2017	New instruments	Notional 31-12-18
Loans to finance service concession projects	174,462	(12,086)	40,439	202,815
Loans to finance infrastructure concession projects	988,707	(289,207)	185,786	885,286
<b>TOTAL</b>	<b>1,163,169</b>	<b>(301,293)</b>	<b>226,224</b>	<b>1,088,101</b>

The market value of the derivatives contracted by the Group, recognised at 31 December 2018, entails a net liability of 12 million euros. Balances at year-end 2017 and 2018, and movements in financial asset and liability instruments, both hedging and trading, were as follows:

<i>Thousand euros</i>	31-Dec-17	Movement	31-Dec-17	Movement	31-Dec-17
Hedging instruments	(142,991)	(8,102)	(151,093)	37,494	(113,599)
Trading instruments	(49,008)	(18,170)	(67,178)	168,323	101,145
	<b>(191,999)</b>	<b>(26,272)</b>	<b>(218,271)</b>	<b>205,817</b>	<b>(12,454)</b>
Financial assets	29,373	(14,295)	15,078	104,821	112,416
Financial Liabilities	(221,372)	(11,977)	(233,349)	100,996	(124,870)
	<b>(191,999)</b>	<b>(26,272)</b>	<b>(218,271)</b>	<b>205,817</b>	<b>(12,454)</b>

### Trading Derivatives

The main derivatives classified as Trading Derivatives are:

- The value of the option on Guadalmedina, whose market value at 31 December 2018 provides an asset of 7 million euros.
- Derivatives that the Company maintains on its Repsol shares and which at 31 December 2018, were recognised as an asset totalling 109 million euros.

### Hedging Derivatives

The Company mainly arranges interest rate swaps (IRS) with the aim of hedging financial debt linked to a variable benchmark interest rate (Euribor). The Company applies these hedge accounting instruments of cash flow hedges.

The hedges may be formed by a group of different derivatives. Hedge accounting management does not need to be static. The hedges may be altered in order to carry out suitable management in line with the stated principles of stabilising cash flows and financial results.

At the start of each hedge, and at least once a year or when financial statements are issued, the Company will assess the effectiveness of the hedges.

To measure the effectiveness of transactions designated as hedge accounting, the Company carries out an analysis on the extent to which the changes in the fair value or cash flows of the hedging instrument would offset the changes in the fair value or cash flows of the hedged item that are attributable to the risk that it is intended to hedge. The variance reduction method is used for this analysis, both prospectively and retrospectively.

The numeric measurement of effectiveness will indicate the degree to which the changes of value of the hedging instrument offset the changes in the value of the hedged risk. As a result, the Company will consider:

- **Effective hedge:** when the ratio of the performance of the hedging instrument and the underlying is between 80% and 125%. In these cases, the measurement of the effective portion of these derivatives has been directly recognised in equity.
- **Ineffective hedge:** when it is understood that a derivative may pose difficulties because its characteristics include terms that, a priori, cause a certain degree of ineffectiveness (e.g. a step-up in the fixed rate, a mismatch in periods, Euribor benchmark or overhedging due to early repayments in projects), the hypothetical derivative is formulated in accordance with the characteristics of the hedged item. In addition, the change in its valuation is contrasted with the change in the valuation of the actual derivative. Both data series then undergo a regression analysis and statistics accepted in the standard are obtained. Firstly, the R2 correlation coefficient is used to measure the degree to which the two variables are correlated and must be situated between 80% and 100% and, secondly, the slope of the regression line which must lie between 0.8 and 1.25.

If the hedge is not 100% effective but is within the margins, it may be considered a hedge, however, the Company must recognise the degree of ineffectiveness directly in the income statement.

The market value of these hedging derivatives amounted to a net liability of 113 million euros at 31 December 2018.

The loss recognised in 2018, due to the ineffective part of the cash flow hedges, increased to 0.33 million euros (0.25 million euros in 2017).

The valuations of the interest rate derivatives were made in line with the calculation of the present value of all the settlements envisaged per the notional amount schedule set and with the expected interest rate curve. Market data were obtained from Bloomberg.

#### *Credit risk adjustment*

On 1 January 2013, IFRS 13 came into force on the measurement of fair value with the consideration of the credit risk on the calculation of the valuation of the derivative instruments, both that relating to each of the counterparts and own credit risk. Since this involves derivatives the market value of which may be positive or negative from the point of view of the Sacyr Group, a counterparty credit risk exists when the value is positive and an own credit risk when it is negative.

At 31 December 2018, the net positive adjustment was 3.7 million euros, without which the net liabilities would have totalled 109.9 million euros instead of the 113.6 million euros recognised. At 31 December 2017, the net positive adjustment was 6.7 million euros, without which the net liabilities would have totalled 144.4 million euros instead of the 151.1 million euros recognised.



The Company used the swaption method to calculate this adjustment. This technique involves obtaining the average expected exposure, taking into account the changes in the market variables, introducing volatilities as a measurement of the frequency and intensity of the changes in value. This was adjusted by the probability of non-payment of each counterparty. The implicit probability of non-payment was obtained based on market data of companies with a comparable credit rating in some cases and through the implicit quoted price on the secondary own marketable securities market. The loss rate used given the degree of non-compliance is 30% and that of recoverability 70%, which corresponds to the Credit Default Swaps market standard.

The breakdown is shown below of the maturity at year-end 2017 and 2018 of the notional amounts of the interest rate derivatives of the both the assets and liabilities arranged by the Group and the valuation pending allocation to the income statement, i.e. the effective portion, since the ineffective portion and that related to the speculative derivatives were already included in them.

2017 Thousand euros DERIVATIVES	Valuation	Notional	Notional					Subsequent years
			2018	2019	2020	2021	2022	
Interest rate derivatives	(134,942)	1,163,169	(79,074)	(166,785)	(80,015)	(160,447)	(63,556)	(613,292)
-Cash flow hedges	(134,942)	1,077,829	(62,881)	(147,856)	(56,512)	(139,526)	(62,372)	(608,682)
-Other non-hedge derivatives	0	85,340	(16,193)	(18,929)	(23,503)	(20,921)	(1,184)	(4,610)

  

2018 Thousand euros DERIVATIVES	Valuation	Notional	Notional					Subsequent years
			2019	2020	2021	2022	2023	
Interest rate derivatives	(104,501)	1,005,331	(161,264)	(72,432)	(152,780)	(51,556)	(60,035)	(507,264)
-Cash flow hedges	(104,501)	996,157	(160,166)	(71,305)	(151,625)	(50,372)	(58,745)	(503,943)
-Other non-hedge derivatives	0	9,174	(1,098)	(1,127)	(1,155)	(1,184)	(1,290)	(3,321)

The expected schedule for future application to the income statement of the valuation of the instruments recognised as hedges, as explained above, is as follows.

Thousand euros	2017
2018	(20,235)
2019	(22,107)
2020	(15,712)
2021	(13,703)
2022	(5,397)
2023 and subsequent years	(57,789)
<b>TOTAL</b>	<b>(134,943)</b>

  

Thousand euros	2018
2019	(13,192)
2020	(12,541)
2021	(12,983)
2022	(8,932)
2023	(5,158)
2024 and subsequent years	(51,696)
<b>TOTAL</b>	<b>(104,502)</b>

For financial instruments measured at fair value, the Group uses the following three-level hierarchy, based on the reliability of the variables used to carry out the measurements:

- Level 1: trading price (unadjusted) on active markets for identified assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. arising from prices); and
- Level 3: variables that are not based on observable market data (non-observable variables).

<b>2017</b> <b>Thousand euros</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets measured at fair value	0	1,656	282,760
	<b>0</b>	<b>1,656</b>	<b>282,760</b>
Financial liabilities measured at fair value			
Hedging and trading derivatives	0	219,927	0
	<b>0</b>	<b>219,927</b>	<b>0</b>
<b>2018</b> <b>Thousand euros</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets measured at fair value	0	112,415	201,589
	<b>0</b>	<b>112,415</b>	<b>201,589</b>
Financial liabilities measured at fair value			
Hedging and trading derivatives	0	124,870	0
	<b>0</b>	<b>124,870</b>	<b>0</b>

In 2017 and 2018, there were no transfers between levels in the fair-value hierarchy.

### 25.1. Derivatives on Repsol shares

The Group, in order to finance its interest in Repsol, arranged the following derivatives, via specialised, single purpose companies, which served to repay the bank loans associated with the interest:

#### 1) Derivatives on 20 million shares:

In September 2016, a derivative was arranged consisting of a Prepaid Forward, via which 239,306 thousand euros were obtained, with a coupon payment of 0.9%. This derivative will be settled in cash, except in the case of early redemption, by either party, in which case it may also be settled via shares as chosen by Sacyr.

A Call Spread was arranged jointly, via which the Company reduces its exposure to changes in the share price until 2021, removing exposure to price decreases, making it possible to benefit from revaluation up to a certain value. This derivative is settled by means of cash for the difference. With this derivative there is a premium which is settled periodically by means of the cash flow arising from Repsol dividends. Both the number of initial options and the benchmark securities are adjusted over time depending on the actual Repsol dividend over the expected dividend.

2) Derivatives on 30 million shares:

In December 2016, a derivative was arranged consisting of a Prepaid Forward, via which 378,450 thousand euros were obtained, with a coupon payment of 1.2%. This derivative will be settled in cash, except in the case of early redemption, by either party, in which case it may also be settled via shares as chosen by Sacyr.

A Call Spread was arranged jointly, via which the Company reduces its exposure to changes in the share price over a 5-year period, removing exposure to price decreases, making it possible to benefit from revaluation up to a certain value. This derivative is settled by means of cash for the difference. With this derivative there is a premium which is settled periodically by means of the cash flow arising from Repsol dividends. Both the number of initial options and the benchmark securities are adjusted over time depending on the actual Repsol dividend over the expected dividend.

3) Derivatives on 72 million shares:

In April 2017, a derivative was arranged on 72,704,410 shares, consisting of a Prepaid Put, via which 795.2 million euros were obtained as financing, with maturity between 2022 and 2024. The payment of the coupon of this derivative is 1.54% which for payment purposes is settled by means of the flow from the Repsol dividends. This derivative will be settled, as chosen by Sacyr, in cash or via shares (in the event that the value is lower than the put value). Via this derivative, the Company reduces its exposure to changes in the share price during the contract period, removing exposure to price decreases, making it possible to benefit from revaluation up to a certain value. This derivative was modified in December 2017 and November 2018 to optimise cash flows.

Via these hedges, at 31 December 2018, the risk of fluctuations in the trading price of Repsol is eliminated below a threshold of approximately: 10.5, 11.8 and 13.7 euros per share for 20, 30 and 72.7 million Repsol shares.

These derivatives have been recognised as trading, i.e. at fair value, recognising the changes directly in the income statement.

The valuation of each of the derivatives and the associated liability at December 31, 2017 and 2018 is as follows:

31-Dec-17			
<u>Thousand euros</u>	IMPACT ON P&L	BALANCE SHEET	ASSOCIATED DEBT
20 M acc.	(8,846)	(20,495)	239,348
30 M acc.	(15,420)	(18,296)	378,765
72,7 M acc.	(24,927)	(14,965)	871,139
<b>TOTAL</b>	<b>(49,193)</b>	<b>(53,756)</b>	<b>1,489,252</b>

  

31-Dec-18			
<u>Thousand euros</u>	IMPACT ON P&L	BALANCE SHEET	ASSOCIATED DEBT
20 M acc.	16,984	1,477	239,306
30 M acc.	22,006	15,171	378,450
72,7 M acc.	29,325	91,981	999,686
<b>TOTAL</b>	<b>68,315</b>	<b>108,629</b>	<b>1,617,442</b>

The fair value of the derivatives was recorded under the heading "Derivative financial instruments" both for Assets and Liabilities, (broken down into the corresponding notes both for Assets and Liabilities), and under the heading "Gain/(loss) on financial instruments" in the income statement. The statement of financial position item "Derivative financial instruments" reflects the initial value of the derivative, subsequent changes in value and the payment made for premiums.

The liability recorded in the amount of 1,489.3 million euros in 2017 and 1,617.4 million euros in 2018, corresponds to the amount of financing obtained via the derivative instruments. This item does not include the fair value of the forward which is recorded under the item "Derivative financial instruments".

In addition, the Group arranged another financial derivative in July and September 2018 on 12.5 and 17.5 million Repsol shares, this derivative was settled in November 2018.

Regarding the hierarchy thereof, the derivatives included in the arranged instruments can be divided into the following type:

- 1.- Forward sale of Repsol shares.
- 2.- Call-Spread options purchased on Repsol shares.
- 3.- Put options purchased on Repsol shares.

The main inputs required to obtain the fair value of the aforementioned derivatives are as follows:

- Spot price of the Repsol share.
- Discount interest rates (6 month Euribor curve).
- Volatilities.

Regarding dividends, the instruments have been designed in such a way that they are neutral to dividends. Reference dividends are assumed, and in the event of variances from that reference, the number of options and the exercises prices are recalculated such that their fair value is equivalent of the distribution of reference dividends. Accordingly, the amount of dividends distributed is not a critical variable for performing the fair valuation of the derivatives arranged on 20 and 30 million shares.

Regarding volatilities, Bloomberg quotes the implicit volatilities (volatility matrix) of the Repsol share for prices of between 10 and 20 euros approximately (depending on the dates and spot price of the Repsol share), and for periods of up to 10 years (the derivatives have a far lower maturity, close to 5 years). In addition, other unobservable volatilities have been used.

For this, and in line with paragraph B35, section D, of IFRS 13, the derivatives are considered level 2 in the valuation hierarchy:

"3-year option on stock market traded shares. The implicit volatility of the shares obtained from extrapolation to year three would be a variable of level 2 if the following conditions were present:

- i. The prices for 1- and 2-year options on shares are observable.
- ii. The extrapolated implicit volatility of a 3-year option is corroborated by observable market data during the majority of the term of the option.

In this case, implied volatility could be obtained by extrapolating the implied volatility of one and two year stock options, and is corroborated via the implied volatility of three year stock options of peers, provided that the correlation of the implied one year and two year volatilities has been established.

Regarding the valuation methodology, the Company has decided to contract the services of an independent expert advisor to calculate the fair value at each accounting year-end. Pursuant to paragraph B45 of IFRS 13, the Company compare the reasonableness of the estimated fair value.

## **25.2. Other options**

In addition to the financial instruments described above, there is also an option on Autopista de Guadalmedina, Concesionaria Española, S.A. On 3 February 2011 the framework agreement was recorded in a public deed for investments to be made between Sacyr, S.A. and Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (hereinafter, UNICAJA), which owns 30% of the share capital in Autopista del Guadalmedina, Sociedad Concesionaria, S.A. This agreement establishes that Sacyr Vallehermoso, S.A. will guarantee a minimum return of 5% on the paid-up capital, provided that UNICAJA continues to own at least 15% of the company. A put option was also agreed on the participating loans, to be exercised between 1 January 2015 and 30 September 2015 (finally exercised on the aforementioned date). On 26 October 2017, the contract for the modification and renewal of the investment framework agreement of 3 February 2011 was recorded in a public deed , between Sacyr, S.A., Autopista del Guadalmedina, Sociedad Concesionaria, S.A. and Unicaja Banco, S.A. through which the period of the guaranteed return was extended to 30 September 2018. On 12 November 2018, a new contract was signed for the modification and renewal of the investment framework agreement, in which the period of the guaranteed return was extended to the 2019 financial year.

## **26. Trade and other payables and current payables to associates**

The breakdown of "Trade and other payables" in 2018 and 2017 was as follows:

<b>Thousand euros</b>	<b>2018</b>	<b>2017</b>
Advances received on orders	1,143,547	1,122,281
Certified work pending execution	133,398	126,727
Trade payables	1,030,118	1,106,362
Bills of exchange payable	124,074	105,542
<b>SUPPLIERS</b>	<b>2,431,137</b>	<b>2,460,912</b>
Bills of exchange payable	0	1,555
Other payables	300,475	394,033
Current guarantees and deposits	505	186
<b>OTHER PAYABLES</b>	<b>300,980</b>	<b>395,774</b>
<b>PERSONNEL</b>	<b>46,226</b>	<b>44,941</b>
<b>CURRENT TAX LIABILITIES</b>	<b>142,033</b>	<b>111,623</b>
<b>INCOME TAX PAYABLE</b>	<b>23,178</b>	<b>10,122</b>
<b>TOTAL</b>	<b>2,943,554</b>	<b>3,023,372</b>

In 2017, there was an increase in this heading as a result mainly of the change in the accounting of Superestrada Pedemontana Veneta, S.R.L. and SIS S.C.P.A. which as mentioned above in Note 2, went from using the equity method to full consolidation.

In 2018, included in the item "Advance payments received for orders" are 915 million euros (799 million euros in 2017) from Superestrada Pedemontana Veneta, S.R.L. corresponding to the client's contribution to the project. This amount will be cancelled at the end of the construction period.

"Trade payables" mainly relates to balances from the Construction and Services divisions, which contributed 661,150 thousand euros and 110,536 thousand euros respectively (632,245 thousand euros and 217,999 thousand euros respectively in 2017). The increase in the construction business in 2017, was due to change in accounting method of SIS, S.C.P.A.

"Other tax liabilities" at 31 December 2018 and 2017 related mainly to VAT owed by the Group.

### **26.1 Average period for payments to suppliers**

In accordance with the stipulations of the sole additional provision of the Resolution of 29 January 2016, issued by the Spanish Accounting and Audit Institute (ICAC), on disclosures to be included in the notes to the financial statements with regard to the average payment period to suppliers in commercial transactions.

	<b>2018</b>	<b>2017</b>
	<b>Days</b>	<b>Days</b>
Average period for payment to suppliers	47	47
Ratio of transactions paid	43	37
Ratio of transactions pending payment	66	107
	<b>Amount (euros)</b>	<b>Amount (euros)</b>
Total payments made	516,472,614	495,845,592
Total payments outstanding	91,715,360	82,786,833

These amounts do not include payments made to suppliers that are group companies and associates, suppliers of fixed assets or financial lease creditors.

## **27. Risk management and control policy**

Due to its considerable international presence, the Sacyr Group carries out its activity in a number of sectors, social and economic environments and regulatory frameworks. Accordingly, the company is exposed to a variety of risks related to the businesses and sectors in which it operates.

Sacyr has established a Comprehensive Risk Management System (CRMS), organised by business units and support areas at corporate level, and has a sound policy in place to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation.

The purpose of the Sacyr Risk Management and Control Policy is to establish the scope, values, principles, governance model and operational bases of Sacyr's Comprehensive Risk Management System to control and manage risks inherent to the Group's activities. This Policy is implemented through the Risk Analysis Regulations ("RAR"), the objectives of which are as follows:

- To facilitate the taking of key business decisions within a common risk culture, managing and controlling the critical risks inherent to the Group's activities in a systematic and structured way.
- To establish the process of risk identification, analysis, treatment, monitoring and control.
- To define the distribution of responsibilities in the abovementioned processes to guarantee escalation in decision making to the appropriate level.
- To promote continuous improvement in the Business's decision-making.

The Comprehensive Risk Management System is divided into six stages:

- **Planning:** in this stage the system management tools are activated and the parties responsible and risk owners are designated for the entire life of the project.
- **Identification:** at this stage, activities are carried out to identify the critical risks associated with each key decision.
- **Assessment:** in this stage, activities are carried out to assess, in accordance with the scales defined, to filter and prioritise the critical risks of the project.
- **Treatment:** the purpose of the activities carried out during this stage is to implement Mitigation and/or Contingency Plans to reduce or eliminate exposure to risk before and after maximum tolerances are breached.
- **Monitoring:** this stage identifies new risks and measures the evolution of existing ones, an assessment is conducted of the response plans put into operation, tolerances and risk assessment scales are calibrated, and Contingency Plans are implemented if tolerance thresholds are breached.
- **Control:** this stage includes the activities carried out by the Risk Control and Management Department throughout project lifespans in order to embed the lessons learned for the continuous improvement of the system and its management.

The financial risk management policy is conditioned by specific legislation and casuistries of the sectors in which the Group operates and by the situation of finance markets.

The Group's main financial liabilities include financing from banks and trade and other payables. Financial assets include trade and other receivables, and cash and cash equivalents arising directly from the transactions performed. The Group has available-for-sale investments and arranges transactions with derivatives.

The Group is exposed, to a greater or lesser extent, depending on the business area, to the risks detailed below, particularly credit, liquidity and market risks, and especially to fluctuations in interest rates and, to a lesser extent, exchange rates.

At year-end the Group performs impairment tests on all its non-financial assets. However, if any signs of impairment are detected, the recoverable value of the asset will be reassessed in order to identify the scope of the impairment loss.

Group policy does not permit speculative trading with derivatives.

There follows a summary of each of these financial risks.

### **27.1. Credit risk**

Credit risk is the risk that one of the counterparties fails to comply with the obligations arising from a financial instrument or purchase agreement, thereby giving rise to a financial loss. The Group is exposed to credit risk in its operating activities, mainly in relation to trade payables, and in its financing activities.

Each business unit performs an assessment prior to the contract, including a solvency survey. When contracts are performed, it monitors debt on a permanent basis, reviewing recoverable amounts and making the necessary corrections.

Customer concentration risk is mitigated by the Group's diverse customer base, 54% (57% in 2017) of which is backed by public sector bodies (central government, regional and local governments, local corporations and public sector companies), as explained in Note 16.

The credit risk of balances with banks and financial institutions is managed by the Group's cash department. Cash surpluses are invested in low-risk liquid instruments at highly solvent entities.

- **Infrastructure concessions:** credit risk is only slight because revenues are mainly earned from national, regional and local tiers of government in Spain and other countries where the Group operates (see Notes 16 and 42). These administrative authorities have been meeting their payment obligations on a regular basis. Average collection periods have been lengthening recently, giving rise to an increase in the working capital requirement, although these receivables are acknowledged and covered by the contractual relationship set out in the various service and concession agreements. In transport infrastructures road tolls are paid in cash, eliminating credit risk from a large portion of the division's revenue.

The Group's customer base is 84% (92.7% in 2017) backed by public sector bodies (central government, regional governments, local corporations and public-sector companies).

At year-end, therefore, no financial assets were in default or impaired. Nor had any guarantees been accepted against payment.

- **Services:** Credit risk in the Services division must be analysed individually for the Group's different businesses. The breakdown of service customers by type is given in Note 16. There are four main areas of activity within Services.



## **Environment**

Credit risk can be considered to be minimal since the breakdown of customer receivables is as follows:

- Public sector customers: 85.2% (88.6% in 2017).
- Private customers: 14.8% (17.5% in 2017).

Almost 92.44% of public sector customers are town councils (89.72% in 2017), with central or regional governments making up the remainder. Credit risk is very low. This is because, although public sector customers are not always prompt in meeting contractual payment conditions and delays do occur, public administrations are not insolvent. In addition, any delays or defaults are compensated with late-payment interest calculated in accordance with the law governing public administration contracts (Ley de Contratos con las Administraciones Públicas).

Private customers with payables dating back over six months do not present major problems of insolvency, as credit reports are required before most contracts are signed. At the end of each year, provision for doubtful debts is posted for private customer balances aged over six months. Balances in recent years have not been particularly significant.

## **Water**

The drinking water distribution business is exposed to specific credit risk, as supply is associated with collection of the rate. Experience in this business indicates a payment default rate of less than 2% in 2017 and 2018.

## **Facilities**

In Sacyr Facilities, S.A.U. (formerly Valoriza Facilities, S.A.U.), credit risk is minimal given that 61% of average balances payable to the Company are from the public sector customers, 21% from Group customers and associates and 18% from private customers. We feel the Company's structure will continue to feature a larger percentage of public-sector customers in its client base. In the private sector, tougher contracting conditions and proactive collection management produce a minimum level of risk.

## **Sacyr Social**

In Sacyr Social S.L.U. (formerly Valoriza Servicios a la Dependencia), credit risk can be considered minimal, since in relation to the average balance the Company has receivable, 97.57% of its customers are from the public sector. At 31 December 2017 and 2018, the balance of receivables from public sector customers, past-due between 180 and 360 days, amounted to 0.77% and 0.64% of the total, respectively. The balance of receivables from public sector customers, past-due by over 360 days, represented 0.42% in 2017 and 0.43% in 2018.

## **Conservation**

In Sacyr Conservación, S.A.U. (formerly Valoriza Conservación e Infraestructuras), collection rights are largely guaranteed due to the nature of the debtor, given that public institutions, central and local government

represent 29% of the total, private companies 5%, with Group companies and associates making up the remaining 66%.

### **Cafestore**

At Cafestore, the credit risk is low, since most of the transactions are collected in cash; collections are made in cash on the date of the sale or provision of a service.

- **Industrial:** The potential credit risk is practically nil, since the Group acts as the successful bidder on EPC projects where the customers are usually public bodies.
- **Construction:** credit risk in the Construction division is analysed for each type of customer (see Note 16):
  - Public sector, public institutions, regional governments and local councils, i.e. public sector with good credit ratings.

The whole of the public sector represented 57% of the receivable balance at 31 December 2018 (56% at 31 December 2017).

- Private customers. To mitigate risks of default, the Group implements control mechanisms before awarding contracts based on studies of customer solvency. The financial and legal departments continuously monitor this risk throughout project execution in order to control collections; the average collection period is 88 days (114 days in 2017).

At year-end, no significant financial assets were in default or impaired. Nor was it considered necessary to provide any guarantees against payment.

## **27.2. Liquidity risk**

The factors causing liquidity risk are investment based on business plans, which require additional funding, and the excessive concentration of short-term loan repayments which require immediate financing. These circumstances could impair the ability to meet payment obligations, albeit temporarily.

Liquidity risk in each of the Sacyr Group's business areas is as follows:

- **Infrastructure concessions:** Liquidity risk is low at the concession operators forming part of Sacyr Concesiones, due to the nature and characteristics of the businesses' collections and payments structure, EBITDA, project financing, toll systems and clearly defined, systematic investment upgrade programmes. Consequently, concession operators do not require credit facilities. Nevertheless, the Parent company of the Sacyr Concessions Group has assigned working capital credit facilities to cover possible timing differences causing gaps in cash flow at its subsidiaries and to meet any unexpected demands for capital for ongoing projects or in newly awarded concessions.

The financing structure, financing products, hedging arrangements, guarantees and the most appropriate financing instruments are selected on the basis of the nature and extent of the risks inherent to each project, with a view to eliminating or mitigating the risks as far as possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender undertakes substantially all the transaction risks in exchange for guarantees, with limited recourse to developers or shareholders.

Note 22 provides a detailed breakdown of the maturities of the liabilities with lending institutions.

Note 25 contains information on the various financial options with non-controlling shareholders and banks.

- **Services:** liquidity risk in services must be analysed individually for the Group's various businesses.

### **Sacyr Facilities**

The Company has sufficient credit facilities to cover its payment obligations. It can also resort to debt factoring as most of its contracts are with public entities. Therefore, liquidity risk is minimal.

### **Sacyr Social**

The Company has sufficient credit facilities to cover its payment obligations. It can also resort to debt factoring as most of its contracts are with public entities. Therefore, liquidity risk is minimal.

### **Conservation**

At year-end, the Company had not had any problems in raising finance. The composition of its financial liabilities is as follows:

- Credit facilities: 1%
- Finance leases: 23%
- Government-subsidised loans: 76%

### **Environment**

The Company's business requires hefty investment at the beginning of the concessions, including in machinery, containers, treatment plants, purifiers and other items of property, plant and equipment. These investments are recovered over the concession period in accordance with repayments and financing, at interest rates that are considerably above the Company's cost of capital.

To finance these investments, the Group structures debt in such a way as to allow the project to finance the initial requirements, through project financing for the contracts entailing the largest investment (the municipal solid waste processing plant in Los Hornillos and the incinerator in Maresme) or by lease lines to finance the acquisition of machinery and equipment, which are paid with the cash generated by the project.

EBITDA of the businesses ensures that liquidity risk is low, as the various projects are financed with the cash flow they generate.

Regarding working capital, as noted in (a), public-sector customers are legally solvent, even though they may on occasion be very slow to pay, generating short-term cash requirements. To meet these needs, the Company has its own credit lines, currently 48.04% drawn down (69.93% in 2017). Credit terms offered to customers can be traded via factoring lines or by discounting construction certificates. In the event that a risk were to arise because the Company were unable to secure sufficient credit lines, it could trade the certificates and use with-recourse factoring lines already contracted.

## Water

The Group estimates that there is no liquidity risk in this business as investments are financed with the cash flow generated by projects.

## Cafestore

The Company has no liquidity risk as it has bank loans and is funded by the Sacyr Group.

- **Industrial:** The financing structure, financing products, hedging arrangements, guarantees and the most appropriate financing instruments are selected on the basis of the nature and extent of the risks inherent to each project, with a view to eliminating or mitigating the risks as far as possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender undertakes substantially all the transaction risks in exchange for guarantees, with limited recourse to developers or shareholders.
- **Construction:** the Construction business has adequate liquidity to cover its projected current obligations with the credit and loan facilities it has arranged with banks, cash and short-term financial investments. Activity remains stagnant in Spain and Portugal and as a result the generation of cash flow is being affected; to address this transitory situation, the construction division, in 2018 continued to adapt them to the current cash flow forecast across all geographic markets where it operates.

Short-term cash surpluses are occasionally invested in highly liquid short-term risk-free deposits, provided this is in line with best financial management practice. The Group is not considering the option of acquiring equity options or futures or any other high-risk deposit as a means of investing its short-term cash surpluses.

### 27.3. Market risk

**Interest rate risk:** To ensure a balanced financing structure and reduce the exposure of its businesses to the risk of interest rate fluctuations, the Group needs to have a reasonable balance between floating-rate and fixed-rate loans, either because they are inherently fixed-rate loans or because they are guaranteed with derivative financial instruments.

Underlying debts requiring greater coverage vis-à-vis interest rate fluctuations are project financing loans and those associated with specific assets since they are exposed during longer periods, in view of the repayment deadlines, and due to their strong correlation with project cash flows.

The schedule and conditions of these derivatives are tied to the characteristics of the underlying debt they cover, and thus their repayment dates are the same as or slightly ahead of debt, and the notional amount is the same as or less than the loan's outstanding principal. Virtually all these derivatives relate to interest rate swaps (IRS). These financial instruments guarantee payment of a fixed rate on loans required to finance projects in which the Group participates.

The structure of Group borrowings at 31 December 2018 and 31 December 2017, distinguishing between fixed-rate and hedged borrowings - after taking into consideration hedging arrangements - and floating-rate borrowings, is as follows:

<u>Thousand euros</u>	2018		2017	
	Amount	%	Amount	%
Fixed-rate or hedged borrowings	2,827,577	45.91%	2,224,553	39.37%
Floating-rate debt	3,330,986	54.09%	3,425,818	60.63%
<b>TOTAL</b>	<b>6,158,563</b>	<b>100.00%</b>	<b>5,650,372</b>	<b>100.00%</b>

The proportion of loans with a fixed interest rate, due to their nature or because they were hedged, increased 6.5 points against 2017 levels, remaining around 46%.

Interest rate risk has been mitigated by the use of fixed-rate financing and the derivative instrument of interest rate swaps. Financial derivatives represent 35% of fixed-rate borrowings.

To gauge the impact of a 100bp increase in the benchmark interest rate, pre-tax finance expenditure is recalculated, taking into account the tax rate in force, to show the amount of interest that the outstanding balances of borrowings would accrue. The same procedure is used with derivatives: taking into account the outstanding notionals, a simulation is performed of the impact of such a change on their variable portion. The aggregate of the two financial settlements indicates the impact on income and therefore on equity.

In 2018 and 2017 a sensitivity analysis was not performed with regard to the rate reduction, since the 3M and 6M Euribor benchmark rates used in most borrowings and derivatives stood at less than 1% and therefore it did not make sense to perform a simulation.

The market valuations of the derivatives recognised at year-end would undergo a change as a result of the fluctuations in the expected Euribor curve. The new present value of the derivatives portfolio, considering that the remaining contractual conditions and the tax rate in force are maintained each year, would have an impact on the Group's earnings and equity.

The sensitivity analysis on profit and equity to changes in interest rates carried out with outstanding balances on borrowings at 31 December, is as follows:

<b>Thousand euros</b>	<b>2018</b>		<b>2017</b>	
<b>Borrowing cost at current average rate (Co) *</b>	225,716		212,124	
	(Co)+1%	(Co)-1%	(Co)+1%	(Co)-1%
Borrowing cost at average cost +100 bp / -100 bp	259,815	-	247,160	-
Changes in profit:	(25,574)	-	(26,277)	-
Changes in equity:	(8,477)	-	199	-

\* Estimate based on the debt at the average interest rate at 31 December.

Does not represent actual income statement figures.

No analysis of sensitivity to a fall in interest rates was carried out as the 3-month and 6-month Euribor Used mainly in the Group were below 1%, making a simulation ineffective.

Note 25 on derivative financial instruments includes their composition and breakdown.

**Exchange rate risk:** as the Group operates abroad, it is exposed to exchange rate risks on currency transactions, but this had had no major impact at year-end 2018 and 2017. The bulk of foreign investment outside the Eurozone was in Chile, Panama and Peru, countries that enjoy considerable economic, political and social stability.

Within this risk category, some attention should be drawn to the impact of currency fluctuations on the translation of the financial statements of foreign entities the functional currency of which is not the euro: corporate policy is to mitigate this risk by means of natural hedging, by purchasing materials and contracting services in the currency in which the cash flows are generated.

That said, the Group's rapid geographic expansion in recent years means that in the future it may encounter situations that give rise to exchange rate risk. In these circumstances, it will consider how this risk can best be minimised through the use of hedging instruments under the umbrella of conservative corporate policy.

**Risk to demand for concession projects:** the main source of revenue in the motorway concessions business is tolls paid by travellers, which depends on the number of vehicles using the toll roads and the capacity of the motorways to absorb traffic. Daily traffic volumes and toll revenue depend, in turn, on a number of factors, including the quality, convenience and duration of travel by alternative toll-free roads or on other toll roads not run by the Group, the quality and upkeep of the Group's concession motorways, the economic scenario and the price of fuel. Volumes can also be affected by natural disasters such as earthquakes and forest fires, weather conditions in the countries where the Group operates, environmental laws (including pollution control measures restricting the use of motor vehicles), and the viability and existence of alternative means of transport, such as planes, trains, buses or other public transport services. The Group has measured the recoverability of the investment by continuously reviewing its valuation models in due consideration of traffic flow and the economic growth outlook for the market where each concession operates.

The Group's other concessions mainly focus on water, where the predominant drinking water distribution business is not exposed to specific credit risk, as supply is associated with the collection of the tariff.

**Risks associated with international expansion:** the Group plans to continue expanding its business in other countries, seeing this as a way to boost growth and profitability. However, prior to making any foreign investment, the Group conducts an exhaustive on-site suitability analysis, which can take several years. Nonetheless, any expansion into new geographic regions carries some risk as it involves working in markets in which the Group does not have the same degree of experience as it has in its current markets.

Other risks to which the Group is exposed are:

- Risks of damage caused during infrastructure construction and maintenance work.;
- Risks associated with workplace health and safety;
- Risks of loss of assets.

The Group has implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, The Group has implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, so as to minimise or eliminate their consequences. The Group also takes out and renews insurance policies to cover these risks, among others.

**Regulatory risk:** The Group seeks to serve society in all its business areas by applying a sustainable and profitable business model that adds value for all stakeholders through innovation, technological progress and excellence in delivery.

To this end, the Group has drawn up the Corporate Responsibility Master Plan, approved by the Board of Directors, which lays down guidelines on each unit's commitments to employees and the environment.

The Group invests appropriate resources to ensure that the Plan guidelines are met, and is constantly extending the scope of certifications, the number of audits, environmental quality management systems and initiatives to improve energy efficiency and manage emissions, waste and spillages.

## 27.4. Capital management policy

The principal aim of the Group's capital management policy is to ensure that the financial structure complies with prevailing standards in countries in which the Group operates.

The Group's policies are aimed at meeting all its financial obligations, and in particular the credit ratios established in financing agreements. Exceptionally and very occasionally, it is possible that a ratio may not be met in one of the companies as a result of its asset management. The potential non-compliance in this regard is described in the notes on financial debt. The Group's gearing ratio at the reporting date 2018 and 2017 is as follows:

<i>Thousand euros</i>	2018	2017
Gross debt	6,158,563	5,650,372
Cash	(1,990,212)	(2,115,992)
Current financial investments	(123,190)	(113,361)
<b>Net debt</b>	<b>4,045,161</b>	<b>3,421,019</b>
<b>Equity</b>	<b>1,507,191</b>	<b>2,004,419</b>
<b>Total equity + net debt</b>	<b>5,552,352</b>	<b>5,425,438</b>
<b>Gearing ratio</b>	<b>72.85%</b>	<b>63.06%</b>
<b>Net debt / equity</b>	<b>2.7</b>	<b>1.7</b>

Gross debt does not include the hedged financial debt described in Note 23.

## 28. Revenue

The breakdown of revenue from the Group's ordinary activities in 2017 and 2018, by division and geographic market, is as follows:

2017	Holding	Construction	Concessions	Services	Industrial	Vallehermoso	TOTAL
<i>Thousand euros</i>							
Spain	31,184	222,294	166,268	813,186	165,824	0	1,398,756
Portugal	0	64,225	882	29,827	714	0	95,648
Ireland	0	1,624	1,262	0	0	0	2,886
Angola	0	60,397	0	0	0	0	60,397
Italy	0	326,411	56	0	100	0	326,567
Cape Verde	0	6,389	0	0	0	0	6,389
Australia	0	0	0	11,393	2,379	0	13,772
US	0	0	0	0	162	0	162
Brazil	0	12,934	0	0	0	0	12,934
Panama	0	155	0	7	6,966	0	7,128
Mexico	0	108,298	5,612	14	256	0	114,180
Bolivia	0	0	0	1,592	24,465	0	26,057
Israel	0	0	0	0	492	0	492
Mozambique	0	1,786	0	0	0	0	1,786
Colombia	0	82,730	74,780	162	2,089	0	159,761
Qatar	0	58,296	0	0	0	0	58,296
Togo	0	2,152	0	0	0	0	2,152
UK	0	29,504	0	32	352	0	29,888
Peru	0	53,086	74,351	58,079	158,124	0	343,640
Uruguay	0	1,128	4,782	116	0	0	6,026
Oman	0	0	0	9,394	70,309	0	79,703
Belgium	0	0	0	0	2,257	0	2,257
Netherlands	0	0	0	0	1,418	0	1,418
Ecuador	0	0	0	51	45,776	0	45,827
Chile	0	193,575	284,771	28,042	37,266	0	543,654
Paraguay	0	0	0	0	0	0	0
Germany	0	0	0	0	2,148	0	2,148
Iceland	0	0	0	0	573	0	573
Malaysia	0	0	0	0	1,041	0	1,041
Norway	0	0	0	0	140	0	140
<b>TOTAL</b>	<b>31,184</b>	<b>1,224,984</b>	<b>612,764</b>	<b>951,895</b>	<b>522,851</b>	<b>0</b>	<b>3,343,678</b>
<b>Consolidation adjustments</b>	<b>(31,184)</b>	<b>(12,735)</b>	<b>(170,426)</b>	<b>(35,736)</b>	<b>(991)</b>	<b>0</b>	<b>(251,072)</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>1,212,249</b>	<b>442,338</b>	<b>916,159</b>	<b>521,860</b>	<b>0</b>	<b>3,092,606</b>
<b>DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,247</b>	<b>5,247</b>

2018	Holding	Construction	Concessions	Services	Industrial	Vallehermoso	TOTAL
<i>Thousand euros</i>							
Spain	35,697	248,728	164,646	959,079	239,859	0	1,648,009
Portugal	0	54,990	877	29,524	3,444	0	88,835
Ireland	0	1,816	1,286	0	0	0	3,102
Angola	0	83,115	0	0	0	0	83,115
Italy	0	538,435	0	0	42	0	538,477
Cape Verde	0	2,074	0	0	0	0	2,074
Australia	0	0	0	10,088	37,134	0	47,222
US	0	12,327	0	0	82	0	12,409
Brazil	0	7,587	0	0	0	0	7,587
Panama	0	1	0	0	6,935	0	6,936
Mexico	0	202,487	59,589	1,224	22	0	263,322
Bolivia	0	0	0	0	45,613	0	45,613
Israel	0	0	0	0	127	0	127
Mozambique	0	60	0	0	0	0	60
Colombia	0	164,926	186,776	20,173	2,267	0	374,142
Qatar	0	67,257	0	0	0	0	67,257
Togo	0	2,144	0	0	0	0	2,144
UK	0	51,319	0	0	85	0	51,404
Peru	0	103,724	111,315	787	58,342	0	274,168
Uruguay	0	18,477	42,095	697	0	0	61,269
Oman	0	0	0	48,376	62,643	0	111,019
Belgium	0	0	0	0	2,248	0	2,248
Netherlands	0	0	0	0	4,505	0	4,505
Ecuador	0	0	0	0	19,884	0	19,884
Chile	0	142,756	192,416	42,140	42,419	0	419,731
Paraguay	0	10,800	34,268	0	0	0	45,068
Germany	0	0	0	0	124	0	124
Iceland	0	0	0	0	118	0	118
Malaysia	0	0	0	0	16	0	16
Kuwait	0	0	0	0	270	0	270
Norway	0	0	0	0	543	0	543
<b>TOTAL</b>	<b>35,697</b>	<b>1,713,023</b>	<b>793,268</b>	<b>1,112,088</b>	<b>526,722</b>	<b>0</b>	<b>4,180,798</b>
<b>Consolidation adjustments</b>	<b>(35,697)</b>	<b>(13,662)</b>	<b>(233,341)</b>	<b>(72,099)</b>	<b>(30,282)</b>	<b>0</b>	<b>(385,081)</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>1,699,361</b>	<b>559,927</b>	<b>1,039,989</b>	<b>496,440</b>	<b>0</b>	<b>3,795,717</b>
<b>DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>746</b>	<b>746</b>

## 29. Supplies

The breakdown of "Supplies" in 2018 and 2017, by item and business area, is as follows:

<i>Thousand euros</i>	2018	2017
Construction	1,082,037	710,274
Services	195,743	168,632
Industrial	282,852	319,112
Concessions	285	65
Other and adjustments	(17,840)	(21,178)
<b>TOTAL</b>	<b>1,543,077</b>	<b>1,176,905</b>

  

<i>Thousand euros</i>	2018	2017
Consumption of commercial inventories	199,728	150,401
Consumption of raw material and other consumables	464,008	373,276
Other external expenses	879,341	653,228
<b>TOTAL</b>	<b>1,543,077</b>	<b>1,176,905</b>



### **30. Other operating expenses**

The detail of this heading in 2018 and 2017, by item and business area, is as follows:

<u>Thousand euros</u>	<b>2018</b>	<b>2017</b>
External services	820,416	637,152
Taxes other than income tax	34,824	36,179
Other operating costs	120,438	65,730
<b>TOTAL</b>	<b>975,678</b>	<b>739,061</b>

See the impact of the first application of IFRS 16 in Note 3.

### **31. Gains and losses on acquisition/disposal of assets**

In 2017, there were no significant gains or losses from acquisition/disposal of assets.

The change in this item in 2018 is mainly due to the exclusion of Sociedad Concesionaria Aeropuerto de Murcia, S.A. from the scope of consolidation.

### **32. Finance income and costs**

The breakdown of finance income and costs in 2018 and 2017 is as follows:

<u>Thousand euros</u>	<b>2018</b>	<b>2017</b>
<b>Income from other marketable securities</b>	<b>29,856</b>	<b>14,971</b>
<b>Other interest and income</b>	<b>68,921</b>	<b>33,434</b>
<b>Exchange differences</b>	<b>48,206</b>	<b>0</b>
<b>TOTAL INCOME</b>	<b>146,983</b>	<b>48,405</b>
<b>Finance costs</b>	<b>(403,636)</b>	<b>(136,448)</b>
Finance costs	(313,959)	(216,991)
Gain/(loss) on speculative financial instruments	(32,073)	(4,391)
Losses on financial investments	(4)	(1,276)
Change in provisions for financial investments	(57,600)	86,210
<b>Gain/(loss) on financial instruments</b>	<b>(11,140)</b>	<b>(144,754)</b>
Financial costs comparable to and financial trading instruments	(55,555)	(71,371)
Gain/(loss) on financial trading instruments	68,315	(49,193)
Gain/(loss) on financial hedging instruments	(23,900)	(24,190)
<b>Exchange differences</b>	<b>0</b>	<b>(71,236)</b>
<b>TOTAL COSTS</b>	<b>(414,776)</b>	<b>(352,438)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>(267,793)</b>	<b>(304,033)</b>

The Sacyr Group uses derivative financial instruments to eliminate or significantly reduce its interest rate, foreign currency and market risk in monetary transactions, asset positions and other transactions. In general, these instruments are treated as hedges when they qualify for hedge accounting. Those that do not are classified as held for trading, with gains or losses recognised directly in the separate consolidated income statement.

In 2017, there was an increase in the costs from exchange rate differences, which became positive in 2018, as a consequence of the change in exchange rates versus the euro.

### 33. Earnings per share

Basic earnings per share are calculated by dividing the Group's attributable profit for the year by the average weighted number of shares outstanding during the year, excluding the average number of treasury shares held.

	2018	2017
<b>Net profit/(loss) attributable to equity holders of the parent (thousands of euros)</b>	<b>150,398</b>	<b>130,644</b>
Weighted average number of shares outstanding (thousands of shares)	546,570	524,347
Less: average number of treasury shares held ('000)	(5,839)	(1,884)
<b>Average number of shares used to calculate basic earnings per share</b>	<b>540,731</b>	<b>522,463</b>
<b>Basic earnings per share (euros)</b>	<b>0.28</b>	<b>0.25</b>

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the Parent (after adjustment of the interest of potentially dilutive shares) by the weighted average number of additional ordinary shares that would have been outstanding if all the potential ordinary shares with dilutive effect had been converted to ordinary shares. Dilution is assumed to occur either at the start of the period or at the issue date of the potential ordinary shares if these were issued during the year.

	2018	2017
<b>Net profit/(loss) attributable to equity holders of the parent (thousands of euros)</b>	<b>150,398</b>	<b>130,644</b>
Plus: Convertible bond interest (thousands of euros)	17,049	16,658
<b>Adjusted net profit/(loss) attributable to equity holders of the parent (thousands of euros)</b>	<b>167,447</b>	<b>147,302</b>
Weighted average number of shares outstanding (thousands of shares)	546,570	524,347
Less: average number of treasury shares held ('000)	(5,839)	(1,884)
Plus: average number of convertible bond shares held (thousands of shares)	48,607	45,957
<b>Average number of shares used to calculate basic earnings per share</b>	<b>589,338</b>	<b>568,420</b>
<b>Diluted earnings per share (euros)</b>	<b>0.28</b>	<b>0.26</b>

Earnings per share in discontinued operations are as follows:

	2018	2017
<b>Net profit/(loss) on discontinued operations att. to equity holders of the parent (thousands of euros)</b>	<b>0</b>	<b>0</b>
Weighted average number of shares outstanding (thousands of shares)	546,570	524,347
Less: average number of treasury shares held ('000)	(5,839)	(1,884)
<b>Average number of shares used to calculate basic earnings per share</b>	<b>540,731</b>	<b>522,463</b>
<b>Basic and diluted earnings per share for discontinued operations (euros)</b>	<b>0.00</b>	<b>0.00</b>

### 34. Backlog by activity

The breakdown of the backlog by activity and nature of business at 31 December 2018 and changes since 2017 are as follows:

<i>Thousand euros</i>	2018	2017	Chg. Abs.	Chg. %
Sacyr Construcción - Somague (construction backlog)	6,182,629	5,868,452	314,177	5.35%
Civil work backlog	5,021,087	4,975,663	45,424	0.91%
Construction backlog	1,161,542	892,789	268,753	30.10%
Residential construction	217,941	48,328	169,613	350.96%
Non-residential construction	943,601	844,461	99,140	11.74%
Sacyr Concesiones (Revenue backlog)	27,081,143	27,162,672	(81,529)	(0.30%)
Services (Services backlog)	5,899,133	5,660,637	238,497	4.21%
Sacyr Industrial (Services backlog)	2,511,277	2,309,709	201,568	8.73%
<b>TOTAL</b>	<b>41,674,182</b>	<b>41,001,470</b>	<b>672,713</b>	<b>1.64%</b>

The increase in the Sacyr Construcción-Somague backlog is the result of the inclusion of very significant contracts during 2018, such as, among others: the construction of phase 1 of the Eastern Line of the Fortaleza Metro (Brazil) for 175 million euros; the construction of the new A6 Motorway between Dungiven and Drumahoe in Northern Ireland (United Kingdom) for 97 million euros; the construction of the new Alto Hospicio Hospital in Iquique in the Tarapacá region (Chile) for 95 million euros; the construction of the new San Alejandro Hospital in San Andrés de Cholula (Mexico) for 70 million euros; the construction of the first two phases of the Nacala Port development project in Nampula (Mozambique), for 54 million euros; the construction and remodelling of various sporting facilities for the Pan-American Games "Lima 2019" (Peru), for a total of 44 million euros; the construction of the new hospital in Villarrica, in the Araucanía region (Chile) for 44 million euros; the construction, renovation and modernisation projects for various urban areas in Bogotá (Colombia) for 38 million euros; construction of the new El Tepual Airport in Puerto Montt (Chile) for 33 million euros; the construction of the enhanced water intake for the La Esmeralda reservoir in Santa María, in the Boyacá department (Colombia) for 32 million euros; remodelling and expansion works on the South Dock building at Terminal 1, of the El Prat Airport in Barcelona for 28 million euros; the construction of the new San Sebastián Metro (Guipúzcoa) for 27 million euros; expansion and renovation works on the Quirón University Hospital in Madrid for 18 million euros and construction works on the new surgery block at the Gregorio Marañón University General Hospital (Madrid) for 16 million euros.

Sacyr Concesiones backlog also includes the expansion, improvement and concession project, for a period of 6 years, for the new El Tepual Airport in the city of Puerto Montt, Los Lagos region (Chile).

The increase in the Valoriza backlog was due to the inclusion of a number of major contracts this year, such as: Management of the Integrated Water Cycle in the town of Sotogrande (Cádiz) for 400 million euros and a 35-year concession period; the provision of public sanitation services in Bogotá (Colombia) for 139 million euros and an 8-year concession period; the Homecare Service for disabled people in the Autonomous Community of Madrid for 56 million euros and a 2-year concession period; Management of public municipal solid waste and street cleaning services in the municipality of Arona (Tenerife) for 53 million euros and an 8-year concession period; street cleaning and municipal solid waste services in the Autonomous Community of Melilla for 51 million euros and an 4-year concession period; cleaning of the Metro de Madrid underground stations on lines 3, 6 and 11 (batch 3) for 34 million euros and a 4-year concession period; Urban cleaning services, municipal waste collection and transport in the town of Baracaldo (Vizcaya) for 33 million euros, and a 4-year concession period; municipal solid waste collection and street cleaning services for the city of Lérida for 28 million euros and a 7-year concession period; operation of the southern thermal sludge drying plant for Canal de Isabel II in Madrid for 21 million euros and a 4-year concession period; management of the waste treatment centre in Montoliú (Lérida) for the Consorcio de Residuos del Segriá for

20 million euros; the Homecare Service for Valladolid province for 17 million euros and a 3-year concession period; the Homecare Service in Barcelona, zone 2, for 16 million euros and a 1-year concession period; cleaning and minor maintenance of lines 2 and 6 of the Santiago de Chile Metro for 25 million euros and a concession period of 3 and a half years.

Finally, the Sacyr Industrial backlog also increased in 2018, thanks to the inclusion of a number of major contracts, including: the construction of photovoltaic plants (Picón I, II and III), in Ciudad Real, for a total of 46 million euros; the design and construction of a water treatment plant, for agriculture, in the north of the city of Adelaide (Australia) for 36 million euros; the construction of a fuels storage and distribution terminal in the town of Mollendo in Arequipa department (Peru) for 31 million euros, and the installation of 13 wind turbines at a wind farm in Lugo for a total of 6 million euros.

<b>Thousand euros</b>	<b>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>
International backlog	29,635,014	71.11%	29,756,866	72.58%
Backlog in Spain	12,039,168	28.89%	11,244,604	27.42%
<b>TOTAL</b>	<b>41,674,182</b>	<b>100.00%</b>	<b>41,001,470</b>	<b>100.00%</b>

International business made up 71.11% of the Group's backlog at 31 December 2018, and Spanish business the remaining 28.89%.

## **35. Directors' and Senior Management remuneration and other benefits**

### **35.1. 2017**

There were no changes to the Board of Directors in 2017.

For 2017, the remuneration agreed by the Board was as follows:

- For Board members: 72,000 euros gross per year.
- For members of the Executive Committee: 45,000 euros gross per year.
- Members of the Audit Committee: 22,000 euros gross per year.
- For members of the Appointments and Remuneration Committee: 20,000 euros gross per year.

Following is an itemised breakdown of the remuneration earned at year-end 2017:

Euros	REMUNERATION 2017				
	Board of Directors	Audit Committee	Executive Committee	App. and Remun. Comm.	Total 2017 attendance fees
<b>Bylaw-stipulated emoluments</b>					
Manuel Manrique Cecilia	93,600.00		58,500.00		152,100.00
Demetrio Carceller Arce	82,800.00		45,000.00	20,000.00	147,800.00
Mafias Cortés Domínguez	72,000.00				72,000.00
Francisco Javier Adroher Biosca	72,000.00				72,000.00
Isabel Martín Castilla	72,000.00	28,600.00		20,000.00	120,600.00
Juan M <sup>o</sup> Aguirre Gonzalo	72,000.00	22,000.00	45,000.00		139,000.00
Augusto Delkader Teig	72,000.00	22,000.00	45,000.00	26,000.00	165,000.00
Raimundo Baroja Rieu	72,000.00	22,000.00			94,000.00
Prilou, S.L. (J.M. Loureda Mantiñán)	72,000.00		45,000.00	20,000.00	137,000.00
For Prilomi, S.L. J M Loureda López	72,000.00				72,000.00
Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jover)	72,000.00	22,000.00			94,000.00
Beta Asociados, S.L. (José del Pilar Moreno Carretero)	72,000.00				72,000.00
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	72,000.00			20,000.00	92,000.00
Cymofag, S.L. (Gonzalo Manrique Sabatell)	72,000.00				72,000.00
<b>TOTAL</b>	<b>1,040,400.00</b>	<b>116,600.00</b>	<b>238,500.00</b>	<b>106,000.00</b>	<b>1,501,500.00</b>

The remuneration accruing in 2017 to members of the Board and Senior Management at the Company, by items, was as follows:

Euros	Fixed	Floating rate	Life insurance	Pension savings plan	Total
Manuel Manrique Cecilia	1,530,000.00	1,836,000.00	700.00	1,357,248.00	4,723,948.00
Senior management	2,139,926.00	912,784.00	30,471.00	145,153.00	3,228,334.00
<b>TOTAL</b>	<b>3,669,926.00</b>	<b>2,748,784.00</b>	<b>31,171.00</b>	<b>1,502,401.00</b>	<b>7,952,282.00</b>

In 2017 there were changes to the number of members and persons forming part of the Senior Management team, which is considered to include executives reporting directly to the Company's Executive Chairman, incorporating the CEOs of the Parent's direct subsidiaries and the Group's Managing Directors, including the internal auditor.

In 2017, the amount of pension rights accumulated by the Chairman of the Board of Directors amounted to 3,245 thousand euros.

The Chairman of the Board of Directors is entitled to receive termination benefits in the event of dismissal on grounds other than breach of duty by the director or resignation for reasons beyond the control of the director, consisting of a total gross amount equal to 2.5 times the sum of the fixed remuneration and the variable remuneration received during the year immediately prior to that in which the scenario that gave rise to the termination occurred. Similarly, a non-competition obligation is established for a period of two years following the date on which the employment contract is terminated for reasons other than retirement, death or disability, or dismissal for reasons attributable to the director. As economic

compensation for this obligation, the director will receive 1.5 times the fixed remuneration received over the twelve months prior to the date on which the employment contract is terminated, distributed pro rata on a monthly basis over the two years of the term of the agreement.

In 2017 no loans were granted to senior management. There were no outstanding balances or amounts repaid by the Company's Directors and Senior Management in 2017.

### 35.2. 2018

In 2018, the following changes were made to the Board of Directors:

- On 26 April 2018, the following proprietary directors resigned from their posts: Prilomi, S.L., Cymofag, S.L., and Raimundo Baroja Rieu.
- On 7 June 2018, the following independent directors were appointed: Cristina Alvarez Alvarez, María Jesús de Jaén Beltrá and José Joaquín Güell Ampuero. On the same date, Beta Asociados, S.L. left its post as a proprietary director.

For 2018, the remuneration agreed by the Board was as follows:

- For Board members: 72,000 euros gross per year.
- For members of the Executive Committee: 45,000 euros gross per year.
- Members of the Audit Committee: 22,000 euros gross per year.
- For members of the Appointments and Remuneration Committee: 20,000 euros gross per year.

Following is an itemised breakdown of the remuneration earned at year-end 2018:

Euros	REMUNERATION 2018				
	Board of Directors	Audit Committee	Executive Committee	App. and Remun. Comm.	Total 2017 attendance fees
Bylaw-stipulated emoluments					
Manuel Manrique Cecilia	93,600.00		58,500.00		152,100.00
Demetrio Carceller Arce	82,800.00		45,000.00	20,000.00	147,800.00
Mafias Cortés Domínguez	72,000.00				72,000.00
Francisco Javier Adroher Biosca	72,000.00				72,000.00
Juan M <sup>o</sup> Aguirre Gonzalo	72,000.00	22,000.00	45,000.00		139,000.00
Augusto Delkader Teig	72,000.00	11,000.00	45,000.00	26,000.00	154,000.00
Raimundo Baroja Rieu	24,000.00	7,333.33			31,333.33
Isabel Martín Castella	72,000.00	28,600.00		10,000.00	110,600.00
Cristina Alvarez Alvarez	48,000.00			10,000.00	58,000.00
M <sup>o</sup> Jesús de Jaen Beltrá	48,000.00	11,000.00			59,000.00
Joaquín Güell Ampuero	48,000.00	14,666.67			62,666.67
Prilou, S.L. (J.M. Loureda Mantiñán)	72,000.00		45,000.00	20,000.00	137,000.00
For Prilomi, S.L. J M Loureda López	24,000.00				24,000.00
Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jover)	72,000.00	22,000.00			94,000.00
Beta Asociados, S.L. (José del Pilar Moreno Carretero)	36,000.00				36,000.00
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	72,000.00			20,000.00	92,000.00
Cymofag, S.L. (Gonzalo Manrique Sabatel)	24,000.00				24,000.00
<b>TOTAL</b>	<b>1,004,400.00</b>	<b>116,600.00</b>	<b>238,500.00</b>	<b>106,000.00</b>	<b>1,465,500.00</b>

The remuneration, by type, received by the Company's directors and senior management in 2018 is as follows:

Euros	Fixed	Floating rate	Life insurance	Pension savings plan	Total
Manuel Manrique Cecilia	1,567,332.00	2,037,531.60	0.00	1,055,430.00	4,660,293.60
Senior management	1,982,907.34	907,429.57	25,062.53	381,676.88	3,297,076.32
<b>TOTAL</b>	<b>3,550,239.34</b>	<b>2,944,961.17</b>	<b>25,062.53</b>	<b>1,437,106.88</b>	<b>7,957,369.92</b>

In 2018 there were changes to the number of members and persons forming part of the senior management team, which is considered to include managers and executives directly accountable to the Board or the Company's CEO, considering the CEOs of the Parent's direct subsidiaries and the Group's Managing Directors, including the internal auditor.

In 2018, the amount of pension rights accumulated by the Chairman of the Board of Directors amounted to 4,217 thousand euros.

The Chairman of the Board of Directors is entitled to receive termination benefits in the event of dismissal on grounds other than breach of duty by the director or resignation for reasons beyond the control of the director, consisting of a total gross amount equal to 2.5 times the sum of the fixed remuneration and the variable remuneration received during the year immediately prior to that in which the scenario that gave rise to the termination occurred. Similarly, a non-competition obligation is established for a period of two years following the date on which the employment contract is terminated for reasons other than retirement, death or disability, or dismissal for reasons attributable to the director. As economic compensation for this obligation, the director will receive 1.5 times the fixed remuneration received over the twelve months prior to the date on which the employment contract is terminated, distributed pro rata on a monthly basis over the two years of the term of the agreement.

No loans were granted to Senior Management in 2018. There were no outstanding balances or amounts repaid by the Company's Directors and Senior Management in 2018.

There follows information concerning Article 229 of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, in the terms of Law 31/2014 of 3 December, amending the Corporate Enterprises Act to enhance corporate governance, for those serving as directors of the Company in 2018 and persons associated with them in the same year, in companies engaging in an identical, similar or complementary activity to that of the Company or its Group.

The Directors Manuel Manrique Cecilia, Demetrio Carceller Arce, Augusto Delkáder Teig, Juan María Aguirre Gonzalo, Matías Cortés Domínguez, Prilou S.L. (through its representative, José Manuel Loureda Mantiñán), Francisco Javier Adroher Biosca, José Joaquín Güell Ampuero, Isabel Martín Castellá, Alvarez Álvarez and María Jesús de Jaén Beltrá they reported that in 2018 and up to the date of their respective communications they - and any persons associated with them - have not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.

- Consejero Grupo Corporativo Fuertes, S.L., through its representative Tomás Fuertes Fernández, has reported that in 2018 and up to the date of its communication, it and its natural person representative: (i) have only carried out transactions with the Company of an ordinary nature, which were conducted under market conditions in the terms stipulated in the Corporate Enterprises Act; (ii) they have not used the name of the Company or declared its status as a member of the Board of Directors to exert unwarranted influence on private operations; (iii) they have not made use of corporate assets, including confidential information of the Company, for private purposes; (iv) they have not taken personal advantage of the Company's business opportunities and (v) they have not obtained any benefits or remuneration from third parties other than the Company and its group in association with the exercise of its post.

Likewise, it reports that as far as it is aware, no party associated with Grupo Corporativo Fuertes, S.L., or its natural person representative, could be understood to be affected by any of the situations referred to in sections a) to e), both inclusive, of Article 229 of the Corporate Enterprises Act, with respect to the Company.

In connection with the scenario described in Article 229.1.f) of the Corporate Enterprises Act, Grupo Corporativo Fuertes, S.L., carries out its own business and projects for third parties the business purpose of which may be understood to constitute effective competition (real or potential) with the Company at the following entities: Gerocentros del Mediterráneo, S.L., with a 42.50% stake (Director), Ausur Servicios de la Autopista, S.A., with a 25% stake (Director), Autopista del Sureste CEA, S.A., with a 25% stake (Director) and Autopista de la Costa Cálida CEA, S.A., with a 8.90% stake. In the same regard, it reports there are parties related to Grupo Corporativo Fuertes, S.L. (in the terms of Article 231 of the Corporate Enterprises Act) that could be carrying out their own business and projects for third parties the business purpose of which may be understood to constitute effective competition (real or potential) with the Company at these entities.

The Director Grupo Satocan Desarrollos, S.L., through its representative Juan Miguel Sanjuan Jover, reported that in 2018 and up to the date of its communication, the company itself and its natural person representative - including any persons associated with them - have not been affected directly or indirectly by any scenario of conflict of interests as stipulated in Article 229 of the Corporate Enterprises Act. It does, however, report a possible hypothetical situation of competition vis-à-vis the Sacyr Group considering its status as director and partner of Grupo Satocan, S.A. with a holding of 49.88%, and its status as Managing Director and partner at Satocan, S.A. - both directly, and indirectly through Grupo Satocán, S.A. - a company operating in the construction sector in the Autonomous Community of the Canary Islands.



### 36. Related party transactions

Transactions with related parties are carried out and recognised at fair value.

The prices of transactions with related parties are determined on an appropriate basis, and the Company's directors consider that there is no risk they could generate material tax liabilities.

The detail of the most significant transactions with related parties in 2017 and 2018 were as follows, in addition to the remuneration indicated in Note 35:

DECEMBER 2017 Thousand euros	RELATED PARTY TRANSACTIONS					
	INCOME AND EXPENSE FROM CONTINUING OPERATIONS	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Finance costs	0	0	0	0	0	0
2) Management or collaboration contracts	0	0	0	0	0	0
3) Transfers of R&D and license agreements	0	0	0	0	0	0
4) Leases	0	0	0	0	0	0
5) Services received	2,677	0	0	0	0	2,677
TESCOR PROFESIONALES ASOCIADOS, S.L.	828	0	0	0	0	828
LUIS JAVIER CORTES DOMINGUEZ	1,849	0	0	0	0	1,849
6) Purchase of goods	0	0	0	0	0	0
7) Valuation adjustments for bad debts and doubtful receivables	0	0	0	0	0	0
8) Losses on disposal of assets	0	0	0	0	0	0
9) Other expenses	0	0	0	0	0	0
<b>TOTAL COSTS</b>	<b>2,677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,677</b>
1) Finance income	0	0	0	0	0	0
2) Management or collaboration contracts	0	0	0	0	0	0
3) Leases	0	0	0	0	0	0
4) Services rendered	0	0	0	0	0	0
5) Sale of goods (finished goods and work in progress)	39,792	0	0	157,290	197,082	
REFINERIA LA PAMPILLA, S.A. (RELAPASA)	0	0	0	82,937	82,937	
REPSOL EXPLORACION PERU SUCURSAL DEL PERU (REPEXSA)	0	0	0	44,058	44,058	
PETROLEOS DEL NORTE, S.A.	0	0	0	4,953	4,953	
REPSOL INVESTIGACIONES PETROLIFERAS	0	0	0	530	530	
REPSOL PETROLEO, S.A.	0	0	0	19,222	19,222	
REPSOL QUIMICA, S.A.	0	0	0	5,590	5,590	
EL POZO DE ALIMENTACION	12,300	0	0	0	12,300	
PROFU, S.A.	15,296	0	0	0	15,296	
SEDIASA	12,196	0	0	0	12,196	
6) Gains on disposal of assets	0	0	0	0	0	
7) Other income	0	0	0	0	0	
<b>TOTAL INCOME</b>	<b>39,792</b>	<b>0</b>	<b>0</b>	<b>157,290</b>	<b>197,082</b>	

DECEMBER 2017 Thousand euros	RELATED PARTY TRANSACTIONS					
	OTHER TRANSACTIONS FROM CONTINUING OPERATIONS	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1.a. Financing agreements: Loans and capital contributions	0	0	0	0	0	0
1.b. Finance leases (lessor)	0	0	0	0	0	0
1.c. Repayment or cancellation of loans and finance lease contracts (lessor)	0	0	0	0	0	0
2.a. Purchase of items of PPE, intangible assets or other assets	0	0	0	0	0	0
2.b. Financing agreements: loans and capital contributions (borrower)	0	0	0	0	0	0
2.c. Finance leases (lessee)	0	0	0	0	0	0
3. Repayment or cancellation of loans and finance lease contracts (lessee)	0	0	0	0	0	0
3.a. Guarantees provided	0	0	0	0	0	0
4. Guarantees received	0	0	0	0	0	0
5. Other transactions	43,958	0	0	0	43,958	
EL POZO ALIMENTACION	14,000	0	0	0	14,000	
PROFU, S.A.	13,177	0	0	0	13,177	
SEDIASA	14,091	0	0	0	14,091	
TESCOR PROFESIONALES ASOCIADOS, S.L.	730	0	0	0	730	
LUIS JAVIER CORTES DOMINGUEZ	1,960	0	0	0	1,960	

DECEMBER 2017  
Thousand euros

OTHER BALANCES FROM CONTINUING OPERATIONS	BALANCES WITH RELATED PARTIES				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1.a. Purchase of items of property, plant and equipment, intangible assets and other assets	0	0	0	0	0
1.b. Financing agreements: Loans and capital contributions	0	0	0	0	0
1.c. Finance leases (lessor)	0	0	0	0	0
1.d. Repayment or cancellation of loans and finance lease contracts (lessor)	0	0	0	0	0
2.a. Sale of items of property, plant and equipment, intangible assets and other assets	0	0	0	0	0
2.b. Financing agreements: loans and capital contributions (borrower)	0	0	0	0	0
2.c. Finance leases (lessee)	0	0	0	0	0
2.d. Repayment or cancellation of loans and finance lease contracts (lessee)	0	0	0	0	0
3.a. Guarantees provided	0	0	0	0	0
3.b. Guarantees received	0	0	0	0	0
4. Dividends and other benefits distributed	2,651	0	0	0	2,651
MARGUERITE SILVER BV	2,651	0	0	0	2,651
5. Other transactions	(2,165)	0	0	19,655	17,490
REFINERIA LA PAMPILLA, S.A. (RELAPASA)	0	0	0	8,789	8,789
PETROLEOS DEL NORTE, S.A.	0	0	0	1,240	1,240
REPSOL INVESTIGACIONES PETROLIFERAS	0	0	0	176	176
REPSOL PETROLEO, S.A.	0	0	0	6,957	6,957
REPSOL QUIMICA, S.A.	0	0	0	2,493	2,493
EL POZO ALIMENTACION	583	0	0	0	583
PROFU, S.A.	(2,536)	0	0	0	(2,536)
SEDIASA	(327)	0	0	0	(327)
TESCOR PROFESIONALES ASOCIADOS, S.L.	20	0	0	0	20
LUIS JAVIER CORTES DOMINGUEZ	95	0	0	0	95

DECEMBER 2017  
Thousand euros

INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS	RELATED PARTY TRANSACTIONS				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
					0
					0
1) Services received	0	0	0	3	3
ITINERE INFRAESTRUCTURAS, S.A.	0	0	0	3	3
<b>TOTAL COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>
1) Finance income	0	0	0	0	0
2) Services rendered	0	0	9,299	0	9,299
AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U.	0	0	1,268	0	1,268
AUTOPISTA ASTUR LEONESA (AUCALSA)	0	0	1,692	0	1,692
AUTOPISTAS DE GALICIA (AUTOESTRADAS)	0	0	1,270	0	1,270
AUTOPISTAS DEL ATLANTICO (AUDASA)	0	0	5,069	0	5,069
3) Gains on disposal of assets	0	0	0	0	0
4) Other income	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>9,299</b>	<b>0</b>	<b>9,299</b>

DECEMBER 2018  
Thousand euros

INCOME AND EXPENSE FROM CONTINUING OPERATIONS	RELATED PARTY TRANSACTIONS				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Finance costs	0	0	0	0	0
2) Management or collaboration contracts	0	0	0	0	0
3) Transfers of R&D and license agreements	0	0	0	0	0
4) Leases	0	0	0	0	0
5) Services received	3,680	0	0	0	3,680
TESCOR PROFESIONALES ASOCIADOS	1,737	0	0	0	1,737
LUIS JAVIER CORTES DOMINGUEZ	1,943	0	0	0	1,943
6) Purchase of goods	0	0	2,708	0	2,708
SOLRED, S.A.	0	0	1,843	0	1,843
REPSOL CIAL, PROD. PETROLIFEROS, S.A.	0	0	865	0	865
7) Valuation adjustments for bad debts and doubtful receivables	0	0	0	0	0
8) Losses on disposal of assets	0	0	0	0	0
9) Other expenses	0	0	0	0	0
<b>TOTAL COSTS</b>	<b>3,680</b>	<b>0</b>	<b>2,708</b>	<b>0</b>	<b>6,388</b>
1) Finance income	111	0	0	0	111
MARGUERITE SILVER B.V.	111	0	0	0	111
2) Management or collaboration contracts	0	0	0	0	0
3) Leases	0	0	0	0	0
4) Services rendered	0	0	0	0	0
5) Sale of goods (finished goods and work in progress)	42,337	0	90,671	0	133,008
REFINERIA LA PAMPILLA, S.A. (RELAPASA)	0	0	47,178	0	47,178
REPSOL EXPLORACION PERU SUCURSAL DEL PERU (REPEXSA)	0	0	7,156	0	7,156
PETROLEOS DEL NORTE, S.A.	0	0	2,388	0	2,388
REPSOL INVESTIGACIONES PETROLIFERAS	0	0	619	0	619
REPSOL PETROLEO, S.A.	0	0	21,060	0	21,060
REPSOL POLIMEROS, S.A.	0	0	3,991	0	3,991
REPSOL QUIMICA, S.A.	0	0	7,903	0	7,903
DYNASOL ELASTOMEROS, S.A.U.	0	0	367	0	367
IBERIAN LUBE BASE OILS COMPANY, S.A.	0	0	9	0	9
EL POZO ALIMENTACION	27,487	0	0	0	27,487
SEDIASA	418	0	0	0	418
DAMM	5,266	0	0	0	5,266
PROFU, S.A.	9,166	0	0	0	9,166
6) Gains on disposal of assets	0	0	0	0	0
7) Other income	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>42,448</b>	<b>0</b>	<b>90,671</b>	<b>0</b>	<b>133,119</b>

DECEMBER 2018  
Thousand euros

OTHER TRANSACTIONS FROM CONTINUING OPERATIONS	RELATED PARTY TRANSACTIONS				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1.a. Financing agreements: Loans and capital contributions	0	0	0	0	0
1.b. Finance leases (lessor)	0	0	0	0	0
1.c. Repayment or cancellation of loans and finance lease contracts (lessor)	0	0	0	0	0
2.a. Purchase of items of PPE, intangible assets or other assets	0	0	0	0	0
2.b. Financing agreements: loans and capital contributions (borrower)	0	0	0	0	0
2.c. Finance leases (lessee)	0	0	0	0	0
3. Repayment or cancellation of loans and finance lease contracts (lessee)	0	0	0	0	0
3.a. Guarantees provided	0	0	0	0	0
4. Guarantees received	0	0	0	0	0
5. Other transactions	61,584	0	0	0	61,584
MARQUERIE SILVER BV	4,334	0	0	0	4,334
EL POZO ALIMENTACION	27,539	0	0	0	27,539
PROFU, S.A.	19,471	0	0	0	19,471
SEDIASA	1,207	0	0	0	1,207
DAMM	5,144	0	0	0	5,144
LUIS JAVIER CORTES DOMINGUEZ	2,059	0	0	0	2,059
TESCOR PROFESIONALES ASOCIADOS	1,830	0	0	0	1,830

DECEMBER 2018  
Thousand euros

OTHER BALANCES FROM CONTINUING OPERATIONS	BALANCES WITH RELATED PARTIES				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1.a. Purchase of items of property, plant and equipment, intangible assets and other assets	0	0	0	0	0
1.b. Financing agreements: Loans and capital contributions	0	0	0	0	0
1.c. Finance leases (lessor)	0	0	0	0	0
1.d. Repayment or cancellation of loans and finance lease contracts (lessor)	0	0	0	0	0
2.a. Sale of items of property, plant and equipment, intangible assets and other assets	0	0	0	0	0
2.b. Financing agreements: loans and capital contributions (borrower)	0	0	0	0	0
2.c. Finance leases (lessee)	0	0	0	0	0
2.d. Repayment or cancellation of loans and finance lease contracts (lessee)	0	0	0	0	0
3.a. Guarantees provided	0	0	0	0	0
3.b. Guarantees received	0	0	0	0	0
4. Dividends and other benefits distributed	0	0	0	0	0
5. Other transactions	6,191	0	39	0	6,230
MARQUERIE SILVER BV	4,334	0	0	0	4,334
EL POZO ALIMENTACION	1,001	0	0	0	1,001
PROFU, S.A.	-574	0	0	0	-574
DAMM	1,430	0	0	0	1,430
SOLRED, S.A.	0	0	39	0	39

DECEMBER 2018  
Thousand euros

INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS	RELATED PARTY TRANSACTIONS				
	Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Services received	0	0	0	2	2
ITINERE INFRAESTRUCTURAS, S.A.	0	0	0	2	2
TOTAL COSTS	0	0	0	2	2
1) Finance income	0	0	0	0	0
2) Services rendered	0	0	9,845	0	9,845
AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U.	0	0	712	0	712
AUTOPISTA ASTUR LEONESA (AUCALSA)	0	0	2,006	0	2,006
AUTOPISTAS DE GALICIA (AUTOESTRADA)	0	0	2,375	0	2,375
AUTOPISTAS DEL ATLANTICO (AUDASA)	0	0	4,752	0	4,752
3) Gains on disposal of assets	0	0	0	0	0
4) Other income	0	0	0	0	0
TOTAL INCOME	0	0	9,845	0	9,845

### 36.1. Contracts with related parties

The main contracts with related parties are as follows:

- Sacyr, S.A. has signed consultancy contracts with two law firms - Luis Javier Cortés Domínguez and Tescor, Profesionales Asociados, S.L., which are both related parties of Matías Cortés (Director of Sacyr), for variable amounts which in 2018 totalled 1,943 thousand euros and 1,737 thousand euros, respectively (1,849 thousand euros and 828 thousand euros, respectively in 2017).
- In 2018, Sacyr Infraestructuras, S.A.U. performed and rendered services and carried out work on warehouses for El Pozo Alimentación and Sediasa, related to Grupo Corporativo Fuertes, S.L. (Director of Sacyr) for the amount of 27,487 thousand euros (12,300 thousand euros in 2017, carried out by Sacyr Construcción, S.A.U.) and 418 thousand euros (12,196 thousand euros in 2017, carried out by Sacyr Construcción, S.A.U.) respectively. It has also carried out works in plants belonging to the company Damm, related party of Demetrio Carceller Arce (Director of Sacyr) and urban development and housing works for Profu, S.A., also related with Corporativo Fuertes, S.L. in the amount of 9,166 thousand euros (15,296 thousand euros in 2017, carried out by Sacyr Construcción, S.A.U.).

## **36.2. Other information**

In 2017 and 2018, no valuation adjustments were made on uncollectible debts relating to amounts included in the outstanding balances and in expenditure recognised in both years regarding related-party borrowings.

## **37. Events after the reporting date**

The most significant events occurring subsequent to year-end 2018, in chronological order, were as follows:

- On 8 January 2019, Sacyr decided to carry out the Scrip Dividend in accordance with the 2018 General Shareholders' Meeting, and at a ratio of one new share for every 35 outstanding shares, with the power to issue up to 15,815,866 new shares and a commitment to purchase preferential subscription rights at a gross fixed price of 0.051 euros. The definitive number of shares issued was 15,039,736. The capital increase was registered on 13 February 2019, and the new shares began trading on Spanish stock markets on 20 February.
- As a result of the Repsol, S.A. Scrip Dividend programme, Sacyr Group, via its investees: On 11 January 2019, Sacyr Securities, S.A., Sacyr Investments, S.A.U. and Sacyr Investments II, S.A.U. received a gross dividend of 0.411 euros per share, generating total net income of 50.43 million euros.
- In February 2019, the Group sold its entire shareholding in Itinere for 202 million euros, which it had classified as an asset held for sale for this amount, with the funds obtained from the sale being used for the partial reduction of corporate debt.
- In February 2019, Spain's Appeals Court ("Audiencia Nacional") has now considered practically the entire appeal submitted in relation to Corporate Income Tax assessments for the period 2004 to 2007, and although the ruling has not yet been confirmed, the total amount of these assessments has been reduced to 1,294,921.49 euros (Note 13).

In the Group's Construction division headed up by Sacyr Ingeniería e Infraestructuras, the following significant events occurred after the reporting date:

Internationally:

- Sacyr Ingeniería e Infraestructuras was awarded contracts to construct two new hospitals: Provincia Cordillera and Sótero del Río, both located in the Comuna de Puente Alto, in Santiago de Chile.  
The Provincia Cordillera Hospital plans to invest 153 million euros and will house a total of 394 beds and 10 operating theatres, over a total surface area of 92,886 m<sup>2</sup>. The new Sótero del Río Hospital will count on 328 million euros of investment over an area of 213,803 m<sup>2</sup>, making it one of the biggest hospitals in the Chilean capital. It will house a total of 710 beds and 39 operating theatres and 5 delivery suites.
- A consortium, led by Sacyr Ingeniería e Infraestructuras, has been awarded the contract for the design, construction, integration of systems and start-up of the extension to the tram system in Edinburgh (United Kingdom). The new 4.6 km line will connect York Place with Leith and Newhaven and will have a budget of around 124 million euros.

- Preparation of the technical file and construction of a 205 km road in Áncash, in the north of Lima (Peru). This contract is worth a total of 34 million euros and has a 16-month completion schedule.

In Spain:

- Construction of the new link building between terminals T1 and T2 of the Tenerife Sur Airport, in the Canary Islands. The project will increase the airport facilities' net floor area to 14,000 m<sup>2</sup>, and has a budget of 44 million euros and a 23-month completion schedule.
- Extension work on the Autovía del Turia (CV-35) motorway in the Autonomous Community of Valencia for 37 million euros. The project entails the construction of a third lane, in both directions, between km 19.7 and km 25.7, and turning the section between km 36.8 and km 52 into a dual carriageway. In addition extension work will also be carried out on the underpasses and overpasses, to adapt them to the new road.

In the Concessions division, headed by Sacyr Concesiones, the following significant events took place after the reporting date:

- Sacyr Concesiones, was awarded the contract for the Los Vilos-La Serena section of the Chile Route 5 Concession, and is also being considered for a new urban stretch, known as the La Serena-Coquimbo conurbation.

The project, which has planned investment of 447 million euros and an estimated backlog of 865 million euros, will extend over 245 km, from the north of Los Vilos to the inter-city section to the south of Coquimbo. A further 16 km of the urban stretch which connects with the La Serena-Vallenar section of the Route 5 Concession, also operated by Sacyr Concesiones, can be added to this. The maximum concession period will be 30 years.

- A consortium, of which Sacyr Concesiones forms part, was awarded the concession for the Chacatulla de Arica Airport in Chile, with a forecast investment of 74 million euros and a concession period of 20 years.

The project, which has a revenue backlog of 204 million euros, involves the extension and improvement of the current airport terminal, doubling its area and enabling over 1.1 million passengers a year to use it. For this, 5 new boarding bridges and 7 aircraft parking stands will be constructed, with the roads being extended both for passengers, on the inside and for vehicles on the outside of the airport site. In addition, new aeronautical installations will be built, such as a control tower, an administration building, various logistics infrastructures, an Airport Rescue and Firefighting Service (RFFS) building, an airside electrical substation.

- In March, Sacyr Concesiones completed the financing for its 4G Autopista al Mar 1 motorway concession in Colombia, for a total of 630 million euros, guaranteeing the investment required to successfully carry out the project.

In the Services division, headed by Sacyr Servicios, major events after the reporting date were as follows:

#### **Environment:**

In Spain:

- Municipal waste transfer and transport service, from the transfer plant at Viladecans (Barcelona) to the waste treatment plants in the metropolitan system. This 3-year concession is worth 13 million euros and may be extended for a further 2 years.

Abroad:

- Contract for the provision of services for the collection, transport and disposal of municipal solid waste, and road cleaning, to the town of Oliveira de Azeméis, in the Aveiro district of Portugal. This contract is worth 7 million euros, and the concession term is for 8 years.

#### **Multiservices:**

- Valoriza Facilities was awarded a cleaning services concession for the Spanish Directorates General of the Police and the Civil Guard, batch 9 (Extremadura, Andalusia, Canary Islands, Ceuta and Melilla) amounting to 13 million euros over a 2-year period.
- Sacyr Conservación de Infraestructuras was awarded the management and road maintenance contract for 436 km of the road corridor in the Ayacucho, Huancavelica and Junín departments in Peru. This contract is worth 10 million euros, and the concession term is for 3 years.
- Sacyr Conservación de Infraestructuras was awarded the management and road maintenance service level contract for 324 km of the road corridor linking the cities of Cusco and Echarate in Peru. This contract is worth 8 million euros, and the concession term is for 3 years.

In the Industrial division, headed by Sacyr Industrial, major events after the reporting date were as follows:

- Sacyr Industrial signed two BOP contracts with the client Mainstream for the construction of two wind farms in Chile (84MW in Bio-Bio and 155MW in Antofagasta), which consists of the WTG foundations, preparing access, including the rehabilitation of the road from the port of discharge, and construction of a step-up substation and power delivery line for each farm, for 28 million euros and 33 million euros, respectively.
- A consortium, of which Sacyr Industrial is part, has been awarded the contract to build a 5 MW geothermal pilot plant in Laguna Colorada (Bolivia), for a total amount of 15 million euros. Subsequently, if the project is successful, a new 100 MW plant could be built in two 50 MW stages.

### **38. Environment**

In line with its environmental policy, the Group has a number of ongoing activities and projects to ensure compliance with environmental legislation. Regarding contingencies in the environmental area, the Group considers that these are adequately covered by the civil liability insurance policies outstanding, and it has therefore set aside no provision for this item in the consolidated statement of financial position at 31 December 2017 and 2018.

### 39. Audit fees

In 2017 and 2018, fees for audit services provided to the Parent and its subsidiaries in the consolidation scope, by the main auditor, Ernst & Young, S.L., and other audit firms, are as follows:

<i>Thousand euros</i>	2018			2017		
	Main auditor	Other auditors	TOTAL	Main auditor	Other auditors	TOTAL
Audit services	2,840	338	3,177	2,812	244	3,056
<b>Total audit services</b>	<b>2,840</b>	<b>338</b>	<b>3,177</b>	<b>2,812</b>	<b>244</b>	<b>3,056</b>
<b>TOTAL</b>	<b>2,840</b>	<b>338</b>	<b>3,177</b>	<b>2,812</b>	<b>244</b>	<b>3,056</b>

Other work unrelated to audit or audit advisory services carried out by Ernst & Young, S.L. in 2017 and 2018, was as follows:

<i>Thousand euros</i>	2018	2017
	Main auditor	Main auditor
Verification services and others	819	833
<b>Total verification services and others</b>	<b>819</b>	<b>833</b>
<b>TOTAL</b>	<b>819</b>	<b>833</b>

The various audit services provided, mainly involve issuing 'comfort letters' in relation to debt prospectuses, reports of agreed procedures (audit of financial ratios, conversion of financial statements and verifying financial statements for tenders) and fees for consultancy services in documenting transfer prices.

The amounts paid to Ernst & Young, S.L. made up less than 1% of its revenue.

#### 40. Personnel

The average number of employees by gender and professional category in 2018 and 2017 was as follows:

Average number of employees	2018		2017	
	Women	Men	Women	Men
Senior management	10	110	11	111
University graduates	594	1,337	536	1,208
Other qualified employees	687	1,229	571	740
Skilled technicians	449	1,749	287	1,289
Administrative staff	568	409	4,774	860
Other	16,764	13,824	9,333	10,589
<b>TOTAL</b>	<b>19,072</b>	<b>18,658</b>	<b>15,512</b>	<b>14,797</b>

At 31 December 2018, 27,972 employees of the total average headcount were assigned to Spain (25,562 in 2017). Of these, 902 had a degree of disability equal to or greater than 33% (720 in 2017).

The number of employees by gender and professional category at 31 December 2018 and 2017 was as follows:

Employees at year-end	2018		2017	
	Women	Men	Women	Men
Senior management	10	107	10	108
University graduates	711	1,490	564	1,117
Other qualified employees	854	1,109	602	867
Skilled technicians	569	1,486	251	1,119
Administrative staff	863	761	4,994	803
Other	18,093	16,771	10,449	11,573
<b>TOTAL</b>	<b>21,100</b>	<b>21,724</b>	<b>16,870</b>	<b>15,587</b>

The detail of employee benefits expense incurred by the Group in 2018 and 2017 is as follows:

Thousand euros	2018	2017
Wages, salaries and similar expenses	817,597	740,166
Employee welfare costs	234,838	208,885
<b>TOTAL</b>	<b>1,052,435</b>	<b>949,051</b>

In 2017, Somague Group had to resort to a collective redundancy procedure as a result of the drop in activity, to adapt the production resources to the reality of the markets in which it operates. This affected 400 employees, at a cost of 17 million euros.

Given that there are no plans to dismiss permanent staff in the near future, no provision has been recorded for termination benefits at year-end.



## **41. Segment information**

In accordance with its current organisation and management structure, the Group bases its segment reporting on the following business areas:

- **Holding:** the Group's corporate structure represented by its holding company, Sacyr, S.A.
- **Construction** (Sacyr Construcción Group and Somague Group): civil engineering and building construction business in Spain, Italy, Chile, Colombia, Peru, Mexico, Portugal, Angola, Qatar, the United Kingdom, Uruguay, Brazil and the United States.
- **Concessions** (Sacyr Concesiones Group): motorway, transport hub, airport and hospital concessions business.
- **Services:** Waste treatment, construction, maintenance and conservation of environment-related industrial facilities, desalination, water treatment and roadway infrastructures business.
- **Industrial:** engineering, construction and maintenance of complex plant and equipment, oil & gas business.
- **Repsol:** Stake of 7.87% in Repsol and the special purpose vehicles holding it.

Segment reporting also includes a column for "Consolidation adjustments".

The Group identified these segments based on the following factors:

- The businesses engage in similar economic activities.
- To provide consolidated financial statements to users, with the relevant financial information on the activities of the Group's businesses and the economic environments in which it operates.

The Group's management controls the volume of assets, revenue and operating results of the operating segments separately for the purposes of making decisions on the allocation of resources and assessing results and performance.

The tables below show the separate consolidated income statement and the consolidated statement of financial position for each of the Group's operating segments for the years ended 31 December 2017 and 2018:

2017								
A S S E T S	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	INDUSTRIAL	REPSOL	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>A) NON-CURRENT ASSETS</b>	<b>2,677,987</b>	<b>1,304,453</b>	<b>3,397,139</b>	<b>798,913</b>	<b>188,214</b>	<b>2,121,759</b>	<b>(2,390,432)</b>	<b>8,098,033</b>
I. Property, plant and equipment	3,521	127,378	2,496	155,344	98,861	0	0	387,600
II. Concession projects	0	48,828	1,073,928	247,298	0	0	0	1,370,054
III. Investment property	0	0	0	0	0	0	0	0
IV. Other intangible assets	1,485	638	82	13,411	1,572	0	0	17,188
V. Goodwill	0	0	0	98,972	67,829	0	0	166,801
VI. Investments accounted for using the equity method	0	18,714	85,779	55,016	695	1,959,589	(4,315)	2,115,478
VII. Receivables from concessions	0	992,364	1,688,862	173,509	0	0	0	2,854,735
VIII. Non-current financial assets	2,232,071	22,993	87,032	22,173	4,075	162,170	(2,425,504)	105,010
IX. Derivative financial instruments	0	0	1,656	0	0	0	0	1,656
X. Deferred tax assets	199,815	93,538	218,081	30,698	15,182	0	280,483	837,797
XI. Other non-current assets	241,095	0	239,223	2,492	0	0	(241,096)	241,714
<b>B) CURRENT ASSETS</b>	<b>435,574</b>	<b>3,969,526</b>	<b>1,054,859</b>	<b>447,921</b>	<b>425,445</b>	<b>38,305</b>	<b>(893,406)</b>	<b>5,478,224</b>
I. Non-current assets held for sale	0	0	282,760	0	0	0	172,232	454,992
II. Inventories	3,322	159,927	288	18,292	18,108	0	0	199,937
III. Trade and other receivables	330,446	1,728,240	190,846	295,426	242,201	16,151	(488,323)	2,314,987
IV. Receivables from concessions	0	265	256,093	3,920	0	0	0	260,278
V. Current financial investments	81,611	444,445	6,572	53,966	54,104	21,580	(548,917)	113,361
VI. Derivative financial instruments	0	0	0	0	0	0	0	0
VII. Cash and cash equivalents	20,044	1,615,277	318,300	54,945	106,809	574	43	2,115,992
VIII. Other current assets	151	21,372	0	21,372	4,223	0	(28,441)	18,677
<b>TOTAL ASSETS</b>	<b>3,113,561</b>	<b>5,273,979</b>	<b>4,451,998</b>	<b>1,246,834</b>	<b>613,659</b>	<b>2,160,064</b>	<b>(3,283,838)</b>	<b>13,576,257</b>
L I A B I L I T I E S	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	INDUSTRIAL	REPSOL	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>A) EQUITY</b>	<b>1,229,210</b>	<b>428,815</b>	<b>968,118</b>	<b>293,253</b>	<b>135,464</b>	<b>617,033</b>	<b>(1,667,474)</b>	<b>2,004,419</b>
<b>EQUITY OF THE PARENT</b>	<b>1,229,210</b>	<b>408,325</b>	<b>685,109</b>	<b>284,068</b>	<b>91,629</b>	<b>617,033</b>	<b>(1,663,236)</b>	<b>1,652,138</b>
<b>EQUITY OF NON-CONTROLLING INTERESTS</b>	<b>0</b>	<b>20,490</b>	<b>283,009</b>	<b>9,185</b>	<b>43,835</b>	<b>0</b>	<b>(4,238)</b>	<b>352,281</b>
<b>B) NON-CURRENT LIABILITIES</b>	<b>559,234</b>	<b>2,335,900</b>	<b>2,759,043</b>	<b>584,083</b>	<b>129,593</b>	<b>1,543,008</b>	<b>(657,607)</b>	<b>7,253,254</b>
I. Deferred income	0	21,286	21,032	7,766	4,312	0	12	54,408
II. Non-current provisions	1,429	347,197	66,518	109,647	11,133	0	(241,042)	294,882
III. Bank borrowings	386,735	1,800,895	2,133,586	302,592	105,359	0	0	4,729,167
IV. Other hedged financial debt	0	0	0	0	0	1,489,252	0	1,489,252
V. Non-current payables	171,070	126,444	283,745	142,909	7,525	0	(416,577)	315,116
VI. Derivative financial instruments	0	0	124,815	13,670	559	53,756	0	192,800
VII. Deferred tax liabilities	0	40,078	129,347	7,499	705	0	0	177,629
<b>C) CURRENT LIABILITIES</b>	<b>1,325,117</b>	<b>2,509,264</b>	<b>724,837</b>	<b>369,498</b>	<b>348,602</b>	<b>23</b>	<b>(958,757)</b>	<b>4,318,584</b>
I. Liabilities associated with non-current assets held for sale	102,000	0	0	0	0	0	74,965	176,965
II. Bank borrowings	297,564	172,887	297,913	78,361	39,922	0	34,558	921,205
III. Trade and other payables	74,059	2,183,227	284,634	234,860	271,804	(7,046)	(18,166)	3,023,372
IV. Current payables to associates	851,118	72,500	102,658	34,374	29,583	0	(1,043,044)	47,189
V. Derivative financial instruments	0	0	25,347	1,351	429	0	0	27,127
VI. Current provisions	376	80,650	14,285	20,552	6,864	0	(1)	122,726
VII. Other current liabilities	0	0	0	0	0	7,069	(7,069)	0
<b>TOTAL LIABILITIES</b>	<b>3,113,561</b>	<b>5,273,979</b>	<b>4,451,998</b>	<b>1,246,834</b>	<b>613,659</b>	<b>2,160,064</b>	<b>(3,283,838)</b>	<b>13,576,257</b>

2017								
SEPARATE INCOME STATEMENT	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	INDUSTRIAL	REPSOL	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	31,184	1,224,984	612,764	951,896	522,851	0	(251,073)	3,092,606
Revenue from third parties	0	1,050,455	438,082	962,168	422,164	0	219,737	3,092,606
Revenue from group companies	31,184	174,529	174,682	(10,272)	100,687	0	(470,810)	0
Own work capitalised	0	308	0	1,295	0	0	0	1,603
Other operating income	24,945	152,124	10,440	23,176	4,902	5	(43,883)	171,709
Government grants released to the income statement	0	651	1,077	306	1,296	0	0	3,330
Gain on disposal of assets	0	0	0	0	235	0	0	235
<b>TOTAL OPERATING INCOME</b>	<b>56,129</b>	<b>1,378,067</b>	<b>624,281</b>	<b>976,673</b>	<b>529,284</b>	<b>5</b>	<b>(294,956)</b>	<b>3,269,483</b>
Change in inventories	0	(433)	(2)	1,884	(153)	0	0	1,296
Supplies	0	(697,051)	(65)	(168,631)	(319,112)	0	7,954	(1,176,905)
Staff costs	(19,341)	(210,588)	(29,991)	(597,935)	(91,196)	0	0	(949,051)
Losses on disposal of assets	0	0	0	0	(170)	0	0	(170)
Depreciation and amortisation expense	(2,057)	(21,378)	(47,725)	(38,052)	(9,186)	0	0	(118,398)
Impairment of goodwill	0	(18,483)	0	(216)	0	0	0	(18,699)
Change in operating provisions	(56)	18,000	(20,022)	(2,481)	935	0	0	(3,624)
Change in provisions for non-current assets	12	(8,057)	0	0	0	0	0	(8,045)
Other operating expenses	(54,624)	(394,228)	(362,282)	(128,690)	(84,200)	(147)	285,110	(739,061)
<b>TOTAL OPERATING EXPENSES</b>	<b>(76,066)</b>	<b>(1,332,218)</b>	<b>(460,087)</b>	<b>(934,121)</b>	<b>(503,082)</b>	<b>(147)</b>	<b>293,064</b>	<b>(3,012,657)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>(19,937)</b>	<b>45,849</b>	<b>164,194</b>	<b>42,552</b>	<b>26,202</b>	<b>(142)</b>	<b>(1,892)</b>	<b>256,826</b>
<b>SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>	<b>0</b>	<b>2,525</b>	<b>6,249</b>	<b>6,638</b>	<b>30</b>	<b>244,486</b>	<b>(814)</b>	<b>259,114</b>
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>20</b>	<b>1,756</b>	<b>(38)</b>	<b>302</b>	<b>(1,701)</b>	<b>(658)</b>	<b>(43)</b>	<b>(362)</b>
Revenue from equity investments	12,034	0	0	0	0	0	(12,034)	0
Revenue from other marketable securities and asset-backed loans	16,253	105	5,323	4,479	0	2,792	(13,981)	14,971
Other interest and similar income	0	34,652	7,946	2,627	2,905	0	(14,696)	33,434
Exchange differences	0	0	0	0	0	0	0	0
<b>TOTAL FINANCE INCOME</b>	<b>28,287</b>	<b>34,757</b>	<b>13,269</b>	<b>7,106</b>	<b>2,905</b>	<b>2,792</b>	<b>(40,711)</b>	<b>48,405</b>
Finance costs and similar expenses	(51,176)	(39,296)	(112,217)	(14,973)	(3,617)	(15,350)	13,971	(222,658)
Change in provisions for financial investments	(542,834)	77,727	8,178	(187)	496	0	542,830	86,210
Gain/(loss) on financial instruments	0	0	(19,856)	(4,335)	(3,687)	(120,564)	3,688	(144,754)
Exchange differences	(22,285)	(48,000)	(401)	(70)	(480)	0	0	(71,236)
<b>TOTAL FINANCE COSTS</b>	<b>(616,295)</b>	<b>(9,569)</b>	<b>(124,296)</b>	<b>(19,471)</b>	<b>(7,288)</b>	<b>(135,914)</b>	<b>560,395</b>	<b>(352,438)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>(588,008)</b>	<b>25,188</b>	<b>(111,027)</b>	<b>(12,365)</b>	<b>(4,383)</b>	<b>(133,122)</b>	<b>519,684</b>	<b>(304,033)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(607,925)</b>	<b>75,318</b>	<b>59,378</b>	<b>37,127</b>	<b>20,148</b>	<b>110,564</b>	<b>516,935</b>	<b>211,545</b>
Corporate income tax	13,141	(40,947)	(23,036)	(11,744)	(6,867)	19,877	6,609	(42,967)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>(594,784)</b>	<b>34,371</b>	<b>36,342</b>	<b>25,383</b>	<b>13,281</b>	<b>130,441</b>	<b>523,544</b>	<b>168,578</b>
<b>PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>(594,784)</b>	<b>34,371</b>	<b>36,342</b>	<b>25,383</b>	<b>13,281</b>	<b>130,441</b>	<b>523,544</b>	<b>168,578</b>
NON-CONTROLLING INTERESTS	0	(11,655)	(22,683)	66	(3,737)	0	75	(37,934)
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>(594,784)</b>	<b>22,716</b>	<b>13,659</b>	<b>25,449</b>	<b>9,544</b>	<b>130,441</b>	<b>523,619</b>	<b>130,644</b>

2018								
A S S E T S	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	INDUSTRIAL	REPSOL	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>A) NON-CURRENT ASSETS</b>	<b>2,794,863</b>	<b>1,777,268</b>	<b>3,432,586</b>	<b>906,565</b>	<b>192,450</b>	<b>2,422,958</b>	<b>(2,631,188)</b>	<b>8,895,502</b>
I. Property, plant and equipment	3,414	153,857	3,777	190,625	89,544	0	13	441,230
II. Concession projects	0	40,123	1,029,214	284,319	0	0	0	1,353,656
III. Other intangible assets	3,271	500	86	20,858	1,186	0	0	25,901
IV. Goodwill	0	0	0	98,804	67,829	0	0	166,633
V. Investments accounted for using the equity method	0	18,473	87,490	32,879	684	2,021,861	(4,605)	2,156,782
VI. Receivables from concessions	0	1,402,753	1,924,736	225,345	0	0	0	3,552,834
VII. Non-current financial assets	2,393,283	17,783	146,080	19,837	5,067	281,585	(2,713,881)	149,754
VIII. Derivative financial instruments	0	0	2,526	5	0	108,629	0	111,160
IX. Deferred tax assets	200,634	143,779	221,782	31,345	28,140	10,883	281,545	918,108
X. Other non-current assets	194,261	0	16,895	2,548	0	0	(194,260)	19,444
<b>B) CURRENT ASSETS</b>	<b>260,110</b>	<b>3,204,853</b>	<b>1,068,773</b>	<b>557,188</b>	<b>343,376</b>	<b>19,733</b>	<b>(499,725)</b>	<b>4,954,308</b>
I. Non-current assets held for sale	0	0	201,589	0	0	0	160,583	362,172
II. Inventories	3,810	161,273	306	13,031	15,400	0	15,511	209,331
III. Trade and other receivables	142,365	1,527,646	171,760	354,833	202,306	2,121	(432,574)	1,968,456
IV. Receivables from concessions	0	271	288,888	4,079	0	0	0	293,238
V. Current financial investments	92,054	91,704	9,669	113,030	37,548	16,853	(237,668)	123,190
VI. Derivative financial instruments	0	0	1,256	0	0	0	0	1,256
VII. Cash and cash equivalents	21,881	1,414,567	391,006	72,215	87,286	759	2,498	1,990,212
VIII. Other current assets	0	9,392	4,299	0	836	0	(8,075)	6,453
<b>TOTAL ASSETS</b>	<b>3,054,973</b>	<b>4,982,121</b>	<b>4,501,359</b>	<b>1,463,753</b>	<b>535,826</b>	<b>2,442,691</b>	<b>(3,130,913)</b>	<b>13,849,810</b>
<b>L I A B I L I T I E S</b>	<b>HOLDING COMPANY</b>	<b>CONSTRUCTION</b>	<b>CONCESSIONS</b>	<b>SERVICES</b>	<b>INDUSTRIAL</b>	<b>REPSOL</b>	<b>CONSOLIDATION ADJUSTMENTS</b>	<b>TOTAL</b>
<b>A) EQUITY</b>	<b>712,066</b>	<b>457,228</b>	<b>878,911</b>	<b>393,319</b>	<b>138,670</b>	<b>812,593</b>	<b>(1,885,597)</b>	<b>1,507,191</b>
<b>EQUITY OF THE PARENT</b>	<b>712,066</b>	<b>409,580</b>	<b>611,325</b>	<b>386,586</b>	<b>95,562</b>	<b>812,593</b>	<b>(1,881,880)</b>	<b>1,145,833</b>
<b>EQUITY OF NON-CONTROLLING INTERESTS</b>	<b>0</b>	<b>47,648</b>	<b>267,586</b>	<b>6,733</b>	<b>43,108</b>	<b>0</b>	<b>(3,717)</b>	<b>361,358</b>
<b>B) NON-CURRENT LIABILITIES</b>	<b>1,134,183</b>	<b>1,955,450</b>	<b>3,127,415</b>	<b>623,484</b>	<b>136,042</b>	<b>1,617,442</b>	<b>(678,142)</b>	<b>7,915,874</b>
I. Deferred income	0	20,639	19,981	7,825	3,945	0	0	52,390
II. Non-current provisions	292,384	24,481	46,309	102,111	20,039	0	(171,407)	313,917
III. Bank borrowings	558,842	1,720,758	2,284,492	405,062	92,078	0	0	5,061,232
IV. Other hedged financial debt	0	0	0	0	0	1,617,442	0	1,617,442
V. Non-current payables	282,957	111,715	546,606	82,085	13,667	0	(506,735)	530,295
VI. Derivative financial instruments	0	0	93,610	11,307	1,000	0	0	105,917
VII. Deferred tax liabilities	0	76,185	136,417	15,094	5,313	0	0	233,009
VIII. Non-current payables to associates	0	1,672	0	0	0	0	0	1,672
<b>C) CURRENT LIABILITIES</b>	<b>1,208,724</b>	<b>2,569,443</b>	<b>495,033</b>	<b>446,950</b>	<b>261,114</b>	<b>12,656</b>	<b>(567,174)</b>	<b>4,426,745</b>
I. Liabilities associated with non-current assets held for sale	118,643	0	0	0	0	0	51,593	170,236
II. Bank borrowings	560,149	160,621	274,073	74,685	27,803	0	0	1,097,331
III. Trade and other payables	72,536	2,250,346	140,396	243,727	219,845	2,343	14,362	2,943,554
IV. Current payables to associates	404,075	96,851	53,957	92,658	6,646	10,313	(625,054)	39,446
V. Derivative financial instruments	0	0	17,152	1,483	318	0	0	18,953
VI. Current provisions	53,321	61,625	9,455	26,322	6,502	0	0	157,225
VII. Other current liabilities	0	0	0	8,075	0	0	(8,075)	0
<b>TOTAL LIABILITIES</b>	<b>3,054,973</b>	<b>4,982,121</b>	<b>4,501,359</b>	<b>1,463,753</b>	<b>535,826</b>	<b>2,442,691</b>	<b>(3,130,913)</b>	<b>13,849,810</b>

2018

SEPARATE INCOME STATEMENT	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	INDUSTRIAL	REPSOL	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	35,697	1,713,022	793,268	1,112,088	526,722	0	(385,080)	3,795,717
Revenue from third parties	0	1,411,587	784,901	1,029,205	426,216	0	143,808	3,795,717
Revenue from group companies	35,697	301,435	8,367	82,883	100,506	0	(528,888)	0
Own work capitalised	0	0	0	21,591	0	0	0	21,591
Other operating income	25,395	241,391	39,382	26,685	3,309	0	(39,696)	296,466
Government grants released to the income statement	0	650	1,052	1,069	1,564	0	0	4,335
<b>TOTAL OPERATING INCOME</b>	<b>61,092</b>	<b>1,955,063</b>	<b>833,702</b>	<b>1,161,433</b>	<b>531,595</b>	<b>0</b>	<b>(424,776)</b>	<b>4,118,109</b>
Change in inventories	0	(3,026)	(1)	775	(1,746)	0	369	(3,629)
Supplies	0	(1,072,152)	(285)	(195,743)	(282,852)	0	7,955	(1,543,077)
Staff costs	(25,605)	(232,470)	(35,562)	(652,230)	(106,126)	0	(442)	(1,052,435)
Depreciation and amortisation expense	(2,182)	(35,274)	(49,223)	(41,599)	(9,752)	0	0	(138,030)
Change in operating provisions	(43,700)	(11,733)	25,811	(11,058)	624	0	(408)	(40,464)
Change in provisions for non-current assets	1	(179)	(144)	410	0	0	0	88
Other operating expenses	(64,983)	(478,976)	(525,904)	(219,514)	(104,528)	(189)	418,416	(975,678)
<b>TOTAL OPERATING EXPENSES</b>	<b>(136,469)</b>	<b>(1,833,810)</b>	<b>(585,308)</b>	<b>(1,118,959)</b>	<b>(504,380)</b>	<b>(189)</b>	<b>425,890</b>	<b>(3,753,225)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>(75,377)</b>	<b>121,253</b>	<b>248,394</b>	<b>42,474</b>	<b>27,215</b>	<b>(189)</b>	<b>1,114</b>	<b>364,884</b>
<b>SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>	<b>0</b>	<b>1,144</b>	<b>7,990</b>	<b>8,817</b>	<b>(11)</b>	<b>184,283</b>	<b>(1,244)</b>	<b>200,979</b>
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>0</b>	<b>2,768</b>	<b>(7,594)</b>	<b>1,156</b>	<b>(1,275)</b>	<b>0</b>	<b>(7,599)</b>	<b>(12,544)</b>
Revenue from other marketable securities and asset-backed loans	18,094	15,928	16,552	2,403	0	5,324	(28,445)	29,856
Other interest and similar income	0	5,959	13,593	4,461	1,481	45,146	(1,719)	68,921
Exchange differences	31,921	25,960	0	146	0	0	(9,821)	48,206
<b>TOTAL FINANCE INCOME</b>	<b>50,015</b>	<b>47,847</b>	<b>30,145</b>	<b>7,010</b>	<b>1,481</b>	<b>50,470</b>	<b>(39,985)</b>	<b>146,983</b>
Finance costs and similar expenses	(60,002)	(80,932)	(182,674)	(19,419)	(4,737)	(22,885)	24,613	(346,036)
Change in provisions for financial investments	(4,736)	(33)	(4,703)	(125)	(7)	0	(47,996)	(57,600)
Gain/(loss) on financial instruments	0	0	(19,632)	(3,495)	(3,495)	12,760	2,722	(11,140)
Exchange differences	0	0	(8,208)	0	(1,681)	0	9,889	0
<b>TOTAL FINANCE COSTS</b>	<b>(64,738)</b>	<b>(80,965)</b>	<b>(215,217)</b>	<b>(23,039)</b>	<b>(9,920)</b>	<b>(10,125)</b>	<b>(10,772)</b>	<b>(414,776)</b>
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>(14,723)</b>	<b>(33,118)</b>	<b>(185,072)</b>	<b>(16,029)</b>	<b>(8,439)</b>	<b>40,345</b>	<b>(50,757)</b>	<b>(267,793)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(90,100)</b>	<b>92,047</b>	<b>63,718</b>	<b>36,418</b>	<b>17,490</b>	<b>224,439</b>	<b>(58,486)</b>	<b>285,526</b>
Corporate income tax	1,775	(39,293)	(18,952)	(9,244)	(2,021)	(8,256)	(1,107)	(77,098)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>(88,325)</b>	<b>52,754</b>	<b>44,766</b>	<b>27,174</b>	<b>15,469</b>	<b>216,183</b>	<b>(59,593)</b>	<b>208,428</b>
<b>PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	<b>(16,643)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,643</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>(104,968)</b>	<b>52,754</b>	<b>44,766</b>	<b>27,174</b>	<b>15,469</b>	<b>216,183</b>	<b>(42,950)</b>	<b>208,428</b>
NON-CONTROLLING INTERESTS	0	(27,185)	(29,167)	2,320	(4,434)	0	436	(58,030)
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>(104,968)</b>	<b>25,569</b>	<b>15,599</b>	<b>29,494</b>	<b>11,035</b>	<b>216,183</b>	<b>(42,514)</b>	<b>150,398</b>

SACYR GROUP

## 42. Disclosures by geographical area

The table below shows the external income, gross assets and acquisition of property, plant and equipment by business and geographical area in 2018 and 2017:

	2018			2017		
	Revenue	Gross assets	Acquisitions of fixed assets	Revenue	Gross assets	Acquisitions of fixed assets
<b>Holding company - Continuing operations</b>	<b>35,697</b>	<b>40,068</b>	<b>3,863</b>	<b>31,184</b>	<b>45,709</b>	<b>1,597</b>
Spain	35,697	40,068	3,863	31,184	45,709	1,597
<b>Construction - Continuing operations</b>	<b>1,713,023</b>	<b>447,129</b>	<b>75,698</b>	<b>1,224,984</b>	<b>466,245</b>	<b>36,411</b>
Spain	248,728	117,896	3,700	222,294	187,770	8,994
Chile	142,756	16,003	5,160	193,575	18,297	2,726
Italy	538,435	44,515	6,015	326,411	35,553	11,478
Portugal	54,990	118,729	329	64,225	128,882	1,346
Angola	83,115	24,643	0	60,397	25,532	0
Colombia	164,926	56,437	49,141	82,730	12,808	9,840
Mexico	202,487	21,104	2,064	108,298	18,574	170
UK	51,319	0	0	29,504	0	0
Qatar	67,257	0	0	58,296	0	0
Peru	103,724	2,097	161	53,086	2,088	193
Brazil	7,587	1,869	17	12,934	1,955	459
Mozambique	60	10,972	7	1,786	10,915	91
Cape Verde	2,074	7,570	2	6,389	8,024	61
US	12,327	7,992	7,734	0	12	4
Panama	1	0	0	155	81	0
Ireland	1,816	39	0	1,624	39	0
Togo	2,144	283	5	2,152	279	0
Uruguay	18,477	1,016	81	1,128	1,021	1,049
Paraguay	10,800	1,282	1,282	0	0	0
Other	0	14,682	0	0	14,415	0
<b>Concessions - Continuing operations</b>	<b>793,268</b>	<b>1,445,219</b>	<b>10,700</b>	<b>612,764</b>	<b>1,439,784</b>	<b>31,907</b>
Chile	192,416	69,339	8,636	284,771	65,844	31,338
Spain	164,646	1,371,319	1,843	166,268	1,369,603	388
Colombia	186,776	0	0	74,780	0	0
Peru	111,315	339	90	74,351	245	40
Portugal	877	5	0	882	5	0
Ireland	1,286	3,939	2	1,262	3,937	4
Uruguay	42,095	95	90	4,782	7	5
Mexico	59,589	65	13	5,612	50	33
Paraguay	34,268	95	3	0	93	99
US	0	23	23	0	0	0
Italy	0	0	0	56	0	0
<b>Services - Continued operations</b>	<b>1,112,088</b>	<b>1,031,551</b>	<b>90,768</b>	<b>951,895</b>	<b>905,609</b>	<b>63,469</b>
Spain	959,079	514,507	10,881	813,186	694,443	54,993
Portugal	29,524	200,284	1,232	29,827	195,466	3,056
Israel	0	0	0	0	0	0
Australia	10,088	281,259	31,082	11,393	10,086	5,092
Chile	42,140	1,668	555	28,042	4,882	0
Oman	48,376	-21	0	9,394	0	10
Algeria	0	0	0	0	0	0
Peru	787	4,132	735	58,079	256	115
Uruguay	697	65	63	116	7	8
Mexico	1,224	3	3	14	0	1
Colombia	20,173	29,426	44,278	162	0	0
Bolivia	0	-38	1,354	1,592	0	0
Ecuador	0	6	153	51	0	0
Panama	0	0	325	7	287	0
UK	0	0	0	32	0	0
US	0	260	107	0	182	194
<b>Industrial - Continuing operations</b>	<b>526,722</b>	<b>208,082</b>	<b>1,492</b>	<b>522,851</b>	<b>209,236</b>	<b>8,203</b>
Spain	239,859	201,110	925	165,824	202,312	2,538
Peru	58,342	935	219	158,124	870	256
Oman	62,643	113	18	70,309	92	22
Colombia	2,267	28	0	2,089	45	25
Bolivia	45,613	1,579	7	24,465	1,541	1,361
Mexico	22	22	0	256	22	5
Ecuador	19,884	306	189	45,776	312	342
Panama	6,935	920	98	6,966	780	423
Netherlands	4,505	0	0	1,418	0	0
Argentina	0	0	0	0	0	0
Belgium	2,248	0	0	2,257	0	0
UK	85	0	0	352	0	0
US	82	0	0	162	0	0
Chile	42,419	3,063	31	37,266	3,261	3,230
Norway	543	0	0	140	0	0
Portugal	3,444	0	0	714	0	0
Italy	42	0	0	100	0	0
Australia	37,134	6	5	2,379	1	1
Germany	124	0	0	2,148	0	0
Malaysia	16	0	0	1,041	0	0
Israel	127	0	0	492	0	0
Iceland	118	0	0	573	0	0
Kuwait	270	0	0	0	0	0
<b>Total continuing operations</b>	<b>4,180,798</b>	<b>3,172,049</b>	<b>182,521</b>	<b>3,343,678</b>	<b>3,066,583</b>	<b>141,587</b>
<b>Adjustments</b>	<b>(385,081)</b>	<b>59,416</b>	<b>(9,373)</b>	<b>(251,072)</b>	<b>1,374</b>	<b>(2,500)</b>
Total adjustments, net	3,795,717	3,231,465	173,148	3,092,606	3,067,957	139,087
<b>Total discontinued operations</b>	<b>746</b>	<b>4,174</b>	<b>0</b>	<b>5,247</b>	<b>4,006</b>	<b>0</b>

#### **43. Additional note for English translation**

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish language prevails. These consolidated financial statements are presented on the basis of International Reporting Standards adopted by the European Union. Consequently, certain accounting practices applied by the Group do not conform with generally accepted accounting in other countries.

## APPENDIX I: SCOPE OF CONSOLIDATION 2017

NOTE: Indirect shareholdings are calculated based on the owner of the holding.

Company	% ownership	Owner of the ownership	Investment (million euros)	Consolidation method	Activity carried out	Share capital	Reserves	Profit/(loss)	Interim dividend
<b>GRUPO SACYR</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%				Holding company of Sacyr Vallehermoso Group	533.111	1.195.196	(491.185)	-
Sacyr Vallehermoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	1.55	Full consolidation	Ownership of investments in Repsol, S.A.	600.000	(497.885)	(168.131)	-
Sacyr Gestión de Activos, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	22.186	Full consolidation	Acquisition, management of securities and advisory services	4	733.876	11	-
FINSA, S.R.L. Via Incontro 244, Turin.	49.00%	Sacyr, S.A.	0.060	Equity method	Acquisition, management of securities and advisory services	90	(190)	(7)	-
Sacyr Securities, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	100.230	Full consolidation	Acquisition, management of securities and advisory services	60	74.316	(13.963)	-
Sacyr Investments, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	150.316	Full consolidation	Acquisition, management of securities and advisory services	60	132.192	(9.483)	-
Sacyr Finance, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	60	12	-	-
Sacyr Investments II, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	444.100	Full consolidation	Acquisition, management of securities and advisory services	60	443.975	(39.589)	-
Sacyr Securities II, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	60	-	(899)	-
<b>CONSTRUCTION</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	297.83	Full consolidation	Property management holding company	52.320	221.687	11.276	-
Inchisacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	90.25% 9.75%	Sacyr, S.A. Sacyr Construcción, S.A.U.	4.54 0.27	Full consolidation	Ownership of investments in Sacyr Chile	2.400	(401)	15	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	6.12% 0.55% 93.33%	Sacyr Construcción, S.A.U. Inchisacyr Sacyr Const. Partic. Accionariales, S.L.	13.13 2.58 134.47	Full consolidation	Ownership of investments in Chilean construction firms	148.754	67.773	6.646	-
Somague, S.G.P.S. Rua da Tapada de Quinta de Cima, Linhó Sintra - Portugal.	100.00%	Sacyr, S.A.	229.40	Full consolidation	Holding company of Somague Engenharia	130.500	(28.174)	(119.774)	-
Sacyr Construcción México, S.A. de C.V. Paseo de la Reforma n° 350, Piso 11 - Colonia Juárez Delegación Cuauhtémoc, México D.F. - Mex.	99.998% 0.002%	Sacyr Construcción, S.A.U. Sacyr Infraestructuras, S.A.	18.722 0.000	Full consolidation	Construction, in Mexico	17.745	(7.209)	(1.519)	-
<b>Construction</b>									
Cavosa, Obras y Proyectos, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	4.97	Full consolidation	Explosives, blasting and drilling/boring	5.151	30.338	5.911	-
Scriner, S.A. Avenida Cortis Catalanes, 2, 2, local 3 - Sant Cugat del Valles, Barcelona.	100.00%	Sacyr Construcción, S.A.U.	2.51	Full consolidation	Civil engineering	-	58.631	1.670	-
Sacyr Infraestructuras, S.A. Calle Luis Montoto 107-113 - Edificio Cristal, planta 4ª, modulo J, Sevilla.	100.00%	Sacyr Construcción, S.A.U.	3.18	Full consolidation	Civil engineering	3.185	12.227	3.032	-
Idesyo, S.A.U. Calle Jarama, s/n, parcela 8 nave 3 Toledo.	100.00%	Sacyr Infraestructuras, S.A.	0.30	Full consolidation	Technical trials and quality control	301	(3.589)	(210)	-
Cavosa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	100.00%	Cavosa, S.A.	0.98	Full consolidation	Explosives, blasting and drilling/boring	2.583	615	107	-
Sacyr Construcción de Proyectos Internacionales, S.A. Calle Gran Via 35 of Vizcaya.	100.00%	Sacyr Construcción, S.A.U.	0.75	Full consolidation	Civil engineering	601	1.833	293	-
Pazo de Congressos de Vigo, S.A. Avenida Garcia Barbón, 1 Pontevedra.	11.00%	Sacyr Construcción, S.A.U.	2.65	Equity method	Renta property	11.100	(22.867)	-	-
Sacyr Agua Santa, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50.00%	Sacyr Chile, S.A.	0.04	Equity method	Construction, in Chile	79	115	(4)	-
Construtora ACS-Sacyr, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50.00%	Sacyr Chile, S.A.	0.07	Equity method	Construction, in Chile	185	(83)	-	-
Construtora Neco-Sacyr, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50.00%	Sacyr Chile, S.A.	0.006	Equity method	Construction, in Chile	23	(227)	1	-
Obras y Servicios de Galicia y Asturias S.A.U. Plaza de Vigo 2, Santiago de Compostela.	100.00%	Sacyr Construcción, S.A.U.	1.45	Full consolidation	Civil engineering	1.000	(554)	328	-
Construtora San José - San Ramón, S.A. Distrito séptimo La Uruca, cantón primero Costa Rica.	33.00%	Sacyr Costa Rica, S.A.	0.05	Equity method	Construction of the San José - San Ramón road link	155	(42)	38	-
Construtora San José - Caldera CSJC, S.A. Atajuela - Costa Rica.	33.00%	Sacyr Costa Rica, S.A.	0.0005	Equity method	Construction of the San José - Caldera	1	(3.432)	(104)	-
SIS, S.C.P.A. Vian Incontro, 24/A, Turin - Italy.	49.00%	Sacyr Construcción, S.A.U.	7.35	Full consolidation	Construction, in Italy	15.000	-	-	-
Nodo Di Palermo, S.p.A. Vian Incontro, 24/A, Turin - Italy.	48.90%	SIS, S.C.P.A.	39.92	Full consolidation	Construction, in Italy	10.000	-	-	-
Superstrada Pedemontana Veneta, SRL Vian Incontro, 24/A, Turin - Italy.	99.999% 0.001%	SIS, S.C.P.A. Iniere Infraestructuras, S.A.	199.99 0.01	Full consolidation	Construction, in Italy	100.000	5.679	26.284	-
Somague Engenharia, S.A. Rua da Tapada de Quinta de Cima, Linhó Sintra - Portugal.	100.00%	Somague, SGPS	58.45	Full consolidation	Civil engineering and building	58.450	30.529	(100.188)	-
Sacyr Costa Rica, S.A. San José, Escazú de la Trienda edificio Terraforte, 4ª, Carrión-Costa Rica.	100.00%	Sacyr Construcción, S.A.U.	1.49	Integration of consolidation	Construction, in Costa Rica	1.491	1.691	(41)	-
Eurolink, s.c.p.a. Corso D'Italia, 83, Rome - Italy.	18.70%	Sacyr Construcción, S.A.U.	28.05	Equity method	Construction, in Italy	37.500	-	-	-
Sacyr Ireland Limited Unit 11, Harmony Court, Harmony Row, Ireland, Dublin 2 - Ireland.	100.00%	Sacyr Construcción, S.A.U.	42.72	Full consolidation	Construction, in Ireland	10	246	(25)	(2.800)
NE Construction Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42.50%	Sacyr Ireland Limited	0.00002	Equity method	Construction, in Ireland	-	(90.382)	-	-
MSO (D&C) Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42.50%	Sacyr Ireland Limited	0.000085	Equity method	Construction, in Ireland	-	(7.701)	-	-
Sacyr Servicios México, S.A. de C.V. Periférico Sur 4302 - 105 - Col. Jardines del Pedregal, México D.F. - Mexico.	99.998% 0.002%	Sacyr México, S.A. de C.V. Sacyr Construcción, S.A.U.	0.025 0.00	Full consolidation	Construction, in Mexico	25	(1)	45	-
SIV-IDCO Construcciones Generales Al Sayahya, Madheen Street (Behind Bader Mosque) Tripoli - Libya.	60.00%	Sacyr Construcción, S.A.U.	3.31	Full consolidation	Construction, in Libya	5.360	(15.719)	-	-
Sacyr Panamá, S.A. Panama City, Republic of Panama	100.00%	Sacyr Construcción, S.A.U.	14.20	Full consolidation	Construction, in Panama	13.733	72	71	-
Grupo Unidos por el Canal, S.A. Panama City, Republic of Panama	41.60%	Sacyr, S.A.	0.28	Equity method	Construction, in Panama	600	(491.529)	(29)	-
Sacyr India Infra Projects Private Limited SF-08, Second Floor, Vasant Square Mall Vasant Kurlj, New Delhi-110070, Delhi, India.	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	1.66 0.00	Full consolidation	Construction, in India	766	(1.026)	(65)	-
Sacyr Perú, S.A.C. C/ Monteflor 655 - Dpto 202, Lima, Peru.	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	5.140 0.00	Full consolidation	Construction, in Peru	5.264	(1.895)	(2.215)	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Chile, S.A.	0.07	Full consolidation	Construction and operation of concessions in Chile	81	(14.859)	6	-
B.F. Constructions Limited 2/38 Horse Barrack Lane, 2, 3b, Gibraltar.	100.00%	Sacyr Construcción, S.A.U.	0.0012	Full consolidation	Construction and operation of concessions in UK	1	893	(388)	-



Sacyr Construcción Participaciones Accionariales, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	60.46	Full consolidation	Acquisition, administration and management of securities	6,049	54,397	(1)	-
Consortio GDL Viaducto, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalpan de Baz, Mexico	42.00%	Sacyr Const. México, S.A. de C.V.	0.0028	Proportionate consolidation	civil engineering work and heavy construction work management of securities	3	2,433	1,238	-
ConsortioTúnel Guadálajara, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalpan de Baz, Mexico.	42.00%	Sacyr Const. México, S.A. de C.V.	0.0028	Proportionate consolidation	Construction of works for electrical and railway transportation	3	3,974	(2,517)	-
Sacyr Construcción Colombia, S.A. Cl 9723-60 PB Edif Prekold - 1 Bogotá - Colombia	100.00%	Sacyr Construcción, S.A.U.	2.2900	Full consolidation	Contracting and execution of private and public works	3,022	(1,173)	(19)	-
Sacyr Construcción USA LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.	100.00%	Sacyr Construcción, S.A.U.	8.6000	Full consolidation	Construction and assembly of works	8,688	(3,136)	(2,274)	-
Sacyr Construcción Australia Pty Level 12, 1 Pacific Highway, North Sydney NSW 2060.	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Construction and assembly of works	-	(570)	(3)	-
Sacyr Construcción Uruguay, S.A. C/ Zabala 1504, Montevideo- Uruguay.	100.00%	Sacyr Construcción, S.A.U.	0.6000	Full consolidation	Construction and assembly of works	606	(1,419)	(1,511)	-
Consortio Saher Cajamarca República de Panamá 35331, Interior 404, 27 - San Isidro- Lima- Peru	67.00%	Sacyr Perú, S.A.C.	0.0000	Full consolidation	Contracting and execution of engineering works	-	178	331	-
Sacyr Construcción Saudi Company Ltd Musaed Al Arqay Street Office nº b10, Riyadh - Arabia Saudí.	95.00%	Sacyr Construcción, S.A.U.	0.1122	Full consolidation	Contracting and execution of engineering works	126	(4)	(179)	-
Musaed Al Arqay Street Office nº b10, Riyadh - Arabia Saudí.	5.00%	Pinar, S.A.	0.0059	Full consolidation					
Sacyr Construcción Apartamentos Juan Esplandiú, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.6500	Full consolidation	Car park management (private)	3	520	(243)	-
Sacyr Construcción Plaza de la Encarnación, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	3.3570	Full consolidation	Car park management (private)	3	3,186	(113)	-
Sacyr Construcción Apartamentos Daoiz y Velarde, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.9544	Full consolidation	Car park management (private)	3	844	(166)	-
Sacyr Construcción Apartamentos Virgen del Romero, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.3619	Full consolidation	Car park management (private)	3	268	(137)	-
Sacyr Construcción Apartamentos Plaza del Milenio, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.6855	Full consolidation	Car park management (private)	3	649	(158)	-
Sacyr Construcción Mercado del Val, S.L. Plaza del Val, 47003 - Valladolid	100.00%	Sacyr Construcción, S.A.U.	0.1817	Full consolidation	Mercado del Val concession	3	178	(2)	-
Sacyr Chile, Sucursal Colombia, S.A. Cl 97-23-60 PB Edif Prekold - 1 Bogotá - Colombia	100.00%	Sacyr Chile, S.A.	0.0040	Full consolidation	Contracting and execution of private and public works	2,966	(257)	182	-
Sacyr Epcor Nacim, S.A. C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.	55.00%	Sacyr Const. México, S.A. de C.V.	0.0020	Full consolidation	Construction of cement slabbing of the airport of Mexico	4	(60)	625	-
C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.	5.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation					
Consortium Hospital Quilota Petorca, S.A. C/ Isidora Goyenechea NRO.2600- do 2401 - Santiago de Chile.	100.00%	Sacyr Chile, S.A.	0.0010	Full consolidation	Development and operation of the Hospital provincial Quilota-Petorca	1	-	35	-
Sacyr Construcción Andorra, S.L.U. Passage Antonia Font Caminó, nº 1, Despax 501, Escaldes-Engordany- Andorra.	100.00%	Sacyr Construcción, S.A.U.	0.0030	Full consolidation	Contracting and execution of private and public works	3	-	(12)	-
Sacyr Algama Hospital Acuña SAPI de C.V. C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.	55.00%	Sacyr Const. México, S.A. de C.V.	0.0020	Full consolidation	Construction of the General Hospital in area 90 beds in Acuña	5	(11)	106	-
C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.	5.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation					
AFP E262 Pirámides SAPI de C.V. C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.	51.00%	Sacyr Construcción México, S.A. de C.V.	0.0020	Full consolidation	Construction and maintenance of the section of road Pirámides - Tulancingo - Pachuca (Mexico)	4	(24)	252	-
C/ Presidente Masaryk-Chapultepec Tapac Morales, 11590 -DF Mexico.									
Sacyr UK Limited Portland House 1606, Office Bressard Place- Westminster, London.	100.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Contracting and execution of private and public works	1	-	-	-
Sacyr Canadá INC 100 King Street West Suite 6200, 1 First Canadian Place, Toronto ON M5X 1B9- Canada.	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Contracting and execution of private and public works	-	7	(228)	-
Sacyr Construcción Paraguay, S.R.L. C/ Aviladores del Charco 2050, proo 20, -World Trade Center Torre 3, Asunción - Paraguay.	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Contracting and execution of private and public works	32	17	(314)	-

#### CONCESSIONS

Subsidiaries and holding companies									
Sacyr Concesiones, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	986.10	Full consolidation	Property management holding company	407,667	344,443	(51,781)	-
Somaque Concessões, S.A. Rua da Tapada de Quinta de Cima, Linho Sintra - Portugal.	100.00%	Sacyr Concesiones, S.L.	30.80	Full consolidation	Operation of concessions	40,920	46,058	1,143	-
Sacyr Concessions Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland.	100.00%	Sacyr Concesiones, S.L.	30.16	Full consolidation	Property management concessions	30,159	1,104	(4,786)	-
NE Concession Holding Ltd 25-28 North Wall Quay Dublin 1 - Ireland.	45.00%	Sacyr Concessions Limited	0.02	Equity method	Property management holding company	50	(50)	-	-
SyV México Holding, S.A. de C.V. Paseo de la Reforma, 350 México D.F. - Mexico	99.999%	Sacyr, S.A.	10.57	Full consolidation	Construction in Mexico	5,331	(329)	(1,723)	-
Sacyr Perú, S.A.C. Avda del Pinar, Urbanización Chacacilla del Estanque - Santiago de Surco - Lima - Peru.	99.999%	Sacyr Concesiones, S.L.	12.240	Full consolidation	Construction and operation of concessions in Peru	12,243	(7,567)	(2,416)	-
Hospitales Concesionados, S.L. Paseo de la Castellana, 83-85 Madrid.	0.001%	Sacyr Conc. Participaciones I, S.L.	0.00	Full consolidation					
Hospitales Concesionados, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	8.144	Full consolidation	Maintenance and operation of hospital infrastructure	543	22,167	2,620	-
Conc. Intercambiadores de Transporte, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	4.09	Full consolidation	Construction, maintenance and operation of infrastructure	6,336	(773)	2,500	(1,900)
Autovías de Peaje en Sombra, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	6.16	Full consolidation	Construction, maintenance and operation of infrastructure	7,704	8,906	772	-
S.C. Viajes Andínes, S.A. Avenida Vitacura Nº 2339, oficina 1102, comuna de Las Condes, Santiago- Chile	100.00%	Sacyr Concesiones Chile, S.A.	88.30	Full consolidation	Construction and operation of concessions in Chile	89,184	(9,041)	12,512	(6,373)
Sacyr Concesiones Chile, S.A.S. Transversal 23, nº 94-33, Of 801 - Bogotá - Colombia.	100.00%	Sacyr Concesiones, S.L.	159.01	Full consolidation	Construction and operation of concessions in Colombia	1,428	141,819	257	-
Concesionarias									
Autovía del Noroeste Concesionaria de la CARM, S.A. (ALNOR) Calle Milino del Seguro, 8 Murcia.	100.00%	Autovías de Peaje en Sombra, S.L.	14.46	Full consolidation	Concession Autovía del Noroeste	14,460	18,457	2,798	-
Alazor Inversiones, S.A. (ALAZOR) Carretera de circunvalación M-50, KM 67,500, Villaviecosa de Odon - Madrid.	25.16%	Sacyr, S.A.	56.25	Equity method	Concession R-3 and R-5 motorways	223,600	(358,882)	(36,814)	-
Sociedad Concesionaria de Palma-Manacor, S.A. Carretera Palma-Manacor Km 25,500 Algaida - Mallorca	40.00%	Sacyr Concesiones, S.L.	7.45	Full consolidation	Concession C-715 motorway Palma-Manacor motorway	19,650	553	2,432	-
Inversora de Autopistas del Sur, S.L. Plaza Manuel Gomez Moreno, 2, Madrid	35.00%	Sacyr Concesiones, S.L.	99.83	Equity method	Concession, R-4 Motorway	44,185	(270,864)	(25,545)	-
Autovía del Turia, Conc. de la Generalitat Valenciana, S.A. CV-35 Km - PK 8,500 Paterna - Valencia.	89.00%	Autovías de Peaje en Sombra, S.L.	23.33	Full consolidation	Concession, CV-35 Motorway and CV-5 north alternate route	36,250	(2,465)	(4,172)	-
Viastru Concesionaria del Principado de Asturias, S.A. Lugo de Llanera - Llanera - Asturias.	70.00%	Sacyr Concesiones, S.L.	10.03	Full consolidation	Concession, AS-18 Motorway and widening of the AS-17 road	14,326	(39,127)	(2,097)	-
Intercambiador de Transportes de Moncloa, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Conc. Intercambiadores de Transporte, S.L.	18.07	Full consolidation	Construction and operation of the Moncloa transport hub	16,862	22,221	1,441	-
Autovía del Eresma Conc. de la Junta de Castilla y León, S.A. Carbonero el Mayor - Segovia	80.00%	Sacyr Concesiones, S.L.	13.11	Full consolidation	Construction and operation of Valladolid-Segovia Motorway	17,000	(13,978)	1,065	-
Autovía del Barbanza Conc. de la Xunta de Galicia, S.A. Calle Vilarño Boro La Coruña.	100.00%	Sacyr Concesiones, S.L.	9.94	Full consolidation	Construction and operation of Barbanza Motorway	9,400	(28,261)	(2,149)	-
Autopista del Cuadalmadrina Concesionaria Española, S.A. Calle Peñorricillo, Málaga, 14 Casa Bermeja - Málaga.	70.00%	Sacyr Concesiones, S.L.	44.57	Full consolidation	Construction and operation of the Málaga-Las Pedrizas Motorway	55,123	(2,378)	(4,877)	-
Hospital de Parla, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	27.24	Full consolidation	Construction and concession of Parla Hospital	11,820	17,433	2,481	-
Hospital del Noreste, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	32.96	Full consolidation	Construction and concession of Hospital del Noreste	14,300	18,298	3,709	-
Interc. de Transporte de Plaza Elíptica, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%	Conc. Intercambiadores de Transporte, S.L.	19.50	Full consolidation	Construction and concession of Plaza Elíptica transport hub	19,505	6,422	1,623	-
Autovía del Arlanzón, S.A. Carretera N-122, Km 273, Aranda de Duero - Burgos.	50.00%	Sacyr, S.A.	11.86	Full consolidation	Motorway concession Santo Tomé de Puerto-Burgos motorway	23,723	8,689	6,598	-
Inversora Autopista de Levante, S.L. Plaza Manuel Gomez Moreno, 2 edificio Alfredo Mahou Madrid.	5.00%	Valoris Conserv. e Infraest. S.A.	1.18	Equity method	Concession of the Ocaña - La Roda Motorway	67,919	(240,182)	(20,679)	-
NE Concession Ltd Paseo de la Castellana, 83-85 Madrid	40.00%	Sacyr Concesiones, S.L.	42.29	Equity method	Construction, maintenance and operation of infrastructure	50	(62,175)	(9,033)	-
NE Operations Ltd 25-28 North Wall Quay Dublin 1 - Ireland.	100.00%	NE Concessions Holding Ltd	0.05	Equity method	Maintenance and operation of the Galway - Ballinacree NB stretch	-	(11)	981	(1,100)

SyV Servicios México, S.A. de C.V.	99.99%	SyV México Holding, S.A. de C.V.	0.003	Full consolidation	Construction in Mexico	2	1	(5)	-
Delegación Copacacán, México D.F. - México	0.002%	Sacyr Conc. Participaciones I, S.L.	0.0000						
Sacyr Concesiones Chile, S.A.	100.00%	Sacyr Concesiones, S.L.	143.20	Full consolidation	Construction and operation of concessions in Chile	142,791	(9,402)	8,511	(58)
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
S.C. Valles del Desierto, S.A.	60.00%	S.C. Valles Andinas, S.A.	21.53	Full consolidation	Construction and operation of concessions in Chile	35,917	19,231	6,789	(51)
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
Sacyr Operación y Servicios, S.A.	37.90%	Sacyr Concesiones Chile, S.A.	3.30	Full consolidation	Construction and operation of concessions in Chile	6,728	(797)	407	-
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	1.11%	Sacyr Concesiones, S.A.	0.101						
	61.00%	Val. Conservation and Infra, Chile, S.p.a.	3.980						
Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A.	74.00%	Sacyr Concesiones, S.L.	17.12	Full consolidation	Construction, in Spain	14,750	(40,562)	(7,304)	-
Calle Mabino de Segura, 8 Torrelago									
Sociedad Concesionaria Valles del Bio Bio, S.A.	51.00%	S.C. Valles Andinas, S.A.	26.11	Full consolidation	Construction and maintenance of the Concepción-Cabrero Motorway	51,189	10,661	10,960	-
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
Sociedad Concesionaria Rutas del Desierto, S.A.	51.00%	S.C. Valles Andinas, S.A.	15.43	Full consolidation	Construction and maintenance of Iquique civil engineering	30,281	3,864	5,341	-
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
Sociedad Concesionaria Ruta del Algarrobo, S.A.	50.99%	S.C. Valles Andinas, S.A.	23.94	Full consolidation	Construction and maintenance of Ruta Norte project	46,946	416	9,964	(12,885)
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
S.C. Salud Siglo XXI, S.A.	70.00%	Sacyr Concesiones Chile, S.A.	15.41	Full consolidation	Maintenance and operation of the Antofagasta Hospital public works	21,960	(4,766)	7,149	-
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
S.C. Ruta del Limar, S.A.	51.00%	S.C. Valles Andinas, S.A.	14.93	Full consolidation	Maintenance and operation of the Ruta 43 public works	29,280	(1,474)	(945)	-
Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile									
S.C. Vespucio Oriente, S.A.	50.00%	Sacyr Concesiones Chile, S.A.	58.79	Equity method	Construction and operation of concessions in Chile	119,588	5,092	3,750	-
C/ Padre Mariano, 82- Of. 1403 - Santiago de Chile									
GSJ Maintenance Limited	45.00%	Sacyr Concessions Limited	0.22	Equity method	Engineering development Construction and assembly of works	50	2,730	945	(1,400)
5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland									
Sacyr Conc. Participaciones I, S.L.	100.00%	Sacyr Concesiones, S.L.	0.08	Full consolidation	Construction and operation of infrastructure	83	(19)	(13)	-
Paseo de la Castellana, 83-85 Madrid									
S.C. Vial Sierra Norte, S.A.	35.00%	Sacyr Concesiones, S.L.	14.247	Full consolidation	Construction and operation of concessions in Peru	-	-	-	-
Districto San Isidro, AV 3531-Lima- Peru	32.00%	Sacyr Concesiones Peru, S.L.	13.09						
Sacyr Operación y Servicios Perú, S.A.C.	40.00%	Sacyr Concesiones Perú, S.L.	0.001	Full consolidation	Construction and operation of concessions in Peru	147	52	(76)	-
C/ Víctor Andrés Belaúnde: Avv 181-Lima - Peru	60.00%	Val. Conservation and Infra, S.A.	0.004						
Operadora AVO, S.A.	50.00%	Sacyr Concesiones Chile, S.L.	0.003	Equity method	Construction and operation of the concession "Americo Vespucio Oriente"	26	-	2	-
C/ Padre Mariano 82 - Of.1403 - Santiago de Chile									
Sacyr Infrastructure USA LLC	100.00%	Sacyr Concesiones, S.L.	5.18	Full consolidation	Construction and operation of concessions in USA	5,183	(2,379)	(874)	-
Centerville Road suite 400 - 02711 Wilmington DE 19808 USA									
Soc. Conc. Vial Montes de María, S.A.S.	99.827%	Sacyr Concesiones Chile, S.A.S.	15.68	Full consolidation	Construction and operation of concessions in Colombia	1,530	15,448	3,311	-
CL 97 NO 23-60 ED To Proksof P8 - Bogotá.	0.173%	Sacyr Conc. Participaciones I, S.L.	0.0151						
Soc. Conc. Vial Unión del Sur, S.A.S.	59.996%	Sacyr Concesiones Chile, S.A.S.	57.40	Full consolidation	Construction and operation of concessions in Colombia	818	90,450	6,965	-
CL 97 NO 23-60 ED To Proksof P8 - Bogotá.	0.004%	Sacyr Conc. Participaciones I, S.L.	0.0019						
Desarrollo Vial al Mar, S.A.S.	37.50%	Sacyr Concesiones Chile, S.A.S.	14.67	Equity method	Construction and operation of concessions in Colombia	3,940	33,858	5,167	-
CL 97 NO 23-60 ED To Proksof P8 - Bogotá.	0.00%	Sacyr Conc. Participaciones I, S.L.	0.0000						
Consortio PPP Rutas del Litoral, S.A.	43.00%	Sacyr Concesiones, S.L.	1.608	Full consolidation	Construction and operation of concessions in Uruguay	3,742	(28)	(28)	-
c/ Treinta y tres, 1468, CP 11000 - Uruguay.	8.00%	Sacyr Construcción, S.A.U.	0.190						
Sacyr Concessions, S.R.L.	100.00%	Sacyr Concesiones, S.L.	0.01	Full consolidation	Construction and operation of concessions in Italy	10	(3)	(20)	-
Via Inorio 24/A, 10146 - Turin- Italy.									
Sacyr Concesiones Uruguay, S.A.	100.00%	Sacyr Concesiones, S.L.	1.0800	Full consolidation	Construction and operation of concessions in Uruguay	1,088	(426)	(276)	-
C/ Piedras, nº 497, cod 11000 - Uruguay									
Sacyr Concesiones Paraguay, S.A.	99.00%	Sacyr Concesiones, S.L.	0.08	Full consolidation	Construction and operation of concessions in Paraguay	84	(12)	41	-
WTC Torre 3, Planta 20, Avda Aviadores del Chaco 2050, Asunción - Paraguay.	1.00%	Sacyr Concesiones Chile, S.A.	0.0008						
Sacyr Infrastructure Canada INC	100.00%	Sacyr Concesiones, S.L.	0.3390	Full consolidation	Construction and operation of concessions in Canada	340	3	(513)	-
100 King Street West , Suite #200, 1 First Canadian Place - Toronto ON MEX 1B8									
Rutas del Este, S.A.	60.00%	Sacyr Concesiones, S.L.	4.6410	Full consolidation	Construction and maintenance of the Routes 2 and 7 in Ypacari	7,736	(529)	165	-
WTC Torre 3, Planta 20, Avda Aviadores del Chaco 2050, Asunción - Paraguay.									
Union Vial Rio Pamplonita, S.A.S.	100.00%	Sacyr Concesiones Chile, S.A.S.	21.1140	Full consolidation	Maintenance and operation of the railway Cicuéz-Pamplona	2,139	18,836	1,947	-
Calle 99 nº 14-49 Piso 4 Torre EAR, Bogotá, D.C. - Colombia.									
Parking Siglo XXI, S.A.	90.00%	Sacyr Concesiones Chile, S.A.	0.0970	Full consolidation	Complementary services to Hospital Antofagasta	108	1	(67)	-
Avda Isidora Goyenechea 2800 Oficina 2401 Piso 24, Edif Titanium - Santiago, Chile.									
Sacyr Infrastructure UK Limited	100.00%	Sacyr Concesiones, S.L.	0.27	Full consolidation	Construction and operation of concessions in UK	240	-	(235)	-
Portland House, 1606 Office Bressenden Place, Westminster, London, SW1E 5RS , UK									
Motorway Pirámides Tulancingo Pachuca, S.A.	0.5%	Sacyr Concesiones, S.L.	0.00020	Full consolidation	Maintenance of the road section Pirámides-Tulancingo	475	(1)	(520)	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	0.1%	Sacyr Operaciones y Servicios, S.A.	0.0006						
	50.4%	Sacyr Concesiones México, S.A.	0.239						
Consortio Operador de Hospitales Regionales del Sur, S.A. de C.V.	20.00%	Sacyr Concesiones, S.L.	2.69	Full consolidation	Rendering of services in the General Hospital of the Southern District	13,457	(774)	231	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	31.00%	Sacyr Concesiones México, S.A.	4.1710						
Sacyr Concessies B.V.	100.00%	Sacyr Concesiones, S.L.	0.0001	Full consolidation	Construction and operation of holding company	1	-	(5)	-
Burgemeester Schalklaan 70, 2908 la Capelle aan den IJsselm, Netherlands.									
<b>SERVICES</b>									
<b>Subsidiaries and holding companies</b>									
Valoriza Gestión S.A.U.	100.00%	Sacyr, S.A.	165.54	Full consolidation	Property management holding company	122,133	98,504	313	-
Paseo de la Castellana, 83-85 Madrid									
Somague Ambiente, S.A.	100.00%	Valoriza Gestión S.A.U.	15.30	Full consolidation	Environmental consultancy and management	10,000	33,346	41	-
Rua da Tapada de Quinta de Cima, Linhó Sintra - Portugal.									
Sacyr Industrial, S.L.U.	100.00%	Valoriza Gestión S.A.U.	51.89	Full consolidation	Power generation projects	40,920	46,058	1,143	-
Paseo de la Castellana, 83-85, Madrid									
Valoriza Agua, S.L.	100.00%	Valoriza Gestión S.A.U.	105.74	Full consolidation	Environmental consultancy and management	91,956	(1,827)	(3,999)	-
Paseo de la Castellana, 83-85, Madrid									
Valoriza Facilites, S.A.U.	100.00%	Valoriza Gestión S.A.U.	1.48	Full consolidation	Integrated property management	1,161	19,990	3,672	-
Paseo de la Castellana, 83-85, Madrid									
Valoriza Servicios Medioambientales, S.A.	93.47%	Valoriza Gestión S.A.U.	135.31	Full consolidation	Environmental management	17,129	55,604	10,679	-
Calle Juan Espárriz, 11-13, Madrid.	6.53%	Hidroandulza, S.A.	0.21						
Suardiaz Servicios Marítimos de Barcelona, S.L.	50.03%	Valoriza Gestión S.A.U.	3.10	Full consolidation	Maritime services	3	7,095	97	-
Calle Ayala, 6, Madrid.									
Erenalor Naval, S.L.	40.00%	Valoriza Gestión S.A.U.	0.18	Equity method	Construction and maintenance of wind farms	450	(397)	-	-
Lugar Santa Tecla, 69 Vigo - Pontevedra									
Valoriza Minería, S.L.	100.00%	Valoriza Gestión S.A.U.	1.52	Full consolidation	Extraction of iron and minerals	1,200	(580)	385	-
Paseo de la Castellana, 83-85, Madrid									
	46.50%	Valoriza Gestión S.A.U.	0.0698						
	0.50%	Sacyr Industrial, S.L.U.	0.00075						
Consortio Stabile Via Società c.p.a.	0.50%	Valoriza Conc. e Infraestructuras, S.A.	0.00075	Equity method	Construction and management of all types of infrastructure	150	-	-	-
Via Inorio n 24/A Turin- Italy	0.50%	Valoriza Ser. Medioambientales, S.A.	0.00075						
	0.50%	Valoriza Agua, S.L.	0.00075						
	0.50%	Valoriza Facilites, S.A.U.	0.00075						

Services									
<b>Environment</b>									
Valoriza Conservación de Infraestructuras, S.A. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Gestión S.A.U.	0.74	Full consolidation	Conservation, maintenance and operation of motorways and roads.	750	12,614	4,660	-
Simulador Validad Inernal, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Conservación de Infraestructuras, S.A.	0.054	Full consolidation	Preparation of programmes and training in new technologies	12	3	14	-
Tungsten San Firix, S.L. Santa Eulalia de Vilacoba, Lousame Mina San Firix-A Coruña.	100.00%	Valoriza Minería, S.L.	0.131	Full consolidation	Exploration, research and sale of minerals	103	(58)	(367)	-
Valoriza Conservación de Infraestructuras Chile S.p.A. Avenida Goyenechea, 2800, oficina 2401, pl 24, Columnas de las Condes - Santiago de Chile.	100.00%	Valoriza Conservación de Infraestructuras, S.A.	4.390	Full consolidation	Conservation, maintenance and operation of motorways and roads.	4,399	(74)	(113)	-
Tecnologías Extremeñas del Lito Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Minería, S.L.	0.003	Full consolidation	Exploration, research and sale of minerals	3	(1)	-	-
Río Narcea Recursos, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Minería, S.L.	0.000	Full consolidation	Exploration, research and sale of minerals	40,030	(34,612)	251	-
Río Narcea Nickel, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Minería, S.L.	15.039	Full consolidation	Exploration, research and sale of minerals	3,110	(945)	(269)	-
Sacyr Operaciones y Servicios Colombia, S.A.S. C/ 97 23 69 Of. 801, Bogotá - Colombia.	60.00%	Valoriza Conserv. de Infraest. S.A.	0.02	Full consolidation	All types of maintenance of infrastructure	28	(3)	(10)	-
Tungsten San Juan, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Valoriza Minería, S.L.	0.330	Full consolidation	Exploration, research and sale of minerals	66	-	-	-
Valoriza Infraestructuras Ireland Limited 5th Harmony Court, Harmony Row, Dublin 2-Ireland	100.00%	Valoriza Conservación de Infraestructuras, S.A.	0.003	Full consolidation	All types of maintenance of infrastructure	3	-	-	-
Sacyr Operaciones y Servicios Uruguay, S.A. c/ Piedras 497, oficina 202, 1100 -Montevideo- Uruguay.	60.00%	Valoriza Conserv. de Infraest. S.A.	0.0003	Full consolidation	All types of maintenance of infrastructure	1	-	(4)	-
Operadora del Litoral, S.A. C/ Piedras 497, 202, Montevideo - Uruguay.	50.00%	Sactr Oper. y Serv. Uruguay, S.A.	0.0008	Full consolidation	All types of maintenance of infrastructure	2	5	(80)	-
Sacyr Operaciones y Servicios Paraguay, S.A. C/Benjamin Costant, nº 635, Asunción -Paraguay.	60.00%	Valoriza Conserv. de Infraest. S.A.	0.0047	Full consolidation	All types of maintenance of infrastructure	1	-	(4)	-
Sacyr Operaciones y Servicios México, S.A. de C.V. Ave. Aladarez del Orco, entre Prof Cesar Vasconcellos y Prof Della Frutos, torre 3 Mexico.	37.90%	Valoriza Cons. e Infraestructuras, S.A.	0.00058	Full consolidation	Construction and management of all types of infrastructure	1	-	-	-
	1.10%	Sacyr Con. México, S.A. de C.V.	0.00032						
		Sacyr Concesiones, S.L.	0.00001						
Autovía Pirámide Tulancingo Pachuca Operaciones y Servicios, S.A. de C.V. C/ Siracusa 240, Condominio A, Edif 7, 204, Iztapalapa, Ciudad de México.	51.00%	Sacyr Oper. y Serv. México, S.A. de C.V.	0.0002	Full consolidation	All types of maintenance civil works and services	-	-	-	-
<b>Energy</b>									
Repsol, S.A. Calle Méndez Alvaro, 44, Madrid	4.671%	Sacyr Investments II, S.A.	1,213.10	Equity method	International integrated oil and gas company	1,556,000	25,211,610	2,121,000	(41,610)
	1.927%	Sacyr Investments, S.A.	469.79						
	1.285%	Sacyr Securities, S.A.	304.38						
Secaderos de Biomasa, S.A. (SEDERISA) Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	78.28%	Valoriza Renovables, S.L.	5.05	Full consolidation	Energy recovery from pomace oil	2,900	(1,873)	3,077	(2,345)
Biomassas de Puente Genil, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	78.08%	Valoriza Renovables, S.L.	9.57	Full consolidation	Power generation projects	2,600	4,859	1,993	-
Compañía Energética de Pata de Mulo, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	78.08%	Valoriza Renovables, S.L.	4.11	Full consolidation	Power generation projects	2,600	(1,030)	2,310	(1,750)
Compañía Energética de La Roda, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Valoriza Renovables, S.L.	3.31	Full consolidation	Power generation projects	1,300	1,210	339	-
Compañía Energética Las Villas, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	90.00%	Valoriza Renovables, S.L.	7.76	Full consolidation	Power generation R&D projects	700	5,420	2,210	-
Compañía Energética Puente del Obispo, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Valoriza Renovables, S.L.	8.16	Full consolidation	Power generation R&D projects	500	4,502	2,714	-
Fotovoltaicas Dos Rios, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Industrial, S.L.U.	0.06	Full consolidation	Power generation R&D projects	40	(55)	-	-
Bioeléctrica de Valladolid, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Industrial, S.L.U.	0.06	Full consolidation	Power generation R&D projects	40	(57)	(11)	-
Geolit Climatización, S.L. Calle Correa Wegfison 4, 2 A, Jaén.	64.73%	Sacyr Industrial, S.L.U.	1.82	Full consolidation	Power generation R&D projects	2,295	(3,265)	(51)	-
Desamios Eólicos Extremeños, S.L. Calle Borrego, 2 Cáceres.	50.00%	Sacyr Industrial, S.L.U.	0.95	Equity method	Power generation R&D projects	1,910	(477)	(44)	-
Compañía Energética Linares, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Valoriza Renovables, S.L.	3.90	Full consolidation	Power generation R&D projects	6,161	3,898	1,905	-
Compañía Onjera de Linares, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Valoriza Renovables, S.L.	2.21	Full consolidation	Oil extraction	2,332	271	2,681	-
Bioeléctrica de Linares, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Valoriza Renovables, S.L.	8.74	Full consolidation	Biomass-fueled electricity generation plant	9,500	188	2,194	-
Vaicar Renovables, S.L. Calle La Verde, Herrera, s/n Camargo - Cantabria.	65.00%	Sacyr Industrial, S.L.U.	0.325	Full consolidation	Power generation R&D projects	500	(449)	-	-
Biomassas de Talavera, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	Power generation R&D projects	3	(9)	-	-
Biogre II, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial, S.L.U.	0.006	Full consolidation	Power generation R&D projects	3	(12)	(5)	-
Biomassas Puente Obispo, S.L. Calle Luis Montoto, 107-113, Pl 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	Power generation R&D projects	3	296	268	-
Biobal Energía, S.L. Paseo de la Castellana, 83-85, Madrid	51.00%	Sacyr Industrial, S.L.U.	0.0020	Full consolidation	Power generation R&D projects	3	-	-	-
Iberese Bolivia, S.R.L. Carretera Doble Via La Guardia Km 71/2- Santa Cruz de la Sierra -Bolivia.	100.00%	Sacyr Industrial, S.L.U.	0.0163	Full consolidation	Power generation R&D projects	4	(894)	(97)	-
Quattro T&D Limited 281 Springhill Parkway - Lanarkshire - Scotland.	50.00%	Sacyr Industrial, S.L.U.	0.438	Full consolidation	Construction of an electricity substation	437	(47)	(38)	-
Sacyr Industrial Peru, S.A.C. Av. La Floresta, 497, int 401-San Borja-Lima-Perú	100.00%	Sacyr Industrial, S.L.U.	0.259	Full consolidation	Power generation studies projects	240	44	(49)	-
Grupo Sainca, S.A.C. Av. La Floresta, 497, int 401-San Borja-Lima-Perú	71.00%	Sacyr Industrial, S.L.U.	0.9590	Full consolidation	Power generation studies projects	1,351	(1,304)	26	-
Sacyr Industrial Colombia, S.A.S. TV 23, nº 8433 Of 801, Bogotá - Colombia.	100.00%	Sacyr Industrial, S.L.U.	0.474	Full consolidation	Power generation studies projects	474	(1,453)	729	-
Sacyr Industrial UK, Ltd 375 West George Street, Glasgow -Edinburgo	100.00%	Sacyr Industrial, S.L.U.	0.0001	Full consolidation	Electric and telecommunications projects	-	(151)	(150)	-
Sacyr Industrial México, S.A. de C.V. C/ Taine - chapultepec Morales, 11570, México	100.00%	Sacyr Industrial, S.L.U.	1.4390	Full consolidation	Civil works and industrial projects	1,439	(1,169)	(501)	-
Consorcio 1420 SF Sacyr mundial, S.A. de C.V. C/ Taine - chapultepec Morales, 11570, México	60.00%	Sacyr Industrial, S.L.U.	0.0020	Full consolidation	Civil works and industrial projects	3	(1,569)	228	-
Valoriza Renovables, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Industrial, S.L.U.	43.248	Full consolidation	Civil works and industrial projects	29,527	13,237	8,053	-
Sacyr Industrial USA LLC Cervenville Road suite 400 - 02711 Wilmington DE 19808 USA	100.00%	Sacyr Industrial, S.L.U.	0.046	Full consolidation	Civil works and industrial projects	46	(130)	(18)	-
Sacyr Industrial LLC Al Nadha Tower 2, Floor 6, Office 10, PO Box 1955 - 133 Ghala Muscat OMAN	70.00%	Sacyr Industrial, S.L.U.	0.414	Full consolidation	Civil works and industrial projects	591	(422)	(194)	-
Ekamí, S.A. Paseo de la Reforma Av 281 piso - 06500 Cuauhtemoc - México DF	54.00%	Sacyr Industrial, S.L.U.	0.0020	Full consolidation	Execution of project 308-substations peninsula transmission lines	3	(2,384)	(91)	-
	6.00%	Sacyr Industrial México, S.A.	0.0001						
Valoriza Servicios Medioambientales Bolivia, S.R.L. Santa Cruz de la Sierra, Departamento de Santa Cruz - Bolivia.	30.00%	Sacyr Industrial, S.L.U.	0.0078	Full consolidation	Construction and management of bridges, viaducts and gas pipelines	26	(73)	(1,070)	-
	70.00%	Valoriza Servicios Medioambientales, S.A.	0.0180						
Sacyr Fluor, S.A. Av Partenón 4-6 28042 Madrid.	100.00%	Sacyr Industrial, S.L.U.	40.749	Full consolidation	Engineering services for the petrochemicals industry.	40	13,595	287	-

Sacyr Industrial Mantenimientos Eléctricos Panamá, S.A. Bella Vista Cl. 50 y Sto Domingo Torre Global Bank Cl. 1307 Panamá.	96.36%	Sacyr Industrial, S.L.U.	0.089	Full consolidation	Electricity lines maintenance service - high and medium-voltage	101	47	(335)	-	
Sacyr Fluor Participaciones, S.L.U. Av Partenón 4-6 28042 Madrid.	100.00%	Sacyr Fluor, S.A.	0.003	Full consolidation	Engineering services in the petrochemicals industry.	3	-	-	-	
Sacyr Nención, S.L.R. C/ Ibañez de Bilbao, 28, 3º C. 48009 Bilbao (Vizcaya).	50.00%	Sacyr Industrial, S.L.U.	0.060	Full consolidation	Construction, repair and maintenance of electromechanical machinery and facilities	120	(1,917)	753	-	
Sacyr Industrial Ecuador, S.A. Av 12 de Octubre Lizardo García, Esf alto Aragón, Quito - Ecuador.	100.00%	Sacyr Industrial, S.L.U.	0.0114	Full consolidation	Civil works and industrial projects	11	34	264	-	
Sacyr Industrial Chile, SpA Nueva de Lyon 72, piso 18 of. 1802 - Chile.	100.00%	Sacyr Industrial, S.L.U.	0.0069	Full consolidation	Energy generation projects and management of industrial infrastructures	7	(169)	(17)	-	
Sacyr Industrial Mantenimientos Chile, SpA Nueva de Lyon 72, piso 18 of. 1802 - Chile.	100.00%	Sacyr Industrial, S.L.U.	0.0069	Full consolidation	Energy generation projects and management of industrial infrastructures	7	168	(903)	-	
Nuevo Mundo Developments, S.A.C. Dean Valdivia, 146-158 Torre 1 in 1301, San Isidro, Lima - Peru.	99.00%	Sacyr Industrial Peru, S.A.C. Sacyr Concesiones Peru, S.A.C	0.0028 0.0000	Full consolidation	Construction, operation and maintenance of civil works and industrial projects	3	(9)	535	-	
Industrial Services SF Peru, S.A.C. Dean Valdivia, 146-158 Torre 1 in 1301, San Isidro, Lima - Peru.	99.90%	Sacyr Fluor, S.A.	0.0028	Full consolidation	Construction, operation and maintenance of civil works and industrial projects	3	427	45	-	
Sacyr Industrial Do Brasil, Ltda Rua Fidencio Ramos, nº 14 andar conjuntos 142 e 144, Sao Paulo - Brazil.	99.99%	Sacyr Fluor Participaciones, S.L.U.	0.0000	Full consolidation	Energy generation projects and management of industrial infrastructures	-	-	-	-	
Sacyr Industrial Panama, S.A. c/ Via Santa Clara (Ed. Galería) Finca 6454 - Panama	0.01%	Sacyr Ind. Operac. Y Mantem, S.L.	0.0000	Full consolidation	Energy generation projects and management of industrial infrastructures	-	-	-	-	
Sacyr Industrial Panama, S.A. c/ Via Santa Clara (Ed. Galería) Finca 6454 - Panama	100.00%	Sacyr Industrial, S.L.U.	0.01000	Full consolidation	Energy generation projects and management of industrial infrastructures	10	(1)	-	-	
Consortio Icton Sacyr, S.A. C/ Francisco Noguera nº 200 piso 12, Comuna Providencia, Santiago - Chile.	50.00%	Sacyr Industrial, S.L.U.	0.0351	Full consolidation	Engineering, design and construction of electricity infrastructures	70	54	2,147	-	
Sacyr Fluor Bolivia, S.R.L. Carretera Doble Via la Guardia Km 71/2, Santa Cruz de la Sierra - Bolivia.	99.80%	Sacyr Industrial, S.L.U.	0.036	Full consolidation	Engineering services in the petrochemicals industry.	37	-	(8)	-	
Sacyr Fluor Colombia, S.A.S. TV 23ª 9433 Of 801, Bogotá - Colombia.	0.20%	Sacyr Fluor Participaciones, S.L.U.	0.0001	Full consolidation	Engineering services in the petrochemicals industry.	219	(3)	(69)	-	
Sacyr Industrial Bolivia, S.B. S.R.L. Santa Cruz de la Sierra, Departamento Santa Cruz - Bolivia.	100.00%	Sacyr Fluor, S.A. Sacyr Fluor Participaciones, S.L.U.	0.2110 0.0000	Full consolidation	Engineering services in the petrochemicals industry.	36	14	(207)	-	
Sacyr Industrial Australia, Pty. PO Box 700, West Perth, WA 6872- Australia.	99.00%	Sacyr Industrial, S.L.U.	0.0370 0.0010	Full consolidation	Engineering services in the petrochemicals industry.	-	12	(284)	-	
Sahar SWRO Construction Company LLC Box 703 postal code 112, Muscat - OMAN	2.00%	Sacyr Ind. Operac. Y Mant, S.L.	0.00001	Full consolidation	Engineering services in the petrochemicals industry.	-	-	-	-	
Sociedad Anónima Depuración y Tratamientos (SADYT) Paseo de la Castellana, 83-85, Madrid	60.00%	Valoriza Agua, S.L.	0.3484	Full consolidation	Water treatment and purification	353	461	(4,611)	-	
Sociedad Anónima Depuración y Tratamientos (SADYT) Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	5.72	Full consolidation	Water treatment and purification	2,500	3,216	(4,057)	-	
<b>New technologies</b>										
Sacyr Industrial Operación y Mantenimiento, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr Industrial, S.L.U.	2.00	Full consolidation	Telecommunications Services	301	2,121	299	-	
Burosoft, Sistemas de Información, S.L. Carretera de la Coruña Km23,200 edificio Ecu Las Rozas - Madrid.	70.00%	Valoriza Facilities, S.A.U.	0.54	Full consolidation	IT system development	259	(1,323)	-	-	
<b>Water</b>										
Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) Calle Comodoro Rólin, 4 Santa Cruz de Tenerife	100.00%	Sacyr, S.A.	25.38	Full consolidation	Water supply	1,346	21,661	1,902	-	
Gedisa Skidda, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid.	33.00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	3.10	Equity method	Operation of desalination plants	10,092	4,236	4,286	(1,148)	
Gedisa Timencen, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid.	50.00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	12.20	Equity method	Operation of desalination plants	18,635	7,819	8,662	(4,318)	
Empresa Mixta de Aguas de Las Palmas, S.A. (EMALSA) Calle Plaza de la Constitución 2 Canary Islands.	33.00%	Valoriza Agua, S.L.	27.53	Equity method	Water supply in Las Palmas	28,247	3,288	132	-	
Santacruceña de Aguas, S.L. Avenida La Salle, 40 Las Palmas de Gran Canaria.	100.00%	Valoriza Agua, S.L.	0.003	Full consolidation	Water treatment and purification	3	491	225	-	
Valoriza Water Australia, PTY Ltd 256 Adelaide Terrace Perth - Australia	100.00%	Valoriza Agua, S.L.	0.000003	Full consolidation	Water treatment and purification	-	7,704	2,383	-	
Sercanarias, S.A. Avenida de Juan XXIII, 1 Las Palmas de Gran Canaria	50.00%	Valoriza Agua, S.L.	0.38	Equity method	Water treatment and purification	770	(1,890)	553	-	
Valoriza Chile, S.P.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	100.00%	Valoriza Agua, S.L.	9.70	Full consolidation	Water treatment and purification	9,722	(11)	(6,402)	-	
Valorinima, S.L. Calle Outenrodes, 17, Las Tablas: Madrid	20.00%	Valoriza Agua, S.L.	0.0006	Equity method	Water treatment and purification	3	545	164	-	
Sociedad Economía Mixta de Aguas de Soría, S.L. Plaza Mayor, 7, Soría.	14.80%	Valorinima, S.L.	3.70	Full consolidation	Water treatment and purification	5,000	355	185	-	
Valoriza Agua Perú, S.A.C. Av 497 La Floresta 429923 Lima - Peru.	99.00%	Valoriza Agua, S.L.	2.2500	Full consolidation	Water treatment and purification	2,256	(755)	(1,001)	-	
Myah Gulf Oman Desalination Company SACC Box 703 postal code 112, Muscat - OMAN	1.00%	SADYT	0.0030	Full consolidation	Water treatment and purification	-	-	-	-	
Myah Gulf Oman Desalination Company SACC Box 703 postal code 112, Muscat - OMAN	51.00%	Valoriza Agua, S.L.	0.6203	Full consolidation	Water treatment and purification	608	(502)	9	-	
<b>Valoriza Servicios Medioambientales Group</b>										
Gestión Participes del Bioreciclaje S.A. Carretera Puerto Real a Paterna Km 13,5 Medina Sidonia - Cadiz.	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Activities related to the management and treatment of urban solid waste	40	(249)	-	-	
Compost del Pirineo S.L. Calle Juan Esplandiú, 11-13 Madrid.	50.00%	Valoriza Servicios Medioambientales, S.A.	0.58	Equity method	Development of sludge composting plants (waste-water purification plants)	1,161	(1,048)	(32)	-	
Metrofangs S.L. Final Rambla Píri, s/n Barcelona.	21.60%	Valoriza Servicios Medioambientales, S.A.	2.71	Equity method	Management & construction over 15 years of the San Adria de Besos purification plant	12,554	2,561	396	-	
Boemer S.A. Calle Ribera del Lora 42, edificio 3 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	2.96	Equity method	Contracting and management of project cleaning services	2,176	(3,643)	901	-	
Biomassas del Pirineo S.A. Calle San Bartolomé, 11 Alcalá de Guaraes - Huesca.	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	300	(165)	-	-	
Valdemingómez 2000, S.A. Calle Albarrach, 44 Madrid	40.00%	Valoriza Servicios Medioambientales, S.A.	2.44	Equity method	Degasification project at the Valdemingómez landfill site	775	(3,568)	(1,047)	-	
Culliro Energéticos de Castilla S.A. Avenida del Cid Campeador, 4 Burgos	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	75	(74)	(2)	-	
Infoser Estacionamiento Regulado, A.I.E. Calle Covarrubias, 7 Madrid.	18.34%	Valoriza Servicios Medioambientales, S.A.	0.07	Equity method	Auxiliary services to the control of regulated street parking in Madrid	360	-	-	-	
Panque Edico la Sotonera, S.L. Plaza Ansoarín Beñán Martínez, 14 Zangoza.	30.16%	Valoriza Servicios Medioambientales, S.A.	0.60	Equity method	Production of renewable energy	2,000	5,997	1,335	-	
Hidroandaluza, S.A. Paseo de la Castellana, 83-85 Seville.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.47	Full consolidation	Sale and purchase of IT equipment	283	4,814	103	-	
Gestión de Infraestructuras Canarias, S.A. Plaza de José Arce Paredes, 1 Santa Cruz de Tenerife	62.00%	Valoriza Servicios Medioambientales, S.A.	0.05	Full consolidation	Studies, works and projects	61	270	-	-	
Participes del Bioreciclaje, S.A. Calle Federico Salmán, 8 Madrid.	66.67%	Valoriza Servicios Medioambientales, S.A.	0.02	Full consolidation	Waste management	40	(122)	2,994	-	
Bioreciclaje de Cádiz, S.A. Calle San Juan, 12 Medina Sidonia - Cadiz	65.34%	Participes del Bioreciclaje, S.A.	4.87	Full consolidation	Management, storage, transport, and treatment of elimination of waste	1,803	12,730	1,008	-	

Iniciativas Medioambientales del Sur, S.L. Complejo Medioambiental de Bolefios Jerez de la Frontera - Cádiz	50.00%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Street cleaning, collection, transport and waste and water treatment	40	232	-	-
Inte RCD, S.L. Calle Américo Vespucio, 69 Sevilla.	33.33%	Valoriza Servicios Medioambientales, S.A.	0.03	Equity method	Property development, construction and demolition waste services	3	(220)	-	-
Inte RCD Bahía de Cádiz, S.L. Calle de los Trabajadores, 20 Chiclana de la Frontera - Cádiz	20.00%	Inte RCD, S.L.	0.28	Equity method	Property development, construction and demolition waste services	240	(732)	-	-
Inte RCD Huelva, S.L. Calle Leps, 12 Cartaya - Huelva	20.00%	Inte RCD, S.L.	0.45	Equity method	Property development, construction and demolition waste services	753	(840)	-	-
Eurocomercial, S.A.U. Calle de Juan Esplandiú, 11-13 Madrid.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.45	Full consolidation	Engineering, consultancy and import/export of products for deposit and sale	136	2,580	(50)	-
Desgasificación de Vertederos, S.A. Calle Federico Salmón, 8 Madrid.	50.00%	Eurocomercial S.A.U.	0.03	Equity method	Recovery of biogas from degasification of landfill sites	60	(241)	-	-
Alcorec, S.L. Avenida Kansas City, 3 10 Sevilla.	10.00%	Valoriza Servicios Medioambientales, S.A.	0.066	Equity method	Construction and demolition waste management	174	34	(24)	-
Surge Ambiental, S.L. Calle de Juan Esplandiú, 11-13 Madrid.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.06	Full consolidation	Construction and demolition waste management	3	14	73	-
Reciclados y Tratamientos Andaluces, S.L. Calle Yakarta, 8 Sevilla	5.00%	Alcorec, S.L.	0.250	Equity method	Construction and demolition waste management	3	(126)	-	-
Sacorec, S.L. Avenida Kansas City, 3 16 Sevilla.	5.00%	Alcorec, S.L.	0.003	Equity method	Construction and demolition waste management	6	(64)	-	-
Residuos Construcción de Cuenca, S.A. Carretera Nacional 32. Km 133 Cuenca	50.00%	Valoriza Servicios Medioambientales, S.A.	0.030	Equity method	Construction and demolition waste management	60	(108)	(13)	-
Tratamiento Residuos de La Rioja, S.L. Calle La Red de Varea, s/n Villamediana de Iregua - La Rioja	100.00%	Valoriza Servicios Medioambientales, S.A.	0.003	Full consolidation	Construction and demolition waste management	3	(5,560)	(873)	-
Secado Térmico de Castellón, S.A. Calle Farzana, 5 Buriñana - Castellón	60.00%	Valoriza Servicios Medioambientales, S.A.	1.80	Full consolidation	Construction and demolition waste management	3,000	62	-	-
Planta de Tratamiento de Arnaiz, S.L. C/ Elcano 1, Bilbao.	70.00%	Valoriza Servicios Medioambientales, S.A.	0.002	Full consolidation	Management of processing plants and equipment	3	-	-	-
Valoriza Environment Services Pty Australia Level 9, 256 Adelaide Terrace, Perth, Western Australia.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.000	Full consolidation	Development and operation of environmental projects in Australia	-	(274)	(74)	-
Plataforma por la Movilidad, A.I.E. C/ Covarrubias, 1, B) dcha- Madrid.	14.68%	Valoriza Servicios Medioambientales, S.A.	0.000	Equity method	Development and management of the full platform	3	1	-	-
Sacyr Environment USA LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.	100.00%	Valoriza Servicios Medioambientales, S.A.	6.860	Full consolidation	Development and operation of environmental projects in the United States	6,865	(2,500)	(2,046)	-
Aplicaciones Gspod, S.L. C/ Santiago de Compostela, 12, 4º A, Bilbao.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.250	Full consolidation	Maintenance of IT systems for the management of traffic offences	30	(216)	(446)	-
Sacyr Industrial, Pty Ltd PO Box 700, West Perth, W.A. 6872- Australia	100.00%	Sacyr Industrial, S.L.U.	0.5135	Full consolidation	Civil works and industrial projects	513	(1,037)	(152)	-
<b>Multiservices</b>									
Valoriza Servicios a la Dependencia, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Servicios Socio Sanitarios, S.L.	3.50	Full consolidation	Provision of social services	3,588	2,099	1,183	-
Valoriza Facilites Chile, SpA C/ Isidora Goyenechea piso 24, Ofic. 240, Santiago - Chile.	100.00%	Valoriza Facilites, S.A.U.	0.4200	Full consolidation	Provision of cleaning services	421	(315)	(173)	-
Cafestore, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Gestión S.A.U.	8.00	Full consolidation	Catering services and retail outlets	2,050	725	1,013	-
Burguestore, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Cafestore, S.A.	0.003	Full consolidation	Operation of service stations	3	87	29	-
Valoriza Centro Especial de Empleo, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Facilites, S.A.U.	0.075	Full consolidation	Provision of social services	75	(7)	80	-
Operadora Siglo XXI, S.A. (formerly Sacyr Valoriza Chile, S.A.) Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	51.00% 39.00%	Valoriza Facilites, S.A.U. Sacyr Concesiones, S.L.	0.0001 0.039	Full consolidation	Water treatment in Mantouerde	12,745	(13,361)	581	-
<b>PROPERTY DEVELOPMENT</b>									
<b>Subsidiaries and holding companies</b>									
Vallehermoso División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.00	Full consolidation	Property management holding company	117,343	(30,669)	(8,862)	-
Somague Inmobiliaria S.A. Rua da Tapada do Quinto de Cima, Linhó Sintra - Portugal.	100.00%	Val. Div. Promoción, S.A.U.	18.21	Full consolidation	Property management holding company in Portugal	15,000	(29,104)	(500)	-
<b>Property developers</b>									
Erantox, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	1.10	Full consolidation	Property development	150	101	3	-
Protosacyr Ocio, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	20.99	Full consolidation	Property development	4	1,740	(83)	-
Capace, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	0.20	Full consolidation	Property development	153	2,054	50	-
Ticoflato, S.A. Paseo de la Castellana, 83-85 Madrid.	60.00%	Val. Div. Promoción, S.A.U.	6.30	Full consolidation	Property development	-	-	-	-
Camarante Golf, S.A. Paseo de la Castellana, 81 Madrid.	26.00%	Val. Div. Promoción, S.A.U.	2.90	Equity method	Property development	6,615	(1,723)	(2,307)	-
Claudia Zahara 22, S.L. Avenida Eduardo Dato, 69 Sevilla.	49.59%	Val. Div. Promoción, S.A.U.	10.73	Equity method	Property development	-	-	-	-
M.Capital, S.A. Puerta del Mar, 20 Meliga.	4.97%	Val. Div. Promoción, S.A.U.	0.41	Equity method	Property development	-	-	-	-
Puerta de Oro Toledo, S.L. Calle Príncipe de Vergara, 15 Madrid.	35.00%	Val. Div. Promoción, S.A.U.	2.10	Equity method	Property development	6,000	(12)	-	-

## APPENDIX I: SCOPE OF CONSOLIDATION 2018

NOTE: Indirect shareholdings are calculated based on the owner of the holding.

Company	% ownership	Owner of the ownership	Investment (million euros)	Consolidation method	Activity carried out	Share capital	Reserves	Profit/(loss)	Interim dividend
<b>GRUPO SACYR</b>									
<b>Subsidiaries and holding companies</b>									
SACYR, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%				Holding company of Sacyr Vallehermoso Group	553.555	279.099	(104.948)	(4.894)
Sacyr Vallehermoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	1.55	Full consolidation	Ownership of investments in Repsol, S.A.	600.000	(666.017)	(515)	-
Sacyr Gestión de Activos, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	22.190	Full consolidation	Acquisition, management of securities and advisory services	4	733.876	(527)	-
FNSA, S.R.L. Via Impero 244, Turin.	49.00%	Sacyr, S.A.	0.060	Equity method	Acquisition, management of securities and advisory services	90	(180)	(139)	-
Sacyr Securities, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	100.230	Full consolidation	Acquisition, management of securities and advisory services	60	60.354	15.952	-
Sacyr Investments, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	150.316	Full consolidation	Acquisition, management of securities and advisory services	40	122.174	19.530	-
Sacyr Finance, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	40	11	-	-
Sacyr Investments II, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	444.035	Full consolidation	Acquisition, management of securities and advisory services	60	398.595	125.265	-
Sacyr Securities II, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	40	(941)	667	-
Sacyr Activos I, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	-	-	-	-
Sacyr Activos II, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	-	-	-	-
<b>CONSTRUCTION</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	297.83	Full consolidation	Property management holding company	52.320	187.737	22.109	-
Inchiasacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	90.25% 9.75%	Sacyr, S.A. Sacyr Construcción, S.A.U.	4.54 0.27	Full consolidation	Ownership of investments in Sacyr Chile	2.400	(386)	15	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	6.12% 0.55% 93.33%	Sacyr Construcción, S.A.U. Inchiasacyr Sacyr Const. Partic. Accionarias S.L.	13.13 2.56 134.47	Full consolidation	Ownership of investments in Chilean construction firms	148.754	28.640	(882)	-
Somague, S.G.P.S. Rua da Tapada da Quinta de Cima, Lintão Sintra - Portugal.	100.00%	Sacyr, S.A.	229.40	Full consolidation	Holding company of Somague Engenharia	30.500	(12.272)	(27.346)	-
Sacyr Construcción México, S.A. de C.V. Paseo de la Reforma nº 350, Piso 11 - Colonia Juárez Delegación Cuauhtémoc, México D.F. - México	99.998% 0.002%	Sacyr Construcción, S.A.U. Sacyr Infraestructuras, S.A.	18.722 0.000	Full consolidation	Construction, in Mexico	17.745	(7.332)	(1.519)	-
<b>Construction</b>									
Cavosa, Obras y Proyectos, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	9.15	Full consolidation	Explosives, blasting and drilling/boring	5.151	34.232	679	-
Scribner, S.A. Avenida Cortis Catalanes, 2, 2, local 3 - Sant Cugat del Valles, Barcelona.	100.00%	Sacyr Infraestructuras, S.A.	2.51	Full consolidation	Civil engineering	601	60.031	170	-
Sacyr Infraestructuras, S.A. Calle Luis Montoto 107-113 - Edificio Cristal, planta 4ª, modulo J, Sevilla.	100.00%	Sacyr Construcción, S.A.U.	82.50	Full consolidation	Civil engineering	3.185	15.260	12.651	-
Ideyco, S.A.U. Calle Jarama, s/n, parcela 8 nave 3 Toledo.	100.00%	Sacyr Infraestructuras, S.A.	0.30	Full consolidation	Technical trials and quality control	301	(3.799)	(17)	-
Cavosa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	100.00%	Cavosa, S.A.	0.98	Full consolidation	Explosives, blasting and drilling/boring	2.583	496	(119)	-
Sacyr Construcción de Proyectos Internacionales, S.A. Calle Gran Vía 35 5ª Vizcaya.	100.00%	Sacyr Construcción, S.A.U.	0.75	Full consolidation	Civil engineering	601	2.126	140	-
Pazo de Congresos de Vigo, S.A. Avenida García Barbón, 1 Pontevedra.	11.11%	Sacyr Construcción, S.A.U.	2.65	Equity method	Renta property	11.100	(3.370)	-	-
Sacyr Agua Santa S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50.00%	Sacyr Chile, S.A.	0.04	Equity method	Construction, in Chile	79	96	(16)	-
Construtora ACS-Sacyr, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50.00%	Sacyr Chile, S.A.	0.07	Equity method	Construction, in Chile	185	(90)	(12)	-
Construtora Nesso-Sacyr, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50.00%	Sacyr Chile, S.A.	0.006	Equity method	Construction, in Chile	18	(207)	2	-
Obras y Servicios de Galicia y Asturias S.A.U. Plaza de Vigo 2, Santiago de Compostela.	100.00%	Sacyr Infraestructuras, S.A.	1.45	Full consolidation	Civil engineering	1.000	(226)	163	-
Construtores San José - San Ramón, S.A. Distrito séptimo La Uruca, cantón primero Costa Rica.	33.00%	Sacyr Costa Rica, S.A.	0.005	Equity method	Construction of the San José - San Ramón road link	151	(2)	-	-
Construtores San José - Caldera C.S.C., S.A. Atajuelo - Costa Rica.	33.00%	Sacyr Costa Rica, S.A.	0.0005	Equity method	Construction of the San José - Caldera	2	(3.393)	(106)	-
SIS, S.C.P.A. Vian Inverno, 24/A, Turin - Italy.	49.00%	Sacyr Construcción, S.A.U.	7.35	Full consolidation	Construction, in Italy	15.000	-	-	-
Nodo Di Palermo, S.p.A. Vian Inverno, 24/A, Turin - Italy.	48.90%	SIS, S.C.P.A.	39.92	Full consolidation	Construction, in Italy	10.000	-	-	-
Superstrada Pedemontana Veneta, SRL Vian Inverno, 24/A, Turin - Italy.	99.999% 0.001%	SIS, S.C.P.A. Iniere Infraestructuras, S.A.	199.99 0.01	Full consolidation	Construction, in Italy	200.000	32.203	43.660	-
Somague Engenharia, S.A. Rua da Tapada da Quinta de Cima, Lintão Sintra - Portugal.	100.00%	Somague, SGPS	58.45	Full consolidation	Civil engineering and building	30.000	115.863	(129.603)	-
Sacyr Costa Rica, S.A. San José, Escuzzi de la Tienda edificio Terraforte, 4ª, Cantón-Costa Rica.	100.00%	Sacyr Construcción, S.A.U.	1.49	Integration of consolidation	Construction, in Costa Rica	1.491	1.766	(1.129)	-
Eurolink, S.c.p.a. Corso D'Italia, 83 - Rome - Italy.	18.70%	Sacyr Construcción, S.A.U.	28.05	Equity method	Construction, in Italy	37.500	-	-	-
Sacyr Ireland Limited Unit 11, Harmony Court, Harmony Row, Ireland, Dublin 2 - Ireland.	100.00%	Sacyr Construcción, S.A.U.	42.72	Full consolidation	Construction, in Ireland	10	221	(28)	-
NE Construction Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42.50%	Sacyr Ireland Limited	0.00002	Equity method	Construction, in Ireland	-	(90.382)	-	-
M50 (D&C) Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42.50%	Sacyr Ireland Limited	0.000085	Equity method	Construction, in Ireland	-	(7.701)	-	-
Sacyr Servicios México, S.A. de C.V. Periférico Sur 632 - 105 - Col. Jardines del Pedregal, México D.F. - México.	99.998% 0.002%	Sacyr México, S.A. de C.V. Sacyr Infraestructuras, S.A.	0.025 0.00	Full consolidation	Construction, in Mexico	25	93	373	-
SV-LIDCO Construcciones Generales Al Seyehiya, Madheen Sineer (Behind Bader Mosque) Tripoli - Libya.	60.00%	Sacyr Construcción, S.A.U.	3.31	Full consolidation	Construction, in Libya	5.360	(15.958)	-	-
Sacyr Panamá, S.A. Panama City, Republic of Panama	100.00%	Sacyr Construcción, S.A.U.	14.20	Full consolidation	Construction, in Panama	13.733	821	29	-
Grupo Unidos por el Canal, S.A. Panama City, Republic of Panama	41.60%	Sacyr, S.A.	0.28	Equity method	Construction, in Panama	600	(497.377)	(21.780)	-
Sacyr India Infra Projects Private Limited SF-08, Second Floor, Vasant Square Mall Vasant Kunj - New Delhi-110070, Delhi, India.	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	1.66 0.00	Full consolidation	Construction, in India	766	(1.077)	(8)	-
Sacyr Peru, S.A.C. C/ Monteflor 655 - Dpto 202, Lima, Peru.	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	5.140 0.00	Full consolidation	Construction, in Peru	5.141	(3.938)	5.885	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Chile, S.A.	0.07	Full consolidation	Construction and operation of concessions in Chile	81	(13.818)	(35)	-
B.F. Constructions Limited 2/38 Horse Barrack Lane, 2, 3b, Gibraltar.	100.00%	Sacyr Infraestructuras, S.A.	0.0012	Full consolidation	Construction and operation of concessions in UK	1	527	(1.841)	-

Sacyr Construcción Participaciones Accionariales, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	60.46	Full consolidation	Acquisition, administration and management of securities	6,049	54,397	(1)	-
Consejo GDL Viaducto, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalapanita de Baz, México	42.00%	Sacyr Const. México, S.A. de C.V.	0.0028	Proportionate consolidation	civil engineering work and heavy construction work management of securities	3	4,059	5,392	-
Consejo Tunal Cusidalajam, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalapanita de Baz, México	42.00%	Sacyr Const. México, S.A. de C.V.	0.0028	Proportionate consolidation	Construction of works for electrical and railway transportation	3	2,446	233	-
Sacyr Construcción Colombia, S.A. CL 97-23-60 PB Edif Prokso - 1 Bogotá - Colombia	100.00%	Sacyr Construcción, S.A.U.	2.295	Full consolidation	Contracting and execution of private and public works	3,024	(4,224)	3,861	-
Sacyr Construcción USA LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100.00%	Sacyr Construcción, S.A.U.	25.0860	Full consolidation	Construction and assembly of works	25,866	(6,017)	(2,792)	-
Sacyr Construcción Australia Pty Level 12, 1 Pacific Highway, North Sydney NSW 2060	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Construction and assembly of works	-	(585)	(7)	-
Sacyr Construcción Uruguay, S.A. C/ Zabala 1504, Montevideo-Uruguay.	100.00%	Sacyr Construcción, S.A.U.	0.606	Full consolidation	Construction and assembly of works	606	(2,853)	(767)	-
Consejo Sahe Cajamarca República de Panamá 35331, Interior 404, 27 - San Isidro- Lima- Peru	67.00%	Sacyr Perú, S.A.C.	0.0000	Full consolidation	Contracting and execution of engineering works	-	551	5,692	-
Sacyr Construcción Saudi Company Ltd Museeef Al Angary Street Office # 610, Riyadh - Arabia Saudí.	95.00%	Sacyr Construcción, S.A.U.	0.1122	Full consolidation	Contracting and execution of engineering works	135	(202)	(189)	-
Museeef Al Angary Street Office # 610, Riyadh - Arabia Saudí.	5.00%	Sacyr Infraestructuras, S.A	0.0059	Full consolidation	Contracting and execution of engineering works	-	-	-	-
Sacyr Construcción Aparcamientos Juan Esplandiú, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.6500	Full consolidation	Car park management (private)	3	276	(2,450)	-
Sacyr Construcción Plaza de la Encarnación, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	3.3570	Full consolidation	Car park management (private)	3	3,073	(7)	-
Sacyr Construcción Aparcamientos Dazó y Velarde, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.9544	Full consolidation	Car park management (private)	3	678	(82)	-
Sacyr Construcción Aparcamientos Virgen del Romero, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.3619	Full consolidation	Car park management (private)	3	131	(1,421)	-
Sacyr Construcción Aparcamientos Plaza del Milenio, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Construcción, S.A.U.	0.6855	Full consolidation	Car park management (private)	3	491	(2,748)	-
Sacyr Construcción Mercado del Val, S.L. Plaza del Val, 47003 - Valladolid	100.00%	Sacyr Construcción, S.A.U.	0.1817	Full consolidation	Market of the Vall concession	3	176	(462)	-
Sacyr Chile, Sucursal Colombia, S.A. CL 97-23-60 PB Edif Prokso - 1 Bogotá - Colombia	100.00%	Sacyr Chile, S.A.	2.1150	Full consolidation	Contracting and execution of private and public works	1,287	(1,369)	754	-
Sacyr Epcor Naicm, S.A. C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	55.00%	Sacyr Const. México, S.A. de C.V.	0.0027	Full consolidation	Construction of cement slabbing of the airport of Mexico	4	548	2,645	-
C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	5.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Construction of cement slabbing of the airport of Mexico	-	-	-	-
Consortium Hospital Quilota Petorca, S.A. C/ Isidora Goyenechea NRO.2800-dto 2401 - Santiago de Chile.	100.00%	Sacyr Chile, S.A.	0.0010	Full consolidation	Development and operation of the Hospital provincial Quilota-Petorca	1	(8)	850	-
Sacyr Construcción Andorra, S.L.U. Passage Antonia Fort Caminal, nº 1, Despatx 501, Escaldes-Engordany- Andorra.	100.00%	Sacyr Infraestructuras, S.A.	0.0030	Full consolidation	Contracting and execution of private and public works	3	(12)	(10)	-
Sacyr Algama Hospital Acuña SAPI de C.V. C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	55.00%	Sacyr Const. México, S.A. de C.V.	0.0020	Full consolidation	Construction of the General Hospital in area 90 beds in Acuña	5	68	223	-
C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	5.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Construction of the General Hospital in area 90 beds in Acuña	-	-	-	-
APF E263 Pirámides SAPI de C.V. C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	51.00%	Sacyr Construcción México, S.A. de C.V.	0.0020	Full consolidation	Construction and maintenance of the section of road Pirámides - Tulancingo - Pachuca (Mexico);	4	196	3,453	-
C/ Presidente Mäsaryk-Chapultec Tepec Morales, 11560 -DF México.	5.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Construction and maintenance of the section of road Pirámides - Tulancingo - Pachuca (Mexico);	-	-	-	-
Sacyr UK Limited Portland House 1606, Office Bressden Place- Westminster, London.	100.00%	Sacyr Construcción, S.A.U.	0.0121	Full consolidation	Contracting and execution of private and public works	1	20	(1,319)	-
Sacyr Canadá INC 100 King Street West Suite 6200, 1 First Canadian Place, Toronto ON M5X 1B8- Canada.	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Contracting and execution of private and public works	-	(238)	(547)	-
Sacyr Construcción Paraguay, S.R.L. C/ Avadores del Charco 2050, piso 20, -World Trade Center Torre 3, Asunción - Paraguay.	100.00%	Sacyr Construcción, S.A.U.	0.0357	Full consolidation	Contracting and execution of private and public works	32	(292)	(136)	-
C/ Avadores del Charco 2050, piso 20, -World Trade Center Torre 3, Asunción - Paraguay.	0.00%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Contracting and execution of private and public works	-	-	-	-
Cavosa Colombia, S.A.S. Calle 99, nº 14-49 piso 4 Torre EAR, Bogotá-Colombia.	100.00%	Cavosa, Obras y Proyectos, S.A.	0.0067	Full consolidation	Drilling, blasting and demolition	1	4	(65)	-
Constructora Hospital Tlahuac, S.A. de C.V. Callezada Gral. Mariano Escobedo, 595, piso 6, Bosques de Chapultepec / Sección, 11580 del Miguel Hidalgo, México.	60.00%	Sacyr Construcción México, S.A. de C.V.	0.0025	Full consolidation	Hospital construction and equipment of the Delegación Regional Sur	4	5	636	-
Callezada Gral. Mariano Escobedo, 595, piso 6, Bosques de Chapultepec / Sección, 11580 del Miguel Hidalgo, México.	0.00%	Sacyr Construcción México, S.A. de C.V.	0.0000	Full consolidation	Hospital construction and equipment of the Delegación Regional Sur	-	-	-	-
Consejo Hospital Alto Hospicio, S.A. C/ Isidora Goyenecheo 2800 piso 24, Las Condes, Santiago de Chile.	99.9%	Sacyr Chile, S.A.	0.0013	Full consolidation	Hospital Construction Alto Hospicio	1	(11)	242	-
C/ Isidora Goyenecheo 2800 piso 24, Las Condes, Santiago de Chile.	0.1%	Sacyr Construcción, S.A.U.	0.0000	Full consolidation	Hospital Construction Alto Hospicio	-	-	-	-
Servicios para Minería y Construcción, SPA C/ Isidora Goyenecheo 2800 piso 24, Las Condes, Santiago de Chile.	80.0%	Sacyr Chile, S.A.	0.0080	Full consolidation	Contracting and execution of private and public works	1	-	7	-
C/ Isidora Goyenecheo 2800 piso 24, Las Condes, Santiago de Chile.	20.0%	Cavosa Chile, S.A.	0.0003	Full consolidation	Contracting and execution of private and public works	-	-	-	-
Constructora Vespucio Oriente, S.A. C/ Vitecura Nº 4380 Dpto 61, Santiago de Chile.	50.00%	Sacyr Chile, S.A.	0.00	Equity method	Construction and operation of the concession "Americo Vespucio Oriente"	13	(13)	249	-
C/ Vitecura Nº 4380 Dpto 61, Santiago de Chile.	0.00%	Sacyr Chile, S.A.	0.00	Equity method	Construction and operation of the concession "Americo Vespucio Oriente"	-	-	-	-
Consejo Rutas 2 y 7, S.R.L. C/ Avadores del Charco 2050, piso 20, -World Trade Center Torre 3, Asunción - Paraguay.	60.00%	Sacyr Construcción Paraguay, S.R.L.	0.00	Proportionate consolidation	Construction and operation highways Rutas 2 y 7	-	(4)	1,295	-
C/ Avadores del Charco 2050, piso 20, -World Trade Center Torre 3, Asunción - Paraguay.	0.00%	Sacyr Construcción Paraguay, S.R.L.	0.00	Proportionate consolidation	Construction and operation highways Rutas 2 y 7	-	-	-	-

#### CONCESSIONS

##### Subsidiaries and holding companies

Sacyr Concesiones, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	986.10	Full consolidation	Property management holding company	407,667	241,743	(11,860)	-
Somague Concessões, S.A. Rua da Tapada de Quinta de Cima, Linhó Sintra - Portugal.	100.00%	Sacyr Concesiones, S.L.	30.80	Full consolidation	Operation of concessions	40,920	47,233	(6,025)	-
Sacyr Concessions Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland.	100.00%	Sacyr Concesiones, S.L.	30.16	Full consolidation	Property management concessions	30,159	(3,677)	2,142	-
NE Concession Holding Ltd 25-28 North Wall Quay Dublin 1 - Ireland.	45.00%	Sacyr Concessions Limited	0.02	Equity method	Property management holding company	50	(50)	-	-
Sacyr Concesiones México, S.A. de C.V. Paseo de la Reforma, 390 México D.F. - México	99.999%	Sacyr, S.A.	17.18	Full consolidation	Construction in Mexico	12,350	(2,466)	148	-
Paseo de la Reforma, 390 México D.F. - México	0.001%	Sacyr Conc. Participadas I, S.L.	0.00	Full consolidation	Construction in Mexico	-	-	-	-
Sacyr Perú, S.A.C. Avda del Pinar, Urbanización Chacarilla del Estanque - Santiago de Surco - Lima - Peru.	99.999%	Sacyr Concesiones, S.L.	14.480	Full consolidation	Construction and operation of concessions in Peru	14,481	(9,944)	(2,876)	-
Avda del Pinar, Urbanización Chacarilla del Estanque - Santiago de Surco - Lima - Peru.	0.001%	Sacyr Conc. Participadas I, S.L.	0.00	Full consolidation	Construction and operation of concessions in Peru	-	-	-	-
Hospitales Concesionados, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	4.650	Full consolidation	Maintenance and operation of hospital infrastructure	543	8,222	4,580	-
Conc. Intercambiadores de Transporte, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	1.54	Full consolidation	Construction, maintenance and operation of infrastructure	1,336	(1,711)	2,388	(2,000)
Autovías de Peaje en Sombra, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	6.16	Full consolidation	Construction, maintenance and operation of infrastructure	7,704	9,678	1,310	-
S.C. Viales Andina, S.A. Avenida Vitacura Nº 2330, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Concesiones Chile, S.A.	88.30	Full consolidation	Construction and operation of concessions in Chile	89,184	(28,839)	32,451	(20,148)
Avenida Vitacura Nº 2330, oficina 1102, comuna de Las Condes, Santiago - Chile	0.00%	Sacyr Concesiones Chile, S.A.	0.00	Full consolidation	Construction and operation of concessions in Chile	-	-	-	-
Sacyr Concesiones Chile, S.A.S. Transversal 23, nº 94-33, Of 801 - Bogotá - Colombia.	100.00%	Sacyr Concesiones, S.L.	252.42	Full consolidation	Construction and operation of concessions in Colombia	4,572	220,139	3,404	-

Concesionarios									
Autovía del Noroeste Concesionaria de la CARM, S.A. (AUNOR) Calle Molina del Segura, 8 Murcia.	100.00%	Autovías de Peaje en Sombra, S.L.	14.48	Full consolidation	Concession Autovía del Noroeste	14,460	19,255	3,223	-
Alazor Inversiones, S.A. (ALAZOR) Carretera de circunvalación M-50, KM 67,500, Villaviciosa de Odón - Madrid	25.16%	Sacyr, S.A.	56.25	Equity method	Concession R-3 and R-5 motorways	-	(193,715)	(5,434)	-
Sociedad Concesionaria de Palma-Manacor, S.A. Carretera Palma-Manacor Km 25,500 Algaida - Mallorca	40.00%	Sacyr Concesiones, S.L.	7.45	Full consolidation	Concession C-715 motorway Palma-Manacor motorway	19,650	2,985	2,505	-
Inversora de Autopistas del Sur, S.L. Plaza Manuel Gómez Moreno, 2 Madrid	35.00%	Sacyr Concesiones, S.L.	99.83	Equity method	Concession, R-4 Motorway	-	-	-	-
Autovía del Turia, Conc. de la Generalitat Valenciana, S.A. CV-35 Km - PK 8,500 Paterna - Valencia	89.00%	Turia Hídrico, S.L.	23.33	Full consolidation	Concession, CV-35 Motorway and CV-5, north alternate route	36,250	(3,342)	899	-
Viastra Concesionaria del Principado de Asturias, S.A. Lugo de Llanera - Llanera - Asturias	70.00%	Sacyr Concesiones, S.L.	10.03	Full consolidation	Concession, AS-18 Motorway and widening of the AS-17 road	14,326	(41,224)	(229)	-
Intercambiador de Transportes de Moncloa, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%	Conc. Intercambia. de Transporte, S.L.	18.07	Full consolidation	Construction and operation of the Moncloa transport hub	16,862	24,667	2,018	-
Autovía del Eresma Conc. de la Junta de Castilla y León, S.A. Cabrero el Mayor - Segovia	80.00%	Sacyr Concesiones, S.L.	13.11	Full consolidation	Construction and operation of Valladolid-Segovia Motorway	17,000	(19,842)	2,311	-
Autovía del Barbanza Conc. de la Xunta de Galicia, S.A. Calle Vilarño Boiro La Coruña	100.00%	Sacyr Concesiones, S.L.	9.94	Full consolidation	Construction and operation of Barbanza Motorway	9,400	(28,615)	(220)	-
Autopista del Guadalmedina Concesionaria Española, S.A. Calle Peñoncillos, Málaga. 14 Casa Bermeja - Málaga	70.00%	Sacyr Concesiones, S.L.	89.79	Full consolidation	Construction and operation of the Málaga-Las Pedrizas Motorway	55,123	(5,964)	(2,346)	-
Hospital de Parla, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	27.24	Full consolidation	Construction and concession of Parla Hospital	11,820	17,359	2,368	-
Hospital del Noreste, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	32.96	Full consolidation	Construction and concession of Hospital del Noreste	14,300	18,113	3,270	-
Inter. de Transporte de Plaza Elíptica, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%	Conc. Intercambia. de Transporte, S.L.	19.50	Full consolidation	Construction and concession of Plaza Elíptica transport hub	19,505	7,223	2,348	-
Autovía del Aranzón, S.A. Carretera N-122, Km 273. Aranda de Duero - Burgos.	50.00%	Sacyr, S.A.	11.86	Full consolidation	Motorway concession	23,723	4,103	6,940	-
Inversora Autopista de Leñate, S.L. Plaza Manuel Gómez Moreno, 2 edificio Alfredo Mahou Madrid	5.00%	Sacyr Concesiones, S.A.	1.18	Equity method	Santo Tomé de Puerto-Burgos motorway	-	-	-	-
NE Concesion Ltd Paseo de la Castellana, 83-85 Madrid	40.00%	Sacyr Concesiones, S.L.	42.29	Equity method	Concession of the Ocaña - La Roda Motorway	-	-	-	-
NE Concesion Ltd Paseo de la Castellana, 83-85 Madrid	100.00%	NE Concessions Holding Ltd	0.05	Equity method	Construction, maintenance and operation of infrastructure	50	(70,716)	(8,539)	-
NE Operations Ltd 25-28 North Wall Quay Dublin 1 - Ireland	50.00%	Sacyr Concessions Limited	0.00	Equity method	Maintenance and operation of the Galway - Ballinasloe N6 stretch	-	(130)	938	(1,100)
Sacyr Concesiones Servicio México, S.A. de C.V. Delegación Coyoacán, México D.F. - México.	99.998%	SyV México Holding, S.A. de C.V.	0.003	Full consolidation	Concession of the Ocaña - La Roda Motorway	2	(14)	10	-
Sacyr Concesiones Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	0.002%	Sacyr Conc. Participadas I, S.L.	0.0000	Full consolidation	Construction in Mexico	-	-	-	-
S.C. Valles del Desierto, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Concesiones Chile, S.A.	143.23	Full consolidation	Construction and operation of concessions in Chile	142,791	(11,862)	19,393	56
Sacyr Operación y Servicios, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	60.00%	S.C. Viales Andinas, S.A.	21.53	Full consolidation	Construction and operation of concessions in Chile	35,917	21,353	7,108	(7)
Sacyr Operación y Servicios, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	37.90%	Sacyr Concesiones Chile, S.A.	3.30	Full consolidation	Construction and operation of concessions in Chile	6,728	(872)	828	-
Sacyr Operación y Servicios, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	1.11%	Sacyr Concesiones, S.L.	0.083	Full consolidation	Construction and operation of concessions in Chile	-	-	-	-
Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A. Calle Molina de Segura, 8 Torralgo	61.00%	Val. Conservacion and Infra, Chile, S.p.a.	3.990	Full consolidation	Construction, in Spain	14,750	(42,278)	(5,158)	-
Sociedad Concesionaria Valles del Bio Bio, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	74.00%	Sacyr Concesiones, S.L.	55.03	Full consolidation	Construction and maintenance of the Concepción-Cabero Motorway	51,189	(21,691)	8,080	(4,400)
Sociedad Concesionaria Rutas del Desierto, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51.00%	S.C. Viales Andinas, S.A.	26.11	Full consolidation	Construction and maintenance of Iquique civil engineering	30,281	(11,581)	5,510	35
Sociedad Concesionaria Ruta del Algarbo, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51.00%	S.C. Viales Andinas, S.A.	15.43	Full consolidation	Construction and maintenance of Ruta Norte project	46,946	(4,233)	11,366	352
S.C. Salud Siglo XXI, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51.00%	S.C. Viales Andinas, S.A.	23.94	Full consolidation	Construction and maintenance of Ruta Norte project	46,946	(4,233)	11,366	352
S.C. Ruta del Litoral, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	70.00%	Sacyr Concesiones Chile, S.A.	15.41	Full consolidation	Maintenance and operation of the Antofagasta Hospital public works	21,960	1,876	3,616	47
S.C. Vespucio Oriente, S.A. C/ Padre Mariano, 82- Of. 1403 - Santiago de Chile	51.00%	S.C. Viales Andinas, S.A.	14.93	Full consolidation	Maintenance and operation of the Ruta 43 public works	29,280	(4,110)	(4,014)	-
GSJ Maintenance Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland	50.00%	Sacyr Concesiones Chile, S.A.	59.79	Equity method	Construction and operation of concessions in Chile	119,588	(430)	6,108	-
Sacyr Conc. Participadas I, S.L. Paseo de la Castellana, 83-85 Madrid	45.00%	Sacyr Concesiones Limited	0.22	Equity method	Engineering development Construction and assembly of works	50	2,175	1,021	(1,500)
S.C. Vial Sierra Norte, S.A. Distrito San Isidro, Av 3537- Lima- Peru	100.00%	Sacyr Concesiones, S.L.	0.115	Full consolidation	Construction and operation of infrastructure	115	(29)	(459)	-
Sacyr Operación y Servicios Perú, S.A.C. C/ Victor Andrés Belsunde, Av 181- Lima - Peru	35.00%	Sacyr Concesiones, S.L.	14.247	Full consolidation	Construction and operation of concessions in Peru	-	-	-	-
Operadora AVO, S.A. C/ Padre Mariano 82 - Of. 1403 - Santiago de Chile	32.00%	Sacyr Concesiones Perú, S.L.	13.09	Full consolidation	Construction and operation of concessions in Peru	-	-	-	-
Sacyr Operación y Servicios Perú, S.A.C. C/ Victor Andrés Belsunde, Av 181- Lima - Peru	40.00%	Sacyr Concesiones Perú, S.L.	0.074	Full consolidation	Construction and operation of concessions in Peru	87	96	(24)	-
Operadora AVO, S.A. C/ Padre Mariano 82 - Of. 1403 - Santiago de Chile	60.00%	Sacyr Concesión, S.A.	0.121	Equity method	Construction and operation of the concession "Americo Vespucio Oriente"	26	(11)	-	-
Sacyr Infraestructure USA LLC Centerville Road suite 400 - 02711 Wilmington DE 19808 USA	50.00%	Sacyr Concesiones Chile, S.L.	0.26	Equity method	Construction and operation of concessions in USA	6,224	(2,937)	(776)	-
Soc. Conc. Vial Montes de María, S.A.S. Cl 97 NO 23-60 ED To Prok spol PB - Bogotá.	100.00%	Sacyr Concesiones, S.L.	6.41	Full consolidation	Construction and operation of concessions in USA	6,224	(2,937)	(776)	-
Soc. Conc. Vial Unión del Sur, S.A.S. Cl 97 NO 23-60 ED To Prok spol PB - Bogotá.	100.00%	Sacyr Concesiones Chile, S.A.S.	22.75	Full consolidation	Construction and operation of concessions in Colombia	2,235	23,522	4,036	-
Desarrollo Vial al Mar, S.A.S. Cl 97 NO 23-60 ED To Prok spol PB - Bogotá.	59.996%	Sacyr Concesiones Chile, S.A.S.	57.42	Full consolidation	Construction and operation of concessions in Colombia	818	93,164	8,923	-
Consortio PPP Rutas del Litoral, S.A. c/ Treinta y tres, 1468, CP 11000 - Uruguay.	0.004%	Sacyr Conc. Participadas I, S.L.	0.0019	Full consolidation	Construction and operation of concessions in Colombia	3,940	37,810	9,737	-
Sacyr Concesiones Canadá INC 100 King Street West - Suite 6200, 1 First Canadian Place - Toronto ON M5X 1B8	37.50%	Sacyr Concesiones Chile, S.A.S.	14.67	Equity method	Construction and operation of concessions in Colombia	9,818	(408)	116	-
Rutas del Este, S.A. WTC Torre 3, Planta 20, Avda Aviladores del Chaco 2050, Asunción - Paraguay.	0.00%	Sacyr Conc. Participadas I, S.L.	0.0000	Full consolidation	Construction and operation of concessions in Uruguay	10	1	21	-
Unión Vial Río Pamplonita, S.A.S. Calle 99 nº 14-49 Piso 4 Torre EAR, Bogotá, D.C. - Colombia.	51.00%	Sacyr Concesiones, S.L.	5.01	Full consolidation	Construction and operation of concessions in Italy	912	(551)	(525)	-
Parking Siglo XXI, S.A. Avda Isidora Goyenechea 2800 Oficina 2401 Piso 24, Edif Titanium - Santiago, Chile.	100.00%	Sacyr Concesiones, S.L.	0.01	Full consolidation	Construction and operation of concessions in Italy	10	1	21	-
Sacyr Infraestructure UK Limited Portland House, 1606 Office Bressenden Place, Westminster, London, SW1E 5RS - UK	100.00%	Sacyr Concesiones, S.L.	1.0800	Full consolidation	Construction and operation of concessions in Uruguay	912	(551)	(525)	-
Motorway Pirámides Tulancingo Pachuca, S.A. Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	99.00%	Sacyr Concesiones, S.L.	0.08	Full consolidation	Construction and operation of concessions in Paraguay	84	27	103	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	1.00%	Sacyr Concesiones Chile, S.A.	0.0008	Full consolidation	Construction and operation of concessions in Paraguay	84	27	103	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	100.00%	Sacyr Concesiones, S.L.	0.9620	Full consolidation	Construction and operation of concessions in Canada	962	(520)	(630)	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	60.00%	Sacyr Concesiones, S.L.	4.6410	Full consolidation	Construction and maintenance of the Routes 2 and 7 in Ypacarí	7,736	(557)	1,004	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	100.00%	Sacyr Concesiones Chile, S.A.S.	21.1140	Full consolidation	Maintenance and operation of the motorway Cúcuta-Pamplona	2,139	19,665	4,119	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	90.00%	Sacyr Concesiones Chile, S.A.	0.0870	Full consolidation	Complementary services to Hospital Antofagasta	101	(23)	(829)	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	100.00%	Sacyr Concesiones, S.L.	0.64	Full consolidation	Construction and operation of concessions in UK	-	-	-	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	0.5%	Sacyr Concesiones, S.L.	0.0020	Full consolidation	Maintenance of the road section Pirámides-Tulancingo	475	(522)	125	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	0.1%	Sacyr Operaciones y Servicios, S.A.	0.00	Full consolidation	Maintenance of the road section Pirámides-Tulancingo	475	(522)	125	-
Calz. General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	50.4%	Sacyr Concesiones México, S.A.	0.239	Full consolidation	Maintenance of the road section Pirámides-Tulancingo	475	(522)	125	-



Consortio Operador de Hospitales Regionales del Sur, S.A. de C.V. Cádiz, General Mariano Escobedo 595, piso 6, Col Bosque de Chapultepec 11580 - México.	20.00%	Sacyr Concesiones, S.L.	2.69	Full consolidation	Rendering of services in the General Hospital of the Southern District	13,457	165	465	-
Sacyr Concesiones B.V. Burgemeester Schellijlaan 70, 2908 la Capelle aan den IJssel, Netherlands.	100.00%	Sacyr Concesiones, S.L.	0.0001	Full consolidation	Construction and operation of holding company	1	(55)	(237)	-
Finances Marlyc, S.A. Paseo de la Castellana, 83-85, Madrid	50.00%	Sacyr Concesiones, S.L.	0.030	Full consolidation	Finance, manage and supervise companies	60	(1)	2,725	-
Gestora de Servicios Viales, S.A. C/ Valdivia 148 y 158, oficina 1301, distrito de San Isidro, Lima- Perú.	67.00%	Sacyr Operaciones y Servicios Perú, S.A.	0.0060	Equity method	Provision of operating services, to the Vial Sierra Norte concession	4	7	805	-
Sacyr Concesiones Participadas VI, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Concesiones, S.L.	0.078	Full consolidation	Construction and operation of motorways, roads and tunnels	78	(24)	235	-
Sacyr Concesiones Securities Uno, S.A. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Concesiones, S.L.	0.06	Full consolidation	Issue of all types of debt instruments	60	(163)	15	-
Sidad Concesionaria Aeropuerto del Sur, S.A. C/ Isidora Goyenechea 2800, 2401, Las Condes - Santiago de Chile.	61.50%	Sacyr Concesiones Chile, S.A.	4.48	Full consolidation	Maintenance and operation of the public works at Aeropuerto El Tepal de Puerto Montt	7,277	(560)	1,684	-
Infra Tec, SpA C/ Isidora Goyenechea 2800, 2401, Las Condes - Santiago de Chile.	100.00%	Sacyr Concesiones Chile, S.A.	0.0860	Full consolidation	Development of systems that use information technologies	86	(8)	58	-
Sacyr Concessões e Participações Do Brasil, Ltda Rua Fidencio Ramos 195, 1º andar, Cj. 142, Vila Olimpia, CEP 08051-5020, Sao Paulo - Brazil.	95.00%	Sacyr Concesiones, S.L.	0.0002	Full consolidation	Construction and operation of motorways, roads and tunnels	-	1	(40)	-
Sacyr Concesiones Activos Especiales, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Concesiones, S.L.	0.0003	Full consolidation	Construction and operation of motorways, roads and tunnels	3	-	(1)	-
Turia Holdco, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Autovías de Peaje en Sombra, S.L.	0.003	Full consolidation	Maintenance and operation of transport infrastructures	32,266	(8,934)	(18)	-

## SERVICES

Subsidiaries and holding companies									
Sacyr Servicios, S.A.U. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr, S.A.	165.54	Full consolidation	Property management holding company	122,133	98,817	35,177	-
Somague Ambiente, S.A. Rua de Tapada da Quinta de Oma, Linho Sintro - Portugal	100.00%	Sacyr Servicios, S.A.U.	15.30	Full consolidation	Environmental consultancy and management	10,000	34,498	(1,367)	-
Sacyr Agua, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Servicios, S.A.U.	106.21	Full consolidation	Environmental consultancy and management	70,449	4,943	1,390	-
Sacyr Facilities, S.A.U. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Servicios, S.A.U.	1.48	Full consolidation	Integrated property management	1,181	22,127	4,050	-
Valoriza Servicios Medioambientales, S.A. Calle Juan Esplandiú, 11-13, Madrid.	93.47%	Sacyr Servicios, S.A.U.	135.31	Full consolidation	Environmental management	17,129	60,101	10,606	-
6.53%	Hidroaldulza, S.A.	0.21							
Suardiz Servicios Marítimos de Barcelona, S.L. Calle Ajala, 6, Madrid	50.03%	Sacyr Servicios, S.A.U.	3.10	Full consolidation	Maritime services	3	5,692	(62)	-
Erenador Naval, S.L. Lugar Santa Tecla, 69 Vigo - Pontevedra	40.00%	Sacyr Servicios, S.A.U.	0.18	Equity method	Construction and maintenance of wind farms	450	(397)	(1)	-
Sacyr Conservación, S.A. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Servicios, S.A.U.	0.74	Full consolidation	Conservation, maintenance and operation of motorways and roads.	750	17,283	4,312	-
Valoriza Minería, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Servicios, S.A.U.	1.52	Full consolidation	Extraction of iron and minerals	1,200	(195)	3,040	-
	47.00%	Sacyr Servicios, S.A.U.	0.126						
	0.50%	Sacyr Industrial, S.L.U.	0.00075						
Consortio Stabile Vis Società c.p.a. Via Inorio n 24/A Turin- Italy	0.50%	Sacyr Concesiones, S.A.	0.00075	Equity method	Construction and management of all types of infrastructure	150	-	-	-
	0.50%	Sacyr Facilities, S.A.U.	0.00075						
	0.50%	Sacyr Agua, S.L.	0.00075						
Services									
Environment									
Tungsten San Finx, S.L. Santa Eulalia de Vilacoba, Lousame Mino San Finx- A Coruña.	100.00%	Valoriza Minería, S.L.	1.046	Full consolidation	Exploitation, research and sale of minerals	103	489	(488)	-
Valoriza Conservación de Infraestructuras Chile S.p.A. Avenida Isidora Goyenechea, 2800, oficina 2401, Pl 24, Columnas de las Condes - Santiago de Chile	100.00%	Sacyr Conservación, S.A.	4.390	Full consolidation	Conservation, maintenance and operation of motorways and roads.	4,399	(391)	(5)	-
Tecnologías Extremeflex del Lito Paseo de la Castellana, 83-85 Madrid	50.00%	Valoriza Minería, S.L.	0.003	Equity method	Exploitation, research and sale of minerals	6	(1)	-	-
Río Narcea Recursos, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Valoriza Minería, S.L.	0.000	Full consolidation	Exploitation, research and sale of minerals	349	320	1,236	-
Río Narcea Nickel, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Valoriza Minería, S.L.	15.039	Full consolidation	Exploitation, research and sale of minerals	3,110	(1,233)	127	-
Tungsten San Juan, S.L. Paseo de la Castellana, 83-85 Madrid	51.00%	Valoriza Minería, S.L.	0.336	Full consolidation	Exploitation, research and sale of minerals	66	-	-	-
Valoriza Infraestructuras Ireland Limited 5th Harmony Court, Harmony Row, Dublin 2-Ireland	100.00%	Sacyr Conservación, S.A.	0.003	Full consolidation	All types of maintenance of infrastructure	3	-	-	-
Sacyr Operaciones y Servicios Uruguay, S.A. c/ Piedras 497, oficina 202, 1100 -Montevideo- Uruguay.	60.00%	Sacyr Conservación, S.A.	0.0082	Full consolidation	All types of maintenance of infrastructure	138	(18)	4	-
	40.00%	Sacyr Concesiones, S.L.	0.0002						
Operadora del Litoral, S.A. C/ Piedras 497, 202, Montevideo - Uruguay.	50.00%	Sact Oper. y Serv. Uruguay, S.A.	0.1010	Full consolidation	All types of maintenance of infrastructure	337	(219)	(41)	-
Sacyr Operaciones y Servicios Paraguay, S.A. C/Benjamin Costant, nº 835, Asunción-Paraguay.	60.00%	Sacyr Conservación, S.A.	0.0049	Full consolidation	All types of maintenance of infrastructure	138	(18)	4	-
	40.00%	Sacyr Concesiones, S.L.	0.0033						
Sacyr Operaciones y Servicios México, S.A. de C.V. Avd. Aviladores del Chaco, entre Prof Cesar Vasconcelos y Prof Delia Frutos, torre 3 México.	61.00%	Sacyr Conservación, S.A.	0.00023	Full consolidation	Construction and management of all types of infrastructure	23	14	(60)	-
	37.90%	Sacyr Con. México, S.A. de C.V.	0.00032						
	1.10%	Sacyr Concesiones, S.L.	0.00004						
Autovía Pirámide Tulancingo Pachuca Operaciones y Servicios, S.A. de C.V. C/ Siracusa 240, Condominio A, Edif 7, 204, Iztapalapa, Ciudad de México.	51.00%	Sacyr Oper. y Serv. México, S.A. de C.V.	0.0024	Full consolidation	All types of maintenance civil works and services	47	(1)	143	-
Gestora de Servicios Viales, S.A. C/ Valdivia 148 y 158, oficina 1301, distrito de San Isidro, Lima- Perú.	67.00%	Sacyr Operaciones y Servicios Perú, S.A.	0.0060	Full consolidation	Provision of operating services, to the Vial Sierra Norte concession	4	7	805	-
Concesionaria AP-1 Araba, S.A. C/ Mendigombau, pol. Industrial Jundiz, 128, Vitoria-Gasteiz 01015, Alava- Spain.	25.00%	Sacyr Conservación, S.A.	0.050	Equity method	Operation and maintenance of the AP-1 motorway	200	-	67	-
New technologies									
Sacyr Industrial Operación y Mantenimiento, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Industrial, S.L.U.	2.00	Full consolidation	Telecommunications Services	301	2,420	780	-
Burosoft, Sistemas de Información, S.L. Carretera de la Coruña Km23,200 edificio Ecu Las Rozas - Madrid.	70.00%	Sacyr Facilities, S.A.U.	0.54	Full consolidation	IT system development	259	(1,323)	-	-
Water									
Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) Calle Comodoro Robín, 4 Santa Cruz de Tenerife	100.00%	Sacyr, S.A.	25.38	Full consolidation	Water supply	1,346	23,563	1,670	-
Geida Skidda, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid.	33.00%	Sacyr Agua, S.L.	3.05	Equity method	Operation of desalination plants	9,791	5,006	4,789	(3,516)
Geida Tlemcen, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid.	50.00%	Sacyr Agua, S.L.	12.20	Equity method	Operation of desalination plants	18,426	8,841	8,810	(7,639)
Santacrucera de Aguas, S.L. Avenida La Salle, 40 Las Palmas de Gran Canarias.	100.00%	Sacyr Agua, S.L.	0.003	Full consolidation	Water treatment and purification	3	491	420	-
Valoriza Water Australis, PTY Ltd 256 Adelaide Terrace Perth - Australia	100.00%	Sacyr Agua, S.L.	0.000003	Full consolidation	Water treatment and purification	-	9,595	1,914	(0)
Valoriza Chile, S.P.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	100.00%	Sacyr Agua, S.L.	9.72	Full consolidation	Water treatment and purification	9,722	(6,428)	(350)	-
Valoriza Agua Perú, S.A.C. Av 497 La Floresta 429823 Lima - Perú.	99.00%	Sacyr Agua, S.L.	2.9070	Full consolidation	Water treatment and purification	2,907	(1,761)	(743)	-
	1.00%	SADYT	0.0290						
Myrah Gulf Oman Desalination Company SAOC Box 703 postal code 112, Muscat - OMAN	51.00%	Sacyr Agua, S.L.	0.6203	Full consolidation	Water treatment and purification	620	(767)	(1,268)	-
Valoriza Iniciativas y Proyectos, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr Agua, S.L.	0.0030	Full consolidation	Management services for the supply of water	3	-	(228)	-
Valoriza Operaciones del Sur, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Iniciativas y Proyectos, S.L.	0.0030	Full consolidation	Management services for the supply of water	3	(451)	(858)	-
Aguas del Valle del Guadiana, S.L. Avda. La reserva s/n, Club de golf La Reserva, Sotogrande, San Roque 11310, Cádiz - Spain.	100.00%	Valoriza Operaciones del Sur, S.L.	32.1850	Full consolidation	Acquisition, development and operation of rustic land	10	505	726	-

**Valoriza Servicios Medioambientales Group**

Gestión Participes del Biorreciclaje S.A	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Activities related to the management and treatment of urban solid waste	60	(269)	-	-
Carretera Puerto Real a Platana Km 13.5 Medina Sidonia - Cadiz									
Compost del Prineo S.L.	50.00%	Valoriza Servicios Medioambientales, S.A.	0.58	Equity method	Development of sludge composting plants (waste-water purification plants)	1,161	(1,080)	(32)	-
Calle Juan Espandú, 11-13 Madrid									
Metrofanga S.L.	21.60%	Valoriza Servicios Medioambientales, S.A.	2.71	Equity method	Management & construction over 15 years of the San Adria de Besos purification plant	12,554	-	472	-
Final Rambla Pirin, s/n Barcelona.									
Boremer S.A.	50.00%	Valoriza Servicios Medioambientales, S.A.	2.96	Equity method	Contracting and management of project cleaning services	2,176	(2,742)	(33)	-
Calle Ribera del Loira 42, edificio 3 Madrid									
Biomassas del Prineo S.A.	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	300	(165)	(58)	-
Calle San Bartolomé, 11 Alcalá de Guena - Huesca.									
Valdemingómez 2000, S.A.	40.00%	Valoriza Servicios Medioambientales, S.A.	2.44	Equity method	Degassification project at the Valdemingómez landfill site	775	(4,615)	5,753	-
Calle Albarracín, 44 Madrid									
Cultivos Energéticos de Castilla S.A.	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	75	(74)	(2)	-
Avenida del Cid Campeador, 4 Burgos									
Infoser Estacionamiento Regulado, A.I.E.	18.34%	Valoriza Servicios Medioambientales, S.A.	0.07	Equity method	Auxiliary services to the control of regulated street parking in Madrid	340	-	-	-
Calle Covarrubias, 1 Madrid									
Parque Edificio la Sotenera, S.L.	30.16%	Valoriza Servicios Medioambientales, S.A.	0.60	Equity method	Production of renewable energy	2,000	5,997	827	-
Plaza Antonio Beltrán Martínez, 14 Zaragoza.									
Hidroandaluza, S.A.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.47	Full consolidation	Sale and purchase of IT equipment	283	4,917	107	-
Paseo de la Castellana, 83-85 Sevilla.									
Participes del Biorreciclaje, S.A.	66.67%	Valoriza Servicios Medioambientales, S.A.	4.02	Full consolidation	Waste management	60	2,874	-	-
Calle Federico Salmón, 8 Madrid.									
Biorreciclaje de Cádiz, S.A.	65.34%	Participes del Biorreciclaje, S.A.	4.87	Full consolidation	Management, storage, transport, and treatment of elimination of waste	1,803	13,738	1,695	-
Calle San Juan, 12 Medina Sidonia - Cadiz									
Iniciativas Medioambientales del Sur, S.L.	50.00%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Street cleaning, collection, transport and waste and water treatment	40	232	-	-
Complejo Medioambiental de Bolarfos Jerez de la Frontera - Cádiz									
Inte RCD, S.L.	33.33%	Valoriza Servicios Medioambientales, S.A.	0.03	Equity method	Property development, construction and demolition waste services	3	(220)	(1)	-
Calle Américo Vespucio, 69 Sevilla.									
Inte RCD Bahía de Cádiz, S.L.	20.00%	Inte RCD, S.L.	0.28	Equity method	Property development, construction and demolition waste services	240	(732)	-	-
Calle de los Trabajadores, 20 Chiclana de la Frontera - Cádiz.									
Inte RCD Huelva, S.L.	20.00%	Inte RCD, S.L.	0.45	Equity method	Property development, construction and demolition waste services	753	(860)	-	-
Calle Lope, 12 Cartaya - Huelva									
Eurocomercial, S.A.U.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.45	Full consolidation	Engineering, consultancy and import/export of products for deposit and sale	136	2,531	(49)	-
Calle de Juan Espandú, 11-13 Madrid.									
Degassificación de Vertederos, S.A.	50.00%	Eurocomercial S.A.U.	0.03	Equity method	Recovery of briques from degassification of landfill sites	60	(241)	-	-
Calle Federico Salmón, 8 Madrid.									
Alcorec, S.L.	10.00%	Valoriza Servicios Medioambientales, S.A.	0.066	Equity method	Construction and demolition waste management	174	(897)	(32)	-
Avenida Kansas City, 3 10 Sevilla.									
Surge Ambiental, S.L.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.069	Full consolidation	Construction and demolition waste management	3	87	120	-
Calle de Juan Espandú, 11-13 Madrid.									
Sacotec, S.L.	5.00%	Alcorec, S.L.	0.003	Equity method	Construction and demolition waste management	6	(64)	-	-
Avenida Kansas City, 3 16 Sevilla.									
Residuos Construcción de Cuenca, S.A.	50.00%	Valoriza Servicios Medioambientales, S.A.	0.030	Equity method	Construction and demolition waste management	60	(121)	-	-
Carretera Nacional 32, Km 153 Cuenca									
Tratamiento Residuos de La Rioja, S.L.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.003	Full consolidation	Construction and demolition waste management	3	(6,432)	(1,793)	-
Calle La Red de Varea, s/n Villamediana de Iregua - La Rioja									
Secado Térmico de Castellón, S.A.	60.00%	Valoriza Servicios Medioambientales, S.A.	1.80	Full consolidation	Construction and demolition waste management	3,000	(102)	-	-
Calle Parzana, 5 Burriana - Castellón									
Planta de Tratamiento de Arnaz, S.L.	70.00%	Valoriza Servicios Medioambientales, S.A.	0.002	Full consolidation	Management of processing plants and equipment	3	-	-	-
C/ Elicano 1, Bilbao.									
Valoriza Environment Services Pty Australia	100.00%	Valoriza Servicios Medioambientales, S.A.	10.380	Full consolidation	Development and operation of environmental projects in Australia	-	(331)	(25)	-
Level 9, 256 Adelaide Terrace, Perth, Western Australia.									
Plataforma por la Movilidad, A.I.E.	14.68%	Valoriza Servicios Medioambientales, S.A.	0.000	Equity method	Development and management of the full platform	3	1	-	-
C/ Covarrubias, 1, 8J dcha- Madrid.									
Sacyr Environment USA LLC	100.00%	Valoriza Servicios Medioambientales, S.A.	8.152	Full consolidation	Development and operation of environmental projects in the United States	8,153	(4,484)	(2,341)	-
2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.									
Adaking Software para Gestión de Ciudades 2050, S.L.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.250	Full consolidation	Maintenance of IT systems for the management of traffic offences	30	(644)	(449)	-
C/ Santiago de Compostela, 12, 4º A, Bilbao.									
Valoriza Environment Services Australia, Pty Ltd	100.00%	Sacyr Industrial, S.L.U.	0.0000	Full consolidation	Civil works and industrial projects	10,380	5,564	(1,094)	-
PO Box 700, West Perth, W.A. 6872- Australia									
VSM Colombia, S.A.S.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.028	Full consolidation	All types of maintenance of infrastructure	30	(18)	33	-
C/ 97 23 60 Of. 801, Bogotá - Colombia.									
Area Limpia, S.A.S.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.8780	Full consolidation	Provision of public sewage service in Bogotá	1,722	129	(3,802)	-
Calle 35 21 10, P3, Bogotá - Colombia.									
Area Limpia Servicios Medioambientales Colombia, S.A.S.	51.00%	VSM Colombia, S.A.S.	0.0027	Full consolidation	Road cleaning and provision of public sewage service	1,722	129	(3,802)	-
Calle 35 21 10, P3, Bogotá - Colombia.									
Procesador de Información del Servicio de Aseo, S.A.S.	14.80%	Area Limpia, S.A.S.	0.0255	Equity method	Road cleaning and provision of public sewage service	173	(24)	193	-
Calle 87, número 44-46, Bogotá - Colombia.									
Valoriza Seneis Mediambientals, S.L.U.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.0030	Full consolidation	Construction and demolition waste management	3	-	-	-
Avinguda Carlsberg 68 AT PIS ESCALDES - ENGORDANY (ANDORRA)									
<b>Multiservices</b>									
Sacyr Social, S.L.	100.00%	Sacyr Facilities, S.A.U.	3.59	Full consolidation	Provision of social services	3,588	2,668	1,690	-
Paseo de la Castellana, 83-85 Madrid									
Valoriza Facilites Chile, SpA	100.00%	Sacyr Facilites, S.A.U.	0.4200	Full consolidation	Provision of cleaning services	421	(479)	(84)	-
C/ Isidora Goyenechea piso 24, Ofic. 240, Santiago - Chile.									
Cafestore, S.A.	100.00%	Sacyr Servicios, S.A.U.	8.00	Full consolidation	Catering services and retail outlets	2,050	1,739	1,246	-
Paseo de la Castellana, 83-85 Madrid.									
Burguestore, S.L.	100.00%	Cafestore, S.A.	0.003	Full consolidation	Operation of service stations	3	116	48	-
Paseo de la Castellana, 83-85 Madrid.									
Valoriza Centro Especial de Empleo, S.L.	100.00%	Sacyr Facilites, S.A.U.	0.075	Full consolidation	Provision of social services	75	73	49	-
Paseo de la Castellana, 83-85 Madrid.									
Operadora Siglo XXI, S.A. (formerly Sacyr Valoriza Chile, S.A.)	51.00%	Sacyr Facilites, S.A.U.	0.0609	Full consolidation	Water treatment in Montevideo	12,745	(12,773)	(84)	-
Avenida Vitacura IP 2939, oficina 1102 Santiago de Chile.	39.00%	Sacyr Concesiones, S.L.	0.046	Full consolidation					

**INDUSTRIAL**

Subsidiaries and holding companies									
Sacyr Industrial, S.L.U. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Servicios, S.A.U.	83.959	Full consolidation	Power generation projects	40,920	47,233	(6,025)	-
<b>Industrial</b>									
Repsol, S.A. Calle Méndez Alvaro, 44, Madrid	4.664% 1.924% 1.283%	Sacyr Investments II, S.A. Sacyr Investments, S.A. Sacyr Securities, S.A.	1,177.13 468.79 304.38	Equity method	International integrated oil and gas company	1,559,000	26,040,430	2,341,000	(50,430)
Secadeno de Biomasa, S.A. (SEDEBISA) Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	78.28%	Sacyr Industrial Renovables, S.L.	3.15	Full consolidation	Energy recovery from pomace oil	2,900	(649)	1,121	(1,121)
Biomassas de Puente Genil, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	78.08%	Sacyr Industrial Renovables, S.L.	6.55	Full consolidation	Power generation projects	2,600	3,372	1,301	(1,301)
Compañía Energética de Paia de Mulo, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	78.08%	Sacyr Industrial Renovables, S.L.	2.75	Full consolidation	Power generation projects	2,600	(802)	1,522	(1,522)
Compañía Energética de La Rosta, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial Renovables, S.L.	2.99	Full consolidation	Power generation projects	1,300	1,347	534	(127)
Compañía Energética Las Villas, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	90.00%	Sacyr Industrial Renovables, S.L.	7.56	Full consolidation	Power generation R&D projects	700	5,620	228	(228)
Compañía Energética Puente del Obispo, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial Renovables, S.L.	8.08	Full consolidation	Power generation R&D projects	500	4,654	3,879	(1,314)
Bioeléctrica de Valladolid, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	0.06	Full consolidation	Power generation R&D projects	60	(67)	(14)	-
Geoil Climatización, S.L. Calle Coma Wegison 4, 2 A, Jaén	64.73%	Sacyr Industrial, S.L.U.	2.58	Full consolidation	Power generation R&D projects	2,295	(2,261)	(8)	-
Desarrollos Eólicos Extremeños, S.L. Calle Borrego, 2 Cáceres	50.00%	Sacyr Industrial, S.L.U.	0.95	Equity method	Power generation R&D projects	1,910	(521)	(23)	-
Compañía Energética Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial Renovables, S.L.	3.90	Full consolidation	Power generation R&D projects	6,161	6,145	3,369	(305)
Compañía Orujera de Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial Renovables, S.L.	2.04	Full consolidation	Oil extraction	2,332	1,917	849	(427)
Bioeléctrica de Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial Renovables, S.L.	8.74	Full consolidation	Biomass-fuelled electricity generation plant	9,500	2,304	1,708	(865)
Vaiccan Renovables, S.L. Calle La Verde, Herrera, s/n Camargo - Cantabria	65.00%	Sacyr Industrial, S.L.U.	0.325	Full consolidation	Power generation R&D projects	500	(449)	-	-
Bipuge II, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial, S.L.U.	0.006	Full consolidation	Power generation R&D projects	3	(17)	4	-
Biomassas Puente Obispo, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	Power generation R&D projects	3	565	180	-
Biobal Energía, S.L. Paseo de la Castellana, 83-85, Madrid	51.00%	Sacyr Industrial, S.L.U.	0.0020	Full consolidation	Power generation R&D projects	3	(1)	-	-
Iberese Bolivia, S.R.L. Carretera Doble Via La Guardia Km 71/2- Santa Cruz de la Sierra -Bolivia	100.00%	Sacyr Industrial, S.L.U.	0.2870	Full consolidation	Power generation R&D projects	223	(748)	(6)	-
Quatro T&D Limited 281 Springhill Parkway - Lanarkshire - Scotland	50.00%	Sacyr Industrial, S.L.U.	0.437	Full consolidation	Construction of an electricity substation	437	(90)	6	-
Sacyr Industrial Peru, S.A.C. Av. La Floresta, 497, int 401-San Boja-Lima-Peru	100.00%	Sacyr Industrial, S.L.U.	0.259	Full consolidation	Power generation studies projects	260	14	(516)	-
Ongo Sarca, S.A.C. Av. La Floresta, 497, int 401-San Boja-Lima-Peru	71.00%	Sacyr Industrial, S.L.U.	0.959	Full consolidation	Power generation studies projects	52	(14,570)	9,390	-
Sacyr Industrial Colombia, S.A.S. TV 23, nº 9433 Of 801, Bogotá - Colombia	100.00%	Sacyr Industrial, S.L.U.	0.474	Full consolidation	Power generation studies projects	474	(285)	226	-
Sacyr Industrial UK, Ltd 375 West George Street, Glasgow - Edinburgh	100.00%	Sacyr Industrial, S.L.U.	0.0001	Full consolidation	Electric and telecommunications projects	-	(267)	(52)	-
Sacyr Industrial México, S.A. de C.V. C/ Taine - chapultepec Morales, 11570, México	100.00%	Sacyr Industrial, S.L.U.	2.1439	Full consolidation	Civil works and industrial projects	2,144	(1,686)	(703)	-
Sacyr mondisa, S.A. de C.V. C/ Taine - chapultepec Morales, 11570, México	60.00%	Sacyr Industrial, S.L.U.	0.0020	Full consolidation	Civil works and industrial projects	3	(1,437)	366	-
Sacyr Industrial Renovables, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	43.248	Full consolidation	Civil works and industrial projects	29,527	15,699	8,627	-
Sacyr Industrial USA LLC Centerville Road suite 400 - 02711 Wilmington DE 19808 USA	100.00%	Sacyr Industrial, S.L.U.	0.046	Full consolidation	Civil works and industrial projects	46	(155)	(10)	-
Ekamal, S.A. Paseo de la Reforma Av 381 piso - 06500 Cuauhtemoc - México DF	54.00% 6.00%	Sacyr Industrial, S.L.U. Sacyr Industrial México, S.A.	0.0020 0.0001	Full consolidation	Execution of project 308-substations peninsula transmission lines	3	(2,460)	295	-
Valoriza Servicios Medioambientales Bolivia, S.R.L. Santa Cruz de la Sierra, Departamento de Santa Cruz - Bolivia	30.00% 70.00%	Sacyr Industrial, S.L.U. Valoriza Servicios Medioambientales, S.A.	0.0078 0.0180	Full consolidation	Construction and management of bridges, viaducts and gas pipelines	26	(1,233)	(237)	-
Sacyr Fluor, S.A. Av Partenón 4-6 28042 Madrid	50.00%	Sacyr Industrial, S.L.U.	40.749	Full consolidation	Engineering services for the petrochemicals industry	60	13,482	(145)	-
Sacyr Industrial Mantenimientos Eléctricos Panamá, S.A. Bella Vista Cl 50 y Sto Domingo Torre Global Bank Cl 1307 Panamá	96.38%	Sacyr Industrial, S.L.U.	0.089	Full consolidation	Electricity lines maintenance service - high and medium-voltage	92	(293)	(160)	-
Sacyr Fluor Participaciones, S.L.U. Av Partenón 4-6 28042 Madrid	100.00%	Sacyr Fluor, S.A.	0.003	Full consolidation	Engineering services in the petrochemicals industry	3	-	(2)	-
Sacyr Nación, S.L.R. C/ Isabel de Bilbao, 28, 3º C, 48009 Bilbao (Vizcaya)	50.00%	Sacyr Industrial, S.L.U.	1.004	Full consolidation	Construction, repair and maintenance of electromechanical machinery and facilities	120	716	610	-
Sacyr Industrial Ecuador, S.A. Av 12 de Octubre Lizardo García, Edif alto Aragón, Quito - Ecuador	100.00%	Sacyr Industrial, S.L.U.	0.0114	Full consolidation	Civil works and industrial projects	11	312	(7)	-
Sacyr Industrial Chile, SpA Nueva de Lyon 72, piso 18 of. 1802 - Chile	100.00%	Sacyr Industrial, S.L.U.	0.0069	Full consolidation	Energy generation projects and management of industrial infrastructures	7	(162)	(236)	-
Sacyr Industrial Mantenimientos Chile, SpA Nueva de Lyon 72, piso 18 of. 1802 - Chile	100.00%	Sacyr Industrial, S.L.U.	0.0069	Full consolidation	Energy generation projects and management of industrial infrastructures	7	(545)	(2,947)	-
Nuevo Mundo Developments, S.A.C. Dean Valdivia, 148-158 Torre 1 int 1301, San Isidro, Lima - Peru	99.00% 1.00%	Sacyr Industrial Peru, S.A.C. Sacyr Concesiones Peru, S.A.C	0.0028 0.0000	Full consolidation	Construction, operation and maintenance of civil works and industrial projects	3	529	(314)	-
Industrial Services SF Peru, S.A.C. Dean Valdivia, 148-158 Torre 1 int 1301, San Isidro, Lima - Peru	99.90% 0.10%	Sacyr Fluor, S.A. Sacyr Fluor Participaciones, S.L.U.	0.0028 0.0000	Full consolidation	Construction, operation and maintenance of civil works and industrial projects	3	504	1,146	-
Sacyr Industrial Do Brasil, Ltda Rua Fidencio Ramos, nº 14 andar conjuntos 142 e 144, Sao Paulo - Brazil	99.99% 0.01%	Sacyr Industrial, S.L.U. Sacyr Ind. Operac. Y Mantem, S.L	0.0003 0.0000	Full consolidation	Energy generation projects and management of industrial infrastructures	-	-	-	-
Sacyr Industrial Panamá, S.A. C/ Via Santa Clara (Ed. Galería) Finca 64544 - Panama	100.00%	Sacyr Industrial, S.L.U.	0.0958	Full consolidation	Energy generation projects and management of industrial infrastructures	10	(1)	-	-
Consortio Ictron Sacyr, S.A. C/ Francisco Noguera nº 200 piso 12, Comuna Providencia, Santiago - Chile	50.00%	Sacyr Industrial, S.L.U.	0.0351	Full consolidation	Engineering, design and construction of electricity infrastructures	63	2,028	(3,516)	-
Sacyr Fluor Bolivia, S.R.L. Carretera Doble Via La Guardia Km 71/2- Santa Cruz de la Sierra -Bolivia	99.80% 0.20%	Sacyr Industrial, S.L.U. Sacyr Fluor Participaciones, S.L.U.	0.0380 0.0001	Full consolidation	Engineering services in the petrochemicals industry	37	(7)	(5)	-
Sacyr Fluor Colombia, S.A.S. TV 23ºF 9433 Of 801, Bogotá - Colombia	100.00%	Sacyr Fluor, S.A.	0.4270	Full consolidation	Engineering services in the petrochemicals industry	427	(77)	(280)	-
Sacyr Industrial Bolivia, SIB, S.R.L. Santa Cruz de la Sierra, Departamento Santa Cruz - Bolivia	98.00% 2.00%	Sacyr Industrial, S.L.U. Sacyr Ind.Operac. Y Mant., S.L.	0.2338 0.0010	Full consolidation	Engineering services in the petrochemicals industry	234	(202)	(142)	-
Sacyr Industrial Australia, Pty. PO Box 700, West Perth, WA 6872 - Australia	100.00%	Sacyr Industrial, S.L.U.	0.000001	Full consolidation	Engineering services in the petrochemicals industry	-	(530)	1,629	-
Sohar SWRO Construction Company LLC Box 703, postal code 112, Muscat - OMAN	60.00%	Sacyr Agua, S.L	0.3484	Full consolidation	Water treatment and purification	588	(4,437)	4,148	-
Sociedad Anónima Depuración y Tratamientos (SADYT) Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	6.82	Full consolidation	Water treatment and purification	2,500	259	(1,084)	-
Sacyr Industrial Dominicana, S.R.L. Avenida Gustavo Mejía Ricart, Torre Plantini Suite 1101, Plantini, Santo Domingo - Dominican Republic	99.90% 0.10%	Sacyr Industrial, S.L.U. Sacyr Ind.Operac. Y Mant., S.L.	0.0018 0.0001	Full consolidation	Planning and execution of engineering projects	2	-	-	-
SIF Mellendo, S.A.C. C/ Dean Valdivia, San Isidro, Lima-Perú	51.00% 49.00%	Industrial Services SF Peru, S.A.C. Sacyr Industrial Peru, S.A.C.	0.0001 0.0001	Full consolidation	Conceptual engineering studies	2	-	-	-

**PROPERTY DEVELOPMENT**

Subsidiaries and holding companies									
Vallehermoso División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.00	Full consolidation	Property management holding company	117,343	(31,552)	(6,768)	-
Sonague Inmobiliaria S.A. Rua da Tapada de Quinta de Cima, Linho Sintra - Portugal.	100.00%	Vall. Div. Promoción, S.A.U.	18.21	Full consolidation	Property management holding company in Portugal	15,000	(29,604)	(542)	-
Property developers									
Erantox, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Vall. Div. Promoción, S.A.U.	1.10	Full consolidation	Property development	150	104	-	-
Proacyr Ocio, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Vall. Div. Promoción, S.A.U.	20.99	Full consolidation	Property development	4	1,456	(42)	-
Capace, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Vall. Div. Promoción, S.A.U.	0.203	Full consolidation	Property development	153	2,104	51	-
Camarate Golf, S.A. Paseo de la Castellana, 81 Madrid.	26.00%	Vall. Div. Promoción, S.A.U.	2.90	Equity method	Property development	6,615	(4,030)	(242)	-
Puerta de Oro Toledo, S.L. Calle Príncipe de Vergara, 15 Madrid.	36.00%	Vall. Div. Promoción, S.A.U.	2.10	Equity method	Property development	6,000	(12)	-	-

## APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2017

### Company

SACYR, S.A.  
APLICACIONES GESPOL, S.L.  
AUTOVIA DE BARBANZA CONCESIONARIA DE LA XUNTA DE GALICIA, S.A.  
AUTOVIA DEL ERESMA, S.A.  
BIOELECTRICA DE LINARES, S.L.  
BIOELECTRICAS VALLADOLID, S.L.  
BIOMASA DE TALAVERA, S.L.  
BIOMASA DE PUENTE GENIL, S.L.  
BIPUGE II, S.L.  
BURGUERSTORE, S.L.  
C.E. LAS VILLAS, S.L.  
CAFESTORE, S.A.  
CAPACE S.L.  
CAVOSA, S.A.  
CE PUENTE DEL OBISPO, S.L.  
CIA ENERG LA RODA, S.L  
CIA ENERG. PATA MULO, S.L.  
EMMASA, S.A.  
ERANTOS, S.A.  
EUROCOMERCIAL, S.A.  
FOTOVOLTAICA DOS RIOS, S.L.  
GESTION DE ENERGÍA Y MERCADOS, S.L.  
HIDROANDALUZA, S.A.  
IDEYCO, S.A.  
INCHISACYR, S.A.  
OBRAS Y SERVICIOS DE GALICIA Y ASTURIAS, S.A.  
PROSACYR OCIO, S.L.  
RIO NARCEA NICKEL, S.A.U.  
RIO NARCEA RECURSOS, S.A.U.  
SACYR ACTIVOS I, S.A.  
SACYR ACTIVOS II, S.A.  
SACYR CONCESIONES PARTICIPADAS I  
SACYR CONCESIONES PARTICIPADAS II  
SACYR CONCESIONES PARTICIPADAS III  
SACYR CONCESIONES PARTICIPADAS IV  
SACYR CONCESIONES PARTICIPADAS V  
SACYR CONCESIONES PARTICIPADAS VI  
SACYR CONCESIONES, S.L.  
SACYR CONSTRUCCIÓN APARCAMIENTOS DAOIZ Y VELARDE, S.L.  
SACYR CONSTRUCCIÓN APARCAMIENTOS JUAN DE ESPLANDIU, S.L.  
SACYR CONSTRUCCIÓN APARCAMIENTOS PLAZA DEL MILENIO, S.L.  
SACYR CONSTRUCCIÓN APARCAMIENTOS VIRGEN DEL ROMERO, S.L.  
SACYR CONSTRUCCIÓN MERCADO DEL VAL, S.L.  
SACYR CONSTRUCCION PARTICIPACIONES ACCIONARIALES, S.L.  
SACYR CONSTRUCCIÓN PLAZA DE LA ENCARNACIÓN, S.L.  
SACYR CONSTRUCCIÓN, S.A.  
SACYR FINANCE, S.A.  
SACYR GESTION DE ACTIVOS, S.L.  
SACYR INDUSTRIAL OPERACIÓN Y MANTENIMIENTO, S.L.  
SACYR INDUSTRIAL, S.L.U.  
SACYR INFRAESTRUCTURAS, S.A.  
SACYR INVESTMENTS II, S.A.  
SACYR INVESTMENTS, S.A.  
SACYR SECURITIES II, S.A.  
SACYR SECURITIES, S.A.  
SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.  
SADYT, S.A.  
SANTACRUCERA DE AGUA, S.L.  
SCRINER, S.A.  
SECADEROS DE BIOMASA, S.L.  
SIMULADOR VIALIDAD INVERSAL, S.L.  
SURGE AMBIENTAL, S.L.  
TECNOLOGÍA EXTREMEÑA DEL LITIO, S.L.  
TRATAMIENTO DE RESIDUOS DE LA RIOJA, S.L.  
TUNGSTEN SAN FINX, S.L.  
VALLEHERMOSO DIVISION PROMOCIÓN, S.A.  
VALORIZA AGUA, S.A.  
VALORIZA CENTRO ESPECIAL DE EMPLEO, S.L.  
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURA, S.A.  
VALORIZA FACILITIES, S.A.  
VALORIZA GESTIÓN, S.A.  
VALORIZA MINERIA, S.L.  
VALORIZA RENOVABLES, S.L.  
VALORIZA SERVICIOS A LA DEPENDENCIA, S.L.  
VALORIZA SERVICIOS MEDIOAMBIENTALES, S.A.

## APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2018

### Company

SACYR, S.A.  
ADAKING SOFTWARE LA LA GESTION DE CIUDADES 2050, S.L.  
AUTOVIA DE BARBANZA CONCESIONARIA DE LA XUNTA DE GALICIA, S.A.  
AUTOVIA DEL ERESMA, S.A.  
BIOELECTRICA DE LINARES, S.L.  
BIOELECTRICAS VALLADOLID, S.L.  
BIOMASA DE TALAVERA, S.L.  
BIOMASAS DE PUENTE GENIL, S.L.  
BIPUGE II, S.L.  
BURGUERSTORE, S.L.  
C. ORUJERA DE LINARES, S.L.  
C.E. LAS VILLAS, S.L.  
CAFESTORE, S.A.  
CAPACE S.L.  
CAVOSA, S.A.  
CE LINARES, S.L.  
CE PUENTE DEL OBISPO, S.L.  
CIA ENERG LA RODA, S.L.  
CIA ENERG. PATA MULO, S.L.  
EMMASA, S.A.  
ERANTOS, S.A.  
EUROCOMERCIAL, S.A.  
FOTOVOLTAICA DOS RIOS, S.L.  
GESTION DE ENERGIA Y MERCADOS, S.L.  
HIDROANDALUZA, S.A.  
IDEYCO, S.A.  
INCHISACYR, S.A.  
OBRAS Y SERVICIOS DE GALICIA Y ASTURIAS, S.A.  
PRINUR, S.A.  
PROSACYR OCIO, S.L.  
RIO NARCEA NICKEL, S.A.U.  
RIO NARCEA RECURSOS, S.A.U.  
SACYR INDUSTRIAL RENOVABLES, S.A.  
SACYR ACTIVOS I, S.A.  
SACYR ACTIVOS II, S.A.  
SACYR CONCESIONES, S.L.  
SACYR CONCESIONES DE ACTIVOS ESPECIALES, S.L.  
SACYR CONCESIONES PARTICIPADAS I  
SACYR CONCESIONES PARTICIPADAS II  
SACYR CONCESIONES PARTICIPADAS III  
SACYR CONCESIONES PARTICIPADAS IV  
SACYR CONCESIONES PARTICIPADAS V  
SACYR CONCESIONES PARTICIPADAS VI  
SACYR CONCESIONES SECURITIES UNO, S.A.  
SACYR CONSERVACION, S.A.  
SACYR CONSTRUCCION APARCAMIENTOS DAOIZ Y VELARDE, S.L.  
SACYR CONSTRUCCION APARCAMIENTOS JUAN DE ESPLANDIU, S.L.  
SACYR CONSTRUCCION APARCAMIENTOS PLAZA DEL MILENIO, S.L.  
SACYR CONSTRUCCION APARCAMIENTOS VIRGEN DEL ROMERO, S.L.  
SACYR CONSTRUCCION MERCADO DEL VAL, S.L.  
SACYR CONSTRUCCION PARTICIPACIONES ACCIONARIAS, S.L.  
SACYR CONSTRUCCION PLAZA DE LA ENCARNACION, S.L.  
SACYR CONSTRUCCION, S.A.  
SACYR FINANCE, S.A.  
SACYR GESTION DE ACTIVOS, S.L.  
SACYR INDUSTRIAL, S.L.U.  
SACYR INDUSTRIAL OPERACION Y MANTENIMIENTO, S.L.  
SACYR INVESTMENTS II, S.A.  
SACYR INVESTMENTS, S.A.  
SACYR SECURITIES, S.A.  
SACYR SECURITIES II, S.A.  
SACYR SERVICIOS, S.A.  
SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.  
SADYT, S.A.  
SANTACRUCERA DE AGUA, S.L.  
SCRINER, S.A.  
SEDEBISA, S.L.  
SIMULADOR VIALIDAD INVERSAL, S.L.  
SURGE AMBIENTAL, S.L.  
TRATAMIENTO DE RESIDUOS DE LA RIOJA, S.L.  
TUNGSTEN SAN FINX, S.L.  
VALLEHERMOSO DIVISION PROMOCION, S.A.  
VALORIZA AGUA, S.A.  
VALORIZA CENTRO ESPECIAL DE EMPLEO, S.L.  
VALORIZA FACILITIES, S.A.  
VALORIZA INICIATIVAS Y PROYECTOS, S.L.  
VALORIZA MINERIA, S.L.  
VALORIZA OPERACIONES DEL SUR, S.L.  
VALORIZA SERVICIOS A LA DEPENDENCIA, S.L.  
VALORIZA SERVICIOS MEDIOAMBIENTALES, S.A.

### APPENDIX III: ALTERNATIVE PERFORMANCE MEASURES

The Sacyr Group presents its earnings in accordance with International Financial Reporting Standards (IFRS). The Group also provide with certain additional financial measurements, known as Alternative Performance Measures (APMs) used by management in decision-making and evaluation of 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 disclosures required for each APM are set out below, including its definition, reconciliation, explanation of its use, comparatives and consistency.

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

#### **EBITDA**

**Definition:** this indicator shows operating profit or loss prior to depreciation and amortisation and any change in provisions.

**Reconciliation:** EBITDA is calculated as follows:

<b>EBITDA</b>	<b>2018</b>	<b>2017</b>
Thousand euros		
Operating profit/(loss)	364,884	256,826
(-) Depreciation and amortisation expense	(138,030)	(118,398)
(-) Impairment of goodwill	0	(18,699)
(-) Change in operating provisions	(40,464)	(3,624)
(-) Change in provisions for non-current assets	88	(8,045)
<b>TOTAL EBITDA</b>	<b>543,290</b>	<b>405,592</b>
(-) Non-recurring expenses (*)	0	(17,000)
<b>Like-for-like EBITDA, TOTAL</b>	<b>543,290</b>	<b>422,592</b>

(\*) Non-recurring expenses in 2017 relate to the effect of the redundancy plan (ERE) in Construction

**Explanation of use::** EBITDA provides an analysis of operating results excluding those variables that do not represent cash, such as depreciation and amortisation and any change in major provisions. It is an indicator widely used by investors when assessing companies' operating performance and its level of indebtedness by comparing it with net debt.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** As shown in the reconciliation and in order to establish a comparison between the current and previous period, a like-for-like EBITDA has been calculated, excluding extraordinary/non-recurring profits and losses.

#### **EBIT**

**Definition:** 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).

**Reconciliation:** EBIT does not require reconciliation and is shown in the consolidated income statement of these consolidated financial statements.

**Explanation of use:** Like EBITDA, EBIT is a relevant indicator used in the comparison between companies and shows the size of profit before the deduction of finance income and costs, and tax payable. It represents a measure of the Company's capacity to make profits.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate EBIT is the same as that for the previous year.

### **Gross debt**

**Definition:** 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).

**Reconciliation:** The reconciliation outlined for Gross debt is included in Note 22 to these consolidated financial statements.

**Explanation of use:** Gross debt is a financial indicator mainly used to determine the Company's solvency.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Gross debt is the same as that for the previous year.

### **Net debt**

**Definition:** 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.

**Reconciliation:** The reconciliation of Net debt is shown in Note 27 to these consolidated financial statements.

**Explanation of use:** Net debt is a financial indicator used by management to measure the Company's level of indebtedness. The gearing ratio, calculated based on Net debt and Equity, serves to determine the financial structure and level of indebtedness in relation to shareholders' capital and bank borrowings.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Net debt is the same as that for the previous year.



### **Project finance debt (gross or net)**

**Definition:** 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.

**Reconciliation:** Like Gross debt, details of the reconciliation of Project finance debt is included in Note 22 of these consolidated financial statements, and a high proportion of it is provided for financing the area of concession projects for the Concessions division (see Concessionaires in Appendix I: Scope of consolidation 2018).

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Project finance debt is the same as that for the previous year.

### **CORPORATE DEBT (GROSS OR NET):**

**Definition:** Debt held by the Group's Parent, comprising bank borrowings and issues in capital markets.

**Reconciliation:** Details of the reconciliation of Corporate debt is included in Note 22 to these consolidated financial statements.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Corporate debt is the same as that for the previous year.

### **Financial profit/(loss)**

**Definition:** The difference between Total finance income and Total finance costs.

**Reconciliation:** Financial profit/(loss) does not require reconciliation and is shown in the separate consolidated income statement of these consolidated financial statements, and in greater detail in Note 32.

**Explanation of use::** It is a measure used to assess the result obtained from the use of financial assets and liabilities.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Financial profit/(loss) is the same as that for the previous year.

### **Backlog**

**Definition:** Value of awarded and closed work contracts pending completion. These contracts are included in the backlog once they are formalised. 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 Group's backlog is subject to adjustments and cancellation of projects, and cannot be taken as an exact indicator of future earnings.

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

**Reconciliation:** Given that no comparable financial measure is foreseen under IFRS, a reconciliation with the financial statements is not possible. The reconciliation of Group Backlog by activity is shown in Note 34 to these consolidated financial statements.

**Explanation of use::** 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.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Group Backlog is the same as that for the previous year.

### **Market cap**

**Definition:** Number of shares at the end of the accounting period, multiplied by the share price at the end of the accounting period.

**Reconciliation:** The Company's Market cap. is presented in point 10 of the consolidated management report that accompanies these consolidated financial statements.

**Explanation of use::** Market cap. reflects the Company's stock market value.

**Comparative:** Comparative figures between periods are presented.

**Consistency:** The criterion used to calculate Market cap. is the same as that for the previous year.

### **Like-for-like basis**

**Definition:** On occasions, certain figures are corrected to permit a comparison between accounting periods, 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.

**Reconciliation:** For 2017 a like-for-like EBITDA was calculated, which was explained earlier.

**Explanation of use::** The like-for-like EBITDA is used to provide a measure that is more standardised and comparable between accounting periods, by excluding non-recurring elements and impacts.

### **Average Daily Traffic (ADT)**

**Definition:** 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.

**Explanation of use::** This is not in itself a financial measure, but it is a key indicator for the Group of the amount of traffic using the motorways.

**Sacyr Group**  
**Sacyr, S.A. and subsidiaries**  
**CONSOLIDATED MANAGEMENT REPORT**  
**AT 31 DECEMBER 2018**

This consolidated management report was prepared in line with the recommendations of the "Guide for the preparation of management reports of listed companies" published by the Spanish National Securities Market Commission (CNMV), in order to harmonise the contents thereof in Spain and abroad, and to provide data placing in context all the financial disclosures contained in the financial statements, to provide additional and complementary information to these financial statements and to provide greater security to the members of the Board of Directors, the persons ultimately in charge of preparing and publishing such report.

## 1. SITUATION OF THE ENTITY:

The Sacyr Group, active for over 30 years, is structured into four different areas of activity and operates in a total of 30 countries:

- **Engineering and Infrastructures:** performed through the head units Sacyr Ingeniería e Infraestructuras in Spain and Chile, Sacyr Somague in Portugal, and Sacyr SIS in Italy, focusing mainly on the construction of all manner of civil works and residential and non-residential building infrastructure.
- **Concessions:** business activity developed by Sacyr Concesiones, the seventh largest operator of infrastructure concessions in the world, working in: Spain, Italy, Ireland, Portugal, Chile, Colombia, Mexico, Peru, Uruguay and Paraguay; this division is a leader in the management of infrastructure such as motorways, hospitals, transport hubs, airports, railways, etc.
- **Services:** provided by Sacyr Servicios (formerly Valoriza Servicios), with a presence in Australia, Algeria, Portugal, Mexico, Brazil, Chile, Colombia, Peru, Uruguay, Paraguay and Oman, and specialising in the management of the following services:
  - Environmental: through the parent, Valoriza Medioambiente, a leading company in the operation of:
    - Municipal services: leader in management of concessions in the main Spanish towns: street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, management of parking meters and towing services.
    - Waste treatment: builds and operates plants to treat municipal solid waste, packaging, and batteries, treatment facilities for construction and demolition debris and landfill gas removal, and plants for bimethanation, incineration, and waste-to-energy production, as well as facilities to treat, compost, and thermally dry the sludge from wastewater treatment plants.
    - Regeneration: this area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.
  - Water: performed via Sacyr Servicios Agua and focussed on the operation and maintenance of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment, etc.), and the integrated water cycle management under public sector concessions or in the private sector.

- Multi-services: provided through the following companies:
  - Sacyr Facilities: Group company specialised in the integral cleaning of buildings, *facility management services*, ancillary services (porter services, gardening, etc.), and energy services.
  - Sacyr Social: Group company leader in management of homes for the elderly and day centres.
  - Sacyr Conservación de Infraestructuras: Group company that specialises in the maintenance and upkeep of roads and other specific infrastructure: dams, irrigation channels, etc.
  - Valoriza Minería: mining projects in Spain, mostly on copper, gold, tin, lithium and tungsten deposits.
  - Cafestore: Group company specialised in the operation of motorway service areas (third leading Spanish operator in this market), and in the management of restaurants and cafeterías at large facilities: hospitals, transport hubs and public and private buildings.
- **Industrial:** performed through Sacyr Industrial, which is present in Spain, Peru, Ecuador, Colombia, Chile, Bolivia, Panama, Mexico, Algeria, Oman and Australia, and is the Group division, following the integration of various companies and areas of the company, in charge of engineering and industrial construction activities. Covering the promotion, performance, start-up and operation of projects in the following business areas:
  - Engineering and energy: Sacyr Industrial is one of the leaders in the Spanish energy sector, and it is also a pioneer internationally in conventional and renewable power plants, in cogeneration plants, and in the development of biomass, solar energy and geothermal plants. It also operates and maintains power plants and industrial facilities.
  - Environment and mining: Sacyr Industrial is one of the leading international companies in the design, construction and operation of waste treatment and waste-to-power plants. It also has experience in mining and processing plant projects.
  - Oil&Gas: implementation of refinery, chemical and petrochemical, gas handling and treatment and liquefied natural gas (LNG) projects, and the transportation and storage of this type of fuel.
  - Water: business activity via Sadyt, global leader in engineering activity, development and operation of all types of water treatment plants: desalination, purification, drinking water plants, etc.
  - Electrical infrastructures: engineering development and the construction of high-voltage electricity lines, electricity substations and low-, medium- and high-voltage facilities.

The Group's organisational structure is arranged around the figure of the Executive Chairman and CEO, to which are accountable, firstly, the non-executive Chairmen and the Managing Directors of each business area, and secondly, various departments which provide support to the rest of the Group: the General Finance Department, the General Corporate Department, HR, and the Legal Advisory Department/Secretary to the Board of Directors.

## 2. ECONOMIC ENVIRONMENT

### 2.1. THE INTERNATIONAL ECONOMIC ENVIRONMENT.

2018, in general terms, has been characterised by the good performance of the world's major economies: United States, China, Japan, Canada and the majority of the euro area and EU countries. However, a series of threats have also persisted throughout the year, putting in danger the long-awaited economic recovery. These include: the trade war between the US and China, the final Brexit deal between the UK and the European Union, and the downturn in commodity prices, which are causing problems for the emerging countries' economies.

In 2018, the United States recorded growth of 2.9% in GDP, compared with 2.3% the year before. This increase, the biggest since 2015, was due to higher consumer expenditure, non-residential fixed investment and exports. Throughout the year, and as expected, the Fed once again raised, for the fourth consecutive time, its policy rate by four quarters of one point, to the range of 2.25%-2.50%, on the back of the recovery in prices and employment levels during the year. Rate rises are expected to be much more moderate in 2019. With regard to employment, 2018 was another good year, with 2.88 million new jobs created, reducing unemployment to 3.9% (4.1% in 2017), its lowest rate for 18 years, and implying full employment. In terms of inflation, government figures show that 2018 closed with an increase of 1.9%, compared to 2.1% in 2017, due to the smaller increase in oil prices in the last few months of the year.

Turning to China, according to the government's own data, its GDP rose by 6.6% in 2018, down 0.3% on 2017 and the lowest rate since 1990, though in line with the expectations of the country's authorities. The three main sectors of the economy made important gains: the primary sector advanced +3.5%; the manufacturing sector +5.8% and the services sector +7.6%. In 2018 a new trade record was reached: exports grew to 2.12 billion euros (+7.1%), while imports were up by almost 13% at 1.82 billion euros. The major challenges in 2019 will be: avoiding trade tensions with the United States, preventing financial risks and keeping pollution under control in the big cities.

The economic performance of euro area countries was also very uneven in 2018. Although Eurostat has not published its definitive GDP figures, and in many cases the data we have is provisional, we can confirm that the euro zone as a whole grew 1.8%, compared with 2.4% the previous year; the lowest increase since 2014, as a result of the slowdown of the German economy and Italy going into recession in the final quarter of the year. The breakdown by countries shows Spain at 2.5%, as the fastest-growing of the 5 major euro area economies for the second-year running, followed by France at 1.5% and Germany at 1.4%. Italy, meanwhile, which has now experienced over a decade of economic stagnation, is advancing at just 0.9%. In the European Union as a whole, however, there was growth of 1.9% in the year, compared to 2.4% the previous year. The United Kingdom, with growth of 1.4%, continues progressing slowly and hesitantly, alongside the tense negotiations which are being held to implement Brexit. The British economy, which, in the last few years had been performing at a similar rate to that of the euro area, appears to be running out of steam. This year, the European Central Bank has continued to pursue its active liquidity policies, by systematically purchasing the public debt of peripheral countries, as well as through various liquidity auctions with the aim of stabilising lending in the economy. With regard to the economic forecasts for future years, the European Commission expects growth in the euro area to be 1.3% in 2019 and 1.6% in 2020, while for the European Union as a whole it is expected to be 1.5% and 1.7%, respectively. These increases are modest due the weakness in domestic demand. Other weaknesses in Europe over the next few years will be: the development of the Brexit negotiations, for the possible disruption to trade that might result; the international trade tensions initiated by the United States, especially with China; the slowdown of the economies of the emerging markets, and the appreciation in the value of the euro, which could have a negative effect on exports.

Year-on-year inflation in the euro area, according to data provided by Eurostat, was 1.6% in 2018, compared to 1.4% the previous year. The increase has not been greater, thanks to the suppression of energy prices. Brent crude prices fell sharply from 66.87 US dollars at the end of 2017 to around 53.80 US dollars by the end of December: a 20% drop. Core inflation (i.e. excluding the price of

energy and fresh food) stood at 1.1% in the euro area, up 0.2% on the previous year. The outlook for 2019, once OPEC agreed to extend the cuts in the production of crude oil until the end of, at its meeting in December, it is likely that oil will continue its rise and reach 60-65 US dollars a barrel.

## **2.2.- THE ECONOMIC ENVIRONMENT IN SPAIN.**

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 2.5% in 2018, half a point lower than the growth recorded the previous year. This is the fifth year of positive growth, following six consecutive years of contraction. Domestic demand grew (2.7%), thanks once again to the boost from household consumption, the favourable performance of the labour market and the fall in the cost of borrowing for families. Turning to the trade balance, exports and imports beat historical records in 2018. The deficit increased by 36.8% compared with the previous year, standing at 33,840 million euros. Exports reached 285,024 million euros, 3.2% more than in 2017, thanks to efforts of Spanish companies adjusting their labour costs and prices, enabling them to become more competitive and increase our global market share. The sectors which performed particularly well were capital goods (20% of total exports), food, beverages and tobacco (16.1%) and the automotive sector (15.6%). Imports also grew strongly, by 5.4%, to 318,864 million euros, due to greater demand for domestic consumption and higher oil prices. 67% of Spanish goods were exported within the EU: mainly to France (15%), Germany (11%), Italy (8%), Portugal (7%) and the UK (7%). Additionally, according to data provided by the Ministry of Industry, Energy, Tourism and Digital Agenda, in 2018, and for the seventh year running, Spain saw a record number of overseas visitors, with 82.6 million tourists visiting the country, 0.9% more than in 2017. Spain was once again above the United States, putting it in second place for global tourism, behind France. Estimates indicate that the total expenditure by those travellers was 89,678 million euros, 3.1% more than the previous year, with average spend per tourist standing at 1,085 euros, 2.26% higher year-on-year.

The European Commission's 2019 and 2020 forecasts for Spain, are less optimistic than in previous years. This is a result of the slowdown in household consumption and increased uncertainty at home and abroad. Nonetheless, a moderate growth in GDP is still expected, which would continue to create jobs and reduce the unemployment rate. A 2.1% increase in GDP is expected in 2019 and 1.9% in 2020. Exports should also continue to grow thanks to the improved competitiveness of the Spanish economy. As for unemployment, rates of around 13.6% and 13.4% are expected in 2019 and 2020, respectively.

As regards the labour market, according to data published by the Spanish National Institute of Statistics (INE), the Labour Force Survey (LFS) reflects an increase of 566,200 jobs last year, 2.98% more than in 2017, with growth in the sectors of: Services (+428,100), Construction (+136,300), and Agriculture (+4,900), and only Manufacturing declining (-3,000). Unemployment ended the year at 14.45% of the active population, compared to 16.55% the previous year. With regard to the social security system, 2018 saw an average number of 19.02 million employees registered, an improvement of more than 563,965 compared to the previous year, according to figures provided by the Department of Social Security, the largest rise since 2006, and the second highest figure recorded since December 2007. There were 513,400 new affiliates to the General Social Security Regime: a year-on-year increase of 3.38%; meanwhile, the increase under the Self-Employed Workers Regime, with 49,986 new workers, was just 1.5% versus 2017.

Turning to prices, according to the Spanish National Institute of Statistics (INE) inflation in Spain for 2018 was 1.2% compared to 1.1% in the previous year. The sectors with the biggest price rises in the general index were as follows: Housing (+2.5%); Communications (+2.3%); Hotels, cafeterias and restaurants (+1.8%); Food and non-alcoholic beverages (+1.4%), Alcoholic beverages and tobacco (+1.3%). All sectors experienced year-on-year increases, except for Leisure and Culture, which experienced a slight fall (-0.1%). Core inflation, excluding food and energy products, was 0.9%; one-tenth higher than in 2017.

Spain's main stock market index, the IBEX-35, ended 2018 with losses. The last trading session of the year closed at 8,539.9 points, a loss in the year of 14.97%. In 2017, it had a 7.40% increase, the first in positive territory after three years in the red.

According to data published by the Spanish Association of Construction Companies (SEOPAN) public tenders totalled 16,842.8 million euros of real investment, a sharp year-on-year increase of 31% versus tenders in the previous year. In terms of governmental bodies, Local Government accounted for 7,189.51 million euros (+41%); the General State Administration 5,435.22 million euros (+41%), and Autonomous Communities 4,218.03 million euros (+7%). Of particular note within the investments made by the General State Administration are the 2,856.68 million euros invested by ADIF (including High Speed), the 953.46 million euros invested by the Directorate General for Roads, the 473.67 million euros invested by AENA, and the 454.14 million euros invested by the Port Authorities.

Regarding the future of the construction sector in Spain, the outlook is rather promising, as infrastructure is the key to becoming more competitive in a country whose economic pillars are tourism and exports.

Throughout the year, the Ministry of Economic Development has also continued developing the new infrastructure, transport and housing plan ("PITVI") introduced at the end of 2012, which replaced the strategic infrastructure and transport plan ("PEIT") and the strategic infrastructure plan ("PEI"). The new plan is expected to remain in place until 2024.

Depending on the macroeconomic scenario in Spain, the total sum of investment earmarked in the "PITVI" Plan ranges between 0.89% and 0.94% of GDP up to 2024.

Of the total amount planned, approximately 90% is being allocated to transport policies and 10% to housing. Of the former, 52,403 million euros is being allocated to roads, including 18,668 million euros for the construction of 3,500 km of new high-capacity routes, with a further 1,265 million euros earmarked for the expansion of existing roads. A 25,000 million euros investment package has been allocated to Spain's high-speed "AVE" rail system. The bulk of this amount is currently being used for the connection to Galicia (8,517 million euros) and for the Basque "Y" (4,323 million euros), which will join the three capitals of the region. The other flagship projects will be the AVE to Badajoz, with 2,651 million euros, and the connection to Asturias, with another 1,719 million euros. Other noteworthy interventions include national ports, with 2,000 million euros, and modernisation of conventional railway transport, with 1,310 million euros.

In July 2017, the Government presented the new Extraordinary Road Investment Plan (PIC), a new financing mechanism for road infrastructure which entails an investment of 5,000 million euros, and which is enabling more than 2,000 km of roads to be worked upon over the next 3 years.

This plan, which is backed by European financing, under the very best terms, via the European Investment Bank (EIB), is based on collaboration with the private sector the objectives of which are to complete the outstanding sections of the Trans-European Transport Network, resolve current bottlenecks on the existing road network and improve and adapt the main motorways to the requirements of the new legislation on accident rates, noise and CO2 emissions.

It is envisaged that work will be carried out on more than 20 major corridors which will enable a large part of the Spanish road infrastructure system to be improved, renovated, operated and maintained. Up to now, 3 projects have been announced: the Murcia ring-road, Mediterranean motorway between Crevillente (Alicante) and Alhama (Murcia) and new sections of the A-7 passing through Castellón.

Elsewhere, the so-called "Juncker Plan" continues to be rolled out, which, since its launch in July 2015 has mobilised 335,000 million of euros into new infrastructure investment in the European Union, well above its original target. This Plan was launched in response to the economic and financial crisis of the time, with the intention of fostering investment that focuses on key sectors to drive competition and potential growth in the European Union, especially with regard to



research and development, the digital economy, energy and transport infrastructure, social infrastructure and the environment. It has the backing of a first-loss guarantee of 21,000 million euros, provided from the EU budget and the European Investment Bank (EIB), making it possible for projects with a higher risk profile to be funded, and at the same time, leverage a greater volume of private investment. To date, and within the framework of this initiative, the EIB group has already approved 96 transactions in Spain, for a total volume of financing of 7,300 million euros, with which it is hoped to mobilise 37,200 million euros of investment.

Spain receives the third most funding among EU countries, after France and Italy. Among other actions, the new routes outlined in the European rail transport plan are taken into consideration. Spain, with five corridors crossing the entire country, is to be one of the main beneficiaries. The network, which will criss-cross the country's territory, should be completed by 2030, and is expected to receive a total investment of 49,800 million euros, of which at least 10% will be covered with EU funds. The Central Corridor will link Algeciras to France through the centre of the peninsula; the Atlantic-Mediterranean Corridor will run from Lisbon to Valencia; a branch of the corridor will run from Portugal to France, crossing the Castilian Plateau and the Basque Country; the Mediterranean Corridor will link Algeciras to Murcia, Valencia, Catalonia and the French border; and another corridor will run from the Cantabrian Sea to the Mediterranean, linking Bilbao to Valencia and passing through Pamplona and Zaragoza.

### **3. OUR ACTIVITY IN 2018**

#### **3.1.- Activities of the Sacyr Group**

The Group's revenue amounted to 3,796 million euros, up 23% on 2017, as a result of a strong performance in all of its areas of business: Engineering and Infrastructures, with growth of 40% year-on-year, due to the progress made in major projects in the various strategic markets in which it operates (Italy, Colombia, Chile, Mexico, Uruguay, etc.); the Concessions division with an increase of 29% on 2017, thanks to the increase in construction revenues resulting from the progress made in the execution of the latest contracts awarded, and increases in traffic, due to the operational start-up of the Ruta de Limarí motorway in Chile, between the cities of Serena y Ovalle; and a section of the Pirámides-Tulancingo-Pachuca motorway in Mexico; Services, with growth of 13%, as a consequence of the growth in revenues in all the divisions where it is active, and Industrial, with an increase of 1% on the previous year. The Group maintains its strong commitment to international growth and now has a solid foothold in countries including: Colombia, Chile, Portugal, Peru, Italy, United States, Angola, Australia, Oman, Algeria, Uruguay, Paraguay, Qatar, Ecuador, Brazil, Bolivia, Mexico, Ireland, Cape Verde and Mozambique. Evidence of this is the fact that 60% of this revenue and 71% of the backlog, are generated outside Spain.

EBITDA stood at 543 million euros, 29% above that obtained in 2017, thanks to the result of the strategy of our Company which focussed on profitability and generating cash from the projects, as well as the strict risk management system and cost control, which positioned the EBITDA ratio in relation to revenue at 14.3%, versus 13.7% the previous year. Net attributable profit amounted to 150 million euros, 15% higher than in 2017.

In terms of key statement of financial position indicators, in 2018 total assets stood at 13,850 million euros, while equity was 1,507 million euros. The significant reduction in the Group's debt over the last ten years continues to be of particular note, with net financial debt having been reduced from 19,526 million euros (at year-end 2008) to 4,045 million euros (at year end 2018), almost 80% lower; furthermore, the majority of that debt, 2,907 million euros, is linked to project financing and thus without recourse to the parent.

The Group's activity was widely secured by the backlog, which in 31 December 2018 stood at 41,674 million euros, up 2% on the previous year, mainly thanks to the inclusion of major contracts, which can be seen later, when each divisions' performance during the year is explained. Of the entire backlog, more than 71% is international. By business activity, in Construction overseas contracts represent 88% of the total; in Concessions 82%; in Services 29%; and Industrial 11% of prospective revenue.

During the year, Sacyr continued to implement the Group's new strategy, based on boosting those businesses in which we are leaders and experts, and on continuing to promote the two new growth drivers, i.e., the management of construction and concession projects, and the consolidation of the Group's newest industrial division: Sacyr Industrial.

All the foregoing, tied to management measures based on reducing costs and debt will lead to a stronger, more innovative and more competitive Group, that is more committed to the traditional values of our Company: prudence, austerity, quality and compliance with the commitments assumed.

#### **3.2.- Most significant events in 2018**

Some of the most significant events in the last year are set out over the next few pages, followed by an overview of each business unit.

## **a) Scrip Dividend**

In January 2018, Sacyr launched its Scrip Dividend programme, approved at the 2017 General Shareholders Meeting. Shareholders could choose: between receiving a new share for every 48 outstanding shares, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.052 euros, gross, per right.

95.86% of Sacyr shareholders chose the Scrip Dividend in shares, for which a total of 10,647,265 new shares were issued. On 1 March 2018, these new shares began trading on Spanish stock markets.

At the 2018 Annual Shareholders' Meeting, held on 7 June, two new Scrip Dividends were also approved, with similar characteristics to those carried out at the beginning of the year.

In mid-June, the first of these was implemented. The shareholders were able to choose: between receiving a new share for every 48 existing shares held, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.051 euros, gross, per right.

Over 86% of Sacyr shareholders chose the Scrip Dividend in shares, for which a total of 9,797,346 new shares were issued. On 3 August 2018, these new shares began trading on Spanish stock markets.

Finally, on 20 December 2018, the Chairman of the Board of Directors, exercising the powers which he had been delegated, decided to implement the second of the Scrip Dividends approved at the 2018 General Shareholders Meeting. Shareholders could choose: between receiving a new share for every 35 existing shares held, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.051 euros, gross, per right.

Over 95% of shareholders chose the Scrip Dividend in shares, for which a total of 15,039,736 new shares were issued, with Sacyr's new share capital now comprising a total of 568,595,065 shares. The new shares began trading on Spanish stock markets on 20 February 2019.

## **b) Stake in Repsol**

In 2018, Sacyr remained a core shareholder of Repsol via a 7.87% interest in the oil company.

In 2018, and as a result of the Repsol Scrip Dividend programme, Sacyr Group, via its investees: Sacyr Securities S.A., Sacyr Investments S.A.U. and Sacyr Investments II S.A.U., received total dividends of 107.12 million euros (a dividend on account of 2017 profits, for 47.61 million euros, at the beginning of January and another, final, dividend of 59.51 million euros, at the beginning of July).

## **c) Euro Medium-Term Note (EMTN) programme**

In 2018, Sacyr launched a fixed income securities for a maximum aggregate nominal balance of 500 million euros.

This issue will enable Sacyr, under the terms and conditions of the prospectus covering the programme and for a (renewable) period of 12 months, to carry out fixed income securities issues, which may be admitted to trading on the regulated market of the Irish Stock Exchange (currently trading as "Euronext Dublin") or any other stock exchange or trading system.

## **d) New market: United States**

In 2018, Sacyr was awarded its first projects in the United States, through which it achieved one of the main milestones in its 2015-2020 Strategic Plan.

Firstly, Sacyr Ingeniería e Infraestructuras will undertake three projects for the Florida Department Of Transportation (FDOT): the remodelling, reconstruction and extension of over 17 km of road, including the construction of 26 bridges, of the First Coast Expressway, as it passes through the city of Jacksonville, for a total of 202 million euros; the reconstruction, remodelling and extension of over 12 km of road, in the intersection of the I75 and the SR70, to the East of Florida, for a total of 70 million euros; and the expansion into a dual-carriageway, of the 11 km, SR82 Road between Alabama Road South and Homestead South, for 36 million euros.

Secondly, Sacyr will design and build three new streets and extend and improve two other existing ones, in the town of Palmetto Bay in Miami-Dade county, for 10 million euros.

#### **d) Ifínere**

In July, reached a joint agreement with Abanca Corporación Industrial y Empresarial, S.L. and Kutxabank, S.A., to sell 55.6% of the stake in Ifínere Infraestructuras to Globalvía. Sacyr would dispose of its entire shareholding in Ifínere for 202 million euros. The agreement was subject to a series of suspensive conditions, common in this type of transaction, and approval being obtained from the relevant authorities.

Gateway, Ifínere's majority shareholder, exercised its right of first offer on Sacyr's stake, though it did not exercise its right of first refusal over the other two shareholders, referred to above. The Madrid Court of First Instance, number 82, granted injunctive relief which stopped the sale of this stake to Gateway. In addition, as part of the arbitration process interposed by this latter company, granted injunctive relief that also stopped the sale of Globalvía.

After the lifting of the injunctive relief, in February 2019 the Group sold its entire shareholding in Ifínere for 202 million euros, which it had classified as an asset held for sale for this amount, with the funds obtained from the sale being used for the partial reduction of corporate debt.

#### **e) Panama Canal**

On 12 December 2018, the International Chamber of Commerce (ICC) in Miami, United States, issued a ruling in relation to the economic advances received in 2009 by the consortium Grupos Unidos por el Canal (GUPC), for the costs of mobilisation and installation of plant, to carry out the Third Set of Locks on the Panama Canal construction project.

Faced with the specific financial obligations established by the ruling, Sacyr arranged a syndicated loan for 225 million euros, for a term of 5 years, with a 2-year grace period. This transaction was made regardless of the performance of Sacyr's business.

In March 2019, the second and final tranche of advances was settled, which in the case of Sacyr amounted to approximately 125 million euros.

### **3.3.- Performance of the Construction division (Sacyr Ingeniería e Infraestructuras-Somague).**

Construction division revenue in 2018 amounted to 1,713 million euros, up 40% on the previous year, due to the growth both at international level (+46%) and in the domestic market (+12%). At year-end, 85% of revenue was generated abroad, compared to 82% in 2017.

The growth of this division was thanks to the solid progress made in the execution of the major projects in the backlog, in Colombia, Chile, Mexico, Uruguay, Paraguay, the United Kingdom, Angola, etc., and also includes the contribution of the Pedemontana-Veneta motorway project in Italy.

EBITDA grew by around 82%, to 168 million euros, with EBITDA margin of 9.8% versus 7.6% the previous year.

The construction backlog stood at 6,183 million euros at 31 December. This was 5.4% higher than the previous year and 88% of it is based outside Spain. It ensures more than 43 months of activity at the current rate of revenue.

The following major contracts were awarded this year:

- In Uruguay, a consortium, which includes Sacyr Ingeniería e Infraestructuras, has been awarded the contract for the remodelling of the Central Railway (Ferrocarril Central) for a total of 822 million euros. The 270-km rail corridor, will connect the capital of Montevideo with Paso de los Toros, in the Tacuarembó department, to the north of the country.
- In Brazil, a consortium, which includes Sacyr Ingeniería e Infraestructuras, was the winner of the construction project tender for phase 1 of Eastern Line of the Fortaleza Metro, for a total of 350 million euros. The works involve the construction of a 7.3-km tunnel, of which 6 km will be built using tunnelling machines, and the construction of 4 underground stations (Central Chico da Silva, Colegio Militar, Nunes Valente and Papicú) and 1 overground station (Tirol-Moura Brasil). In addition, the tunnel reinforcements will be deployed in those places where the stations belonging to the next phase (Catedral and Luiza Távora) will be built.
- In the United Kingdom, a consortium, which includes Sacyr Ingeniería e Infraestructuras, has been awarded the construction contract for the new A6 motorway in Northern Ireland, for a total of 161 million euros. The 26-km road will connect the towns of Dungiven and Drumahoe, forming part of the Northeast Transport Corridor, which strategically connects Belfast with the northeast of the country.
- In Peru: Sacyr Ingeniería e Infraestructuras was awarded the following contracts:
  - Refurbishment of Capitán FAP José A. Quiñones International Airport in Chiclayo, capital of the Lambayeque region, for 32 million euros.
  - Construction and remodelling of various sporting facilities for the Pan-American Games "Lima 2019", for a total of 44 million euros. Building of a new 17,600 m<sup>2</sup> sports centre in Villa Regional del Callao with a capacity of 6,100 spectators and enlargement of the Coliseo Miguel Grau, with a capacity of 2,400 spectators, renovation and enlargement of the Universidad Nacional Mayor San Marcos (UNMSM) football stadium, with a capacity of 33,000 spectators.
- In Colombia:
  - Construction, refurbishment and modernisation of various urban areas in Bogotá, for an overall sum of 38 million euros. The first project, awarded by the Urban Development Institute (IDU in Spanish), consists of renovating the Zona Rosa in Bogotá across an area of 71,555 m<sup>2</sup>. The second project, in the urban area of La Sabana, consists of designing and developing a pedestrian network to reorganise mobility in the area. The third urban project, consists of renovating and improving Avenida Boyacá, creating a three-lane dual carriageway.
  - Construction of the enhanced water intake for the La Esmeralda reservoir for the Chivor hydroelectric power plant in Santa María, in the Boyacá department for 32 million euros.

- In Chile, Sacyr was awarded the following contracts, among others:
  - Design and construction of the new hospital in the city of Villarrica in the Araucania region, for 44 million euros. The hospital is built over 21,000 m<sup>2</sup> and has 115 beds.
  - Design and construction of the new Alto Hospicio Hospital in Iquique, in the Tarapacá region, for 95 million euros. It will have, among other facilities, 235 beds and serve over 108,000 inhabitants.
  - Construction of the new El Tepual Airport, in the city of Puerto Montt, for 33 million euros. Among other things, the project involves the enlargement and improvement of the passenger terminal and the construction of 152 parking spaces. With these changes, the current capacity is expected to be doubled, allowing it to receive over 3 million passengers a year.
- In Mozambique, a consortium of which Sacyr Somague forms part, won the contract for the construction of the first two phases of the Nacala Port development project in Nampula, worth a total of 108 million euros. The works will entail the construction of a new 400-metre long dock made of reinforced concrete, a new 1.1 km section of road, the basic infrastructure of energy and water supply, an administrative-support building and the renovation of the container rail terminal.
- In Spain, Sacyr Ingeniería e Infraestructuras was awarded, among others, the following projects:
  - Construction of the new San Sebastián Metro (Guipúzcoa), amounting to 53 million euros.
  - Remodelling and expansion works on the South Dock building at Terminal 1, of the El Prat Airport in Barcelona for 28 million euros.
  - Construction of the road tunnels of the Plaza de Les Glories Catalanes, batch 4 (Barcelona), for 25 million euros.
  - Marine civil works for the unloading of crude oil in the outer port of Punta Langosteira (Coruña) for 25 million euros.
  - Works to expand, and increase the depth of, the new port facilities at Punta Langosteira, amounting to 23 million euros.
  - Expansion and renovation works on the Quirón University Hospital in Madrid for 18 million euros.
  - Construction of the new surgery block at the Gregorio Marañón University General Hospital (Madrid) for 16 million euros
  - Construction of a hotel in Los Urrutias in La Manga del Mar Menor (Murcia) for 11 million euros.
- In Mexico, Sacyr Ingeniería won the Mexican Social Security Institute (IMSS) contract to construct the new San Alejandro Hospital in San Andrés de Cholula (Mexico) for 70 million euros. The new hospital will replace the historic San Alejandro Hospital which was badly damaged by the earthquake which hit the federal capital in September 2017.

- In Portugal, the Group was awarded, through Sacyr Somague:
  - Renovation of the Ponte 25 de Abril (25th April Bridge) in Lisbon for a total 13 million euros. Work will be carried out on the metal structures of the bridge, the northern railway deck and on the concrete elements of the foundations, the southern abutment of the suspension bridge and the abutment of the northern access viaduct.
  - The construction of three new hotels: The Emerald House, Hotel Casla Ribeiro and Hotel Principe, for a total of 15 million euros.
  - Electrification, repair, replacement, improvement and maintenance works on various of the country's electricity power lines, through the investee, Neopul, for a total of 13 million euros.
- In Angola, Sacyr Somague has been awarded the contract to carry out the second phase of the Namibe Port renovation works in the south of the country, for a total of 7 million euros. 250 metres of the docks and 15,000 m<sup>2</sup> of road surfaces will be remodelled.

The most significant openings in the year, were the following:

- Opening of the new 5.5 km extension of Line 15 (Silver) of the São Paulo Metro (Brazil) . It includes 4 new stations: San Lucas, Camilo Haddad, Vila Tolstoi and Vila Unión. The project is the first high-speed passenger monorail in Brazil, and connects the eastern and south-eastern regions with the rest of the São Paulo Metro. This extension enables integration with Line 2 (Green) and provides users with access to the 351 km network in 23 different towns, for a flat-rate fare. When the project is fully completed it will serve some 400,000 users a day.
- Opening of the Mutu-Ya-Kevela secondary school in Luanda (Angola), after its complete refurbishment carried out by our Group. The spirit of the original building - which dates back to 1936-1942 and is classified as a National Monument - has been maintained.

Another highlight was Sacyr Somague receiving "The Year in Infrastructure 2018" award in the "Energy Generation" category, for its Foz Tua hydroelectric power plant project in Bragança (Portugal). The prize, given by the Bentley Institute, highlights Sacyr Somague's exceptional work in this major engineering project, which is 108 m in height and has a 275 m crest, which houses a 251 MW hydroelectric power plant.

### **3.4.- Performance of the Concessions division (Sacyr Concesiones).**

Revenue in the Concession division amounted to 793 million euros, up 30% on 2017, with income from concessions reaching 432 million euros, 22% higher than last year, thanks to improved traffic and the operational start-up of the Ruta de Limarí motorway in Chile, between the cities of Serena y Ovalle; and a section of the Pirámides-Tulancingo-Pachuca motorway in Mexico.

The 41% year-on-year growth in construction revenue up to 361 million euros was due to the progress made in major projects such as: Rutas del Litoral (Uruguay), Vial Sierra Norte (Peru), Rutas del Este (Paraguay), Cúcuta-Pamplona, Rumichaca-Pasto and Montes de María (all in Colombia), and Pirámides-Tulancingo and Hospital de Tlahuac (both in Mexico).

EBITDA was 272 million euros, a 17% increase on last year, with an EBITDA margin of 63%.

The revenue backlog, at December 31, stood at 27,081 million euros, with 82% deriving from the international market.

The following major contracts were awarded in 2018:

- In Uruguay, a consortium of which Sacyr Concesiones forms part, was awarded a contract, over an 18-year period, for the Puerto de Montevideo-Estación Paso de los Toros section of the Central Railway (Ferrocarril Central) project. The 270-km rail corridor, covering the entire country, and has an estimated revenue backlog of 2,200 million euros.
- In Chile, a consortium led by Sacyr Concesiones was awarded the expansion, improvement and concession project, for a period of 6 years, for the El Tepual Airport in the city of Puerto Montt, Los Lagos region, Chile. With an investment of 34 million euros, the works include improvement of the passenger terminal, construction of 152 parking spaces, extension of the accesses to the complex and improvements to the aircraft parking hub. El Tepual is the fourth largest airport in Chile, by passenger volume, with more than 700,000 per year, also providing international connections to Argentina.

Other corporate transactions that took place during the year include:

- The Chilean concessionaire Américo Vespucio Oriente (AVO I), an investee of Sacyr Concesiones, arranged a loan for 820 million euros, for the long-term financing of its orbital motorway project in the eastern sector of Santiago de Chile. The participating financial institutions were: Banco de Chile, Banco del Estado de Chile and Banco de Crédito e Inversiones (BCI), with 75%, and acting as structurer of the transaction.
- This year, Sacyr Concesiones completed the refinancing of the AP-46 Málaga-Las Pedrizas toll motorway (Autopista del Guadalmedina) for 229 million euros, through a bonds issue placed among international institutional investors. The terms of the new financing are significantly better than those of the exiting loan.
- Sacyr Concesiones closed two contracts for a total amount of 98 million euros, for the financing of its fourth generation motorways, Rumichaca-Pasto and Montes de María, both in Colombia. In the first case, a first phase of financing for 53 million euros was obtained, which guarantees the resources for the execution of the works on the Pedregal-Catambuco section, over the next few months. In the second case, that of Montes de María, a first phase of funding of 45 million euros was arranged.
- Sacyr Concesiones has secured finance of 88 million euros from the Mexican development bank, Banobras, for the design, construction and operation, for a 25-year period, of the new General Hospital in the southern regional district of Mexico City (Tláhuac Hospital).
- Sacyr Concesiones has also funded the new Pirámides-Tulancingo-Pachuca motorway (Mexico), which has a 10-year concession term, through the Mexican bank, Banco Interacciones, for a total amount of 75 million euros.

Lastly, Sacyr also marked the following milestones:

- Sacyr Concesiones opened the Ruta de Limarí motorway, between the towns of La Serena and Ovalle, in the Coquimbo region in northern Chile. The new 86 km road greatly improves connectivity in the region, cutting journey times by up to 30%. Total investment made is over 180 million euros and the maximum concession term is 30 years.
- Sacyr Concesiones has opened the first 11 km, of a total of 183 km, of its project for the renovation and subsequent operation of the Pirámides-Tulancingo-Pachuca motorway in Mexico.



At year-end, the Group had 34 concessions distributed throughout 8 countries (Spain, Italy, Ireland, Chile, Colombia, Uruguay, Peru and Paraguay) 21 of which were in operation and 13 of which were under development. There are 26 motorway and road concessions in the EU and America (11 in Spain, 6 in Chile, 4 in Colombia, 1 in Italy, 1 in Ireland, 1 in Peru, 1 in Uruguay, 1 in Mexico and 1 in Paraguay), in addition to concessions for 3 hospitals, 2 transport hubs, 1 motorway operator, 1 airport and a railway.

### 3.5.- Performance of the Services division (Sacyr Servicios).

The Services division's revenue amounted to 1,075 million euros, up 13% on 2017, as a result of a strong performance in all the divisions where it is active: Multiservices, +14%, as a result of the contribution from major contracts awarded, such as that of the operation and maintenance services for the Antofagasta University Hospital (Chile), those related to home care services in various Spanish cities and provinces, and the maintenance of road infrastructure, both in Spain and abroad (Chile, Peru, etc.); Environment, +12%, thanks to the contribution from the contracts for waste collection, road cleaning and maintenance of green spaces in many locations in Spain and abroad (such as Bogotá, Colombia); Water, +8%, thanks to the contracts awarded in the year, such as that for Integrated Water Cycle management in Sotogrande (Cádiz).

EBITDA was 95 million euros, with a year-on-year variation of 14% and improved profitability of the business of 8.8%.

At 31 December, the total backlog stood at 5,899 million euros, of which 29% derives from the international market. Valoriza remains firmly committed to tendering activity in all its business areas both in Spain and abroad.

#### Environment

In 2018, Valoriza Servicios Medioambientales continued to fulfil its important role within the Environment Division of Sacyr Servicios Group. In this regard, despite the difficulties posed by the current economic climate, the Valoriza Servicios Medioambientales Group has consolidated its position within the sector and continues to be a leading business group. The areas in which it conducts its business are outlined below:

- **Municipal services:** This area, which has driven growth in recent years, comprises concessions for street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, parking metre management, and towing services. Contracts won in 2018 included the following:

Internationally:

- A consortium made up of, among others, Sacyr Servicios, won the contract for waste collection, road cleaning, maintenance of green spaces and waste transport for special services area number 5 in Bogotá (Colombia). In the amount of 170 million euros, with a concession term of 8 years. Sacyr Servicios will serve over 1.5 million residents.
- The municipal solid waste (MSW) collection, urban cleaning services, public hygiene and beach cleaning in Ovar in the Aveiro district (Portugal) for a total of 10 million euros and an 8 year concession period.

The following contracts have been awarded in Spain:

- Management of the public service of MSW and municipal street cleaning in Arona (Santa Cruz de Tenerife) for 53 million euros, and with a concession term of 8 years.

- Road cleaning and waste collection service for the Autonomous City of Melilla. This 4-year concession is worth a total of 51 million euros and may be extended for a further two years.
  - Urban cleaning services, municipal waste collection and transport in the town of Baracaldo (Vizcaya) for 33 million euros, and a 4-year concession period.
  - Street waste collection and cleaning service in the city of Lérida. The contract is for 6 years and for an amount of 28 million euros.
  - Provision of municipal waste collection and transport, and cleaning services, in the town of Esplugues de Llobregat (Barcelona), for 13 million euros, and a 4-year concession period.
  - Maintenance and conservation of green spaces and trees, batches 1 and 9, of the city of Seville. The contract is worth 9 million euros.
  - Service of unscheduled and immediate actions in the areas of green spaces and municipal woodlands in Madrid (SER + Verde), for 9 million euros.
  - Municipal solid waste collection and transport services, batch II, for the towns in the province of Badajoz. This 3-year contract is worth 4 million euros.
- **Waste treatment:** This business area, which has won substantial long-term concessions in recent years, builds and operates plants to treat urban solid waste, packaging, and batteries; treatment facilities for construction and demolition debris and landfill gas removal; and plants for biomethanation, incineration, and waste-to-energy production; as well as facilities to treat, compost, and thermally dry the sludge from waste-water treatment plants.

The following major contracts were awarded in 2018:

- Operation of the southern thermal sludge drying plant for Canal de Isabel II in Madrid. This contract is worth 21 million euros, and the concession term is for 4 years.
  - Contract for the refurbishment and subsequent operation of the MSW plant in Montoliú (Lérida), worth 20 million euros and running for 10 years, extendable for a further 10 years.
- **Regeneration:** This area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.

## Water

This activity covers the maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment, etc.) and integrated water cycle management under public sector concessions or in the private sector.

Integrated water cycle management activities are carried out by Sacyr Agua in Spain and Somague Ambiente in Portugal, serving a total over of 1.3 million people.

The most significant activities include integrated water cycle management for the city of Santa Cruz de Tenerife through the investee Emmasa; management of drinking water distribution in Las

Palmas de Gran Canaria through the investee Emalsa; and the water supply concession in Guadalajara.

The following major contracts were awarded in 2018:

In Spain:

- Sacyr Agua was awarded, through a private tender, the company Aguas del Valle del Guadiaro, S.L., the concessionaire of the integrated water cycle (drinking water supply, sanitation and wastewater treatment) of the National Tourist Interest Centre of Sotogrande and Pueblo Nuevo de Guadiaro, in Cadiz. With expected revenue of 400 million euros, Sacyr Agua will manage the concession for a period of 35 years, providing services to a population of 5,000 customers, in an area which in summer has over 25,000 inhabitants.
- Operation and maintenance services at the industrial wastewater treatment plant of the company, Helados Alacant, for 11 million euros and a 20-year concession term.
- Improvement and maintenance services for the wastewater treatment plants at Canal de Isabel II, in the Autonomous Community of Madrid. The contract is worth 2 million euros.
- Operation and maintenance service of the Arroyo Quiñones wastewater treatment plant, in Madrid. This contract is worth 1 million euros, and the concession term is 1 year.

Internationally:

- Sacyr Agua was awarded the operation of a Water Treatment Plant, for agriculture, in the north of Adelaide (Australia), for a period of 15 years. The production capacity will be 12 cubic hectometres of water per year.

### **Multiservices**

The businesses in this area are handled through four companies: Sacyr Facilities, Sacyr Social, Sacyr Conservación de Infraestructuras and Cafestore.

Sacyr Facilities (formerly Valoriza Facilities), is a leading company in full-service cleaning of buildings, *facility management* services and ancillary services.

Multiservices obtained revenue of 508 million euros in 2018, a year-on-year increase of 14%, with a services backlog, including contract extensions, of over 1,700 million euros.

The main contracts awarded in 2018 were as follows:

Internationally:

- Contract for the cleaning and minor maintenance of lines 2 and 6 of the Santiago Metro, Chile, for 25 million euros over 42 month which may be extended for a further 12 months. The service includes the cleaning of 32 stations, inter-modal terminals, workshops and tracks, and the cleaning of a total of 38 trains.

Within Spain, among others:

- Cleaning of the Madrid Metro stations, batch 3, corresponding to the lines: 3, 6 and 11. This contract is worth 34 million euros, and the concession term is for 4 years.

- Full-service cleaning of government buildings, premises and facilities of the Ministry of the Presidency, Relations with the Cortes and Equality (batch 12) and the Ministry of Justice (batch 2), located in the Autonomous Community of Madrid, for a total amount of 17 million euros and with a 3-year concession term.
- Cleaning service for the internal and external installations of buildings belonging to the Department of Health of the Generalitat Valenciana (Valencia regional government), (batches 8, 12 and 16). This 2-year contract is worth 15 million euros.
- Cleaning services for the buildings, facilities and outside spaces of the University of Castilla La Mancha. This 2-year contract is worth 9 million euros.

Sacyr Social, is leader in the management of care homes and day centres. The following noteworthy contracts were awarded this year:

- Home-care services provided for the Autonomous Community of Madrid's Department of Social and Family Policy, available to dependent persons in the towns in that region. This contract is worth 56 million euros and its 2-year term may be extended for a further two. The contract, batch 1, includes the areas 1 and 3 North and South, excluding the capital, where Sacyr Social already provides this service, having been awarded the contract by the Madrid Municipal Council. It serves over 4,600 users.
- Home help service in the provinces of Valladolid and Ávila, amounting to a total of 30 million euros, for a 3-year and 2-year concession term, respectively.
- Home help service for the Barcelona Municipal Council, zone 2, amounting to 16 million euros, for a one-year period.
- Management of the Nuevo Versalles residential and day centre in Fuenlabrada (Madrid), for 9 million euros, over a 3-year period.

Sacyr Conservación de Infraestructuras is the Group company specialised in road maintenance and upkeep, both in Spain and abroad. Among other activities, the company maintains an equivalent of 5,480 kilometres of motorways, an extensive network of irrigation channels and the Bilbao port. Contracts awarded this year included the following:

In Spain:

- Conservation and maintenance services for the León-Campomanes section of the AP-66, Autopista de la Plata. This contract is worth 10 million euros, and the concession term is for 3 years.
- Conservation and maintenance services on the Victoria-Eibar (Álava) stretch of the AP-1 motorway, for 8 million euros, with a concession term of 8 years.

Internationally:

- Operation and maintenance services for the Sociedad Concesionaria Valles del Bío-Bío in Chile, worth 106 million euros and with a 30-years concession term.
- Operation and maintenance services for the Sociedad Concesionaria Rutas del Desierto in Chile, worth 57 million euros and with a 30-years concession term.
- Operation and maintenance services for the Sociedad Concesionaria Ruta del Limarí in Chile, worth 9 million euros and with a 4-year concession term.

- Conservation services for the Global Mixta motorways, by service level and prices, of the roads in Ranco province, Sector Norte, stage II, Los Ríos region (Chile). This contract is worth 8 million euros, and the concession term is for 4 years.
- The management and maintenance contract of 380 km Road Corridor in Peru, for 7 million euros over 3 years. Located in the regions of Tumbes and Piura, the road runs between Sullana-Puente La Paz, Óvalo-Aguas Verdes; Sullana-El Alamor and Sullana-Tamogrande.
- The management service and road maintenance service-level contract for a 254 km Road Corridor in the Cusco region of Peru. This contract is worth 6 million euros, and the concession term is for 3 years.
- Conservation services for the Global Mixta motorways, by service levels and unit prices, of the roads in Valparaíso province, Sector Norte, stage III, Valparaíso region (Chile). This contract is worth 5 million euros, and the concession term is for 4 years.

Cafestore, a Group company that specialises in catering services in concessions and has a presence in motorway service areas (third-leading Spanish operator in this market), social-health services and public-sector organisations, serving over 4 million customers a year. In addition it manages the operation of four petrol stations and a hotel.

At year-end, the Group had a total of 43 points of sale: 26 motorway service stations throughout Spain, restaurants at 3 hospitals in the Madrid region and 2 cafeterias in transport hubs, along with others at AVE rail stations, in 7 elderly care homes and in 4 public organisations of Madrid, and a restaurant under the new brand Deliquo, also in Madrid.

The following contracts won are noteworthy:

- Food service in the hospitals of Parla and Coslada (Madrid), for a total of 5 million euros and a concession period of 3 years.
- Restaurant service in the Jorge Juan care home in the city of Alicante for 2 million euros, with a term of 1 year.
- Cafeteria, restaurant and events service for the communications company, Publicis, for the amount of 1 million euros, with a concession period of 1 year.

### **3.6.- Performance of the Industrial division (Sacyr Industrial)**

Sacyr Industrial is responsible for industrial engineering and construction in the Group; leader in the Spanish energy cogeneration plants, and in the development of water treatment, purification and sea water desalination plants.

The Company is currently immersed in an international expansion plan for industrial design and construction projects for Environment and Mining, "Oil&Gas", Water and engineering projects, electrical and geothermal energy.

Sacyr Industrial's revenue in 2018 totalled 527 million euros, up 1% year-on-year. The Oil and Gas division brought in 139 million euros in revenue, down on last year, due to the completion of the projects have been started, such as the projects of Nuevo Mundo and the petrol module in the La Pampilla refinery both in Peru; the networks and electrical transportation area achieved revenue of 49 million euros, growth of 11% compared to 2017, thanks to a faster flow of revenue from contracts in Chile; the Industrial Processes Plants business obtained revenue of 92 million euros, at 31 December, an increase of 27% due to the contribution of the projects of Potosí cement plant (Bolivia), and the MSW Treatment Plant in Melbourne (Australia); the activities of Water, brought in revenue of 86 million euros, a year-on-year growth of 17%, as a result of the

higher revenue from contracts such as the desalination plant in Sohar (Oman), the water treatment plant in Adelaide (Australia), or domestic projects like the water treatment plant in Ibiza and the desalination plant in Tenerife.

The performance of the electricity generation business activity has also been very positive, with revenue of 159 million euros, a 20% increase on 2017, due to the increase in the price of the electrical pool, caused by climate conditions, and which pushed the average price of electricity up in that pool from 52.22 euros/MWh in 2017 to 57.30 euros/MWh in 2018.

This positive performance of revenue was accompanied by a 5% increase in EBITDA compared to 2017, which amounted to 36 million euros. This gave an EBITDA margin of 7%, also as a result due of the new EPC projects.

Sacyr Industrial's backlog at 31 December, stood at 2,511 million euros fully assuring its business over the next few years.

The following major contracts were awarded in 2018:

In the Oil&Gas sector:

- Construction of a fuels storage and distribution terminal in the town of Mollendo in Arequipa department (Peru). The contract is worth 31 million euros.

Electrical engineering and power generation:

- Construction of three photovoltaic solar energy plants: Picón I, II and III, in the province of Ciudad Real, for Gas Natural Fenosa Renovables, for a total of 46 million euros.
- Construction of a new grain terminal for Bergé Marítimo, in Huelva, amounting to 8 million euros.
- Installation of 13 wind turbines at a wind farm in Lugo for the electricity company, Naturgy, for a total of 6 million euros.

In Water:

- Design and construction of a water treatment plant for agricultural use, in the north of the city of Adelaide (Australia). The contract is worth 85 million euros.

Other significant milestones which occurred in this division in 2018, included:

- Start-up of the La Pampilla refinery extension in Peru, for Repsol. The project involved the engineering, supply and construction of a middle distillate block, completed in 2016, and the petrol block, completed this year. The goal of this new complex is to enable the specifications of the fuels produced to comply with Peru's new environmental regulations, which demand the production of diesel with low sulphur content, and cleaner petrol.
- Opening of the "Production of Hydrocarbons of Batch 57 (Nuevo Mundo)" project, carried out in the middle of the Peruvian jungle in the region of Cuzco. The project consists of the construction of a compressor station that allows the offset of the normal drop in pressure of the gas wellheads in the Kinteroni and Sagari fields, ensuring the plateau of productivity and the delivery conditions in relation to the pressure and flow in Consorcio Camisea's Malvinas Plant.

### **3.7.- Stake in Repsol, S.A.**

In 2018, Sacyr remained a core shareholder of Repsol, S.A.

Repsol is the leading company in its sector in Spain and one of the world's leading energy groups, with a strong presence in geo-politically stable countries (OECD).

In June 2018, and after having successfully completed the 2016-2020 Strategic Plan, two years earlier than planned, Repsol updated its objectives until 2020, based on three central pillars: increasing shareholder returns (8% p.a growth up to 2020), profitable Upstream and Downstream growth, and the developing new businesses linked to energy transition.

The objective is to double EBITDA according to CCS by the end of the period included in the updated Strategic Plan to 11,500 million euros. To do this, the Company will actively manage its business portfolio to obtain 9,000 million euros through the divestment of non-core assets and reduce its investments by up to 40% until the desired company profile is achieved. Following the acquisition of Talisman, a great number of synergies have been identified that are enabling cost savings of 2,400 million euros a year to be made from this year (2018) onwards.

Total investment in the period 2018-2020, reached 15,000 million euros, of which, 53% will be allocated to Upstream and 45% to Downstream, and low-emission businesses.

In the Upstream (exploration and production) business, Repsol will develop three regions: North America, Latin America and South East Asia. Exploration costs are expected to be lower, with a 40% reduction in investment and production will remain within the established range of 700,000 - 750,000 barrels of oil equivalent a day, guaranteed by current volumes of proven reserves (2,400 million barrels equivalent of oil).

In the Downstream business (Refining and Marketing), thanks to the investment made in the Cartagena and Petronor refineries, which have improved refining margins, Repsol now tops the list of integrated European companies in terms of efficiency. This ensures value creation and resilience in a climate of depressed oil prices. Divestments of non-core assets will be made in this area, in addition to a reduction in energy costs and CO2 emissions, that will enable the generation of an average of over 1,000 million euros of free cash flow a year.

With respect to the development of new business linked to energy transition, Repsol's objective is to implement a business operated with low emissions, which will enable it to be a leader of the future energy transition process, fostering sustainability and energy efficiency. Investment of 2,500 million euros is planned between 2018-2020, to achieve a significant size in this new activity.

Repsol envisages a business mix focused, in part, on turning itself into: a gas wholesaler, ensuring a competitive supply of gas, and achieving a 15% market share domestically in 2025; an electricity retailer, taking advantage of being a leading brand and a customer base of almost 10 million, with direct contact, which will enable it to get a 5% customer share domestically in 2025; and a low-emissions generator, thanks to its technological vocation oriented towards from solar, wind, combined-cycle gas and other low-emission energy technologies, which will enable it to generate 4.5 GW in 2025.

One benefit resulting from this latter central pillar, has been the agreement Repsol has reached to buy Viesgo's unregulated low-emissions electricity generation businesses and its electricity and gas retailer, which has 750,000 customers. Repsol has strengthened its position as a multi-energy supplier, with a total installed capacity of 2,952 MW.

In addition, at the end of the year, the company acquired the 264 MW Valdesolar photovoltaic project planned in the municipality of Valdecaballeros (Badajoz). With these additions, Repsol will achieve over 70% of its strategic goal of low-emissions generation capacity of 4,500 MW in 2025.

In 2018, Repsol YPF, S.A. had revenue of 49,873 million euros, up 20% on the previous year. Net profit was 2,341 million euros versus 2,121 million euros in 2016, 10% higher, with this figure also

being the highest profit recognised by the company in the past 8 years. This was achieved thanks to the integrated business model, implemented by the company, enabling it to capitalise on the recovery of prices of crude - up 32% on 2017, in the case of Brent - and gas during the year.

EBITDA stood at 7,513 million euros, at its highest for the past 6 years and 12% up on the previous year.

The good performance of the businesses, along with the sale of the stake in Naturgy Energy Group (formerly Gas Natural SDG), reducing the group's net debt to 3,439 million euros, versus the 6,267 million euros recognised at the end of 2017: a fall of 45%. Meanwhile, liquidity increased to 8,742 million euros at the end of 2018.

During the last year, Repsol increased shareholder return by 15%, up to 0.873 euros per share (0.388 euros as an interim dividend against 2017 profit, and another 0.485 euros as a final dividend for that year). Our Group received 107.12 million euros in dividends. Repsol also carried out a share capital reduction through the redemption of treasury shares, of a volume equivalent to the number of shares issued for the Scrip Dividends in 2018, which represents an additional increase in earnings per share.

The oil company plans to raise its dividend to 1 euro per share in 2020, and to buyback all the shares issued under the Scrip Dividend programme, putting its shareholder return among the highest in the sector.

In February 2018, Repsol announced an agreement with Rioja Bidco Shareholdings, S.L.U., a company controlled by funds advised by CVC, for the sale of 20.072% of its stake in the share capital of Naturgy Energy Group (formerly Gas Natural SDG). The transaction, which was completed on 18 May, amounted to a total of 3,816 million euros, representing a price of 19 euros per share. The capital gains generated, for the oil company, amounted to 400 million euros.

In September 2018, Caixabank announced its decision to sell its 9.36% stake in Repsol, before the end of the first quarter of 2019, renouncing, in addition, its two proprietary directors in the company.

In November 2018, Repsol carried out a share capital reduction through the redemption of treasury shares, approved by the General Shareholders' Meeting held on 11 May 2018. A total of 68,777,683 shares, each of a nominal value of one euro, with the aim of preventing the dilution produced by the Scrip Dividends during the year (buying back the same volume of shares issued in them). Repsol's new share capital stood at 1,527,396,053 shares.

Repsol, S.A. is listed on Spain's IBEX-35 index, as well as on the leading index in the United States. At year-end 2018, the Company's share price stood at 14.08 euros (down 4.51% on 2017) and its market cap. was 21,949 million euros.

#### **4. LIQUIDITY AND CAPITAL FUNDS**

The Sacyr Group's financing sources are explained in detail in the note on "Bank borrowings" in these consolidated financial statements.

The credit and liquidity risks associated with these sources of financing are explained in detail in the "Risk management policy" note to these financial statements.

Lastly, the contractual obligations and off-balance-sheet obligations are included under "Provisions and Contingent Liabilities" in the notes to these consolidated financial statements.

#### **5. RISKS AND UNCERTAINTIES**



The Sacyr Group is exposed to a number of risks and uncertainties, as indicated in Note 27 to the Consolidated Financial Statements. The main financial risks are as follows:

- **Credit risk:** Credit risk is low in the Group's Construction, Services and Infrastructure Concessions divisions, as the bulk of these businesses' revenue comes directly from Spain's central, regional and local government bodies and those of other geographical markets in which the Group operates. These public authorities promptly meet the payment terms set out in contracts, and they all have excellent credit ratings. The Group, therefore, has a low credit risk due to the low probability of default of its customers.
- **Liquidity risk:** The liquidity risk to which the Group's divisions are exposed is lower due to the nature and characteristics of the various collection and payment processes. Project financing is used in the case of infrastructure concessions and energy projects, whereby investment is guaranteed and financed by the cash flow generated by the projects themselves. In the Construction division, the Group takes out credit facilities to guarantee sufficient liquidity.

Occasional short-term cash surpluses in all Group divisions are invested in highly liquid risk-free deposits, provided this is in line with best financial management practices.

- Market risk: the main market risks to which the Group is exposed are:
  - Interest rate risk: Interest rate risk is the main risk to which the Group is exposed, and arises from borrowings from financial institutions, as detailed in the notes to the financial statements. A significant portion of the Group's debt is fixed-rate through the use of hedging instruments such as interest rate swaps, which reduce exposure to increases in rates.
  - Foreign currency risk: The Group's policy is to contract debt in the same currency in which the cash flows of each business are denominated. This matching means that at present the Group has no significant exposure to currency risk. Within this category, some mention should be made of the impact of currency fluctuations on the conversion of the financial statements of foreign entities that do not use the euro as their functional currency. The Group's rapid expansion in recent years means that in the future it may encounter situations that expose it to currency risk. Should this occur, the Group would consider how this risk can best be minimised through the use of hedging instruments pursuant to corporate criteria.

Other market risks to which the Group is exposed include:

- Risks associated with international expansion: This risk arises from the Group's ongoing expansion into new markets. Before making new investments, the Group conducts exhaustive and detailed analyses of the target markets. These surveys comprise on-site research that can span several years.
- Regulatory risk: Group companies must comply with both general and sector-specific regulations (legal, accounting, environmental, employment, tax, data protection etc.). Changes in these regulations could either benefit or adversely affect the Group's businesses.

Other risks to which the Group is exposed are:

- Environmental risks
- Risks of damages caused by construction work

- Risks associated with workplace health and safety;
- Risks of loss of assets.

The Group has implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, so as to minimise or eliminate their consequences.

## **6. EVENTS AFTER THE BALANCE-SHEET DATE**

Events after the reporting date are detailed in the notes to these consolidated financial statements.

## **7. OUTLOOK**

The strategies and objectives of the Sacyr Group for the next few years are as follows:

1. To continue promoting and developing the business in which we are experts and leaders (core business) in Spain and abroad, in order to consolidate our position as a leading international concessions, construction, infrastructure management, services and industrial Group.
2. To maintain operating profitability and EBITDA margins of the current business units, with profitability taking precedence over scale.
3. To continue with the Group's international expansion, through a local presence in a selective number of regions and countries. Always analysing, in detail, the economic risks deriving from each project.
4. To contain costs and structural expenses in order to be more competitive.
5. To reduce corporate financial debt and diversify the Group's sources of finance.

## **8. R&D+i**

Innovation, technology, research and development are key factors that have contributed to the business success of the Sacyr Group. This commitment is evident through the definition and disclosure of this policy and by assigning the human and technical resources necessary to implement such policy.

The ideas later developed by the Group's innovation departments germinate in this environment, thereby allowing the Group to subsequently improve its materials, systems, processes and, therefore, its results.

In 2018, the Sacyr Group consolidated its backlog of 12 new R&D+i projects with external recognition of this activity by obtaining grants, loans and/or tax credits from various official bodies.

The Group's R&D+i activities cover all of the Company's business areas: construction, concessions, services and industrial, through the internal selection of natural innovators, and the capture of innovative proposals through annual innovation awards.

## 9. ACQUISITION AND DISPOSAL OF TREASURY SHARES

At 31 December 2018, Sacyr's share capital was fully subscribed and paid. Share capital was composed of 553,555,329 shares with a par value of 1 euro each. There is only one class and series of shares, and all shares carry the same rights.

At year-end 2018, Sacyr's market capitalisation stood at 965.40 million euros. Share performance on the continuous market is as follows:

SHARE PRICE IN 2018	
N° of shares admitted for trading	553,555,329
Trading volume (thousands of euros)	1,466,440
Trading days	255
Closing price 2017 (euros)	2.359
Closing price 2018 (euros)	1.744
High (on 30/07/18) (euros)	2.770
Low (on 13/12/2018) (euros)	1.535
Average weighted share price (euros)	2.366
Average daily trading vol. (n° of shares)	2,430,538
Liquidity (shares traded/capital)	1.12

Sacyr's share price closed this year at 1.744 euros per share, compared to 2.359 euros in the previous year, representing a fall of 26%. The share price reached its intraday high of 2.77 euros on 30 July, and its daily closing high of 2.749 euros on 3 August. The intraday low was 1.535 euros on 13 December, while the daily closing low, also on 17 December, stood at 1.563 euros per share.

Sacyr's share price marked an uneven performance against the IBEX-35, the IBEX Small Cap, the General Index and the National Construction Index. Sacyr's shares were more volatile than the benchmark indices, with a weighted average fluctuation of 2.366 euros per share. The average daily trading volume was over 2.43 million shares, for a total of 1,466 million euros for the year.

STOCK MARKET INFORMATION	2018	2017
Share price (euros)		
High	2.770	2.785
Low	1.535	1.900
Method	2.357	2.345
Year-end	1.744	2.359
Average daily trading vol. (n° of shares)	2,430,538	3,325,145
Annual trading volume (thousands of euros)	1,466,440	1,987,529
N° of shares admitted for trading at year-end	553,555,329	533,110,718
Market capitalisation (thousands of euros)	965,400	1,257,608

At 31 December 2018, the Parent held 10,951,549 treasury shares, equivalent to 1.978% of its share capital. At the average exchange rate, the price paid was 4.1716 per share.

In the whole of 2018, Sacyr continued with its liquidity agreement entered into on 10 July 2017 with Banco de Sabadell, S.A. and pursuant to Circular 1/26, of 2017 December, of the Spanish National Securities Market Commission (CNMV).

Between 1 January and 31 December 2018, 40,099,128 and 29,709,816 Sacyr shares were incorporated and transferred, respectively.

At 31 December 2018, Sacyr was custodian of 17,446 Sacyr shares, which were those that were not subscribed in the bonus issue carried out in 2017 and the Scrip Dividends of February and July 2018.

Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, and pursuant to Article 59 of the Corporate Enterprises Act, it will sell and deposit the resulting amount, together with the dividend rights received during this entire period, in the General Deposit Fund, where it will be available to its shareholders.

At the end of 2018, the Sacyr share price was 1.744 euros, 26% lower than at the prior year close (2.359 euros per share).

## **10. RISK MANAGEMENT AND CONTROL SYSTEM**

The analysis of risks is used to obtain the project, business and Group risk maps to assess, classify and prioritise the critical risks identified, determine the parties responsible and establish the proper measures to be adopted to attempt to control risk exposure within the tolerance established by the Company. The Comprehensive Risk Management System (CRMS) provides structured, systematic monitoring of risks throughout the project's entire life cycle.

The Group's high-level risk map is a tool that furnishes integrated information on the company's global exposure, aggregating and appraising the various risks identified at business units. This tool is regularly upgraded, involving the heads of each business unit to facilitate Group decision-making and keep the Audit Committee duly informed.

It is the responsibility of the Board of Directors to formally approve the Group's Risk Control and Management policy. With the assistance of the Audit Committee, which oversees the Risk Committee, it oversees information and control systems. This guarantees the Board of Director's direct involvement in the control of the risk identification process, and in the implementation and monitoring of adequate control and information systems.

The main bodies at the Company, responsible for Sacyr's Risk Management and Control System are: the Board of Directors, the Risk Committee, the Audit Committee and the Risk Management and Control Department. The functions of each are set out in the Annual Corporate Governance Report.

The Group has a number of policies (climate change policy; quality, environment and energy management policy; Corporate Social Responsibility policy; Occupational Health and Safety policy; information security policy, etc.) and specific procedures to manage and control the main risks of its activity, in connection with: environmental and social issues, human rights, anti-corruption and bribery, tax issues, and diversity in governing bodies.

The Sacyr Group's CRMS has a catalogue of the main business risks applicable at project level, which also includes Environmental, Social and Corporate Governance risks (commonly known as "sustainability" risks), and this helps to appraise responsible management of operations, the supply chain and the services of the Sacyr Group.

This risk category has become more prominent in recent years, since it potentially affects the targets of the Company and its relations with stakeholders. For this reason, identification and prioritisation of the material issues, of the Group's four areas of business, single out the need to control their sustainability risks.

The main sustainability risks forming part of the CRMS include, for example, social initiatives entailing extraordinary investment not contemplated at the outset of a project, action taken with local communities, adverse climate conditions and/or external elements affecting the project, geotechnical risks, industrial conflict, non-compliance with quality specifications, S&H and environmental issues and non-compliance with good governance guidelines, among others.

All major financial or non-financial events, situations and/or material information in relation to the year 2018, that could affect the Company were properly notified to the Spanish Securities Market Commission (CNMV). That body's website contains Material Events (ME) relating to our Group. The Material Events contain the basic data on the Company's results, including periodic presentations of its financial statements (Statement of Financial Position, Income Statement etc.). It also contains information in relation to the Company's investment and financing policy and its legal structure. All related information is also publicly available on the Company's website.

## **11. ANNUAL CORPORATE GOVERNANCE REPORT**

The Annual Corporate Governance Report provides a detailed explanation of the Company's governance system and how it works in practice, this report, which is referred to in article 540 of the Royal Legislative Decree 1/2010, approving the revised text of the Corporate Enterprises Act, forms part of this Consolidated Management Report, in a separate section, as provided for in article 538 of the abovementioned Corporate Enterprises Act, and is available in full on the CNMV website ([www.cnmv.es](http://www.cnmv.es)) and the Company's website ([www.sacyr.com](http://www.sacyr.com)).

## **12. NON-FINANCIAL INFORMATION STATEMENT**

The Non-Financial Information Statement includes the information necessary to understand the Group's performance, results and position, and the impact of its activities with respect to, at least, environmental and social matters, human rights and combatting corruption and bribery, and regarding personnel, including the measures that, where appropriate, have been adopted to promote the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of people with disabilities and universal accessibility.

The Non-Financial Information Statement, according to Law 11/2018, of 28 December, transposed to the Spanish legal ordinance of EU Directive 2014/95 of the European Parliament, forms part of this Consolidated Management Report, in a separate section, and is available in full on the Company's website ([www.sacyr.com](http://www.sacyr.com)).

**STATEMENT CERTIFYING SIGNATURES**  
**AND**  
**ENVIRONMENTAL STATEMENT.**

**STATEMENT CERTIFYING SIGNATURES:**

In certification that the Board of Directors of Sacyr, S.A. (Parent of the Group), at its meeting on 28 March 2019, has authorised for issue, in accordance with the provisions of Article 253 of the Corporate Enterprises Act, the Consolidated Financial Statements (Consolidated Statement of Financial Position, Separate Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, and Notes to the Consolidated Financial Statements) and the Consolidated Management Report (which contains in separate sections the Annual Corporate Governance Report – arts. 538 and 540 of the Corporate Enterprises Act - and the Non-Financial Information Statement - art. 44 of the Commercial Code, modified by Law 11/2018 -) for Sacyr Group, corresponding to the 2018 financial year, which will be submitted for approval at the Parent's General Shareholders' Meeting.

These documents are reproduced in the preceding pages numbered consecutively from first to last, and are stamped and signed by the Secretary to the Board. Pursuant to Article 8.1.b) of Royal Decree 1362/07, of 19 October, the Board of Directors hereby states that to the best of its knowledge and belief, the above-mentioned documents were prepared in accordance with applicable accounting principles and present a true and fair view of the financial position and earnings of the Parent and of the consolidated companies taken as a whole, and that the consolidated management report provides a true and fair analysis of the performance and earnings obtained, as well as the Parent's position and of the consolidated companies taken as a whole, along with a description of the main risks and uncertainties these face.

The Annual Corporate Governance Report provides a detailed explanation of the Company's governance system and how it works in practice.

The Non-Financial Information Statement includes the information necessary to understand the Group's performance, results and position, and the impact of its activities with respect to, at least, environmental and social matters, human rights and combatting corruption and bribery, and regarding personnel, including the measures that, where appropriate, have been adopted to promote the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of people with disabilities and universal accessibility.

In compliance with Article 253 of the Corporate Enterprises Act, and, as evidence of their conformity with said Consolidated Financial Statements and Consolidated Management Report for 2018, the directors of Sacyr, S.A. hereby lend their signatures below.

**ENVIRONMENTAL STATEMENT:**

Also, we the undersigned, as directors of the Company, state that the Group's accounts underlying these consolidated financial statements contain no items of environmental significance that should be included in the notes to the consolidated financial statements in accordance with the third part of the Spanish General Chart of Accounts (Royal Decree 1514/2007, of 14 November).

Madrid, 28 March 2019.

(Signed on the original in Spanish)

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Mr. Manuel Manrique Cecilia  
**Chairman and CEO**

(Signed on the original in Spanish)

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Mr. Demetrio Carceller Arce  
**Deputy Chairman**

(Signed on the original in Spanish)

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Mr. Jose Manuel Loureda Mantiñán  
*Por Prilou, S.L.*  
**Board Member**

(Signed on the original in Spanish)

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Ms. Isabel Martín Castellá  
**Board Member**

(Signed on the original in Spanish)

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Mr. Matías Cortes Domínguez  
**Board Member**

(Signed on the original in Spanish)

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Ms. Cristina Álvarez Álvarez  
**Board Member**

(Signed on the original in Spanish)

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Ms. María Jesús de Jaén Beltrá  
**Board Member**

(Signed on the original in Spanish)

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Mr. Javier Adroher Biosca  
**Board Member**

(Signed on the original in Spanish)

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Mr. Juan Miguel Sanjuan Jover  
*Representing Grupo Satocán Desarrollos, S.L.*  
**Board Member**

(Signed on the original in Spanish)

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Mr. Tomás Fuertes Fernández  
*Representing Grupo Corporativo Fuertes, S.L.*  
**Board Member**

(Signed on the original in Spanish)

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Mr. Augusto Delkader Teig  
**Board Member**

(Signed on the original in Spanish)

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Mr. José Joaquín Güell Ampuero  
**Board Member**

(Signed on the original in Spanish)

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Mr. Juan María Aguirre Gonzalo  
**Board Member**

In my capacity as Secretary, in Madrid,  
pursuant to Article 11.3 and 3 of R.D. 1362/07,  
dated 19 October, I attest to the transparency  
the information issued.

(Signed on the original in Spanish)

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Mr. Miguel Angel Rielves Pilas  
Secretary of the Board of Directors