Sacyr

2015

FINANCIAL REPORT

Second Half

I. HIGHLIGHTS IN 2015

- 2015 has been a year in which Sacyr has redefined its strategy, focused on profitable growth in its four business areas: Construction, Infrastructure Concessions, Services and Industrial, in selected geographical markets.

- The most significant milestone in this focalisation strategy was the successful sale of Testa, the Group's property rental business. The sale was concluded in June 2015 for a total of €1,794 million and a 17% premium on NAV.

- The Group has been able to reduce its net debt by -34% to €4,180 million with cash flow from business activities, allied with the divestment of Testa, and after expenditure on growth capex and other effects.

- Sacyr's strategy is based on two clear growth drivers: Sacyr Concessions and Sacyr Industrial.

- During the year, Sacyr has actively sought growth opportunities in the Infrastructure Concessions business. It has met with considerable success in Colombia (Pasto-Rumichaca, Corredor 5 and Autopista al Mar) and in Uruguay (Corredor Vial 21 and 24), where the Group has made a combined investment of €2,300 million in operations which will provide future income of over €6,800 million.

- The strong performance in concession income (51% like for like) due to the positive trend in traffic, as well as the contribution from new contracts awarded, highlights the quality of the assets in Sacyr's concessions portfolio.

- In Sacyr Industrial, the significant growth in activity (+50%) is fuelled by the firm tendering activity in this area, which has also been reinforced strategically in its three business lines through the acquisition of Sacyr Fluor, to develop oil & gas projects, the creation of Sacyr Nervión, specialised in the operation and maintenance of industrial plants, and the agreement with Isotrón, focused on executing electrical infrastructure.

- Organic growth is assured through the important contracts awarded in the international construction area. The contracts include the Pumarejo Bridge over the Magdalena River in Colombia, the Pampilla refinery in Peru and the design and construction of the QEZ-1 (Qatar Economic Zone 1) planning works in Ras Bufontas (Qatar), the Querétaro hospital in Mexico, University of Ulster (Belfast), and a road in the Cajamarca region (Peru).

- In the Services business, the pattern of sustainable and stable growth (+7% like for like) and consolidation of margins (9.2%) has continued. Significant contracts have been awarded during the year, such as the cleaning and waste collection service management in Guadalajara and the cleaning service at the Barcelona-El Prat Airport and in Terminals 1,2 and 3 of the Adolfo Suarez Madrid – Barajas Airport.

II. INCOME STATEMENT

INCOME STATEMENT (Thousands of Euros)	DECEMBER		% chg
	2015	2014*	15/14
Revenue	**2,948,914**	2,718,066	8.5%
Other income	**114,480**	**91,602**	25.0%
Total operating income	**3,063,394**	**2,809,667**	9.0%
External and Operating Expenses	**-2,745,314**	**-2,570,712**	6.8%
GROSS PROFIT FROM ORDINARY OPERATIONS(1)	**318,080**	238,955	33.1%
Amortisation and depreciation charge	**-110,322**	**-78,941**	39.8%
Changes in provision	**-59,938**	**33,759**	n.s.
NET OPERATING PROFIT	**147,821**	193,773	-23.7%
Financial results	**-242,420**	**-251,059**	-3.4%
Results from equity accounted subsidiaries	**-467,843**	**170,599**	n.s.
Provisions for financial investments	**-108,699**	**8,345**	n.s.
Change in value of financial instruments	**-3,789**	**4,089**	n.s.
Results from sales of non current assets	**32,447**	**36,128**	-10.2%
PROFIT BEFORE TAXES	**-642,483**	161,874	n.s.
Corporate Tax	**-157,252**	**-165,556**	-5.0%
PROFIT FOR CONTINUING ACTIVITIES	**-799,735**	**-3,681**	n.s.
RESULTS FOR COMPANIES WITH DISCONTINOUS ACTIVITIES	**1,183,393**	**43,029**	n.s
CONSOLIDATE RESULTS	**383,658**	39,347	n.s
Minorities	**-13,652**	**-6,627**	106.0%
NET ATTRIBUTABLE PROFIT	**370,006**	32,720	n.s
Gross margin	**10.8%**	**8.8%**	

* Adjusted with TESTA accounted as discontinued operation

- **Revenue rose 8.5% year-on-year to €2,949 million.**

REVENUE (Thousands Euros)	DECEMBER 2015	DECEMBER 2014*	% Chg 15/14
Construcción (Sacyr Construcción- Somague)	**1,665,641**	1,697,043	-1.9%
Concesiones (Sacyr Concesiones)	**563,752**	419,175	34.5%
Industrial (Sacyr Industrial)	**289,969**	193,530	49.8%
Servicios (Valoriza)	**763,088**	732,323	4.2%
Holding y Ajustes	**-333,536**	-324,006	
REVENUE	**2,948,914**	**2,718,066**	8.5%
International	1,579,713	1,472,462	7.3%
% International	54%	54%	

* Adjusted with TESTA accounted as discontinued operation

- Concession revenue was up 51% year-on-year, due to the positive traffic performance on our motorways, the start-up of the Rutas del Desierto motorway in Chile, the higher contribution of revenue from the other Chilean assets, the Vial Sierra Norte concession in Peru and the concessions awarded in Colombia.

- In the Construction business, revenue amounted to €1,666 million, 75% of which stemmed from international activity, thanks to the contribution from the backlog in Chile, Italy, Portugal, Colombia, Peru, Mexico, Portuguese-speaking Africa and the Middle East. The performance in Spain and Somague has been practically flat compared with 2014 due to the contraction in activity (-9% and –22% respectively).

- Sacyr Industrial increased its revenue twofold thanks to the new EPC contract wins in electricity infrastructure (Mexico, Peru, United Kingdom, Panama) and in Oil&Gas (Colombia, Bolivia and Peru).

- Services posted 4% growth. Growth was 7% in like-for-like terms, due to the disinvestment from water assets in Portugal carried out in June 2014. Environment and multi-service activities grew by 5% and 7%, respectively, and water grew by 7% in like-for-like terms.

- **EBITDA was up 33% to €318 million.**

EBITDA (Thousands Euros)	DECEMBER		% Chg 15/14
	2015	2014*	
Construcción (Sacyr Construcción- Somague)	**78,331**	104,169	-24.8%
Concesiones (Sacyr Concesiones)	**184,158**	77,568	137.4%
Industrial (Sacyr Industrial)	**21,029**	9,615	118.7%
Servicios (Valoriza)	**70,280**	62,367	12.7%
Holding y Ajustes	**-35,718**	-14,764	
EBITDA	**318,080**	238,955	33.1%
Ebitda Margin (%)	**10.8%**	8.8%	

* Adjusted with TESTA accounted as discontinued operation

- In Concessions, the increase is partly attributable to the change in consolidation scope, which entailed the full consolidation of eight concession assets that were carried using the equity method in the first half of 2014. Stripping out this impact, concessions' EBITDA growth stood at 38%.

- In the Construction business, the difference in EBITDA from the previous year was the result of the drop in oil prices, which led to delays in certain of Somague's projects, especially in Angola and Brazil.

- EBITDA from Sacyr Industrial has increased significantly, underpinned by the revenue from the new EPC contracts, from the impact of the improvement in the electricity pool price and the fall in the gas price on power plants margins.

- In Services, the 13% growth of EBITDA was notable, fuelled by Environment and Water. Stripping out the effect of disposals in the water business, growth in services was 19%.

▪ **The EBITDA margin was 10.8% compared to 8.8% in the same period last year.**

▪ The increase in the depreciation charge of property, plant and equipment was the result of the incorporation of concession projects due to the change to full consolidation of certain concession assets in 2015.

▪ Net financial losses were €242 million. The average interest rate of borrowings stands at 4.5%.

▪ Results from equity accounted subsidiaries included -€478 million from our holding in Repsol, Of which -€105 million related to our share of Repsol's net loss of -€1,227 million through 31 December 2015 and -€373 million to the write-down of the investment to fair value after an impairment test.

▪ Income from asset disposals amounted to €32 million, €24 million from the valuation of PPAs ("Purchase Price Allocation") assigned to the concession assets which were incorporated by global consolidation in 2015. The other €8 million stem from the positive income obtained from the divestment of certain concession projects.

- **Net profit for 2015 amounted to €370 million. This result is not comparable with that of 2014, as it includes the following non-recurrent effects :**

    - It includes the gross amount of €1,280 million in gains from the sale of Testa and the corresponding asset impairment for deferred tax, amounting to -€180 million.

    - The adjustment in the carrying amount of our investment in Repsol to fair value, at -€373 million.

    - Further, in keeping with criteria of prudence, working capital and financial provisions were made amounting to €130 million.

III. BACKLOG

The revenue backlog amounted to €26,845 million, primarily in connection with the most recurrent activities: concessions and services, which represent over 70% of the total, noting the large construction backlog of over €5,000 million relating mainly to international contract wins.

Backlog (Millions of Euros)	December 2015	International	España	% Internac.	December 2014*
Construction	**5,062**	4,218	844	**83%**	**4,988**
Concessions	**13,339**	7,982	5,357	**60%**	**11,167**
Services	**6,031**	1,851	4,181	**31%**	**6,259**
Industrial	**2,413**	340	2,074	**14%**	**2,418**
Backlog	**26,845**	**14,390**	**12,455**	**54%**	**24,832**

*Restated by changing scope of consolidation8 (Testa, Concessions, Aeromur)

Revenue from the Construction business totalled €5,062 million at 31 December 2015, marking an increase of 1.5% year-on-year. It includes contracts in Chile, Italy, Colombia, Panama, Portugal, Angola, Bolivia, Qatar, Peru, Brazil, Mexico, Uruguay, Mozambique, Angola, Togo, Cape Verde, India and other countries.

The Concessions portfolio includes the Corredor 5 motorways portfolio: Puerta de Hierro – Cruz del Vizo and Pasto – Rumichaca, both in Colombia, and the Corredor Vial 21 and 24 motorway in Uruguay, awarded in 2015. The concessions portfolio also includes concessions in Spain, Chile, Peru, Portugal and Ireland. It is important to note that this backlog does not include many of our projects, such as the backlog of our concession in Italy (Pedemontana – Veneta) and the Mar 1 motorway in Colombia, which are accounted for using the equity method.

Sacyr Industrial operates in Australia, United Kingdom, Bolivia, Mexico, Peru and Colombia, as well as Spain, with various projects in the oil & gas, electricity infrastructure, power plant and waste treatment sectors. It now has backlog projects amounting to €2,413 million. Growth in Sacyr Industrial will be driven in the coming years by the acquisition of Fluor Iberia, the joint venture it has established with Nervión and the agreement with Isotron.

A significant proportion of the backlog, 54%, is now international. The Construction and Infrastructure Concessions businesses are particularly relevant. The international backlog accounts for 83% of the total at the Construction business and 60% of the total at the Concessions business.

The international backlog of Valoriza stands at 31% of this division's total backlog, with a presence in Algeria, Australia, Portugal and other countries, and consists mainly of water-unit related projects.

IV. CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	DECEMBER 2015	DECEMBER 2014	Chg
NON CURRENT ASSETS	**6,778,086**	8,455,476	**-1,677,390**
Intangible Assets	**14,816**	6,913	7,903
Real Estate Investments	**0**	1,846,596	-1,846,596
Concessions Investments	**1,643,853**	1,213,675	430,178
Fixed Assets	**376,148**	395,039	-18,891
Financial Assets	**3,164,864**	3,956,895	-792,031
Receivables for concession assets	**1,388,989**	917,402	471,587
Other non Current Assets	**2,838**	645	2,194
Goodwill	**186,578**	118,311	68,267
CURRENT ASSETS	**3,679,388**	3,148,819	**530,569**
Non current assets held for sale	**527,535**	302,623	224,912
Inventories	**196,661**	386,356	-189,696
Receivables for concession assets	**213,985**	49,906	164,079
Accounts Receivable	**1,997,458**	1,888,173	109,285
Financial Assets	**140,928**	163,285	-22,357
Cash	**602,822**	358,475	244,347
ASSETS = LIABILITIES	**10,457,474**	**11,604,294**	**-1,146,820**
EQUITY	**1,911,589**	1,326,074	**585,515**
Shareholder's Equity	**1,656,130**	1,205,300	450,830
Minority Interests	**255,460**	120,775	134,685
NON CURRENT LIABILITIES	**5,052,321**	4,144,848	**907,473**
Financial Debt	**4,072,303**	3,411,860	660,443
Financial Instruments at fair value	**161,839**	132,704	29,135
Provisions	**361,804**	279,248	82,556
Other non current Liabilities	**456,374**	321,035	135,339
CURRENT LIABILITIES	**3,493,564**	6,133,372	**-2,639,809**
Liabilities associated with the non current assets held for sale	**224,186**	219,771	4,414
Financial Debt	**850,612**	3,445,304	-2,594,692
Financial Instruments at fair value	**27,780**	15,231	12,549
Trade Accounts Payable	**1,653,847**	1,604,984	48,863
Operating Provisions	**246,248**	315,908	-69,660
Other current liabilities	**490,891**	532,174	-41,283

The most significant change in the balance sheet in 2015 was the sale of 77% of Testa. This means that it is no longer accounted for by full consolidation. The 23% shareholding Sacyr still holds in Testa at 31 September 2015 is now accounted for as a financial investment held for sale.

Another significant change was the decrease in current liabilities after the refinancing of the syndicated loan maturing 31 January 2018 taken out to finance the investment in Repsol to "Non-current financial debt" and the partial repayment of the loan, amounting to €600 million.

The change in the consolidation method in the first quarter of 2015 (from equity accounting to full consolidation) for certain concessions has resulted in increases in the concession projects and accounts receivable from concession assets items. Financial debt increased by €561 million in the period for the same reason.

EQUITY

Total equity amounts to €1,914 million. 86% (or €1,656 million) is attributable to equity holders of Sacyr and €258 million to non-controlling interests in the Group.

Shareholders at the General Shareholders' Meeting held on 11 June 2015 resolved to carry out a capital increase with a charge to reserves through the issuance of 15.2 million shares with a par value of €1 each, in the proportion of 1 new share for every 33 previously issued. Trading in the new shares began on 29 July 2015. Accordingly, at 31 December 2015 share capital is represented by 517 million instruments each having a par value of €1.

On 15 September, 2015, a interim dividend was paid in cash, of a gross amount of €0.05 per share.

BORROWINGS

At 31 December 2015, the Group’s total net debt stood at €4,180 million. The breakdown is as follows:

NET DEBT (Thousands of Euros)	DEC 2015	DEC 2014	CHG. 15/14
Sacyr Concesiones (project finance)	1,720	1,042	65%
Sacyr Construcción + Somague	132	142	
Valoriza	177	217	
Industrial	12	38	
Testa	-	1,688	
OTHER BUSINESS AREAS	321	2,085	-85%
Repsol	1,613	2,248	-28%
Corporate	66	540	-88%
BANK BORROWINGS	3,721	5,915	-37%
Convertible bonds	459	422	
TOTAL NET FINANCIAL DEBT	4,180	6,337	-34%

Corporate debt: the Group's net corporate debt amounted to €66 million; corresponding to working capital used by the parent to coordinate and provide the financial management as the Group's parent company.

In addition, the holding shows a financial liability of €459 million at 31 December 2015 for the outstanding balance on bond issues made in 2011 and 2014.

Debt according to businesses: Amounts to €2,041 million. The virtual totality of the debt is associated with very long-term project finance. It is repaid with cash flows generated by the businesses and 93% matures from 2018 with significant gaps.

A total of 93% of net debt, or €1,891 million, is related to infrastructure concessions and other concession projects. Debt in the concessions business increased by €678 million in 2015, but the lion's share of this increase, €561 million, is due to the fact that several companies that were formerly accounted for using the equity method are now fully consolidated. Investment in Chile and Peru accounts for the remainder. Derivative instruments arranged hedge 50% of potential increases in interest rates on project finance.

Repsol debt: The investment vehicle that holds the 8.5% stake in Repsol had net debt at 31 December 2015 of €1,613 million. The loan is serviced with Repsol dividends. This variable-rate financing was refinanced under favourable market conditions, with maturity extended to 31 January 2018. In 2015, €611 million was repaid.

Net financial losses were €242 million. The average interest rate of borrowings stands at 4.5%.

V. DEVELOPMENTS IN BUSINESS AREAS

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2015							
(Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	**1,234,308**	**431,333**	**563,752**	**763,088**	**289,969**	**-333,536**	**2,948,914**
Other Sales	54,986	28,784	13,679	15,256	5,498	-3,723	114,480
Total Income	**1,289,293**	**460,117**	**577,431**	**778,344**	**295,468**	**-337,259**	**3,063,394**
External and Operating Expenses	-1,210,244	-460,835	-393,272	-708,064	-274,439	301,541	-2,745,314
GROSS OPERATING PROFIT	**79,049**	**-718**	**184,158**	**70,280**	**21,029**	**-35,718**	**318,080**
Depreciation	-14,036	-10,483	-45,295	-31,147	-7,744	-1,617	-110,322
Trade Provisions	-2,991	-3,980	-23,729	1,935	-1,180	-29,994	-59,938
NET OPERATING PROFIT	**62,022**	**-15,181**	**115,134**	**41,068**	**12,106**	**-67,328**	**147,821**
Financial results	14,475	-10,839	-110,967	-12,684	-4,643	-117,761	-242,420
Results from equity accounted subsidiaries	-23	121	5,510	5,336	-4	-478,783	-467,843
Provisions for financial investments	-2,246	61	-4,189	-2,354	-576	-99,395	-108,699
Change in value of financial instruments at fair value	0	0	-3,723	0	-67	0	-3,789
Results from sales of non current assets	1,043	0	32,983	-1,372	-233	27	32,447
PROFIT BEFORE TAXES	**75,271**	**-25,839**	**34,748**	**29,993**	**6,583**	**-763,240**	**-642,483**
Corporate Tax	-28,261	-1,096	-3,757	-11,534	-425	-112,179	-157,252
PROFIT FOR CONTINUING ACTIVITIES	**47,010**	**-26,935**	**30,991**	**18,460**	**6,158**	**-875,419**	**-799,735**
PROFIT FOR DISCONTINUING ACTIVITIES	**0**	**0**	**0**	**0**	**0**	**1,183,393**	**1,183,393**
CONSOLIDATE RESULTS	**47,010**	**-26,935**	**30,991**	**18,460**	**6,158**	**307,975**	**383,658**
Minorities	0	-11	-12,874	203	-1,169	199	-13,652
NET ATTRIBUTABLE PROFIT	**47,010**	**-26,947**	**18,117**	**18,663**	**4,989**	**308,174**	**370,006**

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2014*							
(Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	**1,143,237**	**553,806**	**419,175**	**732,323**	**193,530**	**-324,006**	**2,718,066**
Other Sales	27,860	28,441	13,159	18,542	2,050	1,551	91,602
Total Income	**1,171,097**	**582,247**	**432,333**	**750,865**	**195,580**	**-322,455**	**2,809,667**
External and Operating Expenses	-1,108,472	-540,703	-354,765	-688,498	-185,965	307,691	-2,570,712
GROSS OPERATING PROFIT	**62,625**	**41,544**	**77,568**	**62,367**	**9,615**	**-14,764**	**238,955**
Depreciation	-13,429	-10,613	-16,322	-30,304	-6,777	-1,496	-78,941
Trade Provisions	-4,536	-7,178	43,736	-1,614	8,028	-4,677	33,759
NET OPERATING PROFIT	**44,659**	**23,753**	**104,982**	**30,450**	**10,866**	**-20,937**	**193,773**
Financial results	32,674	-16,596	-70,138	-11,888	-2,641	-182,470	-251,059
Results from equity accounted subsidiaries	377	2,815	11,131	1,132	-70	155,214	170,599
Provisions for financial investments	180	943	-3,907	11,112	17	0	8,345
Change in value of financial instruments at fair value	0	0	4,190	-101	0	0	4,089
Results from sales of non current assets	-2,143	97	36,161	2,844	-840	10	36,128
PROFIT BEFORE TAXES	**75,748**	**11,011**	**82,418**	**33,549**	**7,332**		**161,874**
Corporate Tax	-35,607	-10,845	-60,568	-6,846	-1,309	-50,381	-165,556
PROFIT FOR CONTINUING ACTIVITIES	**40,141**	**166**	**21,850**	**26,702**	**6,023**	**-98,564**	**-3,681**
PROFIT FOR DISCONTINUING ACTIVITIES	**0**	**0**	**0**	**0**	**0**	**43,029**	**43,029**
CONSOLIDATE RESULTS	**40,141**	**166**	**21,850**	**26,702**	**6,023**	**-55,535**	**39,347**
Minorities	358	-47	-2,965	318	-3,911	-380	-6,627
NET ATTRIBUTABLE PROFIT	**40,500**	**119**	**18,885**	**27,020**	**2,112**	**-55,915**	**32,720**

* Adjusted with TESTA accounted as discontinued operation

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2015 (Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
NON CURRENT ASSETS	**234,765**	**138,230**	**3,181,176**	**640,974**	**203,575**	**2,379,366**	**6,778,086**
Intangible Assets	118	11	50	7,805	5,285	1,547	14,816
Real Estate Investments	0	0	0	0	0	0	0
Concessions Investments	48,033	186	1,353,153	242,480	0	0	1,643,853
Fixed Assets	52,885	84,119	3,618	125,395	106,725	3,406	376,148
Financial Assets	114,989	34,579	506,007	111,139	23,736	2,374,414	3,164,864
Receivables for concession assets	18,738	0	1,318,348	51,903	0	0	1,388,989
Other non Current Assets	0	0	0	2,838	0	0	2,838
Goodwill	0	19,335	0	99,414	67,829	0	186,578
CURRENT ASSETS	**1,883,341**	**633,861**	**558,394**	**441,862**	**162,699**	**-770**	**3,679,388**
Non current assets held for sale	0	0	0	0	0	527,535	527,535
Inventories	136,481	28,640	2,570	14,477	13,799	695	196,661
Receivables for concession assets	125	0	210,174	3,686	0	0	213,985
Accounts Receivable	1,500,191	522,385	133,392	338,643	83,249	-580,403	1,997,458
Financial Assets	90,491	27,222	28,010	14,691	452	-19,937	140,928
Cash	156,053	55,614	184,248	70,365	65,200	71,341	602,822
ASSETS = LIABILITIES	**2,118,106**	**772,091**	**3,739,570**	**1,082,836**	**366,275**	**2,378,596**	**10,457,474**
Equity	**423,187**	**140,271**	**738,168**	**252,538**	**132,715**	**224,711**	**1,911,589**
Shareholder's Equity	428,080	139,909	529,912	247,257	83,234	227,738	1,656,130
Minority Interests	-4,893	362	208,256	5,280	49,481	-3,026	255,460
NON CURRENT LIABILITIES	**473,763**	**93,577**	**2,420,860**	**423,192**	**62,642**	**1,578,287**	**5,052,321**
Financial Debt	58,836	60,038	1,730,853	182,038	46,666	1,993,872	4,072,303
Financial Instruments at fair value	0	0	140,545	19,286	2,009	0	161,839
Provisions	326,480	9,447	82,947	58,501	5,642	-121,213	361,804
Other non current Liabilities	88,447	24,092	466,515	163,367	8,325	-294,372	456,374
CURRENT LIABILITIES	**1,221,155**	**538,244**	**580,544**	**407,107**	**170,918**	**575,597**	**3,493,564**
Liabilities associated with the non current assets held for sale	0	0	0	0	0	224,186	224,186
Financial Debt	108,524	153,323	200,956	79,589	30,635	277,587	850,612
Financial instruments at fair value	0	0	24,562	1,373	1,846	0	27,780
Trade Accounts Payable	744,540	306,533	255,295	160,095	105,605	81,778	1,653,847
Operating Provisions	91,545	6,617	3,714	25,240	2,830	116,302	246,248
Other current liabilities	276,547	71,771	96,017	140,810	30,003	-124,255	490,891

BALANCE CONSOLIDADO A 31 DE DICIEMBRE DE 2014 (Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Testa	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
NON CURRENT ASSETS	**272,512**	**170,429**	**2,274,910**	**3,118,892**	**644,498**	**129,629**	**1,844,606**	**8,455,476**
Intangible Assets	180	19	104	0	4,344	1,282	983	6,913
Real Estate Investments	0	0	0	2,020,315	0	0	-173,718	1,846,596
Concessions Investments	50,214	206	869,050	46,930	247,276	0	0	1,213,675
Fixed Assets	69,230	84,990	4,248	0	122,374	110,629	3,568	395,039
Financial Assets	134,013	66,090	562,845	1,046,875	115,582	17,718	2,013,772	3,956,895
Receivables for concession assets	18,875	0	838,663	4,772	55,091	0	0	917,402
Other non Current Assets	0	642	0	0	3	0	0	645
Goodwill	0	18,482	0	0	99,829	0	0	118,311
CURRENT ASSETS	**1,903,625**	**666,973**	**208,448**	**48,170**	**426,587**	**108,040**	**-213,025**	**3,148,819**
Non current assets held for sale	0	0	0	0	0	0	302,623	302,623
Inventories	123,097	33,400	2,578	0	14,971	7,163	205,147	386,356
Receivables for concession assets	55	0	46,333	0	3,518	0	0	49,906
Accounts Receivable	1,389,193	564,136	58,653	12,164	344,539	62,968	-543,479	1,888,173
Financial Assets	272,029	31,209	27,757	14,075	17,240	744	-199,769	163,285
Cash	119,251	38,228	73,128	21,932	46,320	37,164	22,453	358,475
ASSETS = LIABILITIES	**2,176,137**	**837,402**	**2,483,359**	**3,167,062**	**1,071,085**	**237,669**	**1,631,581**	**11,604,294**
Equity	**433,859**	**168,293**	**502,286**	**1,383,118**	**257,642**	**66,452**	**-1,485,575**	**1,326,074**
Shareholder's Equity	430,338	167,895	394,419	1,383,118	254,177	57,055	-1,481,703	1,205,300
Minority Interests	3,521	398	107,866	0	3,465	9,397	-3,872	120,775
NON CURRENT LIABILITIES	**476,597**	**60,112**	**1,475,812**	**1,840,725**	**314,318**	**72,192**	**-94,908**	**4,144,848**
Financial Debt	55,337	47,222	962,604	1,550,253	164,176	58,048	574,220	3,411,860
Financial Instruments at fair value	0	0	98,095	8,335	22,649	3,625	0	132,704
Provisions	348,088	0	52,248	15,560	48,514	4,163	-189,325	279,248
Other non current Liabilities	73,172	12,890	362,865	266,576	78,979	6,356	-479,803	321,035
CURRENT LIABILITIES	**1,265,680**	**608,998**	**505,262**	**179,289**	**499,125**	**99,025**	**2,975,993**	**6,133,372**
Liabilities associated with the non current assets held	0	0	0	0	0	0	219,771	219,771
Financial Debt	83,405	168,182	178,158	160,536	117,460	17,335	2,720,227	3,445,304
Financial instruments at fair value	0	0	9,324	2,250	1,186	1,862	609	15,231
Trade Accounts Payable	778,292	344,324	203,872	5,877	152,909	65,309	54,402	1,604,984
Operating Provisions	107,096	28,313	2,938	277	33,802	2,266	141,216	315,908
Other current liabilities	296,887	68,179	110,970	10,350	193,768	12,253	-160,233	532,174

CONSTRUCTION

Millions of Euros	DECEMBER 2015	2014	%Chg. 15/14
Revenue	**1,666**	1,697	-1.9%
Spain	407	446	-8.6%
Somague	431	554	-22.1%
International	827	698	18.6%
% International	**75%**	**73%**	
EBITDA	**78**	**104**	-25%
EBITDA Margin	**4.7%**	6.1%	
BACKLOG*	**5,062**	**4,988**	1%
International	**4,218**	**4,152**	2%
% International Backlog	**83%**	83%	
Months of activity	**36**	**35**	

Revenue from the Construction business at 31 December 2015 totalled €1,666 million. The strong growth in international sales has been impacted by the slowdown in activity in Spain and in Somague, our Portuguese subsidiary, which are down 9% and 22% respectively.

Construction has a strongly international profile, as 75% of revenue comes from business abroad.

EBITDA performance compared with 31 December 2014 was affected by the slowdown of some Somague projects, in particular in Angola and Brazil. Greater efforts are being devoted to the opening of new markets.

CONTRACTING AND BACKLOG

The construction backlog stood at €5,062 million, compared with €4,988 million in 2014, thanks to international contract wins, which account for 83% of the total portfolio.
The backlog covers 36 months of operations at current turnover rates, which shows the backlog's high replacement capacity.

Two important contracts were secured in 2015:

- In Colombia, construction of the Pumarejo Bridge over the Magdalena River with a budget of €220 million (70% Sacyr: €154 million), Corridor 5 motorways: Puerta de Hierro – Cruz del Vizo motorway for €113 million (100% Sacyr) and the Autopista al Mar 1 motorway for €476 million (37.5% Sacyr: €178 million) and the Pasto-Rumichaca motorway for €537 million (60% Sacyr: €322 million).

- In Uruguay, the construction of the Corredor Vial 21 and 24 motorway for €68 million (50% Sacyr: €34 million)

- In Northern Ireland, the largest construction project is currently under way: the second phase of the new Ulster University campus in Belfast worth €182 million (50% Sacyr: €91 million).

- In Mexico, the contract to build the new regional hospital of Querétaro for €42 million (80% Sacyr: €34 million).

- In Chile, the €22 million (100% Sacyr) contract for the upgrade of the “Ruta 7” motorway in the Chaitén (Los Lagos) area and the €12 million (100% Sacyr) contract for the construction of an office building in Santiago, among other contract wins.

- The construction project of the AVE platform of the Mediterranean Corridor, the Pulpí-Cuevas de Almanzora section in Almeria, for €33 million (100% Sacyr). It was awarded other projects in Spain worth a total of €46 million.

- Sacyr won the design and construction contract of the QEZ-1 (Qatar Economic Zone 1) urban development works in Ras Bufontas in Qatar worth €410 million (50% Sacyr: €205 million).

SACYR CONCESIONES

(Thousands of euros)	DECEMBER 2015	DECEMBER 2014	% Chg. 15/14	% Chg.** 15/14
Revenue	**563.752**	419.175	34,5%	9,8%
Revenue from construction*	**286.600**	**303.351**	-5,5%	-5,8%
Revenue from concessions	**277.152**	115.824	139,3%	50,5%
EBITDA	**184.158**	77.568	137,4%	37,7%
Margen Ebitda	**66,4%**	**67,0%**		

*Includes construction by the concessions operator pursuant to IFRIC 12, excluding the effect of EBITDA, since revenue is the same as the construction business costs.

**Restated (includes the effect of 8 concessions accounting by global method)

Sacyr Concesiones' revenue stood at €564 million at 31 December 2015, 34% higher year-on-year, due to:

- The change in the consolidation method (from equity to full consolidation) for eight concessions in Spain due to changes in company control, with an impact of €103 million on revenue.
- The upturn in traffic on the Spanish concessions in operation.
- The start of operation of the Rutas del Desierto motorway in November 2014.
- The progress made by concessions in Chile (Rutas del Desierto, Valles del Bio Bio, Rutas del Algarrobo, Vallenar Caldera and the Hospital de Antofagasta).
- The income contributed by Convial de la Sierra, the concessionaire of the Autopista Longitudinal de la Sierra motorway in Peru, the Corredor 5 and Pasto- Rumichaca motorways in Colombia .

EBITDA was €184 million, with an EBITDA margin of 66%. The impact on EBITDA of the concessions consolidated using the full method in 2015 amounted to €77 million.

Growth of traffic in our concessions in Spain has consolidated, as shown in the table below. Average growth in our shadow tollways is higher than average in Spain. Especially noteworthy is the 24% growth of traffic on the Guadalmedina motorway in Malaga.

	ADT 2015		
	2015	2014	Chg. (%)
SHADOW TOLLWAYS			
AUTOVÍA DEL TURIA	36,730	35,059	4.8%
AUTOVÍA NOROESTE	11,167	10,554	5.8%
VIASTUR	22,170	21,465	3.3%
PALMA MANACOR	22,021	20,700	6.4%
AUTOVÍA DEL BARBANZA	12,847	12,170	5.6%
AUTOVÍA DEL ERESMA	7,329	6,862	6.8%
AUTOVÍA DEL ARLANZÓN	20,562	20,591	-0.1%
TOLLWAYS			
AUTOPISTA DE GUADALMEDINA	10,118	8,150	24.1%
INTERNATIONAL MOTORWAYS			
N6 CONCESSION LTD	10,244	9,549	7.3%
RUTAS DEL DESIERTO (ruta 1)	5,621	5,529	1.7%
RUTAS DEL DESIERTO (ruta 16)	6,787	0	
VALLES DEL DESIERTO - VALLENAR CALDERA	4,762	4,786	-0.5%
SERENA VALLENAR - RUTAS DEL ALGARROBO	3,997	0	

REVENUE

Thousands of Euros	2015	2014	Chg. (%)
AUTOVÍA DEL TURIA	11,847	-	n.s.
AUTOVÍA NOROESTE C.A.R.M.	7,871	-	n.s.
VIASTUR	6,829	6,614	3.3%
PALMA MANACOR	9,661	-	n.s.
AUTOVÍA DEL BARBANZA	8,698	6,689	30.0%
AUTOVÍA DEL ERESMA	6,331	5,985	5.8%
AUTOVÍA DEL ARLANZÓN	32,817	-	n.s.
NEOPISTAS	-	1,400	-100.0%
INTERCAMBIADOR DE MONCLOA	11,788	-	n.s.
INTERCAMBIADOR DE PLAZA ELÍPTICA	6,347	-	n.s.
AUTOPISTA DE GUADALMEDINA	12,251	10,045	22.0%
HOSPITAL DE PARLA	13,381	2,218	503.2%
HOSPITAL DE COSLADA	13,717	2,402	471.0%
HOLDING	702	1,679	-58.2%
ESPAÑA	**142,240**	**37,032**	**284.1%**
HOLDING	1,263	1,256	0.6%
IRLANDA	**1,263**	**1,256**	**0.6%**
HOSPITAL BRAGA	9,051	8,983	0.8%
HOSPITAL DE VILA FRANCA	8,971	12,410	-27.7%
PARQUE DO NOVO HOSPITAL	820	732	12.0%
HOLDING	118	92	28.7%
ESCALA PARQUE	1,824	1,721	6.0%
PORTUGAL	**20,783**	**23,937**	**-13.2%**
HOLDING	2,575	3,137	-17.9%
RUTAS DEL DESIERTO - ACCESOS A IQUIQE	17,836	7,222	147.0%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	15,673	9,771	60.4%
VALLES DEL DESIERTO - VALLENAR CALDERA	25,242	19,934	26.6%
RUTA 43 - LIMARI	1,018	673	51.2%
HOSPITAL ANTOFAGASTA	5,554	821	576.9%
SERENA VALLENAR - RUTAS DEL ALGARROBO	20,852	11,037	88.9%
CHILE	**88,749**	**52,594**	**68.7%**
CONVIAL SIERRA NORTE	13,540	1,005	n.s.
PERU	**13,540**	**1,005**	**n.s.**
MONTES DE MARÍA (CORREDOR 5)	6,111	0	n.s.
RUMICHACA	4,465	0	n.s.
COLOMBIA	**10,576**	**0**	**n.s**
TOTAL SIN INGRESOS DE CONSTRUCCIÓN	**277,152**	**115,824**	**139.3%**
INGRESOS DE CONSTRUCCIÓN	286,600	303,351	-5.5%
TOTAL	**563,751**	**419,174**	**34.5%**

Sacyr Concesiones has interests in 34 concessions distributed in eight countries, of which 23 are currently operating and 11 are under construction. Of the 34 concessions, 25 are motorway and road concessions in the EU and Latin America (11 in Spain, six in Chile, three in Colombia, one in Italy, one in Portugal, one in Ireland, one in Peru and one in Uruguay) and the remaining 9 are other types of concessions (six hospitals, two transport hubs, and a metro line).

The assets are in their first years of operation, and have a huge scope for generating value in the future. The average remaining life of the concessions is over 25 years.

CONTRACTING AND BACKLOG

In 2015, Sacyr has been awarded several major concessions: three in Colombia, as part of the government's 4G infrastructure programme, and one in Uruguay. Total investment in these projects amounts to over €2,300 million, while the future backlog is over €6,800 million.

- The upgrade, improvement and operation of the 202km-long Corridor 5 (Colombia) for a 25-year concession period, with an investment of roughly $256 million.

- The construction and management of the 176km-long Mar 1 (Colombia) motorway for 25 years, with estimated investment of $930 million. The motorway is in Antioquia, close to Corridor 5.

- The construction and operation of the 80-km-long Rumichaca-Pasto motorway (Colombia) which provides a connection with the border with Ecuador. Total investment in this project is around $1,023 million.

- The construction and operation of the 179 km-long Corredor Vial 21 and 24 motorway (Uruguay) in a 24-year concession, and a total investment of €150 million.

DISPOSALS

As part of its standard asset rotation policy, the Group has disposed of three concession assets in 2015:

- 30% of Sociedad Concesionaria del Hospital de Antofagasta, in Chile, to Global Dominion Access, for €8 million, a transaction in which the acquirer also took over the proportional part of the concessionary's guarantees.

- 49% of the stake in the “Ruta del Limari” concession company, in Chile to the “Prime Infraestructura II” investment fund, for €94 million.

- 20% of Hospital Puerta de Hierro, in the Regional Community of Madrid, to the DIF infrastructure fund, for €55 million, including the associated debt.

All these transactions were concluded at a price higher than the equity invested.

INDUSTRIAL

(Thousands of Euros)	DECEMBER 2015	DECEMBER 2014	% Chg. 15/14
Revenue	**289,969**	**193,530**	**50%**
-Energy	**127,306**	124,167	**3%**
-EPC	**162,663**	69,363	**135%**
EBITDA	**21,029**	**9,615**	**119%**
EBITDA Margin	**7.3%**	**5.0%**	
BACKLOG	**2,413**	**2,418**	**0%**
- National	2,074	2,176	**-5%**
- International	340	242	**40%**

The revenue for Sacyr Industrial amounted to €290 million, up 50% on the previous year thanks to new EPC contract wins in electricity infrastructure (Mexico, Peru, Scotland) and in Oil and Gas (Cartagena regasification plant in Colombia, and the middle distillate block at the Pampilla refinery in Peru) and in Environmental (the Ouro Plant in Colombia).

Similarly, EBITDA improved, totalling €21 million, leaving a margin of 7.3% compared to €9.6 million in 2014. In 2015, the company's power plants benefited from higher electricity pool and gas prices as against the previous year.

STRATEGIC AGREEMENTS

In 2015, Sacyr has concluded a number of transactions which are in line with the strategic targets it has set of reinforcing its industrial business, increasing its market share and its capacity to face new challenges.

- Sacyr Fluor: as part of this global strategy of commitment to its industrial activity, in July 2015 the Sacyr Group acquired 50% of Fluor S.A., the Spanish subsidiary of engineering multinational, Fluor Corporation. The new company, Sacyr Fluor, will provide engineering services and manage "EPC" projects (Engineering, Procurement and Construction) in the oil and gas sector and the onshore petrochemical industry in Spain, Southern Europe, North Africa and some Latin American countries. The total amount of the acquisition was €40 million.

- Saycr Nervión: In October, Sacyr Industrial and Nervión Industries, Engineering and Services, S.L. created a partnership with a 50% share each, the company Sacyr Nervión. The new company will operate in projects related to the following:

    - Comprehensive repair services of all manner of storage tanks, anywhere in the world.

    - All types of maintenance services of refineries or other productive facilities in the oil & gas sector and other selective maintenance and assembly projects of industrial works.

- Isotrón: in December, Sacyr Industrial and Isotron signed a partnership agreement to make joint combined bids in EPS electrical generation and transmission tenders.

CONTRACTING AND BACKLOG

The growth of the industrial backlog was due to international activity. 2015 was a year of expansion for Sacyr Industrial. It was awarded the following major contracts:

- In Panama, the new project of operation and maintenance services for the Empresa de Distribución Metro Oeste (EDEMET) worth €20 million.

- A €156 million contract to adapt the Pampilla refinery in Peru to new fuel specifications.

- A €12 million contract for work on substations and the 4th phase Eastern transmission lines in Mexico for the Federal Electricity Commission (CFE).

- In Spain a major contract was also secured for the installation of geothermal systems at the Hotel Santa Marta, Mercado del Val, worth a total of €1.5 million.

VALORIZA

In 2015, Valoriza posted revenues of €763 million, 4.2% higher than in 2014. This growth is fuelled by the Environment and Multi-services businesses (5.2% and 6.8%, respectively). The contraction of revenue in the Water business was due mainly to the disposal in June 2014 of the water assets in Portugal (which therefore contributed revenue in 2014, but not in this year). Excluding the impact of disposals in the water business in Portugal, growth was 6.6%.

(Thousands of Euros)	DECEMBER 2015	DECEMBER 2014	% Chg. 15/14	% Chg.* 15/14
REVENUE	**763,088**	**732,323**	4.2%	6.6%
Environment	**313,209**	**297,627**	5.2%	5.2%
Multi-Services	**304,090**	**284,632**	6.8%	6.8%
Water	**143,170**	**146,056**	-2.0%	7.0%
Central	**2,620**	**4,008**	-	-
EBITDA	**70,280**	**62,367**	12.7%	19.0%
Environment	**40,756**	**33,623**	21.2%	21.2%
Multi-Services	**17,608**	**18,146**	-3.0%	-3.0%
Water	**7,952**	**7,775**	2.3%	77.7%
Central	**3,964**	**2,823**	40.4%	40.4%
EBITDA Margin	***9.2%***	***8.5%***		

* Eliminate the effect of disinvestments

EBITDA rose 13% to €70 million. Excluding the impact of the disposal of the water assets in Portugal, EBITDA would have increased by 19%. The EBITDA margin widened to 9.2%.

CONTRACTING AND BACKLOG

Valoriza's backlog stood at €6,031 million, of which 31% is accounted for by international business. Valoriza remains firmly committed to tendering activity in all its business areas both in Spain and abroad.

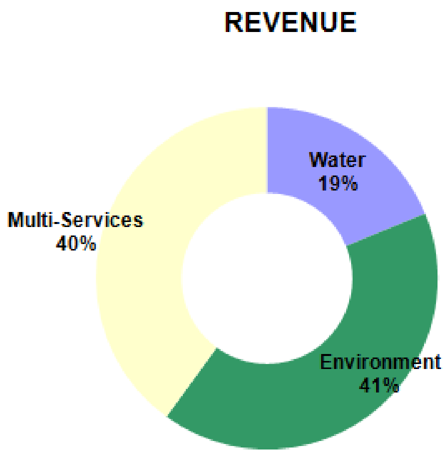
Yearly highlights:

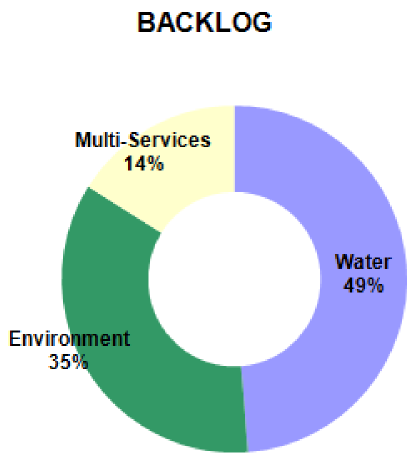
- Management of the street cleaning and waste collection service in the city of Guadalajara, for a period of 15 years and for €71 million.
- The cleaning service in terminals and external facilities of Barcelona- El Prat Airport, for a period of 3 years and €35 million.
- The cleaning service in Adolfo Suarez Madrid – Barajas Airport Terminals 1,2 and 3, for a period of 3 years and €22 million.
- Winning of the comprehensive road maintenance contracts for the Tudela and Tafalla maintenance centres for €8 million, with a term of 4 years.
- Management of the street cleaning, waste collection and containers service in Poio (Pontevedra) for €11 million and with a concession term of 16 years.
- Repaving works on the AP-9 motorway, for €9 million, with a term of 2 years.
- Comprehensive services of the Moncloa transport hub in Madrid for €8 million and a concession of 5 years.
- The comprehensive management of the senior citizen's home and day centre in Benidorm (Alicante). It is worth €9 million, and with a term of 4 years for the concession.

- The two-year extension of the solid urban waste collection and cleaning contract for the city of Lerida worth €9 million.

- The €9 million contract with the Madrid region for maintenance of water mains, drinking water supply, wastewater treatment and remote control system and ornamental fountains.

- The €9 million joint contract for the construction, design, upgrade and expansion and also the operation and maintenance of Formentera's seawater desalination plant (IDAM) and its adjacent facilities.





VI. STOCK MARKET PERFORMANCE

SACYR	DECEMBER		% Chg
	2015	2014	15/14
Market Price at closing (euros per share)	1.81	2.86	-36.64%
High share price	4.28	5.38	-20.46%
Low share price	1.78	2.65	-32.75%
Market Capitalization at closing (Thousands of euros)*	938,620	1,481,405	-36.64%
Average Trading Volume (Thousands of euros)	5,427,009	7,654,663	-29.10%
Average Daily Trading Volume (Number of shares)	6,657,374	7,447,109	-10.60%
Liquidity (%)	100	100	
Number of shares (Thousands)	517,431	502,212	3.03%
Share Nominal Value	1 EURO	1 EURO	

*Adjusted in 2014 pursuant to capital increase in July 2015 consisting of issue of bonus shares at a proportion 1 new share for 33 previously issued shares.

VII. SHAREHOLDER STRUCTURE

Significant shareholders in Sacyr, S.A. at 31 December were as follows:

SHAREHOLDER	%Total
D. Manuel Manrique Cecilia	**5.1%**
Cymofag, S.L.	5.1%
DISA . Demetrio Carceller Arce	**12.7%**
D. José Manuel Loureda Mantiñán	**7.8%**
Prilou, S.L.	3.2%
Prilomi, S.L.	4.6%
Grupo Corporativo Fuertes, S.L	**6.3%**
Beta Asociados, S.L.	**5.1%**
Taube Hodson Stonex Partners LLP	**3.1%**
Grupo Satocan, S,A.	**2.6%**
TOTAL SIGNIFICANT SHAREHOLDINGS	**42.5%**

VIII. ACCOUNTING ISSUES

a) As explained in previous quarters, as a result of changes to the corporate resolutions that delimit the control of certain concessions companies, these concessions were fully consolidated. The year 2014 has not been restated, as it is a change in consolidation scope that is not due to the application of IFRS 11. These companies and their impact on income at 31 December 2015 are as follows:

		REVENUE AT DECEMBER			EBITDA AT DECEMBER		
Cambio perímetro de consolidación por modificación de los acuerdos de gestión	**% Particip.**	**2015**	**2014**	**Var**	**2015**	**2014**	**Var**
AUTOVÍA DEL TURIA	51%	11,847	0	11,847	10,628	0	10,628
AUTOVÍA NOROESTE C.A.R.M.	51%	8,306	0	8,306	6,372	0	6,372
PALMA MANACOR	40%	9,661	0	9,661	8,896	0	8,896
AUTOVÍA DEL ARLANZÓN	50%	32,817	0	32,817	28,037	0	28,037
INTERCAMBIADOR DE MONCLOA	51%	11,840	0	11,840	9,622	0	9,622
INTERCAMBIADOR DE PLAZA ELÍPTICA	51%	6,386	0	6,386	4,593	0	4,593
HOSPITAL DE PARLA Y COSLADA *	51%	27,370	4,620	22,750	11,173	1,984	9,189
TOTAL		**108,227**	**4,620**	**103,607**	**79,321**	**1,984**	**77,337**

*In March 2014, 49% of the hospitals stake were sold and they started to be accounted by equity method. 2014 incomes include incomes until sale date.

b) There were also impacts on EBITDA, of €77 million, and on net financial debt, of €561 million.

c) The sale of a controlling percentage in Testa was recorded in the third quarter of 2015. Hence, Sacyr accounted for its 23% shareholding in Testa as a financial investment held for sale. The income statement records in "Income from discontinued activities" the net income from Testa from 1 January 2015 to 30 June 2015, as Testa is accounted as a discontinued operation in that period. The 2014 income statement has been adjusted so that both periods are comparable.

SALE OF TESTA

- On June 8, 2015, an agreement was closed for the sale to Merlin Properties of Sacyr's 99.5% share in Testa, for €1,794 million.

The sale agreement was structured in various phases:

- In June 2015, Testa carried out a capital increase through which Merlin Properties acquired a 25% stake. Sacyr received €239 million. For accounting purposes, Testa was then considered a discontinued operation in the first half of the year.

- In July and August 2015, a further 52% in Testa shares were delivered, amounting to €1,238 million. As a result, at the date of publication of this report, Sacyr's stake in Testa amounted to 23%.

For accounting purposes, the capital gain from the sale was recorded in the third quarter of 2015 and Sacyr accounted for 23% of its shareholding in Testa as a financial investment held for sale.

Before 30 June 2016, the remaining 23% of Testa will be delivered to Merlin Properties for €317 million.

For more information, please contact:

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