



# Results 2018 Third Quarter

8 November 2018

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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 unaudited 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 damage or loss of any kind 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 Alternative Performance Measures (APMs) used in preparing the financial statements are included in the Appendix at the end of this document. Sacyr considers that this additional information improves the comparability, reliability and comprehensibility of its financial information.

## I. Highlights January-September 2018

### Corporate:

#### Shareholder remuneration

As a continuation of its shareholder remuneration strategy, in July Sacyr paid out a scrip dividend to its shareholders. In this case, shareholders could either receive one new share for every 48 existing shares held or otherwise sell Sacyr their rights to receive free shares at a guaranteed fixed price of EUR 0.051 gross per right.

This shareholder remuneration is in addition to the scrip dividend paid in February, in which shareholders could either receive one new share for every 48 shares held or else sell Sacyr the rights to receive free shares at a guaranteed fixed price of EUR 0.052 gross per right.

These two payouts to shareholders mark the resumption of the regular dividend policy that is part of the Group's strategy. The return to shareholders during 2018 has been 4.2%.

#### Asset turnover

On 27 July 2018, Sacyr signed an agreement to sell its 15.5% stake in Itinere for €202 million.

The sale is currently on hold, due to the imposition of provisional remedies. Once the provisional remedies are lifted, Sacyr, through its committees and on the basis of proper legal analysis, will decide on the transfer of the shareholding in question.

#### European Medium Term Note (EMTN) Programme

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

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

## International expansion:

### NEW MARKET: UNITED STATES

- **Sacyr wins its first three infrastructure projects in the United States.**

Sacyr has been awarded its first three infrastructure projects in the United States, thus meeting one of the targets of its 2015-2020 strategic programme. The Engineering and Infrastructures division, which in 2018 entered the U.S. market, already has a backlog of approximately €115 million in that country.

Sacyr Engineering & Infrastructures will carry out the remodelling of a stretch of Interstate 75 situated in the west of Florida for the Florida Department of Transportation, with a budget of around €70 million, together with the widening of State Road 82 between Alabama Road South and Homestead South, with a budget of €36 million.

In the village of Palmetto Bay, Miami-Dade County, 30 minutes south of the city of Miami, Sacyr Engineering & Infrastructures will design and build three new streets and expand and improve two existing streets, with a total length of 1,800 m, for €9 million.

### STRATEGIC MARKETS

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

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

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

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

This hospital will benefit almost 100,000 inhabitants in the communes covered by the Nodo Lacustre health service management district of the province of Cautín (Villarrica, Pucón,

Curarrehue and Loncoche). The site will have 21,000 m<sup>2</sup> of infrastructure, accommodating 115 beds, an Intermediate Care Unit, an Accident and Emergency Service, 6 operating rooms, 3 delivery rooms, 12 dialysis stations and a Polyclinic, which will provide general medical care and various medical specialities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Valoriza Medioambiente has won the contract for street cleaning and waste collection services in the Autonomous City of Melilla for an aggregate amount of €53 million over a period of 4 years, extendable for a further 2 years.

All the street cleaning and waste collection equipment is more environmentally friendly and sustainable, thus reducing emissions of greenhouse gases and noise pollution. The

company will also have sound-insulated equipment with water-saving devices with a view to increasing the use of high-pressure water jets in street cleaning.

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

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

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

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

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

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

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

Through its subsidiaries Sacyr Industrial and Valoriza Medioambiente, Sacyr has also secured the financing for this project.

**After the close:**

- Sacyr Engineering & Infrastructures have been awarded the contract to build the East Line of the subway in the city of Fortaleza (Brazil). The project has a duration of 48 months and a budget of approximately of €350 million.

The project, awarded by the Infrastructure Secretariat of the State of Ceará, relates to Phase 1 of the East Line. The work includes the construction of the line from the Tirol-Moura Brasil station to the subway rail yards, located beyond the Papicú station

- Through its subsidiary Sacyr Concessions, Sacyr has been selected as the preferred bidder for the Port of Montevideo – Paso de los Toros railway project in Uruguay, with an investment of approximately €960 million and a concession period of 18 years.



## II. Income statement

Sacyr's results at 30 September 2018 confirm the strong operating performance of all the Group's businesses and the consolidation of strategic growth in our international markets. The key to the Group's operating performance is careful attention to profitability and cash flow generation, based on rigorous selection of contracts and thorough control of the associated risks and costs.

<b>INCOME STATEMENT</b> (Thousands of Euros)	<b>9M 2018</b>	<b>9M 2017</b>	<b>% chg</b>
<b>Revenue</b>	<b>2,701,747</b>	<b>2,248,681</b>	<b>20.1%</b>
Other income	241,460	48,726	395.5%
<b>Total operating income</b>	<b>2,943,207</b>	<b>2,297,407</b>	<b>28.1%</b>
External and Operating Expenses	-2,569,430	-2,025,697	26.8%
<b>EBITDA</b>	<b>373,777</b>	<b>271,710</b>	<b>37.6%</b>
Amortisation and Depreciation charges	-95,340	-84,494	12.8%
Trade Provisions and non recurring expenses	240	-10,369	-102.3%
<b>NET OPERATING PROFIT</b>	<b>278,677</b>	<b>176,847</b>	<b>57.6%</b>
Financial results	-177,045	-140,839	25.7%
Forex results	18,619	-29,173	n.a.
Results from equity accounted subsidiaries	225,045	215,348	4.5%
Provisions for financial investments	-3,770	-3,553	6.1%
Change in value of financial instruments	-155,411	-93,742	65.8%
Results from sales of non current assets	2,074	2,482	-16.4%
<b>PROFIT BEFORE TAXES</b>	<b>188,188</b>	<b>127,369</b>	<b>47.8%</b>
Corporate Tax	-37,327	-11,596	221.9%
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>150,860</b>	<b>115,772</b>	<b>30.3%</b>
PROFIT FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	0	
<b>CONSOLIDATE RESULTS</b>	<b>150,860</b>	<b>115,772</b>	<b>30.3%</b>
Minorities	-42,079	-19,155	119.7%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>108,781</b>	<b>96,617</b>	<b>12.6%</b>
<b>Gross margin</b>	<b>13.8%</b>	<b>12.1%</b>	

- Revenue amounted to €2,702 million, representing year-on-year growth of 20%.
- 58% of revenue and 71% of the backlog were generated outside Spain.
- EBITDA reached €374 million, representing year-on-year growth of 38%.
- Net operating profit (EBIT) rose 58% to €279 million.

- The EBITDA margin was 13.8%, compared to 12.1% in the same period of the previous year, representing growth of 1.7 percentage points.
- Attributable net profit at 30 September 2018 was €109 million, up 13% compared to the same period of the previous year.

## Revenue

**Revenue is up 20% as a result of the favourable performance of all the Group's businesses.**

Positive business performance across all areas allowed the Group to post revenue of €2,702 million, 20% more than in the same period of the previous year. The year-on-year growth in international revenue was 25%.

The Engineering and Infrastructures division grew 36%, following the trend of recent quarters, thanks to the rate of revenue generation from major projects in the various strategic markets (Italy, Colombia, Chile, Uruguay, Peru, Paraguay, Mexico, Ireland, etc.). Sacyr Concessions grew 31%, the increase in construction revenues can be observed as a result of the progress in the execution of the last awarded contracts. The revenues from Sacyr Services increased by 13%, due to the start of operation of our portfolio projects, and Sacyr Industrial by 0.3%.

REVENUE (Thousands of Euros)	9M 2018	9M 2017	% Chg
SACYR ENGINEERING & INFRASTRUCTURES	1,189,911	876,863	35.7%
SACYR CONCESSIONS	547,285	416,771	31.3%
Revenue from concessions	318,043	276,265	15.1%
Revenue from construction	229,242	140,506	63.2%
SACYR SERVICES	797,771	704,007	13.3%
SACYR INDUSTRIAL	388,462	387,214	0.3%
Holding y Adjustment	-221,682	-136,174	
<b>REVENUE</b>	<b>2,701,747</b>	<b>2,248,681</b>	<b>20.1%</b>
International	1,572,240	1,261,010	24.7%
% International	58%	56%	

## EBITDA

Revenue growth during these first nine months of the year has been accompanied by a very positive trend in EBITDA, which is up 38% compared to the same period of the previous year. EBITDA growth reached 12% in Sacyr Concessions, 14% in Sacyr Services

and 5% in Sacyr Industrial. In Sacyr Engineering & Infrastructures, the growth has been driven by the rate of execution of some of the large projects in backlog (Colombia, Chile, Uruguay, Peru, Paraguay, Mexico, Ireland, etc.), coupled with the contribution from the Pedemontana-Veneta motorway in Italy.

This improvement in EBITDA brought the EBITDA margin on consolidated turnover to 13.8%, up 1.7 percentage points compared to the same period of the previous year.

EBITDA (Thousands of Euros)	9M 2018	9M 2017	% Chg
SACYR ENGINEERING & INFRASTRUCTURES	95,167	24,958	281.3%
SACYR CONCESSIONS	195,253	174,569	11.8%
SACYR SERVICES	67,718	59,238	14.3%
SACYR INDUSTRIAL	27,500	26,171	5.1%
Holding y Adjustment	-11,860	-13,227	
<b>EBITDA</b>	<b>373,777</b>	<b>271,710</b>	<b>37.6%</b>
<b>Ebitda Margin (%)</b>	<b>13.8%</b>	<b>12.1%</b>	

## Operating profit (EBIT)

Net operating profit reached €279 million, a year-on-year increase of 58%.

## Financial Results

Net finance expense came to €177 million at 30 September 2018. The average interest rate on borrowings stands at 3.6%.

## Results from equity accounted subsidiaries

The total under this heading of the income statement amounted to €225 million, of which €215 million relate to our stake in Repsol. Repsol's carrying amount at 30 September 2018 was €17.16 per share.

## Change in value of financial instruments

The balance of this item in the income statement is €155 million, of which €138 million relate to the fair value measurement of the three derivative structures through which the Group holds its stake in Repsol.

## Net profit

Net profit at 30 September 2018 was €109 million, 13% more than for the same period of the previous year.

## III. Backlog

At 30 September 2018, Sacyr has a pipeline of future revenue totalling €41,633 million.

The Group continues to pursue a strategy of internationalisation in strategic markets. As of 30 September 2018 the international backlog already accounts for 71% of the total, compared to 61% at 30 September 2017. This significant growth is due to the new contracts awarded in countries such as the United States, Colombia, Mexico, Peru, Paraguay, Australia, Chile and United Kingdom, and also to the inclusion of the Pedemontana-Veneta concession in Italy in the backlog.

BACKLOG (Thousands of euros)	Sep.2018	International	Spain	% Internat.
SACYR ENGINEERING & INFRASTRUCTURES	5,698	5,080	619	89%
SACYR CONCESSIONS	27,287	22,398	4,888	82%
SACYR SERVICES	6,019	1,731	4,288	29%
SACYR INDUSTRIAL	2,628	342	2,286	13%
<b>TOTAL</b>	<b>41,633</b>	<b>29,551</b>	<b>12,082</b>	
<b>Backlog December 2017</b>	<b>41,001</b>			
<b>Chg. 3Q18</b>	<b>2%</b>			

In the Engineering and Infrastructures business, international projects account for 89% of the total backlog. The division's geographic exposure is concentrated in the United States, Chile, Italy, Peru, Colombia, Paraguay, Mexico, Brazil, the United Kingdom, Qatar, Uruguay, Portugal, Angola and other countries.

In the Concessions business, Sacyr's international presence is steadily increasing, with a focus on strategic markets. At 30 September 2018, the international backlog accounted for 82% of the total. The Concessions division operates in Chile, Colombia, Uruguay, Paraguay, Peru, Italy, Mexico, Ireland and Portugal.

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

Sacyr Industrial, for its part, is present in Australia, Bolivia, Oman, Mexico, Peru, Panama, Chile, Colombia and Ecuador, as well as Spain, with numerous projects in the Oil & Gas and electricity infrastructure sectors and in power plants, cement plants, desalination plants and waste treatment facilities. It now has a backlog of projects totalling €2,628 million, 13% of which is located abroad.

## IV. Consolidated balance sheet

CONSOLIDATED BALANCE SHEET (Thousands of Euros)	SEP. 2018	DEC. 2017	Chg 9M 18
<b>NON CURRENT ASSETS</b>	<b>8,910,472</b>	8,098,032	812,440
Intangible Assets	15,998	17,188	-1,190
Concessions Investments	1,386,414	1,370,054	16,360
Fixed Assets	439,277	387,600	51,677
Financial Assets	3,304,534	3,059,941	244,593
Receivables from concession assets	3,354,447	2,854,735	499,712
Other non Current Assets	243,126	241,714	1,412
Goodwill	166,675	166,801	-126
<b>CURRENT ASSETS</b>	<b>5,590,170</b>	5,478,224	111,947
Non current assets held for sale	442,303	454,992	-12,689
Inventories	229,248	199,937	29,311
Receivables from concession assets	364,732	260,278	104,455
Accounts Receivable	2,399,601	2,333,664	65,938
Financial Assets	113,400	113,361	39
Cash	2,040,885	2,115,992	-75,107
<b>ASSETS = LIABILITIES</b>	<b>14,500,642</b>	13,576,256	924,386
<b>EQUITY</b>	<b>1,716,144</b>	2,004,419	-288,275
Shareholder's Equity	1,333,597	1,652,138	-318,541
Minority Interests	382,546	352,281	30,265
<b>NON CURRENT LIABILITIES</b>	<b>7,821,823</b>	7,253,254	568,569
Financial Debt	5,082,839	4,729,167	353,672
Financial Instruments at fair value	228,896	192,800	36,096
Provisions	442,939	294,882	148,057
Other non current Liabilities	576,940	547,154	29,786
Other hedged debt	1,490,209	1,489,252	957
<b>CURRENT LIABILITIES</b>	<b>4,962,676</b>	4,318,583	644,093
Liabilities associated with the non current assets held for sale	173,222	176,965	-3,744
Financial Debt	1,090,591	921,205	169,387
Financial Instruments at fair value	14,806	27,127	-12,322
Trade Accounts Payable	2,647,757	2,460,956	186,801
Operating Provisions	101,392	122,726	-21,335
Other current liabilities	934,908	609,604	325,304

Main changes in the first nine months of 2018 are the result of applying IFRS 15. As indicated in the Group's financial statements, an adjustment of €416 million was recognised in equity at 1 January 2018.

## Financial debt

The Group's net debt amounts to €4,019 million. The breakdown of the debt and the changes with respect to December 2017 are as follows:

€ Million	Sep. 2018	Dec. 2017	Chg. 9M
Project Finance	2,951	2,517	434
Bank borrowings (operating lines)	427	498	-71
Capital Markets (Bonds + ECP)	641	406	235
<b>Net Debt</b>	<b>4,019</b>	<b>3,421</b>	<b>598</b>

**Bank debt:** the Group's bank debt stands at €427 million, consisting of working capital finance used by the Group in its various businesses. This amount includes the bank debt of each of the Group's business areas and the financial liability associated with the holding company.

**Capital markets:** at 30 September 2018 the holding company has a financial liability of €641 million, mainly for:

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

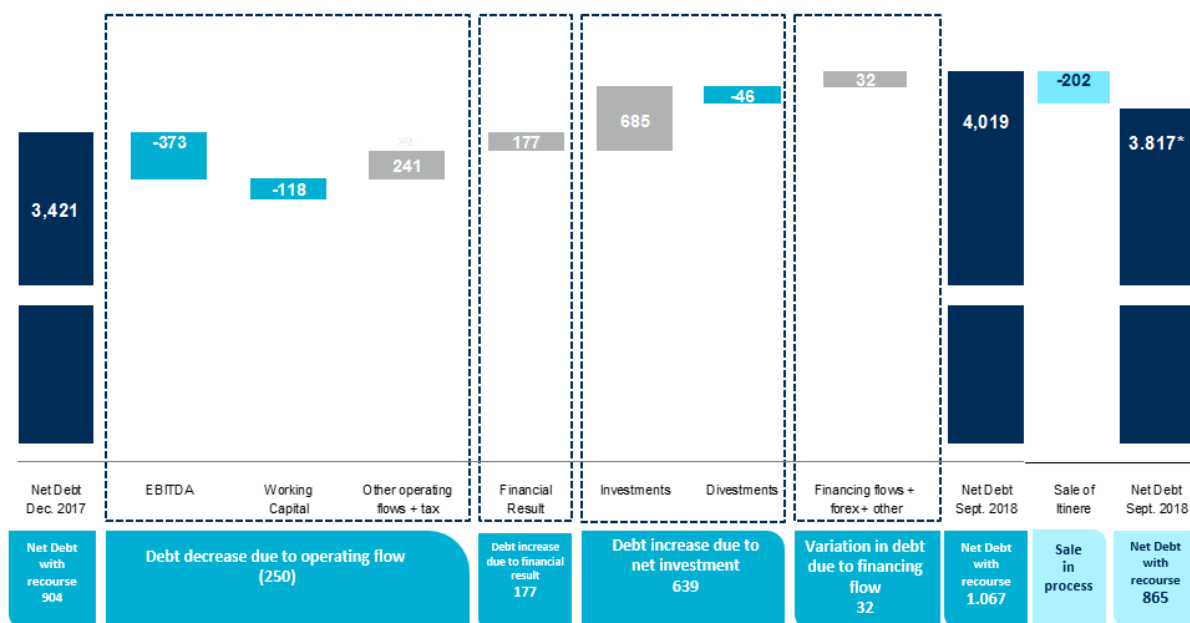
This funding is used by the parent company, in its financial management and coordination activities as the Group's controlling company, to meet the financing needs of the various Group companies.

**Project finance:** this amounts to €2,951 million and consists of very long-term project finance. This debt is repaid out of the cash flows generated by the projects themselves.

Changes in net debt in the first nine months of 2018 were as follows:

### Net Debt Evolution

€ Million



\* Proforma including the sale of Itinere



## V. Performance by business area

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
<b>Turnover</b>	<b>1,189,911</b>	<b>547,285</b>	<b>797,771</b>	<b>388,462</b>	<b>-221,682</b>	<b>2,701,747</b>
Other Sales	179,303	36,563	30,559	3,656	-8,621	241,460
<b>Total Income</b>	<b>1,369,214</b>	<b>583,848</b>	<b>828,330</b>	<b>392,118</b>	<b>-230,304</b>	<b>2,943,207</b>
External and Operating Expenses	-1,274,048	-388,595	-760,612	-364,619	218,444	-2,569,430
<b>GROSS OPERATING PROFIT</b>	<b>95,167</b>	<b>195,253</b>	<b>67,718</b>	<b>27,500</b>	<b>-11,860</b>	<b>373,777</b>
Amortisation and Depreciation charges	-18,180	-37,516	-31,132	-6,938	-1,574	-95,340
Trade Provisions and non recurring expenses	-279	4,680	-5,862	1,695	7	240
<b>NET OPERATING PROFIT</b>	<b>76,707</b>	<b>162,417</b>	<b>30,723</b>	<b>22,256</b>	<b>-13,427</b>	<b>278,677</b>
Financial results	-28,367	-91,419	-6,976	-4,245	-46,039	-177,045
Forex results	13,998	-7,302	40	-718	12,601	18,619
Results from equity accounted subsidiaries	304	5,829	4,618	-8	214,302	225,045
Provisions for financial investments	-18	-3,331	-422	0	0	-3,770
Change in value of financial instruments at fair value	0	-13,725	-2,627	-583	-138,476	-155,411
Results from sales of non current assets	952	45	1,709	-632	0	2,074
<b>PROFIT BEFORE TAXES</b>	<b>63,577</b>	<b>52,514</b>	<b>27,065</b>	<b>16,070</b>	<b>28,962</b>	<b>188,188</b>
Corporate Tax	-23,316	-16,986	-7,164	-5,139	15,278	-37,327
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>40,260</b>	<b>35,528</b>	<b>19,902</b>	<b>10,931</b>	<b>44,240</b>	<b>150,860</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>40,260</b>	<b>35,528</b>	<b>19,902</b>	<b>10,931</b>	<b>44,240</b>	<b>150,860</b>
Minorities	-21,764	-20,572	2,113	-2,311	455	-42,079
<b>NET ATTRIBUTABLE PROFIT</b>	<b>18,496</b>	<b>14,956</b>	<b>22,014</b>	<b>8,620</b>	<b>44,695</b>	<b>108,781</b>

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 2017						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
<b>Turnover</b>	<b>876,863</b>	<b>416,771</b>	<b>704,007</b>	<b>387,214</b>	<b>-136,174</b>	<b>2,248,681</b>
Other Sales	31,079	6,827	9,987	2,783	-1,951	48,726
<b>Total Income</b>	<b>907,942</b>	<b>423,599</b>	<b>713,993</b>	<b>389,997</b>	<b>-138,125</b>	<b>2,297,407</b>
External and Operating Expenses	-882,984	-249,030	-654,755	-363,826	124,898	-2,025,697
<b>GROSS OPERATING PROFIT</b>	<b>24,958</b>	<b>174,569</b>	<b>59,238</b>	<b>26,171</b>	<b>-13,227</b>	<b>271,710</b>
Amortisation and Depreciation charges	-12,145	-36,049	-27,962	-6,805	-1,532	-84,494
Trade Provisions and non recurring expenses	-2,738	-6,824	-708	-111	12	-10,369
<b>NET OPERATING PROFIT</b>	<b>10,075</b>	<b>131,695</b>	<b>30,568</b>	<b>19,255</b>	<b>-14,747</b>	<b>176,847</b>
Financial results	1,869	-73,379	-6,534	-2,713	-60,082	-140,839
Forex results	-2,241	1,686	-188	-1,644	-26,786	-29,173
Results from equity accounted subsidiaries	8,957	4,617	4,494	44	197,236	215,348
Provisions for financial investments	-26	-3,918	399	513	-521	-3,553
Change in value of financial instruments at fair value	0	-14,470	-2,656	-843	-75,772	-93,742
Results from sales of non current assets	2,449	-52	64	-281	302	2,482
<b>PROFIT BEFORE TAXES</b>	<b>21,083</b>	<b>46,178</b>	<b>26,146</b>	<b>14,331</b>	<b>19,631</b>	<b>127,369</b>
Corporate Tax	-12,781	-15,796	-7,927	-3,930	28,837	-11,596
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>8,302</b>	<b>30,382</b>	<b>18,219</b>	<b>10,402</b>	<b>48,468</b>	<b>115,772</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>8,302</b>	<b>30,382</b>	<b>18,219</b>	<b>10,402</b>	<b>48,468</b>	<b>115,772</b>
Minorities	-83	-16,784	-30	-2,560	302	-19,155
<b>NET ATTRIBUTABLE PROFIT</b>	<b>8,219</b>	<b>13,598</b>	<b>18,188</b>	<b>7,842</b>	<b>48,770</b>	<b>96,617</b>

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>1,701,867</b>	<b>3,571,647</b>	<b>895,485</b>	<b>184,725</b>	<b>2,556,748</b>	<b>8,910,472</b>
Intangible Assets	570	81	10,830	1,292	3,224	15,998
Concessions Investments	47,654	1,042,693	296,067	0	0	1,386,414
Fixed Assets	155,507	3,811	184,906	91,845	3,208	439,277
Financial Assets	177,873	465,889	86,697	23,759	2,550,316	3,304,534
Receivables for concession assets	1,320,263	1,818,273	215,911	0	0	3,354,447
Other non Current Assets	0	240,900	2,226	0	0	243,126
Goodwill	0	0	98,846	67,829	0	166,675
<b>CURRENT ASSETS</b>	<b>3,999,376</b>	<b>1,239,581</b>	<b>556,196</b>	<b>344,620</b>	<b>-549,603</b>	<b>5,590,170</b>
Non current assets held for sale	0	283,240	0	0	159,063	442,303
Inventories	181,039	287	13,237	18,695	15,991	229,248
Receivables for concession assets	222	362,522	1,987	0	0	364,732
Accounts Receivable	1,943,897	181,065	371,256	197,938	-294,556	2,399,601
Financial Assets	408,080	9,375	105,174	40,009	-449,238	113,400
Cash	1,466,138	403,091	64,542	87,978	19,137	2,040,885
<b>ASSETS = LIABILITIES</b>	<b>5,701,243</b>	<b>4,811,228</b>	<b>1,451,681</b>	<b>529,345</b>	<b>2,007,145</b>	<b>14,500,642</b>
<b>Equity</b>	<b>358,017</b>	<b>1,000,114</b>	<b>382,149</b>	<b>134,977</b>	<b>-159,113</b>	<b>1,716,144</b>
Shareholder's Equity	315,846	703,560	374,928	93,584	-154,321	1,333,597
Minority Interests	42,171	296,554	7,221	41,393	-4,792	382,546
<b>NON CURRENT LIABILITIES</b>	<b>2,374,795</b>	<b>3,122,714</b>	<b>638,051</b>	<b>124,689</b>	<b>1,561,574</b>	<b>7,821,823</b>
Financial Debt	1,801,425	2,488,636	416,192	98,729	277,857	5,082,839
Financial Instruments at fair value	0	93,745	11,502	365	123,285	228,896
Provisions	348,470	67,693	104,762	9,512	-87,499	442,939
Other non current Liabilities	224,900	472,640	105,595	16,082	-242,277	576,940
Other hedged debt	0	0	0	0	1,490,209	1,490,209
<b>CURRENT LIABILITIES</b>	<b>2,968,430</b>	<b>688,400</b>	<b>431,482</b>	<b>269,680</b>	<b>604,684</b>	<b>4,962,676</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	173,222	173,222
Financial Debt	121,317	205,303	62,729	38,013	663,228	1,090,591
Financial instruments at fair value	0	12,728	1,396	682	0	14,806
Trade Accounts Payable	2,035,965	278,049	152,825	187,041	-6,123	2,647,757
Operating Provisions	60,613	9,330	24,148	6,924	376	101,392
Other current liabilities	750,534	182,990	190,383	37,020	-226,019	934,908

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

## SACYR ENGINEERING & INFRASTRUCTURES

(Thousands of euros)	9M 2018	9M 2017	% Chg.
<b>Revenue</b>	<b>1,189,911</b>	876,863	<b>35.7%</b>
<b>EBITDA</b>	<b>95,167</b>	24,958	<b>281.3%</b>
<b>EBITDA margin</b>	<b>8.0%</b>	2.8%	

At 30 September 2018, the revenue of the Engineering and Infrastructures business reached €1,190 million, representing year-on-year growth of 36%, thanks to the strong performance of the international business, which achieved more than 60% growth in revenue.

The Engineering and Infrastructures area continues to post high international growth: at 30 September 2018, 86% of its revenue was generated outside Spain, compared to 77% in the same period of the previous year.

The recovery in the rate of revenue generation of the Engineering and Infrastructures business (a recovery that started in the last quarter of the previous year) has continued, thanks to the pace of execution of projects in backlog and the contribution of the Pedemontana-Veneta motorway in Italy. All this brought EBITDA at 30 September 2018 to €95 million, which represents strong growth compared to the same period of the previous year. The EBITDA margin reached 8.0%, marking an improvement in the business's profitability.

### Procurement and backlog

The Engineering and Infrastructures backlog totals to €5,698 million, which covers 43 months of activity at current rates of revenue generation. International activities account for 89% of the total backlog. Also, 63% of the total Engineering and Infrastructure backlog consists of infrastructure projects for Sacyr Concessions.

During the first nine months of the year, Sacyr won its first infrastructure projects in the United States, thus meeting one of the targets of its 2015-2020 strategic programme. Sacyr will carry out three projects in the US (two for the Florida Department of Transportation and a third in the village of Palmetto Bay) for an aggregate amount of approximately €115 million.

- Remodelling a stretch of the Interstate 75, located in the west of Florida, with a budget of around €70 million, and widening the State Road 82 between Alabama Road South and Homestead South, with a budget of €36 million, both for the Florida Department of Transportation.
- Design and construction of three new streets and widening and upgrading of two existing streets, with a total length of 1,800 m, in the suburban village of Palmetto Bay in Miami-Dade County, about 30 minutes far from south of the city of Miami, for €9 million.

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

At international level:

- Construction of the new A6 motorway between Dungiven and Drumahoe in Northern Ireland, United Kingdom, for a total of €161 million. Awarded by the Department for Infrastructure of the Government of Northern Ireland, the contract includes designing and building the 26-kilometre motorway. The A6 motorway is part of the North-East Transport Corridor, a strategic link between Belfast and the north-east of the country.
- Design and construction of the new Alto Hospicio Hospital in Iquique, in the Tarapacá region of Chile, for a total of €95 million. With 235 beds, 3 integrated delivery rooms, 49 cubicles, seismic isolation, energy efficiency and a heliport, the hospital will serve more than 108,000 inhabitants and will house the health care services of the communes of Tamarugal Province.
- Construction of the new San Alejandro Hospital in San Andrés de Cholula, state of Puebla, Mexico, for a total of €70 million. The new hospital will replace the old San

Alejandro hospital, which was badly damaged in the earthquake that shook the federal capital in September 2017.

- Construction of the new Villarrica Hospital, located in the Araucanía region of Chile, for a total of €44 million. This hospital will benefit almost 100,000 inhabitants from the communes covered by the Nodo Lacustre health service management district of the province of Cautín (Villarrica, Pucón, Curarrehue and Loncoche). The site will have 21,000 m<sup>2</sup> of infrastructure, accommodating 115 beds, an Intermediate Care Unit, an Accident and Emergency Service, six operating rooms, three delivery rooms, 12 dialysis stations and a Polyclinic, which will provide general medical care and various medical specialities.

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

- Construction of the El Callao Sports Centre, redevelopment of Miguel Grau Coliseum in El Callao and construction of the National University of San Marcos Stadium for the 2019 Pan American Games, with a total budget of €44 million.
- Rehabilitation and upgrade of various urban areas in Bogotá, Colombia, with a total budget of €38 million. The first project was awarded by the Urban Development Institute (IDU) and involves regenerating 71,555 square metres of the Zona Rosa district of Bogotá. The second is in the La Sabana district and involves designing and developing a pedestrian network to reorganise mobility in the area. The third urban project entails rehabilitating and upgrading Avenida Boyacá, building a divided highway with three lanes in each direction.
- Sacyr will carry out the enhancement of intakes in the La Esmeralda reservoir for the Chivor hydroelectric power plant in Santa María, Boyacá Department, for a total of €32 million.
- Construction of the new El Tepual airport in the city of Puerto Montt, Chile, for €33 million.

- Rehabilitation of the 25 de Abril bridge in Lisbon, for €13 million. Work will be done on the metal structure, the north railway deck and the concrete elements of the foundations, the south abutment of the suspension bridge and the abutment of the viaduct at the north access.
- Construction of two new hotels in Lisbon (The Emerald House and Hotel Casal Ribeiro), for a total of €13 million.
- Rehabilitation (phase two) of the port of Namibe in Angola, with a budget of €7 million and a completion period of 13 months.

In Spain:

- Construction of the new San Sebastián Metro in Guipúzcoa, Spain, for a total of €53 million.
- Expansion and upgrading of the port of Punta Langosteira in La Coruña, with a budget of €47 million.
- Remodelling and extension of the South Dock building in Terminal 1 of Barcelona-El Prat airport for a total of €28 million.

#### **After the close:**

Sacyr Engineering & Infrastructures have been awarded the contract to build the East Line of the subway in the city of Fortaleza (Brazil). The project has a duration of 48 months and a budget of approximately of €350 million.

The project, awarded by the Infrastructure Secretariat of the State of Ceará, relates to Phase 1 of the East Line. The work includes the construction of the line from the Tirol-Moura Brasil station to the subway rail yards, located beyond the Papicú station

#### **Significant events**

- Sacyr Somague, the Portuguese subsidiary of Sacyr Engineering & Infrastructures, won the “The Year in Infrastructure 2018” award in the Power Generation category



for the Foz Tua hydroelectric power plant project in Bragança, Portugal. The award was given by Bentley Institute, which since 2004 has given recognition to advances in the digitalisation of the infrastructure sector. The award emphasises the outstanding work done by Sacyr Somague in this major engineering work, with a height of 108 metres and 275 metres of dam wall, housing a 251 MW hydroelectric power plant.

- Opening of the new 5.5-km stretch of the São Paulo Metro in Brazil, with four new stations.

## SACYR CONCESSIONS

(Thousands of euros)	9M 2018	9M 2017	% Chg.
<b>Revenue</b>	<b>547,285</b>	<b>416,771</b>	<b>31.3%</b>
Construction revenue	229,242	140,506	63.2%
<b>Concession revenue</b>	<b>318,043</b>	276,265	<b>15.1%</b>
<b>EBITDA</b>	<b>195,253</b>	<b>174,569</b>	<b>11.8%</b>
<b>EBITDA margin</b>	<b>61.4%</b>	<b>63.2%</b>	

- Revenue from the Concessions business totalled €547 million at 30 September 2018, increased 31% compared to the same period of the previous year, thanks to the good performance of both concession and construction revenue.
- The start of work on various projects in backlog and major progress in projects already under way brought a 63% increase in construction revenue for the first nine months of 2018 compared to the same period of the previous year. This increase is

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

- Concession revenue reached €318 million at 30 September 2018, representing year-on-year growth of 15%. This increase in revenue is explained mainly by:
  - Entry into service of the Antofagasta Hospital (October 2017)
  - Entry into service of the Ruta del Limarí highway (July 2018)
  - Growth of traffic.
  
- At 30 September 2018, EBITDA came to €195 million, which represents growth of 12% compared to the €175 million recorded at the end of September the previous year.

**REVENUES BREAKDOWN**

€ Thousands	9M 2018	9M 2017	Chg. (%)
AUTOVÍA DEL TURIA	10,423	10,154	2.6%
AUTOVÍA NOROESTE C.A.R.M.	4,877	5,347	-8.8%
VIATUR	5,466	5,395	1.3%
PALMA MANACOR	8,932	8,514	4.9%
AUTOVÍA DEL BARBANZA	8,066	7,780	3.7%
AUTOVÍA DEL ERESMA	5,357	5,378	-0.4%
AUTOVÍA DEL ARLANZÓN	24,273	27,927	-13.1%
INTERCAMBIADOR DE MONCLOA	9,671	8,870	9.0%
INTERCAMBIADOR DE PLAZA ELÍPTICA	5,110	4,800	6.5%
AUTOPISTA DE GUADALMEDINA	13,211	12,454	6.1%
HOSPITAL DE PARLA	10,016	10,171	-1.5%
HOSPITAL DE COSLADA	10,392	10,852	-4.2%
HOLDINGS	1,295	1,586	-18.3%
<b>SPAIN</b>	<b>117,089</b>	<b>119,229</b>	<b>-1.8%</b>
SACYR CONCESSIONS - IRLANDA	931	912	2.0%
<b>IRELAND</b>	<b>931</b>	<b>912</b>	<b>2.0%</b>
HOLDINGS	660	664	-0.6%
<b>PORTUGAL</b>	<b>660</b>	<b>664</b>	<b>-0.6%</b>
HOLDINGS	1,168	1,178	-0.9%
RUTAS DEL DESIERTO - ACCESOS A IQUIQUE	14,348	15,579	-7.9%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	27,282	26,758	2.0%
VALLES DEL DESIERTO - VALLENAR CALDERA	14,953	18,014	-17.0%
RUTA 43 - LIMARI	5,956	2,449	143.2%
HOSPITAL ANTOFAGASTA	30,244	15,690	92.8%
SERENA VALLENAR - RUTAS DEL ALGARROBO	20,992	22,802	-7.9%
AEROPUERTO DEL SUR S.A. (EL TEPUAL)	2,547	-	n/a
<b>CHILE</b>	<b>117,489</b>	<b>102,471</b>	<b>14.7%</b>
CONVIAL SIERRA NORTE	22,669	9,670	134.4%
<b>PERU</b>	<b>22,669</b>	<b>9,670</b>	<b>134.4%</b>
HOLDINGS	587	619	-5.1%
MONTES DE MARÍA	13,042	13,295	-1.9%
RUMICHACA	22,391	15,215	47.2%
PAMPLONA-CÚCUTA	14,520	13,783	5.3%
<b>COLOMBIA</b>	<b>50,540</b>	<b>42,911</b>	<b>17.8%</b>
HOLDINGS	31	17	86.4%
RUTAS DEL LITORAL	2,564	59	4279.4%
<b>URUGUAY</b>	<b>2,595</b>	<b>75</b>	<b>3348.0%</b>
RUTAS DEL ESTE	3,570	333	972.9%
<b>PARAGUAY</b>	<b>3,570</b>	<b>333</b>	<b>972.9%</b>
HOSPITAL TLAHUAC	351	-	n/a
HOLDINGS	182	0	n/a
AUTOVIA PIRÁMIDES TULANCINGO PACHUCA	1,966	-	n/a
<b>MEXICO</b>	<b>2,499</b>	<b>0</b>	<b>n/a</b>
<b>TOTAL WITHOUT CONSTRUCTION REVENUES</b>	<b>318,043</b>	<b>276,265</b>	<b>15.1%</b>
<b>CONSTRUCTION REVENUES</b>	<b>229,242</b>	<b>140,506</b>	<b>63.2%</b>
<b>TOTAL</b>	<b>547,285</b>	<b>416,771</b>	<b>31.3%</b>

## Traffic figures

Traffic figures rose in Spain and abroad. In the international business, the Valles del Bio-Bio highway saw an increase of 8% and the Rutas del Desierto highway an increase of 3%, both in Chile, while the N6 Galway-Ballinasloe motorway saw an increase of 16%. In Spain, traffic on the Malaga-Las Pedrizas motorway grew 4%.

The following table shows traffic data:

### ACCUMULATED ADT

	9M 2018	9M 2017	CHANGE
<b>SHADOW TOLL HIGHWAY SPAIN</b>			
- AUTOVIA DEL NOROESTE	12,596	12,376	1.8%
- Ma-15 PALMA-MANACOR	26,583	25,778	3.1%
- AS-II OVIEDO-GIJÓN (VIATUR)	23,132	23,394	-1.1%
- AUTURSA CV-35	39,431	39,088	0.9%
- ERESMA	8,050	8,193	-1.7%
- BARBANZA	14,218	14,010	1.5%
- ARLANZON	22,566	22,570	0.0%
<b>TOLL HIGHWAY SPAIN</b>			
- AP-46 MÁLAGA - LAS PEDRIZAS	13,492	12,922	4.4%
<b>TOLL HIGHWAY OTHER COUNTRIES</b>			
- N6 GALWAY-BALLINASLOE	13,520	11,666	15.9%
- VALLES DEL DESIERTO	4,796	4,814	-0.4%
- RUTAS DEL DESIERTO	6,961	6,766	2.9%
- RUTAS DEL ALGARROBO	4,448	4,540	-2.0%
- VALLES DEL BIO-BIO	7,249	6,705	8.1%
- MONTES DE MARÍA	2,956	3,064	-3.5%
- UNIÓN VIAL DEL SUR	6,207	6,012	3.2%
- DESARROLLO VIAL AL MAR	7,366	7,103	3.7%

## Procurement and backlog

At 30 September 2018, Sacyr Concessions showed up a backlog of €27,287 million, 82% of which consisted of international projects.

During the first nine months of 2018, Sacyr Concessions won its first airport concession in Chile. The project consists of expanding, financing, building and managing the El Tepual airport in Puerto Montt for a period of 6 years, with future concession revenue totalling €58 million.

### After the close:

Sacyr has been selected as the preferred bidder for the Port of Montevideo – Paso de los Toros railway project in Uruguay, with an investment of approximately €960 million and a concession period of 18 years.

## Significant events

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

On 2 August, Sacyr Concessions completed the refinancing of the AP-46 toll road (Guadalmedina motorway) through a €229 million bond issue, placed with international institutional investors (MEAG, AEVWL, Kommunalkredit).

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

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

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

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

- For Montes de María, the concessionaire has taken out a bridge loan for \$50 million (€45 million). The transaction was carried out through loan commitments by Corporación Interamericana para el Financiamiento de Infraestructuras, S.A. (CIFI), Banco Pichincha Panamá, Banco BTG Pactual and Cayman Branch, which acted as MLA in the bridge loan.
- Meanwhile, the concessionaire Vial Unión del Sur has secured a first-round financing of \$60 million (€53 million), which ensures the funds required to execute the work on the stretch between Pedregal and Catambuco in the next few months. For this first phase, the funding was backed by loan commitments from Banco Santander and JP Morgan, two international institutions that have shown their trust in the project.

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

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

- The Pirámides-Tulancingo-Pachuca highway, for a total of €75 million.
- Tláhuac Hospital, for €88 million.
- **Entry into service of the new toll road between La Serena and Ovalle (Ruta del Limarí) in Chile.**

On 11 July 2018, Sacyr started operating its fifth concession toll road, the new highway between La Serena and Ovalle (Ruta del Limarí), in the Coquimbo region in the north of Chile. The total investment exceeds €180 million and the concession period is 30 years. The new 86 kilometres long highway will improve road connections in the area, cutting travel times by between 25% and 30%.

## SACYR SERVICES

(Thousands of Euros)	9M 2018	9M 2017	% Chg.
<b>REVENUE</b>	<b>797,771</b>	<b>704,007</b>	<b>13.3%</b>
<b>Environment</b>	<b>322,061</b>	292,794	
<b>Multiservices</b>	<b>378,868</b>	325,105	
<b>Water</b>	<b>94,171</b>	83,414	
<b>Central</b>	<b>2,671</b>	2,694	
<b>EBITDA</b>	<b>67,718</b>	<b>59,238</b>	<b>14.3%</b>
<b>Environment</b>	<b>37,021</b>	33,450	
<b>Multiservices</b>	<b>12,954</b>	11,649	
<b>Water</b>	<b>16,806</b>	14,593	
<b>Central</b>	<b>937</b>	(454)	
<b>EBITDA Margin</b>	<b>8.5%</b>	<b>8.4%</b>	

At 30 September 2018, the revenue of Sacyr Services reached €798 million, which represents growth of 13%, thanks to strong performance in its three areas of activity. This growth reflects the solid upward trend of the Group's services activity, increasingly focused on public and private service concessions.

By business unit the growth breakdown shows up as follows:

- There was significant revenue growth of 17% in Multiservices as a result of the contribution from major contracts awarded in previous quarters, such as the Antofagasta Hospital agreement for operation and maintenance service as well as the facility management service agreements.
- Environment revenue grew 10%, thanks, among other things, to urban waste collection contracts, including the waste collection, street cleaning, green area maintenance and waste transport contract in Bogotá, Colombia.
- The Water division posted revenue of €94 million for the first nine months of 2018, which represents growth of 13% compared to the same period of the previous year,

thanks to contracts awarded in previous quarters and the general improvement in contracts.

EBITDA reached €68 million at 30 September 2018, which represents growth of 14%. In fact, EBITDA has grown across all the Group's areas. The EBITDA margin improved, reaching 8.5%.

## Procurement and backlog

At 30 September 2018, Sacyr Services had a backlog totalling €6,019 million. Of that total, 29% is international. Sacyr Services continues to drive sales in Spain and abroad.

The following are some of the most noteworthy contracts achieved:

### Environmental Services:

- Waste collection, street cleaning, gardening and waste transport contract for Special Service Area 5 in Bogotá, Colombia, with a total budget of €170 million and a concession period of 8 years.
- Management of the public urban solid waste (USW) and street cleaning service for the municipality of Arona in Santa Cruz de Tenerife, for a total of €53 million and a concession period of 8 years.
- Street cleaning and waste collection service in the Autonomous City of Melilla for €53 million for a period of 4 years, which may be extended for a further 2 years.
- Urban cleaning, waste collection and transport service in Barakaldo, Vizcaya, for €33 million and a concession period of 4 years.
- Street cleaning and waste collection service in the city of Lérida for a period of 6 years, for €28 million.
- Operation of the south thermal sludge drying plant for Canal de Isabel II in Madrid, for €21 million and a concession period of 4 years.



- Upgrading and operation of the urban waste centre in Montoliú, Lerida, for €20 million and a concession period of 10 years, which may be extended for a further 10 years.
- Urban waste collection, street cleaning, public hygiene and beach cleaning service in the municipality of Ovar in Aveiro district, Portugal, for €10 million and a concession period of 8 years.

#### Multiservices:

- Home-care services in the Community of Madrid, for €56 million over 2 years.
- Cleaning services at Madrid Metro stations, Lot 3, for €34 million over 4 years.
- Home-care service in the provinces of Valladolid and Ávila, amounting to €30 million over a three- and two-year period, respectively.
- Cleaning and maintenance service for Lines 2 and 6 of the Santiago de Chile Metro, with a total budget of €30 million over a term of 42 months, extendable for a further 12 months.
- Cleaning services at the Valencia Regional Government's Health Department, for €15 million over 2 years.
- Management and conservation of two road corridors in Peru for €14 million over a period of 3 years.
- Conservation and maintenance of the AP-66 for €10 million over a period of 3 years.
- Management of the Nuevo Versailles residential and day care home in Fuenlabrada, Madrid, amounting to €9 million over a 3 year period.
- Overall mixed road upkeep services for the roads in Ranco Province, north sector, stage II, Los Ríos region of Chile, for €8 million over a period of 4 years.
- Catering services in the Parla and Coslada hospitals for €5 million over a period of 3 years.

**Water:**

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

## SACYR INDUSTRIAL

(Thousands of Euros)	9M 2018	9M 2017	% Chg.
<b>Revenue</b>	<b>388,462</b>	<b>387,214</b>	<b>0.3%</b>
Oil and gas	106,484	152,116	
Electricity grid	33,086	26,494	
Environment and mining	57,831	50,424	
Water	77,727	58,152	
Generation	112,353	98,529	
Central	981	1,499	
<b>EBITDA</b>	<b>27,500</b>	<b>26,171</b>	<b>5.1%</b>
<b>EBITDA Margin</b>	<b>7.1%</b>	<b>6.8%</b>	

At 30 September 2018, Sacyr Industrial had revenue of €388 million, compared to €387 million in the same period of the previous year.

### EPC contracts

- Oil&Gas revenue came to €106 million, a slight decrease compared to the same period of the previous year, due to the completion phase of Nuevo Mundo's projects in Peru and the gasoline module in the La Pampilla refinery.
- The electricity networks and transmission division posted revenue of €33 million, a year-on-year increase of 25%, thanks to a higher rate of revenue generation from the contracts in Chile.
- In the industrial processing plant business, revenue reached €58 million at 30 September 2018, compared to €50 million at the end of September the previous year. This growth is due to the contributions from the Cementera de Potosí project in Bolivia and the MSW treatment plant in Melbourne, Australia.
- The Water business posted revenue of €78 million, compared to €58 million in the same period of the previous year, representing growth of 34%. This growth was due to higher revenue from contracts such as the Sohar desalination plant in Oman, the Adelaide water treatment plant in Australia and projects in Spain, including the Ibiza water treatment plant and the Tenerife desalination plant.

### Generation plants

- The power generation plants contributed €112 million of revenue in the first nine months of the year, compared to €99 million in the same period of the previous year. This 14% growth rate is attributable to higher revenue from the biomass plants, the contribution from new contracts such as the solar PV plants in Picón and the rise in the electricity pool price.

The average electricity pool price for the first nine months of 2018 was 55.4 €/MWh, compared to 50.3€/MWh for the same period of the previous year.

The upward trend in revenue was accompanied by a 5% growth in EBITDA, which at 30 September 2018 reached €28 million, giving an EBITDA margin of 7.1%.

## **Procurement and backlog**

At 30 September 2018, the Industrial division backlog stood at €2,628 million. The division has continued expanding internationally and has won the following projects:

- Construction of a fuel storage and distribution depot in the town of Mollendo, Arequipa, Peru, with a total budget of €31 million.
- Design and construction of a farm water treatment plant in Adelaide, Australia, for a total of €85 million.
- Construction of three solar PV plants (Picón I, II and III) in Ciudad Real for a total of €46 million.
- Installation of 13 wind turbines in a wind farm in Lugo for the company Naturgy, for a total of €6 million.

## VI. Stock market performance

SACYR	SEPTEMBER		% Chg
	2018	2017	
Market Price at closing (euros per share)	2.53	2.22	13.74%
Max. Share price	2.77	2.80	-1.07%
Min. Share price	2.09	2.12	-1.46%
Market Capitalization at closing (Thousands of euros)*	1,397,727	1,228,893	13.74%
Average Trading Volume (Thousands of euros)	1,145,224	1,576,115	-27.34%
Average Daily Trading Volume (Number of shares)	2,414,864	3,403,410	-29.05%
Liquidity (%)	100	100	
Total shares (Thousands)	553,555	533,111	3.83%
Nominal Share Value	1 EURO	1 EURO	

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

## VII. Significant holdings

The breakdown of the Group's significant holdings at 30 September 2018, based on the data contained in the register kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), as follows.

	September-18
Disa Corporación Petrolifera, S.A.	12.59%
Grupo Corporativo Fuertes, S.L.	6.29%
Beta Asociados, S.L.	4.49%
Prilomi, S.L.	4.67%
Prilou, S.L.	3.17%
Otros	68.78%
<b>Total</b>	<b>100.00%</b>

## VIII. Appendix: Alternative Performance Measures

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

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

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

### Alternative Performance Measures

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

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

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

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

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

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

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

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

Once a contract has been included in the backlog, the value of production pending completion on the contract remains in the backlog until it is completed or cancelled. Nevertheless, valuation adjustments are made to reflect any changes in prices and time periods agreed with the client. Due to a number of factors, all or part of the backlog linked to a contract may not actually become income. The backlog is subject to adjustments and cancellation of projects and cannot be taken as an exact indicator of future earnings.

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

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

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

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

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

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