



**Sacyr**

FINANCIAL REPORT

*First Half*

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## NOTES:

The interim financial information presented in this document has been prepared in accordance with International Financial Reporting Standards. This information is not audited and may be modified in the future. This document does not constitute an offer, invitation or recommendation to acquire, sell or exchange shares or to make any type of investment. Sacyr is not responsible for any type of damage or loss arising from any use of this document or its content.

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

## **I. HIGHLIGHTS FOR THE FIRST HALF OF 2017**

### **DERIVATIVE ON REPSOL SHARES AND REPAYMENT OF THE LOAN ASSOCIATED WITH THE STAKE IN REPSOL**

In April 2017, as a culmination of the strategy of eliminating the risks associated with its stake in Repsol, Sacyr arranged a hedge, by means of a derivative transaction, on 72.7 million Repsol shares (60% of its total ownership interest). This operation completed the process which began in the second half of 2016, in the form of two derivatives contracts on 40% of the Repsol stake.

In this way, Sacyr has eliminated the risk of fluctuations in the trading price of Repsol below a threshold of €10.70/share, €11.90/share and €10.90/share for 20 million, 30 million and 72.7 million shares, respectively. The structure of this final derivative also allows the company to benefit from all of the upside potential in the market price of the shares.

The funds obtained were used to make early repayment of the loan capital associated with the stake in Repsol, amounting to €769 million, along with the interest accrued to date, for a total of €773 million. In addition, Sacyr will now benefit directly from the dividends distributed by Repsol, as it will not have to use them to repay the interest or the principal of the debt.

### **ASSET ROTATION: DIVESTMENT OF 49% OF THE CONCESSIONAIRE RUTA DEL ALGARROBO (CHILE) AND OF 4% OF TENERIFE METRO (SPAIN).**

Sacyr sold 49% of Sociedad Concesionaria Ruta del Algarrobo, that operates the 187 km La Serena-Vallenar motorway, which forms part of the strategic Route 5, which runs from the north to south of Chile and is the country's main highway. The transaction, agreed with Toesca Infraestructura Fondo de Inversión, totalled €161 million (171 million US dollars),

including the associated debt. The deal generated an attractive return on the equity invested. Sacyr Concesiones will keep a 51% stake in Ruta del Algarrobo.

A divestment has also been made of a non-controlling interest in the Tenerife tram concession (Tenemetro).

These transactions are part of Sacyr Concesiones' asset rotation strategy, which involves strategic partners taking a stake in concession assets. This allows returns on these assets to be maximised and capital to be obtained to develop greenfield projects in the concessions sector, where Sacyr Concesiones is the world leader.

#### **FINANCING AGREED FOR ROAD CORRIDORS 21 AND 24 IN URUGUAY**

Sacyr Concesiones has agreed financing with Fondo de Deuda para Infraestructuras (Infrastructure Debt Fund) in Uruguay CAF I, for 685 million Indexed Units (IU), (approximately €76 million), in relation to the concession project of Routes 21 and 24 (Uruguay) for a term of 23 years. The project includes the reconstruction and maintenance of Routes 21 and 24. The concession is for a 23-year period and total investment in the project will be €140 million, with a revenue backlog of around €360 million (August 2017).

#### **BONUS SHARE ISSUE**

The General Shareholders' Meeting, held on June 8, approved a bonus issue of one new share for every 33 shares previously issued. This bonus issue was carried out in July and has provided shareholders with a return of 3%.

## INTERNATIONAL EXPANSION

### ▪ AWARD OF ROUTES 2 AND 7 IN PARAGUAY

Sacyr has included in its backlog the award in Paraguay of the construction and operation of Route 2 (between Asunción and Coronel Oviedo) and Route 7 (between Coronel Oviedo and Caaguazú) with an expected investment in its construction of €277 million and revenue backlog of €1,350 million over the 30 years of the concession.

This is the first motorway project under the new PPP law of Paraguay and its execution is vital for the country's growth, since this is the most important corridor as it connects Asunción with Ciudad del Este and covers 70% of the country's economic activity. The contract comprises 170 km of motorways that will be duplicated, improved, operated and maintained by the concession company, including the construction of five alternative routes between the cities of Asunción and Caaguazú.

### ▪ AWARD OF THE 4G ROAD CORRIDOR BETWEEN CÚCUTA AND PAMPLONA (COLOMBIA)

The Colombian National Infrastructure Agency (ANI) has awarded Sacyr the construction and concession contract for the 4G road corridor between Cúcuta and Pamplona, with an estimated €479 million for construction and a revenue backlog for the concession of €2,441 million. This is the fourth 4G concession project that Sacyr has been awarded in Colombia.

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 a further 67 km.

- **SACYR ENTERS THE MEXICAN CONCESSIONS MARKET WITH ROAD RENOVATION AND MAINTENANCE.**

After the end of the first half of this year (therefore, not included in the backlog to June), the General Directorate of Road Maintenance in Mexico has awarded Sacyr Concesiones its first Public Private Partnership (PPP) project in the country. The 10-year project consists of the renovation, maintenance and upkeep of two road sections: Pirámides - Tulancingo and Tulancingo - Pachuca. The road has an Average Daily Traffic (ADT) of 19,743 vehicles.

- **SACYR INDUSTRIAL SIGNS EPC CONTRACT FOR A NEW CEMENT PLANT IN BOLIVIA**

In March 2017, the consortium led by Sacyr Industrial, was awarded the main contract to build the new cement plant in Potosí (Bolivia) worth 241 million US dollars (€221 million). The EPC contract includes the greenfield design, construction, assembly and start-up of a new clinker line, which will have a capacity of 3,000 tonnes per day, and a cement production line which will produce 1.3 million tonnes of cement a year. This is the second similar EPC contract signed in Bolivia (following the award of the Oruro cement plant in 2015) and the third in South America after winning last year's tender for the Riobamba (Ecuador) factory.

- **CONSTRUCTION CONTRACT AWARD FOR THE QUILLOTA - PETORCA HOSPITAL (CHILE)**

In February 2017, the Chilean Ministry of Public Works awarded Sacyr the contract for €128 million to construct the new Quillota-Petorca Bi-provincial Hospital, in the Valparaiso Region. The 40-month project, will cover an area of 73,204 m<sup>2</sup> and will have 282 beds, 9 operating theatres, 3 delivery rooms, 8 emergency rooms, 8 odontology rooms and 52 outpatient consulting rooms. The hospital will provide services to over 320,000 people from the Quillota and Petorca provinces and replace the current San Martin de Quillota Hospital.

- **SACYR INDUSTRIAL HAS BEEN AWARDED THE PROJECT TO MAINTAIN ELECTRICITY GRIDS IN CHILE**

Sacyr Industrial has strengthened its presence in Chile with a contract for enlargement of the electricity power lines, “Cóndores-Parinacota”, “Melipulli-Puerto Montt” and “Candelaria” for a total amount of €60 million and with a 36-month execution period.

## II. INCOME STATEMENT

The income statement confirms the strong operating performance of the Group's businesses and the consolidation of strategic growth in our international markets.

STATEMENT OF INCOME (Thousands of Euros)	1H 2017	1H 2016	% chg 1H17/1H16
<b>Revenue</b>	<b>1,522,573</b>	1,413,916	7.7%
Other income	40,228	47,205	-14.8%
<b>Total operating income</b>	<b>1,562,801</b>	<b>1,461,121</b>	7.0%
External and Operating Expenses	-1,371,973	-1,296,219	5.8%
<b>EBITDA</b>	<b>190,828</b>	<b>164,902</b>	15.7%
Amortisation and depreciation charge	-55,640	-52,659	5.7%
Trade Provisions and non recurring items	646	4,223	n.s.
<b>NET OPERATING PROFIT</b>	<b>135,834</b>	<b>116,466</b>	16.6%
Financial results	-87,570	-105,730	-17.2%
Forex results	-16,944	-2,614	548.2%
Results from equity accounted subsidiaries	48,488	73,891	-34.4%
Provisions for financial investments	-2,874	-2,179	31.9%
Change in value of financial instruments	8,435	-14,289	n.s.
Results from sales of non current assets	1,836	20,513	-91.0%
<b>PROFIT BEFORE TAXES</b>	<b>87,205</b>	<b>86,057</b>	1.3%
Corporate Tax	-15,705	-15,236	3.1%
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>71,501</b>	70,821	1.0%
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	0	
<b>CONSOLIDATE RESULTS</b>	<b>71,501</b>	70,821	1.0%
Minorities	-11,111	-6,365	74.6%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>60,390</b>	64,456	-6.3%
<b>Gross margin</b>	<b>12.5%</b>	<b>11.7%</b>	

- Revenue in the first six months of the year amounted to €1,523 million, an increase of 7.7% compared with the same period in 2016.
- 57% of this revenue was generated outside Spain;
- EBITDA rose by 15.7% to €191 million.
- The EBITDA margin was 12.5%, versus 11.7% in the first half of 2016.
- The financial result rose by 17%, as a result of the reduction in financial debt.
- Net profit for the first half of 2017 was €60 million, compared with €64 million in the same period of 2016. In like-for-like terms, stripping out the extraordinary gains from concession asset sales recognised last year, net profit grew by 36%.



## REVENUE

Revenue grew by 7.7% as a result of the favourable performance of the Group's activities.

Revenue in the Industrial division rose by 38%, in Infrastructure Concessions by 19.5% and in Services by 16.1%. Revenue in the Construction business, however, fell by 8.1%, mainly due to the slowdown in activity in Spain and Somague.

REVENUE (Thousands of Euros)	1H 2017	1H 2016	% Chg 17/16
CONSTRUCTION	631,533	687,071	-8.1%
CONCESSIONS	260,480	263,183	-1.0%
Revenue from concessions	173,698	145,322	19.5%
Revenue from construction	86,782	117,861	-26.4%
SERVICES	463,185	399,099	16.1%
INDUSTRIAL	259,356	187,988	38.0%
Holding y Adjustment	-91,981	-123,425	
<b>REVENUE</b>	<b>1,522,573</b>	<b>1,413,916</b>	<b>7.7%</b>
International	868,118	765,012	13.5%
% International	57%	54%	

## EBITDA

EBITDA showed a very strong performance, with growth of 15.7% compared with the same period in 2016, giving an EBITDA margin of 12.5%.

EBITDA (Thousands of Euros)	1H 2017	1H 2016	% Chg 17/16
CONSTRUCTION	21,512	26,830	-19.8%
CONCESSIONS	111,671	99,668	12.0%
SERVICES	38,715	31,088	24.5%
INDUSTRIAL	17,175	13,232	29.8%
Holding y Adjustment	1,755	-5,916	
<b>EBITDA</b>	<b>190,828</b>	<b>164,902</b>	<b>15.7%</b>
Ebitda Margin (%)	12.5%	11.7%	

## **EBIT**

EBIT amounted to €136 million, 16.6% higher than in 2016.

## **FINANCIAL RESULTS**

Net financial losses were €88 million, a fall of 17%, due to the reduction in financial debt. The average interest rate on financing stands at 4.11%, compared to 4.13% in the first half of 2016.

Changes in the main currencies which the Group uses in its operations led to losses of €17 million on exchange differences in the first six months of this year, compared with losses of €3 million recognised on 30 June 2016.

## **PROFIT AND LOSS OF COMPANIES ACCOUNTED USING THE EQUITY METHOD**

The total under this heading of the income statement amounts to €48 million, of which €39 million relates to our share of Repsol's net profit, after the corresponding adjustment in its carrying amount. The book value of Repsol was €15.4/share at 30 June.

## **NET PROFIT**

Net profit at 30 June 2017 stood at €60 million. This result is not comparable with the €64 million obtained in the first half of 2016, mainly because, at 30 June 2016 net profit included €20 million from the sale of three hospitals in Portugal (51% of both Braga and Vila Franca de Xira and 40% of Isla Terceira in the Azores) to the Aberdeen infrastructure fund. Stripping out this effect, net profit growth would have been approximately 36% higher.

### III. BACKLOG

The revenue backlog stood at €30,165 million, up 16% on the figure at 31 December 2016. 77% of this corresponded to Concessions and Services, which are Sacyr's most recurring activities, which represented 57% and 20% of the total backlog, respectively.

BACKLOG (Thousands of euros)	1H 2017	International	Spain	% Internat.
CONSTRUCTION	4,501	3,891	611	86%
CONCESSIONS	17,126	12,233	4,893	71%
SERVICES	6,038	1,729	4,308	29%
INDUSTRIAL	2,499	576	1,924	23%
<b>TOTAL</b>	<b>30,165</b>	<b>18,429</b>	<b>11,735</b>	<b>61%</b>
<b>Backlog December 2016</b>	<b>25,956</b>			
<b>Chg. 1H17</b>	<b>16%</b>			

The process of strategic internationalisation carried out by Sacyr is reflected by over 60% of the company's backlog being international, principally in Construction and Concessions activities, and in Water projects and Sacyr Industrial's EPC projects. Sacyr's actual international presence is even greater considering that these percentages do not include the backlog of our concessions in Italy (Pedemontana–Veneta and Rome–Latina), or the backlog of the Mar 1 Motorway concession in Colombia, which are accounted for using the equity method.

In Construction, international contracts accounted for 86% of the total, with contracts in Chile, Colombia, Italy, Mexico, United Kingdom, Peru, Qatar, Panama, Brazil, Portugal, Angola and other countries.

Sacyr's international presence is steadily increasing in the Concessions business. At 30 June 2017, international activity accounted for 71% of the total, with projects in Chile, Colombia, Uruguay, Paraguay, Peru, Italy, Mexico, Ireland and Portugal.

Sacyr Industrial is present in countries such as Australia, the United Kingdom, Bolivia, Mexico, Peru, Panama, Chile, Colombia and Ecuador, as well as Spain, with numerous projects in the oil and gas sector, electricity infrastructure, power plant, cement plant, desalination plants and waste treatment sectors. It now has backlog projects amounting to €2,500 million.

Valoriza is more focused on the domestic business, with contracts in Spain for dependency services, municipal services, waste treatment, environmental projects, catering, mining, facility management, etc. The services area accounts for 29% of its backlog outside Spain, where it is present in Algeria, Portugal, Chile, Australia and other countries, largely through consisting mainly of contracts for operation and maintenance of water concessions, and the upkeep of infrastructure.

## IV. CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	1H 2017	DEC 2016	Chg 1H17
<b>NON CURRENT ASSETS</b>	<b>6,884,323</b>	<b>7,023,764</b>	<b>-139,441</b>
Intangible Assets	13,630	13,044	586
Concessions Investments	1,381,610	1,402,267	-20,656
Fixed Assets	370,694	363,350	7,344
Financial Assets	2,979,500	3,110,156	-130,656
Receivables from concession assets	1,715,885	1,712,627	3,258
Other non Current Assets	237,587	236,820	767
Goodwill	185,416	185,500	-84
<b>CURRENT ASSETS</b>	<b>3,774,844</b>	<b>3,665,181</b>	<b>109,662</b>
Non current assets held for sale	466,558	475,406	-8,849
Inventories	197,561	236,121	-38,560
Receivables from concession assets	205,638	173,877	31,761
Accounts Receivable	2,172,098	2,065,683	106,415
Financial Assets	97,509	92,787	4,722
Cash	635,480	621,308	14,173
<b>ASSETS = LIABILITIES</b>	<b>10,659,166</b>	<b>10,688,945</b>	<b>-29,779</b>
	0	0	
<b>EQUITY</b>	<b>1,934,368</b>	<b>2,080,399</b>	<b>-146,031</b>
Shareholder's Equity	1,617,890	1,791,524	-173,633
Minority Interests	316,478	288,875	27,603
<b>NON CURRENT LIABILITIES</b>	<b>5,327,041</b>	<b>5,271,628</b>	<b>55,413</b>
Financial Debt	2,851,318	3,605,678	-754,360
Financial Instruments at fair value	188,346	185,829	2,517
Provisions	375,486	370,428	5,058
Other non current Liabilities	498,076	491,399	6,677
Other hedged debt	1,413,816	618,294	795,522
<b>CURRENT LIABILITIES</b>	<b>3,397,757</b>	<b>3,336,918</b>	<b>60,839</b>
Liabilities associated with the non current assets held for sale	194,188	203,042	-8,854
Financial Debt	867,951	829,062	38,889
Financial Instruments at fair value	19,146	21,375	-2,229
Trade Accounts Payable	1,487,348	1,550,211	-62,863
Operating Provisions	219,862	220,778	-916
Other current liabilities	609,261	512,450	96,811

## FINANCIAL DEBT

The Group's net debt amounted to €2,986 million. Its breakdown and change in the period is as follows:

€ Million	1H 2017	1Q 2017	VAR. 2Q 2017
Project Finance	2,214	2,214	0
Other business lines debt	238	256	-18
<b>Total Business Lines</b>	<b>2,452</b>	<b>2,470</b>	<b>-18</b>
Corporate Bank Borrowings	187	188	-1
Capital Markets	347	357	-10
<b>Total Corporate</b>	<b>534</b>	<b>545</b>	<b>-11</b>
Repsol	0	773	-773
<b>NET DEBT</b>	<b>2,986</b>	<b>3,788</b>	<b>-802</b>

Corporate debt: the Group's net bank debt amounted to €187 million; corresponding to working capital used by the parent to coordinate and provide financial management as the Group's parent.

In addition, the holding company registered a financial liability of €347 million at 30 June 2017, due mainly to the outstanding balance of the convertible bond issue, placed in 2014 and due to mature in 2019, and the ECP programme.

Debt from business activities: amounted to €2,452 million, 90% of which was associated with the financing of very long-term projects. This debt is repaid with cash flow generated by the projects.

Repsol debt: as mentioned at the start of this document, Sacyr had repaid the loan associated with the Repsol ownership interest, which was due to mature in January 2018, through the contracting of three derivative instruments. The proceeds from these

derivatives are recognised under the heading "Other hedged debt" on the liability side of the balance sheet.

## V. PERFORMANCE ACROSS BUSINESS AREAS

CONSOLIDATED INCOME STATEMENT AS OF JUNE 2017						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
<b>Turnover</b>	<b>631,533</b>	<b>260,480</b>	<b>463,185</b>	<b>259,356</b>	<b>-91,981</b>	<b>1,522,573</b>
Other Sales	30,320	4,018	5,234	1,936	-1,280	40,228
<b>Total Income</b>	<b>661,853</b>	<b>264,498</b>	<b>468,420</b>	<b>261,293</b>	<b>-93,262</b>	<b>1,562,801</b>
External and Operating Expenses	-640,341	-152,827	-429,705	-244,118	95,017	-1,371,973
<b>GROSS OPERATING PROFIT</b>	<b>21,512</b>	<b>111,671</b>	<b>38,715</b>	<b>17,175</b>	<b>1,755</b>	<b>190,828</b>
Depreciation	-8,556	-23,199	-18,396	-4,482	-1,008	-55,640
Trade Provisions and non recurring items	7,171	-4,550	-1,787	-194	6	646
<b>NET OPERATING PROFIT</b>	<b>20,127</b>	<b>83,922</b>	<b>18,532</b>	<b>12,499</b>	<b>753</b>	<b>135,834</b>
Financial results	-509	-50,584	-5,312	-1,858	-29,308	-87,570
Forex results	-7,104	1,764	-37	-574	-10,993	-16,944
Results from equity accounted subsidiaries	2,151	4,090	2,977	35	39,235	48,488
Provisions for financial investments	354	-2,902	-332	513	-506	-2,874
Change in value of financial instruments at fair value	0	-8,990	-1,597	-561	19,583	8,435
Results from sales of non current assets	1,632	30	163	-77	88	1,836
<b>PROFIT BEFORE TAXES</b>	<b>16,651</b>	<b>27,330</b>	<b>14,394</b>	<b>9,978</b>	<b>18,852</b>	<b>87,205</b>
Corporate Tax	-10,660	-9,030	-4,134	-2,239	10,358	-15,705
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>5,991</b>	<b>18,299</b>	<b>10,260</b>	<b>7,739</b>	<b>29,211</b>	<b>71,501</b>
<b>PROFIT FOR DISCONTINUING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATE RESULTS</b>	<b>5,991</b>	<b>18,299</b>	<b>10,260</b>	<b>7,739</b>	<b>29,211</b>	<b>71,501</b>
Minorities	1	-9,123	282	-2,418	147	-11,111
<b>NET ATTRIBUTABLE PROFIT</b>	<b>5,992</b>	<b>9,177</b>	<b>10,542</b>	<b>5,321</b>	<b>29,358</b>	<b>60,390</b>



<b>CONSOLIDATED INCOME STATEMENT AS OF JUNE 2016</b>						
<b>(Thousands of Euros)</b>	<b>Construcción</b>	<b>Sacyr Concesiones</b>	<b>Valoriza</b>	<b>Sacyr Industrial</b>	<b>Holding and Adjustments</b>	<b>TOTAL</b>
<b>Turnover</b>	<b>687,071</b>	<b>263,183</b>	<b>399,099</b>	<b>187,988</b>	<b>-123,425</b>	<b>1,413,916</b>
Other Sales	29,808	8,385	5,708	2,104	1,201	47,205
<b>Total Income</b>	<b>716,880</b>	<b>271,568</b>	<b>404,807</b>	<b>190,091</b>	<b>-122,225</b>	<b>1,461,121</b>
External and Operating Expenses	-690,050	-171,900	-373,719	-176,859	116,309	-1,296,219
<b>GROSS OPERATING PROFIT</b>	<b>26,830</b>	<b>99,668</b>	<b>31,088</b>	<b>13,232</b>	<b>-5,916</b>	<b>164,902</b>
Depreciation	-8,708	-22,463	-16,086	-4,504	-898	-52,659
Trade Provisions and non recurring items	6,996	-5,060	-56	2,448	-104	4,223
<b>NET OPERATING PROFIT</b>	<b>25,117</b>	<b>72,145</b>	<b>14,945</b>	<b>11,175</b>	<b>-6,918</b>	<b>116,466</b>
Financial results	-8,599	-44,637	-4,475	-1,945	-46,074	-105,730
Forex results	-1,942	-615	-215	157	1	-2,614
Results from equity accounted subsidiaries	-119	848	3,321	32	69,809	73,891
Provisions for financial investments	-93	-2,044	29	-71	0	-2,179
Change in value of financial instruments at fair value	0	-11,393	-1,898	-999	0	-14,289
Results from sales of non current assets	386	19,850	-2	279	0	20,513
<b>PROFIT BEFORE TAXES</b>	<b>14,751</b>	<b>34,154</b>	<b>11,705</b>	<b>8,628</b>	<b>16,819</b>	<b>86,057</b>
Corporate Tax	-12,655	-10,600	-1,907	-2,648	12,574	-15,236
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>2,096</b>	<b>23,554</b>	<b>9,798</b>	<b>5,980</b>	<b>29,394</b>	<b>70,821</b>
<b>PROFIT FOR DISCONTINUING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATE RESULTS</b>	<b>2,096</b>	<b>23,554</b>	<b>9,798</b>	<b>5,980</b>	<b>29,394</b>	<b>70,821</b>
Minorities	-41	-5,219	265	-1,524	155	-6,365
<b>NET ATTRIBUTABLE PROFIT</b>	<b>2,055</b>	<b>18,335</b>	<b>10,063</b>	<b>4,455</b>	<b>29,549</b>	<b>64,456</b>

CONSOLIDATED BALANCE SHEET AS OF JUNE 2017						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
<b>NON CURRENT ASSETS</b>	<b>369,867</b>	<b>3,192,540</b>	<b>745,365</b>	<b>193,426</b>	<b>2,383,125</b>	<b>6,884,323</b>
Intangible Assets	701	60	9,613	1,773	1,484	13,630
Concessions Investments	49,623	1,081,831	250,156	0	0	1,381,610
Fixed Assets	116,181	2,596	145,695	102,407	3,814	370,694
Financial Assets	166,275	311,014	102,968	21,417	2,377,827	2,979,500
Receivables for concession assets	18,604	1,562,047	135,235	0	0	1,715,885
Other non Current Assets	0	234,993	2,594	0	0	237,587
Goodwill	18,482	0	99,104	67,829	0	185,416
<b>CURRENT ASSETS</b>	<b>2,328,095</b>	<b>951,760</b>	<b>513,050</b>	<b>369,574</b>	<b>-387,634</b>	<b>3,774,844</b>
Non current assets held for sale	0	280,208	0	0	186,349	466,558
Inventories	148,178	286	27,307	20,473	1,316	197,561
Receivables for concession assets	39	203,052	2,547	0	0	205,638
Accounts Receivable	1,535,555	150,928	311,890	227,386	-53,661	2,172,098
Financial Assets	501,517	7,485	100,466	17,716	-529,676	97,509
Cash	142,805	309,800	70,839	103,999	8,037	635,480
<b>ASSETS = LIABILITIES</b>	<b>2,697,961</b>	<b>4,144,300</b>	<b>1,258,415</b>	<b>563,000</b>	<b>1,995,490</b>	<b>10,659,166</b>
<b>Equity</b>	<b>477,968</b>	<b>878,956</b>	<b>280,143</b>	<b>140,388</b>	<b>156,913</b>	<b>1,934,368</b>
Shareholder's Equity	482,050	615,706	271,115	88,383	160,636	1,617,890
Minority Interests	-4,082	263,250	9,029	52,004	-3,723	316,478
<b>NON CURRENT LIABILITIES</b>	<b>681,743</b>	<b>2,573,676</b>	<b>579,705</b>	<b>71,321</b>	<b>1,420,596</b>	<b>5,327,041</b>
Financial Debt	206,274	1,883,311	282,196	41,281	438,255	2,851,318
Financial Instruments at fair value	-69	143,399	15,967	873	28,175	188,346
Provisions	356,183	89,537	114,014	10,800	-195,049	375,486
Other non current Liabilities	119,355	457,428	167,527	18,366	-264,601	498,076
Other hedged debt	0	0	0	0	1,413,816	1,413,816
<b>CURRENT LIABILITIES</b>	<b>1,538,250</b>	<b>691,668</b>	<b>398,567</b>	<b>351,291</b>	<b>417,981</b>	<b>3,397,757</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	194,188	194,188
Financial Debt	205,274	353,420	98,609	44,695	165,953	867,951
Financial instruments at fair value	0	16,752	1,461	933	0	19,146
Trade Accounts Payable	794,583	236,096	134,979	245,764	75,926	1,487,348
Operating Provisions	78,933	16,199	26,550	4,547	93,633	219,862
Other current liabilities	459,460	69,201	136,967	55,353	-111,719	609,261

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2016						
(Thousands of Euros)	Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
<b>NON CURRENT ASSETS</b>	<b>363,685</b>	<b>3,200,814</b>	<b>716,131</b>	<b>191,383</b>	<b>2,551,750</b>	<b>7,023,764</b>
Intangible Assets	633	47	9,083	1,961	1,320	13,044
Concessions Investments	50,405	1,091,406	260,455	0	0	1,402,267
Fixed Assets	118,270	3,105	135,638	102,192	4,145	363,350
Financial Assets	157,156	281,039	106,275	19,401	2,546,285	3,110,156
Receivables for concession assets	18,738	1,591,154	102,735	0	0	1,712,627
Other non Current Assets	0	234,063	2,757	0	0	236,820
Goodwill	18,482	0	99,188	67,829	0	185,500
<b>CURRENT ASSETS</b>	<b>2,345,295</b>	<b>857,383</b>	<b>600,220</b>	<b>258,789</b>	<b>-396,505</b>	<b>3,665,181</b>
Non current assets held for sale	0	279,928	0	0	195,478	475,406
Inventories	154,128	17,278	40,359	23,441	915	236,121
Receivables for concession assets	0	170,040	3,837	0	0	173,877
Accounts Receivable	1,536,256	104,884	346,959	174,660	-97,076	2,065,683
Financial Assets	506,616	6,321	74,628	8,366	-503,145	92,787
Cash	148,295	278,931	134,437	52,322	7,323	621,308
<b>ASSETS = LIABILITIES</b>	<b>2,708,980</b>	<b>4,058,197</b>	<b>1,316,351</b>	<b>450,172</b>	<b>2,155,245</b>	<b>10,688,945</b>
<b>Equity</b>	<b>510,109</b>	<b>863,066</b>	<b>270,669</b>	<b>133,573</b>	<b>302,983</b>	<b>2,080,399</b>
Shareholder's Equity	514,341	633,437	260,885	84,535	298,326	1,791,524
Minority Interests	-4,233	229,629	9,784	49,037	4,657	288,875
<b>NON CURRENT LIABILITIES</b>	<b>659,964</b>	<b>2,510,324</b>	<b>573,885</b>	<b>58,947</b>	<b>1,468,509</b>	<b>5,271,628</b>
Financial Debt	203,075	1,876,519	273,310	40,689	1,212,085	3,605,678
Financial Instruments at fair value	-24	132,374	17,506	1,133	34,840	185,829
Provisions	343,042	92,128	115,759	2,808	-183,310	370,428
Other non current Liabilities	113,871	409,303	167,309	14,317	-213,401	491,399
Other hedged debt	0	0	0	0	618,294	618,294
<b>CURRENT LIABILITIES</b>	<b>1,538,907</b>	<b>684,807</b>	<b>471,797</b>	<b>257,653</b>	<b>383,753</b>	<b>3,336,918</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	203,042	203,042
Financial Debt	218,572	341,528	95,486	61,375	112,099	829,062
Financial instruments at fair value	0	19,033	1,326	1,015	0	21,375
Trade Accounts Payable	880,389	231,396	226,281	151,916	60,229	1,550,211
Operating Provisions	96,420	5,540	21,599	3,586	93,633	220,778
Other current liabilities	343,526	87,309	127,104	39,761	-85,250	512,450

## CONSTRUCTION

CONSTRUCTION (Thousands of euros)	1H 2017	1H 2016	% Chg
<b>Revenue</b>	<b>632</b>	<b>687</b>	<b>-8.1%</b>
Sacyr Construcción	530	525	0.9%
Somague	102	162	-37.2%
<b>EBITDA</b>	<b>22</b>	<b>27</b>	<b>-19.8%</b>
Sacyr Construcción	26	26	-2.3%
Somague	(4)	0	n.s.
<b>EBITDA Margin</b>	<b>3.4%</b>	3.9%	
EBITDA Margin Sacyr Construcción	4.9%	5.0%	
EBITDA Margin Somague	-4.3%	0.2%	
<b>Backlog</b>	<b>4,501</b>	4,131	9.0%
International	<b>3,891</b>	3,469	12.1%
<b>% International Backlog</b>	<b>86%</b>	84%	
<b>Months of activity</b>	<b>43</b>	36	

\* Backlog compared 1H17/2H16

Construction division revenue totalled €632 million in the first six months of 2017. The fall in revenue year on year, was largely due to the slowdown in activity in Spain and Somague. However, Sacyr Construcción recorded international growth of 5.7%.

Sacyr Construcción contributed 84% of total revenue and Somague 16%:

- Sacyr Construcción's growth results from the increase in activity in Colombia, Mexico, Qatar and Italy, which compensated for the slowdown of the business in Spain.
- With regard to Somague, the slowdown observed since last year in the activity of the Portuguese subsidiary, has led to a 37% year-on-year decline in revenue.

Sacyr Construcción's EBITDA margin of 4.9% showed a very positive performance, demonstrating the strength of the business and the right choice of projects. The negative performance of the EBITDA margin for Somague's projects in the first half of 2017, placed the global construction margin at 3.4%: a slight fall year-on-year.

The construction backlog stood at €4,501 million, a 9% increase in the first six months of the year. The backlog covers 43 months of business at the current rate of revenue. 86% of this backlog is overseas.

Among the following contracts awarded in the first half of 2017 particularly stand out:

- The construction and concession contract for the 4G road corridor between Cúcuta and Pamplona (Colombia), with an estimated €479 million for construction. This is the fourth 4G concession project that Sacyr has been awarded in Colombia.
- The construction project of Route 2 (between Asunción and Coronel Oviedo) and Route 7 (between Coronel Oviedo and Caaguazú) in Paraguay, with an expected investment of €277 million in its construction.
- The construction of the Quillota-Petorca Bi-provincial Hospital in the Valparaiso Region (Chile), for €128 million. The project will cover an area of 73,204 m<sup>2</sup> and will have 282 beds, 9 operating theatres, 3 delivery rooms, 8 emergency rooms, 8 odontology rooms and 52 outpatient consulting rooms. The hospital will provide services to over 320,000 people from the Quillota and Petorca provinces and replace the current San Martín de Quillota Hospital.
- The sewage system works for plots A and B of the QEZ-1 development zone in Doha, Qatar, for the amount of approximately €19 million.
- The construction of the Ciudad Acuña regional general hospital, in the Mexican state of Coahuila for €21 million.
- The construction of an industrial plant for the production of Spanish cold meat products in Jabugo (Huelva) for €39 million.

## SACYR CONCESIONES

CONCESSIONS (Thousands of euros)	1H 2017	1H 2016	% Chg. 17/16
Revenue	<b>260,480</b>	263,183	-1%
Revenue from construction	<b>86,782</b>	117,861	-26%
<b>Revenue from concessions</b>	<b>173,698</b>	145,322	<b>20%</b>
<b>EBITDA</b>	<b>111,671</b>	99,668	<b>12%</b>
EBITDA Margin	64.3%	68.6%	

Sacyr Concesiones' revenue stood at €260 million at 30 June 2017, a very similar figure to that for the same period last year. A significant growth was experienced in revenues from concessions and a fall in those from construction, the latter due to the greater activity carried out in the same period of 2016 in order to complete projects in Chile and Peru. Part of the change can be explained by the impact of the divestment of the Braga and Vila Franca de Xira hospitals in Portugal (which contributed revenue and EBITDA in 2016), without which the growth in revenue would have been 0.2%.

Of the total revenue, €174 million was concession revenue, which rose by 20% in the first half of 2017. Growth in concession revenue was driven by a combination of the following factors:

- The 5.6% upturn in traffic on the Spanish concessions in operation.
- The start of operation of the Valles del Bio Bio motorway in Chile (August 2016).
- The revenue contributions made by the Antofagasta Hospital (Chile), and the Montes de María and Pasto Rumichaca concessions (Colombia).

## REVENUE

(€Thousands)	1H 2017	1H 2016	Var. (%)
AUTOVÍA DEL TURIA	6,748	6,094	10.7%
AUTOVÍA NOROESTE C.A.R.M.	3,548	4,105	-13.6%
VIASTUR	3,642	3,517	3.6%
PALMA MANACOR	5,317	4,928	7.9%
AUTOVÍA DEL BARBANZA	5,755	5,458	5.4%
AUTOVÍA DEL ERESMA	3,469	3,210	8.1%
AUTOVÍA DEL ARLANZÓN	17,008	15,046	13.0%
INTERCAMBIADOR DE MONCLOA	5,866	5,926	-1.0%
INTERCAMBIADOR DE PLAZA ELÍPTICA	3,172	3,203	-1.0%
AUTOPISTA DE GUADALMEDINA	6,510	5,821	11.8%
HOSPITAL DE PARLA	6,766	7,863	-14.0%
HOSPITAL DE COSLADA	7,293	7,111	2.6%
HOLDINGS	1,573	1,844	-14.7%
<b>SPAIN</b>	<b>76,665</b>	<b>74,125</b>	<b>3.4%</b>
HOLDINGS	631	559	12.9%
<b>IRELAND</b>	<b>631</b>	<b>559</b>	<b>12.9%</b>
HOSPITAL BRAGA	-	1,239	-100.0%
HOSPITAL DE VILA FRANCA	-	1,285	-100.0%
PARQUE DO NOVO HOSPITAL	-	155	-100.0%
HOLDINGS	446	586	-23.9%
ESCALA PARQUE	-	327	-100.0%
<b>PORTUGAL</b>	<b>446</b>	<b>3,592</b>	<b>-87.6%</b>
HOLDINGS	814	659	23.4%
RUTAS DEL DESIERTO - ACCESOS A IQUIQUE	10,552	9,605	9.9%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	17,941	9,091	97.4%
VALLES DEL DESIERTO - VALLENAR CALDERA	11,612	11,323	2.6%
RUTA 43 - LIMARI	1,515	734	106.4%
HOSPITAL ANTOFAGASTA	10,873	5,476	98.6%
SERENA VALLENAR - RUTAS DEL ALGARROBO	15,320	13,852	10.6%
<b>CHILE</b>	<b>68,626</b>	<b>50,739</b>	<b>35.3%</b>
CONVIAL SIERRA NORTE	6,321	7,297	-13.4%
<b>PERU</b>	<b>6,321</b>	<b>7,297</b>	<b>-13.4%</b>
HOLDINGS	427	-	n/a
MONTES DE MARÍA	10,276	5,631	82.5%
RUMICHACA	10,267	3,381	203.7%
<b>COLOMBIA</b>	<b>20,969</b>	<b>9,012</b>	<b>132.7%</b>
HOLDINGS	11	-	n/a
RUTAS DEL LITORAL	18	-	n/a
<b>URUGUAY</b>	<b>28</b>	<b>-</b>	<b>n/a</b>
RUTAS DEL ESTE	11	-	n/a
<b>PARAGUAY</b>	<b>11</b>	<b>-</b>	<b>n/a</b>
<b>TOTAL WITHOUT CONSTRUCTION INCOME</b>	<b>173,698</b>	<b>145,322</b>	<b>19.5%</b>
CONSTRUCTION INCOME	86,782	117,861	-26.4%
<b>TOTAL</b>	<b>260,480</b>	<b>263,183</b>	<b>-1.0%</b>

EBITDA of €112 million was generated: an increase of 12% year-on-year.

## TRAFFIC PERFORMANCE

The positive trends in traffic of previous periods were consolidated, with average growth in our concessions in Spain of 5.6%. The following table shows traffic data:

	ACCUMULATED ADT		
	1H 2017	1H 2016	Var.
<b>SHADOW TOLL HIGHWAY SPAIN</b>			
- AUTOVIA DEL NOROESTE	12,364	11,600	6.6%
- Ma-15 PALMA-MANACOR	24,321	22,587	7.7%
- AS-II OVIEDO-GIJÓN (VIASTUR)	23,831	23,050	3.4%
- AUTURSA CV-35	39,162	37,907	3.3%
- ERESMA	7,960	7,448	6.9%
- BARBANZA	12,892	12,204	5.6%
- ARLANZON	20,196	19,080	5.8%
<b>TOLL HIGHWAY SPAIN</b>			
- AP-46 MÁLAGA - LAS PEDRIZAS	11,447	10,383	10.2%
<b>TOLL HIGHWAY OTHER COUNTRIES</b>			
- N6 GALWAY-BALLINASLOE	11,001	10,530	4.5%
- VALLES DEL DESIERTO	4,900	4,872	0.6%
- R-1 RUTAS DEL DESIERTO	5,766	5,796	-0.5%
- R-16 RUTAS DEL DESIERTO	7,160	7,027	1.9%
- RUTAS DEL ALGARROBO RG- III	4,402	4,410	-0.2%
- RUTAS DEL ALGARROBO RG-IV	4,620	3,268	41.4%
- VALLES DEL BIO-BIO - HUINANCO (4)	8,793	-	
- VALLES DEL BIO-BIO - PUENTES NEGROS (4)	2,448	-	
- MONTES DE MARÍA - EL CALAMAR	2,680	2,706	-1.0%
- MONTES DE MARÍA - EL CARMEN	3,561	3,415	4.3%
- UNIÓN VIAL DEL SUR	5,939	5,957	-0.3%
- DESARROLLO VIAL AL MAR	7,162	-	

Note: Highways with no data in accumulated ADT 1H2016 are concessions with less than 12 months into operation.

## CONTRACT WINS

Sacyr Concesiones' concessions backlog to 30 June 2017, totalled €17.126 million, of which 71% is international.

In the first half of 2017, Sacyr Concesiones was awarded the fourth 4G concession project in Colombia, positioning it as the concessionaire which has been awarded the highest number of projects within the Colombian national infrastructure plan. The motorway is in the Norte de Santander department in the north-east of the country. The project, with an



approximate investment of €640 million, involves the construction of 47 km of second carriageway, 4 km of single carriageway, and the refurbishment of a further 67 km, for a period of 25 years, extendable to 29 years.

Sacyr Concesiones was also awarded the first concession motorway project in Paraguay, in the city of Asunción. The project involves the construction and operation of Route 2 (between Asunción and Coronel Oviedo) and Route 7 (between Coronel Oviedo and Caaguazú) with an expected investment in its construction of €475 million and revenue backlog of €1,350 million throughout the 30 year concession term.

Subsequent to the close of the first half of the year, Sacyr entered the Mexican concessions market with road renovation and maintenance services. The General Directorate of Road Maintenance in Mexico has awarded Sacyr Concesiones its first Public Private Partnership (PPP) project in the country: the renovation, maintenance and upkeep of 91.5 km of highway between Pirámides, Tulancingo and Pachuca. The 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 Intensity (ADI) of 19,743 vehicles. Among the works to be carried out are road surfacing, reinforcing embankments, drainage and horizontal and vertical signage, among others.

## **DISPOSALS**

As part of Sacyr Concesiones' strategy of allowing strategic partners to take a stake in its concession assets, which enables the return on these assets to be maximised and capital to be obtained to develop new concession projects, the rotation of two concession assets was completed in the first half of 2017.

The first of these was the divestment of 49% of Sociedad Concesionaria Ruta del Algarrobo. This company operates the 187 km La Serena-Vallenar motorway, which forms part of the strategic Route 5, which runs from the north to south of Chile and is the country's main highway. The transaction, agreed with Toesca Infraestructura Fondo de Inversión, totalled €161 million (171 million US dollars).

The second was Sacyr Concesiones' sale of its 4% ownership interest in the Tenerife tram line to Cabildo Insular for €7 million. The Tenerife tram line began operating in 2007 with the opening of Line 1. It currently has two lines in service in the metropolitan area of the island, travelling between the cities of Santa Cruz and La Laguna.

Both deals generated an attractive return on equity invested.

## VALORIZA

At 30 June 2017, revenue at Valoriza amounted to €463 million, which represents growth of 16.1% and continues the positive trend of this business and each of its areas of activity.

Revenue by business line is as follows:

- There was revenue growth of 24% in Multiservices, as a result of the contribution from major contracts awarded during 2016, such as for dependency services.
- Environment revenue increased by 21%, thanks to urban waste collection services.
- Changes in revenue in the Water business line mainly resulted from the transfer of the Water EPC division to Sacyr Industrial in the first quarter of the year.

VALORIZA (Thousands of Euros)	1H 2017	1H 2016	% Chg. 17/16
<b>REVENUE</b>	<b>463,185</b>	<b>399,099</b>	16%
Environment	191,955	158,630	
Multi-Services	215,240	173,660	
Water	54,268	65,702	
Central	1,722	1,107	
<b>EBITDA</b>	<b>38,715</b>	<b>31,088</b>	25%
Environment	22,700	19,688	
Multi-Services	6,349	6,570	
Water	9,941	4,762	
Central	(275)	68	
<b>EBITDA Margin</b>	<b>8.4%</b>	<b>7.8%</b>	

EBITDA for Valoriza totalled €39 million, Growth of 25% on the same period last year was experienced and is positive in all areas. This is due to the great success in winning contracts in 2016 that has increased the backlog and the general increase in the profitability of contracts.

### **CONTRACTING AND BACKLOG**

Valoriza's backlog totalled €6,038 million. This was partly affected by the transfer of the Water EPC division to Sacyr Industrial for €226 million. 29% of this backlog is international. Valoriza continues to see vigorous commercial activity across all business areas both in Spain and abroad.

Some of the most noteworthy contracts won are as follows:

- Water: Operation and maintenance services for the “la China” wastewater treatment plant (EDAR) in Madrid for an amount of €5 million.
  
- Environmental Services:
  - o Valoriza Servicios Medioambientales was awarded a concession contract for the cleaning services of the outer area at Madrid Barajas Airport worth €11 million over a three-year period.
  
  - o Nine-month extension of the contract for the collection and transport of urban solid waste and street cleaning in Toledo, for €6 million.
  
  - o The 10-year contract to collect, transport and dispose urban waste for the community of towns of Bajo Tietar (Ávila), worth €5 million.

- Multiservices:

- A five-year contract, worth €31 million, for the development of a new facility management model in Repsol's headquarters in Madrid and regional offices across Spain.
- 18-month extension for the cleaning contract for various General State Administration offices in Madrid (Nuevos Ministerios, Arturo Soria, Ventas and Sur districts), for €14 million.
- Cleaning services contract for the healthcare buildings, lots 1 and 3, at Hospital Royo Villanova and Primary Care Centre of the city of Zaragoza (Aragón Health Service) for €9 million and a four-year concession period.
- Home-help services for the Burgos Municipal Council, amounting to €5 million, over a two-year period.
- Motorway maintenance and upkeep services for the Autopistas del Atlántico AP-9 AUDASA, Autoestradas de Galicia AG-55 and Autoestradas de Galicia AG-57, for a total of €40 million and a concession term of 6 years, extendable by a further 2 years.
- Concession to provide repair and upkeep services for the "Global Mixto" motorways in the provinces of Santiago, Maipo and Cordillera (Metropolitana region) and the provinces of Iquique and Tamaraugal (Taracopa region), in Chile, for a total amount of €13 million and a term of 4 years.
- Cafeteria service, dining room and Deliquo events restaurant. This 3-year contract is worth €16 million and has five-year extensions.

## INDUSTRIAL

(Thousands of Euros)

	1H 2017	1H 2016	% Chg. 17/16
<b>Revenue</b>	<b>259,356</b>	<b>187,988</b>	<b>38%</b>
<b>Oil and gas</b>	<b>104,838</b>	111,539	
<b>Electricity grid</b>	<b>14,263</b>	13,877	
<b>Enviroment and mining</b>	<b>32,371</b>	8,918	
<b>Water</b>	<b>43,301</b>	0	
<b>Generation</b>	<b>63,744</b>	51,490	
<b>Central</b>	<b>839</b>	2,164	
<b>EBITDA</b>	<b>17,175</b>	<b>13,232</b>	<b>30%</b>
<b>EBITDA Margin</b>	<b>6.6%</b>	<b>7.0%</b>	
<b>BACKLOG*</b>	<b>2,499</b>	<b>2,452</b>	<b>2%</b>
<b>National</b>	1,924	1,987	<b>-3%</b>
<b>International</b>	576	465	<b>24%</b>

\* Backlog compared with december 2016

On 30 June 2017, Sacyr Industrial's revenue stood at €259 million a year-on-year increase of 38% from €188 million in the same period last year.

- In the first six months of the year, the Water EPC contracts were included in this division (previously included in Valoriza) and have contributed €43 million in the period. Valoriza will be responsible for the management of the concession business of the project and the Industrial division will carry out the construction.
- In the area of EPC contracts, Oil&Gas achieved a total of €105 million. The major projects of the diesel refinery in Pampilla (Peru) and the regasification terminal in Cartagena (Colombia) have been completed and new projects have been started,

such as Nuevo Mundo (Peru) and the La Pampilla refinery (Peru). The activities of Sacyr Nervión have also increased.

- The Electricity Infrastructure activity posted revenue of €14 million; growth of 3%, thanks to the new contracts obtained in Chile and Panama, which are still in their initial phase.
- The activities of Environment and Mining contributed €32 million in revenue, versus the €9 million in the same period of last year. This significant growth was due to the contributions of the Chimborazo (Ecuador) projects and the Oruro and Potosí (Bolivia) cement plants.
- Power Plants contributed €64 million in revenue, versus the €51 million in the same period of last year. This growth can be explained by the increase in the electricity pool price caused by weather conditions and the closure of French nuclear power stations. The average electricity pool price in the first six months of 2017 was €51.24/MWh, well above that of the same period of 2016 (€30.10/MWh).

This higher revenue (+38%) was coupled with a 30% increase in EBITDA, which reached €17 million in the first six months of this year.

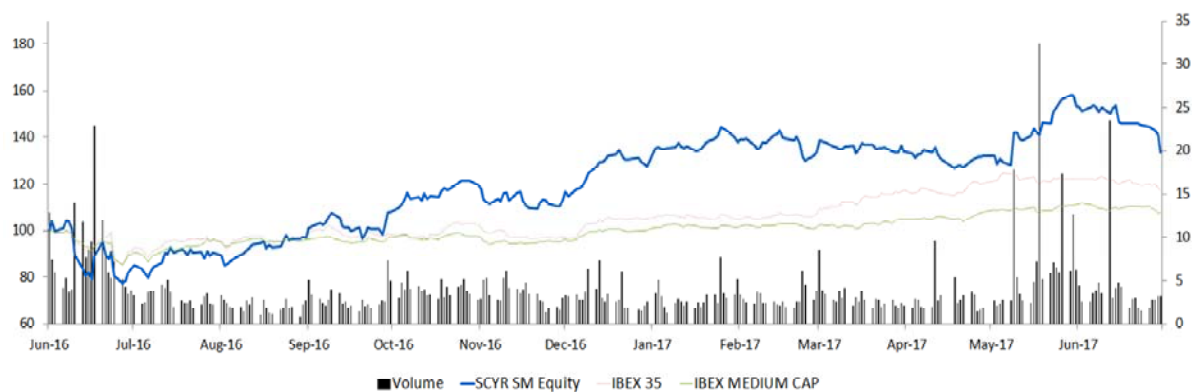
## **CONTRACTING AND BACKLOG**

The backlog of the industrial business line totalled €2,499 million. The following contracts were particularly noteworthy:

- Turnkey construction of a new cement plant in Potosí (Bolivia) worth €221 million, with the scheduled completion of the project in 36 months.
- Contracts to extend the electricity lines and substations at “Cóndores-Parinacota”, “Melipulli-Puerto Montt” and “Candelaria” (all in Chile), for a total amount of €60 million and with a 36-month execution period.

## VI. STOCK MARKET PERFORMANCE

SACYR	JUNE		% Chg 17/16
	2017	2016	
Market Price at closing (euros per share)	2.32	1.46	59.08%
High share price	2.80	1.95	43.41%
Low share price	2.18	1.17	85.69%
Market Capitalization at closing (Thousands of euros)*	1,200,957	754,932	59.08%
Average Trading Volume (Thousands of euros)	1,234,168	1,465,568	-15.79%
Average Daily Trading Volume (Number of shares)	3,952,983	7,097,037	-44.30%
Liquidity (%)	100	100	
Number of shares (Thousands)	517,431	517,431	0.00%
Share Nominal Value	1 EURO	1 EURO	



## VII. APPENDIX: 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.

### ALTERNATIVE PERFORMANCE MEASURES:

**Earnings before interest, taxes, depreciation and amortisation (EBITDA):** this indicator shows operating profit or loss prior to depreciation and amortisation and any change in provisions, excluding extraordinary/non-recurring profits and losses.

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

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

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

**PROJECT FINANCE DEBT (GROSS OR NET):** The financial debt (gross or net) from project companies. In this type of debt, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders.

**CORPORATE DEBT (GROSS OR NET):** Debt held by the Group's Parent, comprising bank borrowings and issues in capital markets.



**FINANCIAL RESULT:** The difference between Total finance income and Total finance costs.

**BACKLOG:** Value of awarded and closed work contracts pending completion. 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 backlog is subject to adjustments and cancellation of projects, and cannot be taken as an exact indicator of future earnings.

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

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

**MARKET CAP:** number of shares at the reporting date, multiplied by the year-end share price.

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

**ADT:** Defined as the total number of users of a concession during a day. ADT is normally calculated as the total number of vehicles travelling on the motorway each day.

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