

Sacyr 2016

Financial Report
First Quarter



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NOTE:

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

Because of the sale of Testa in the second half of 2015, it was withdrawn from the consolidation scope. The first quarter of 2015 has been restated with Testa as held for sale in order to allow the comparison between periods.

FIRST QUARTER HIGHLIGHTS

Forthcoming completion of the Panama Canal extension project

The Panama Canal extension will be officially opened on 26 June. The GUPC consortium has satisfactorily passed the operational tests and fulfilled contract requirements, so that the works are expected to be delivered to the client in late May.

Rotation of concession assets

Sacyr adopts a strategy of rotating its mature assets in its Concessions business in order to invest in new development projects. With this object in mind, it concluded the sale of three concession assets in Portugal in the first quarter of 2016, through the divestment of 98% of the HC-Hospitais Concesionados, which holds interests in the concession of three hospitals in Portugal (51% of Braga and Vila Franca de Xira and 40% of Isla Terceira in the Azores Islands) to the Aberdeen infrastructures fund.

The total value of the operation was €113 million, including associated debt. Sacyr Concesiones has retained a 2% stake in HC-Hospitais Concesionados and will continue to provide hospital centre management services.

The deal generated an attractive return on equity invested.

The sale of these three hospitals follows Sacyr's divestment in December 2015 of 20% of Hospital Puerta de Hierro in Majadahonda (Madrid) to the DIF infrastructures fund.

Penetration of new markets: Oman and Ecuador

- In the first quarter of 2016, Valoriza Agua began operating in Oman, a new market for the group, by winning the contract to design, build, operate and maintain a seawater desalination plant in Sohar, on the Batinah coast, for US\$1,200 million (approx. €1,050 million). This seawater desalination plant, which will produce

250,000m³ of fresh water a day, marks of the largest investments ever in this kind of plant in Oman.

- Also in the first quarter, Sacyr Industrial arrived in Ecuador, with an EPC contract for a €150 million extension of the Chimborazo cement plant in Riobamba. The contract includes the design, construction, assembly and start-up of the new clinker line, which will have a capacity of 2,600 tons per day, to supply the existing cement plant.

Start-up of the tramway system in Palermo (Italy)

Sacyr, through its Italian subsidiary SIS, and as part of a consortium with Canada's Bombardier and the French-British Amec Spie, has started up the tramway system in Palermo, Italy, which connects the city's western and southern quarters with the centre. The consortium will be responsible for starting up the system and maintaining the facilities and trams over a four-year period for an attributable amount of €142 million.

Redemption of convertible bond for €200 million

After the end of the first quarter, Sacyr redeemed its convertible bond due on 1 May 2016 for an amount of €200 million.

INCOME STATEMENT

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

STATEMENT OF INCOME (Thousands of Euros)	1Q 2016	1Q 2015*	% chg 1Q16/1Q15
Revenue	679,913	656,853	3.5%
Other income	13,606	19,418	-29.9%
Total operating income	693,519	676,271	2.6%
External and Operating Expenses	-612,861	-601,175	1.9%
GROSS PROFIT FROM ORDINARY OPERATIONS(1)	80,658	75,096	7.4%
Amortisation and depreciation charge	-24,985	-24,398	2.4%
Changes in provision	893	-2,969	n.s.
NET OPERATING PROFIT	56,566	47,729	18.5%
Financial results	-54,048	-62,702	-13.8%
Results from equity accounted subsidiaries	39,219	34,755	12.8%
Provisions for financial investments	-1,477	-1,588	-7.0%
Change in value of financial instruments	-7,114	-9,311	-23.6%
Results from sales of non current assets	19,796	-100	n.s.
PROFIT BEFORE TAXES	52,943	8,783	502.8%
Corporate Tax	-8,986	6,254	n.s.
PROFIT FOR CONTINUING ACTIVITIES	43,957	15,037	192.3%
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	11,888	-100.0%
CONSOLIDATE RESULTS	43,957	26,925	63.3%
Minorities	-1,326	-1,603	-17.3%
NET ATTRIBUTABLE PROFIT	42,631	25,322	68.4%
Gross margin	11.9%	11.4%	

* Adjusted with TESTA accounted as discontinued operation

NET PROFIT

Net profit for the first quarter of 2016 amounted to €43 million

This marks a 68% increase from 1Q15, which amounted to €25 million and included a €11.9 million contribution from Testa under profit from discontinued operations. As a result, net profit tripled like for like.

OPERATING PERFORMANCE

- Revenue rose 3.5% year-on-year in the first quarter to €680 million.
- EBITDA amounted to €81 million, a year-on-year increase of 7%.
- The EBITDA margin was 11.9% compared to 11.4% in the first quarter of 2015.

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

REVENUE (Thousands of Euros)	1Q 2016	1Q 2015	Chg 1Q16/1Q15
Construction	337,305	368,342	-8.4%
Concessions	132,000	132,697	-0.5%
Services	187,585	175,533	6.9%
Industrial	86,261	52,777	63.4%
Holding y Adjustment	-63,238	-72,496	
REVENUE	679,913	656,853	3.5%

EBITDA (Thousands of Euros)	1Q 2016	1Q 2015	Chg 1Q16/1Q15
Construction	13,134	17,841	-26.4%
Concessions	46,876	44,001	6.5%
Services	14,254	14,574	-2.2%
Industrial	6,877	4,387	56.8%
Holding y Adjustment	-484	-5,707	
EBITDA	80,658	75,096	7.4%
Ebitda Margin (%)	11.9%	11.4%	

* Adjusted with TESTA accounted as discontinued operation

CONCESSIONS

- Sacyr Concesiones posted total revenue of €132 million. This figure is not directly comparable with 1Q15, as last year's figure included revenue from the Braga and Vila Franca de Xira hospitals, which were sold to the Aberdeen infrastructures fund in the first quarter this year. Like for like, revenue rose by 3%. Growth was driven by the positive traffic performance and the contribution of revenue by the Mar 1 and Pasto - Rumichaca motorways in Colombia and by the Antofagasta hospital in Chile.
- Of total revenue in the first quarter of 2016, €71 million was concession revenue, compared to €63 million in the same period last year, an increase of 11% (or 20% stripping out the impact of the sale of the hospitals explained above).
- The remaining €61 million correspond to construction revenue. This marked a 12% year-on-year decline, owing mainly to the degree of progress on construction of our concessions in Chile and Peru.
- EBITDA also performed extremely well, rising 7% year-on-year (+15% adjusted from the contribution of the Braga and Vila Franca de Xira hospitals in 1Q15).

SERVICES

- Services posted 7% growth in revenue to €188 million, fuelled by the positive performances by the Environment and Multiservices activities, with increases of 5% and 13%, respectively. Highlights in the Multiservices activity include the contribution of infrastructure conservation and dependency services contracts.
- For its part, revenue from Water -the division's third activity- was broadly in line with the first quarter of 2015 following the completion of the Ashod desalination plant in Israel, although growth looks set to accelerate in coming quarters with the addition of revenue from the Sohar (Oman) desalination contract.

- EBITDA reached €14 million in the first quarter of 2016, with increases in all three business lines: 15% in Multiservices, 8% in Environment and 1% in Water. The greater impact of overhead costs of the plant in the period caused total EBITDA to decrease by 2%.

INDUSTRIAL

- Sacyr Industrial posted a sharp 63% jump in revenue. Of the total of €86 million, noteworthy was the higher revenue from EPC contracts, which amounted to €63 million (compared to €19 million in the first quarter of 2015) and represented 73% of total revenue for this division. The increase was underpinned by the larger contribution of contracts for the refinery in Pampilla (Peru), the regasification plant in Cartagena (Colombia), the cement plant in Oruro (Bolivia) and the electricity infrastructure projects (Mexico, Peru and Panama), as well as by Sacyr Nervión and Sacyr Fluor.
- EBITDA in the first quarter of 2016 rose 57% year-on-year to €7 million.
- Sacyr also penetrated a new market, Ecuador, through an EPC contract awarded to Sacyr Industrial to enlarge the Chimborazo cement plant, for €150 million.

CONSTRUCTION:

- Comparison of the performance by Construction activity with the first quarter of 2015 was undermined by the slowdown in the markets since last year where Portuguese subsidiary, Somague, operates, resulting in a 17% year-on-year decline in revenue. Revenue from the rest of the construction business was down 5%, mostly as a result of the completion of work on the Rutas del Algarrobo and Rutas del Bio Bio concessions in Chile, which were in full operation in the first quarter of 2015. Looking ahead to the rest of 2016, revenue should pick up thanks to a larger contribution from contracts in Colombia, Italy, the UK and Mexico, among others.

- The scant contribution by Somague to EBITDA in the first quarter of 2016 is evident in total EBITDA, whereas the rest of the overseas projects are still contributing positively and sustaining the margin. The gross margin was 3.9%, thanks to the 5.1% commanded by contracts not belonging to Somague.

PROFIT AND LOSS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

This heading in the income statement includes €37 million from our share of Repsol's €434 million of net profit at 31 March 2016, compared to the €33 million recognised in this connection at 31 March 2015.

The carrying amount of our holding in Repsol stood at €15.5 per share at 31 March 2016.

BACKLOG

The revenue backlog amounts to €26,315 million. Over 70% relates to Sacyr's more recurrent concessions and services businesses, which represent 49% and 23%, respectively, of the total. The construction backlog stands at over €4,800 million, thanks to contract wins, mainly abroad.

BACKLOG (Thousands of euros)	1Q 2016	International	Spain	% Internat.
Construction	4,826	4,033	794	84%
Concessions	12,818	7,420	5,398	58%
Services	6,183	1,972	4,210	32%
Industrial	2,488	398	2,090	16%
Backlog 1Q 2016	26,315	13,824	12,491	53%
Backlog 1Q 2015*	23,119			
Chg. 1Q16/1Q15	14%			

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

Of Sacyr's backlog, 53% are from international contracts given the large international component of the Construction and Concessions activities and the EPC projects in the Industrial area. Sacyr's international footprint is even greater considering that these percentages do not include the backlogs of GUPC (Panama) and our concession in Italy (Pedemontana – Veneta), or the backlog of the Mar 1 motorway concession in Colombia, which are accounted for using the equity method. Also excluded in the backlog at 31 March 2016 is the contract won recently to operate the desalination plant in Sohar (Oman) worth approximately €1,050 million (US\$1,200 million).

In the first quarter of 2016, in addition to the contract win in Oman, Sacyr penetrated another new market, Ecuador, through an EPC contract awarded to Sacyr Industrial to enlarge the Chimborazo cement plant, for €150 million.

In Construction, international contracts represent 84% of the total, with contracts in Chile, Italy Colombia, Panama, Portugal, Qatar, Peru, Brazil, Mexico, Uruguay, Mozambique, Angola, Morocco and Cape Verde, among others.

Sacyr Industrial is present in countries including Australia, the UK, Bolivia, Mexico, Peru, Colombia and Ecuador, in addition to Spain, with various projects in the oil and gas, electricity infrastructure, power plant and waste treatment sectors. It now has a backlog worth €2,488 million.

At Valoriza, the international backlog represents 32% of the total, with a presence in Algeria, Australia, Portugal, Oman and other countries, consisting mainly of water projects.

CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	1Q 2016	DECEMBER 2015	Chg
NON CURRENT ASSETS	6,749,736	6,778,086	-28,350
Intangible Assets	15,870	14,816	1,055
Concessions Investments	1,642,679	1,643,853	-1,174
Fixed Assets	362,595	376,148	-13,553
Financial Assets	3,154,491	3,164,864	-10,372
Receivables for concession assets	1,384,684	1,388,989	-4,305
Other non Current Assets	2,838	2,838	0
Goodwill	186,578	186,578	0
CURRENT ASSETS	3,691,242	3,679,388	11,854
Non current assets held for sale	526,660	527,535	-875
Inventories	186,074	196,661	-10,587
Accounts Receivable	2,033,403	1,997,458	35,946
Receivables for concession assets	182,882	213,985	-31,103
Financial Assets	84,554	140,928	-56,374
Cash	677,670	602,822	74,848
ASSETS = LIABILITIES	10,440,979	10,457,474	-16,496
EQUITY	1,887,708	1,911,589	-23,882
Shareholder's Equity	1,646,093	1,656,130	-10,036
Minority Interests	241,614	255,460	-13,846
NON CURRENT LIABILITIES	5,160,768	5,052,321	108,447
Financial Debt	4,142,672	4,072,303	70,368
Financial Instruments at fair value	168,517	161,839	6,678
Provisions	363,163	361,804	1,358
Other non current Liabilities	486,416	456,374	30,042
CURRENT LIABILITIES	3,392,503	3,493,564	-101,061
Liabilities associated with the non current assets held for sale	216,033	224,186	-8,153
Financial Debt	842,332	850,612	-8,280
Financial Instruments at fair value	25,484	27,780	-2,296
Trade Accounts Payable	1,526,022	1,653,847	-127,825
Operating Provisions	232,677	246,248	-13,571
Other current liabilities	549,955	490,891	59,064

BORROWINGS

At 31 March 2016, the Group's total net debt stood at €4,223 million. The breakdown is as follows:

Net Debt (Thousands of euros)	MARCH 2016	Structured	Related to construction and contracts	Corporate
Sacyr Concesiones (Infrastructure projects)	1,685	1,685		
Sacyr Construcción + Somague	165	38	127	0
Valoriza	183	108	75	0
Industrial	18	35	-17	0
SUBTOTAL ACTIVITIES DEBT	366	181	185	
Repsol	1,629		1,629	
Corporate	90		0	90
BANK BORROWINGS	3,770	1,866	1,814	90
Convertible bond	453			
TOTAL NET FINANCIAL DEBT	4,223			

Corporate debt: the Group's net corporate debt amounted to €90 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 €453 million at 31 March 2016 for the outstanding balance on bond issues made in 2011 and 2014. After the end of the reporting period, €200 million of convertible bonds issued in 2011 and falling due in May 2016 were redeemed.

Debt according to businesses: amounts to €2,051 million, of which 90% is associated with very long-term project finance. It is repaid with cash flows generated by the businesses.

A total of 82% of net debt, or €1,685 million, is related to infrastructure concessions and other concession projects. Derivative instruments arranged hedge 52% 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 March 2016 of €1,629 million. The debt, which matures on 31 January 2018, is serviced with Repsol dividends.

Net financial losses were €54 million, down 13.6% year-on-year thanks to the reduction in bank borrowings. The average interest rate on the borrowings stands at 4.4%.

DEVELOPMENTS IN BUSINESS AREAS

CONSOLIDATED INCOME STATEMENT AS OF MARCH 2016						
(Thousands of Euros)	Sacyr Construccion	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	337,305	132,000	187,585	86,261	-63,238	679,913
Other Sales	6,449	2,196	2,666	1,340	955	13,606
Total Income	343,754	134,196	190,251	87,601	-62,282	693,519
External and Operating Expenses	-330,619	-87,320	-175,997	-80,724	61,798	-612,861
GROSS OPERATING PROFIT	13,134	46,876	14,254	6,877	-484	80,658
Depreciation	-3,394	-10,948	-7,883	-2,312	-448	-24,985
Trade Provisions	2,342	-1,953	132	374	-2	893
NET OPERATING PROFIT	12,082	33,975	6,503	4,940	-934	56,566
Financial results	-2,886	-22,518	-2,307	-1,342	-24,995	-54,048
Results from equity accounted subsidiaries	116	147	1,709	28	37,218	39,219
Provisions for financial investments	-3	-1,067	-406	0	0	-1,477
Change in value of financial instruments at fair value	0	-5,763	-842	-509	0	-7,114
Results from sales of non current assets	-374	19,883	9	279	0	19,796
PROFIT BEFORE TAXES	8,935	24,656	4,666	3,396	11,290	52,943
Corporate Tax	-6,967	-6,672	-656	-1,034	6,344	-8,986
PROFIT FOR CONTINUING ACTIVITIES	1,967	17,984	4,009	2,362	17,634	43,957
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	0	0
CONSOLIDATE RESULTS	1,967	17,984	4,009	2,362	17,634	43,957
Minorities	-3	-812	133	-678	34	-1,326
NET ATTRIBUTABLE PROFIT	1,964	17,173	4,142	1,684	17,668	42,631

CONSOLIDATED INCOME STATEMENT AS OF MARCH 2015						
(Thousands of Euros)	Sacyr Construccion	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding and Adjustments	TOTAL
Turnover	368,342	132,697	175,533	52,777	-72,496	656,853
Other Sales	12,502	2,506	3,200	-225	1,434	19,418
Total Income	380,844	135,204	178,733	52,552	-71,062	676,271
External and Operating Expenses	-363,003	-91,203	-164,159	-48,165	65,355	-601,175
GROSS OPERATING PROFIT	17,841	44,001	14,574	4,387	-5,707	75,096
Depreciation	-4,739	-10,152	-7,280	-1,832	-394	-24,398
Trade Provisions	-659	-1,579	-571	-165	5	-2,969
NET OPERATING PROFIT	12,443	32,270	6,723	2,390	-6,097	47,729
Financial results	-2,110	-23,791	-3,463	807	-34,145	-62,702
Results from equity accounted subsidiaries	426	992	992	39	32,307	34,755
Provisions for financial investments	-44	-1,012	-496	-37	0	-1,588
Change in value of financial instruments at fair value	0	-7,835	-932	-544	0	-9,311
Results from sales of non current assets	-125	11	13	0	0	-100
PROFIT BEFORE TAXES	10,590	635	2,837	2,655	-7,934	8,783
Corporate Tax	-3,935	-967	-316	-774	12,245	6,254
PROFIT FOR CONTINUING ACTIVITIES	6,655	-332	2,521	1,881	4,312	15,037
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	11,888	11,888
CONSOLIDATE RESULTS	6,655	-332	2,521	1,881	16,200	26,925
Minorities	-20	-1,404	176	-484	129	-1,603
NET ATTRIBUTABLE PROFIT	6,635	-1,736	2,697	1,397	16,328	25,322

* Adjusted with TESTA accounted as discontinued operation

1Q 2016 Results



CONSOLIDATED BALANCE SHEET AS OF MARCH 2016						
(Thousands of Euros)	Sacyr Construcción	Sacyr Concesiones	Valoriza	Sacyr Industrial	Holding y Ajustes	TOTAL
NON CURRENT ASSETS	378,239	3,171,412	638,020	203,193	2,358,872	6,749,736
Intangible Assets	106	44	7,993	6,274	1,454	15,870
Concessions Investments	52,540	1,345,284	244,855	0	0	1,642,679
Fixed Assets	130,760	3,381	119,881	105,352	3,221	362,595
Financial Assets	156,761	508,410	111,387	23,738	2,354,197	3,154,491
Receivables for concession assets	18,738	1,314,295	51,652	0	0	1,384,684
Other non Current Assets	0	0	2,838	0	0	2,838
Goodwill	19,335	0	99,414	67,829	0	186,578
CURRENT ASSETS	2,511,018	513,789	484,190	148,589	33,656	3,691,242
Non current assets held for sale	0	0	1,782	0	524,877	526,660
Inventories	157,546	285	14,487	13,441	314	186,074
Receivables for concession assets	94	179,659	3,129	0	0	182,882
Accounts Receivable	2,042,777	108,429	354,687	76,742	-549,231	2,033,403
Financial Assets	119,316	18,632	21,005	3,081	-77,480	84,554
Cash	191,284	206,784	89,101	55,325	135,176	677,670
ASSETS = LIABILITIES	2,889,257	3,685,202	1,122,209	351,782	2,392,528	10,440,979
Equity	574,304	745,013	254,797	135,675	177,919	1,887,708
Shareholder's Equity	578,627	551,292	249,925	85,381	180,868	1,646,093
Minority Interests	-4,323	193,721	4,871	50,294	-2,949	241,614
NON CURRENT LIABILITIES	572,242	2,394,791	435,944	64,799	1,692,992	5,160,768
Financial Debt	115,727	1,723,160	193,802	47,798	2,062,183	4,142,672
Financial Instruments at fair value	0	145,844	20,520	2,154	0	168,517
Provisions	321,449	89,917	57,418	6,041	-111,662	363,163
Other non current Liabilities	135,066	435,870	164,204	8,806	-257,530	486,416
CURRENT LIABILITIES	1,742,710	545,398	431,468	151,308	521,618	3,392,503
Liabilities associated with the non current assets held for sale	0	0	0	0	216,033	216,033
Financial Debt	278,666	187,246	98,789	28,133	249,498	842,332
Financial instruments at fair value	0	22,563	1,570	1,351	0	25,484
Trade Accounts Payable	995,599	234,774	139,843	87,407	68,399	1,526,022
Operating Provisions	88,879	360	24,814	2,322	116,302	232,677
Other current liabilities	379,567	100,455	166,452	32,095	-128,613	549,955

1Q 2016 Results



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

CONSTRUCTION

CONSTRUCTION (Thousands of euros)	1Q 2016	1Q 2015	% Chg 1Q16/1Q15
Revenue	337	368	-8.4%
Sacyr Construcción	257	271	-5.4%
Somague	81	97	-16.9%
% International	67%	73%	
EBITDA	13	18	-26.4%
Sacyr Construcción	13	14	-6.0%
Somague	0	4	n.s.
EBITDA Margin Sacyr Construcción	5.1%	5.1%	
EBITDA Margin Somague	0.1%	4.0%	
Backlog	4,826	5,114	-5.6%
International	4,033	4,318	-6.6%
% International Backlog	84%	84%	
Months of activity	43	42	

Revenue from the Construction business at 31 March 2016 totalled €337 million.

This activity contracted by 8% year-on-year, due mainly to the slowdown in activity seen since last year in Somague, our Portuguese subsidiary, which sustained a 17% decline. Revenue from the rest of the construction business was down 5%, mostly as a result of the completion of work on the Rutas del Algarrobo and Rutas del Bio Bio concessions in Chile, which were in full operation in the first quarter of 2015. Looking ahead to the rest of 2016, revenue should pick up thanks to a larger contribution from contracts in Colombia, Italy, the UK and Mexico, among others.

As for EBITDA, the scant contribution by Somague in the first quarter of 2016 is evident in the construction business, where projects for the other international markets are still contributing positively and sustaining the margin. The total gross margin was 3.9%,

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unchanged from year-end 2015, thanks to the 5.1% commanded by contracts not belonging to Somague.

The construction backlog stood at €4,826 million at 31 March 2016, covering 43 months of operations at current turnover rates. The international construction backlog represents 84% of the total backlog.

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

SACYR CONCESIONES

CONCESSIONS (Thousands of euros)	1Q 2016	1Q 2015	% Chg. 1Q16/1Q15	% Chg.* 1Q16/1Q15
Revenue	132,000	132,697	-1%	3%
Revenue from construction	61,352	69,333	-12%	-12%
Revenue from concessions	70,648	63,364	11%	20%
EBITDA	46,876	44,001	7%	15%
EBITDA Margin	66.4%	69.4%		
NET PROFIT	17,173	(1,736)		

*Comparable variation. Not included the last disposals (Hospital Braga and Vila Franca de Xira)

Sacyr Concesiones' revenue stood at €132 million at 31 March 2016. This figure is not comparable with 1Q15 due to the change in consolidation scope arising from the sale of the Braga and Vila Franca de Xira hospitals (Portugal), which were then fully consolidated and contributed €4 million to revenue and €3 million to EBITDA. Like for like (i.e. same consolidation scope), revenue rose 3%.

Of total revenue, €71 million was concession revenue, which rose by 11% from €63 million in the first quarter last year (or 20% excluding the impact of the sale of the hospitals explained above).

The remaining €61 million corresponded to construction revenue. This marked a 12% year-on-year decrease from the first quarter of 2015 owing mainly to the degree of progress on construction of our concessions in Chile and Peru.

Growth in concession revenue was driven by:

- The upturn in traffic on the Spanish concessions in operation (+7%).
- The start of operation of the Rutas del Desierto motorway in Chile

- The contribution to revenue by the Rutas del Algarrobo, Hospital de Antofagasta and Valles del Desierto (Chile) and Pasto- Rumichaca (Colombia) concessions.

(€ Thousands)	REVENUE		
	1Q 2016	1Q 2015	Chg. (%)
AUTOVÍA DEL TURIA	2,919	2,776	5.1%
AUTOVÍA NOROESTE C.A.R.M.	1,890	1,956	-3.4%
VIASTUR	1,694	1,660	2.0%
PALMA MANACOR	2,163	2,004	8.0%
AUTOVÍA DEL BARBANZA	3,876	3,717	4.3%
AUTOVÍA DEL ERESMA	1,520	1,396	8.9%
AUTOVÍA DEL ARLANZÓN	6,909	6,250	10.6%
INTERCAMBIADOR DE MONCLOA	2,957	3,234	-8.5%
INTERCAMBIADOR DE PLAZA ELÍPTICA	1,588	1,603	-0.9%
AUTOPISTA DE GUADALMEDINA	2,671	2,038	31.1%
HOSPITAL DE PARLA	4,004	3,292	21.6%
HOSPITAL DE COSLADA	3,429	3,442	-0.4%
HOLDINGS	1,651	182	807.5%
SPAIN	37,272	33,550	11.1%
HOLDINGS	170	173	-2.2%
IRELAND	170	173	-2.2%
HOSPITAL BRAGA	0	2,270	n.s.
HOSPITAL DE VILA FRANCA	0	2,355	n.s.
PARQUE DO NOVO HOSPITAL	0	217	n.s.
HOLDINGS	348	20	n.s.
ESCALA PARQUE	0	474	n.s.
PORTUGAL	348	5,337	-93.5%
HOLDING	275	1,231	-77.6%
RUTAS DEL DESIERTO - ACCESOS A IQUIQE	4,587	4,006	14.5%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	4,712	4,511	4.5%
VALLES DEL DESIERTO - VALLENAR CALDERA	5,443	4,615	17.9%
RUTA DEL LIMARI - RUTA 43	308	634	-51.5%
HOSPITAL ANTOFAGASTA	2,403	1,021	135.2%
RUTA DEL ALGARROBO - SERENA VALLENAR	6,478	4,631	39.9%
CHILE	24,207	20,648	17.2%
CONVIAL SIERRA NORTE	3,479	3,656	-4.8%
PERU	3,479	3,656	-4.8%
MONTES DE MARÍA - PUERTA DE HIERRO - CRUZ DEL VIZO	1,872	0	-
VIAL UNIÓN DEL SUR - PASTO RUMICHACA	3,301	0	-
COLOMBIA	5,173	0	-
TOTAL WITHOUT CONSTRUCTION INCOME	70,648	63,364	11.5%
CONSTRUCTION INCOME	61,352	69,333	-11.5%
TOTAL	132,000	132,697	-0.5%

EBITDA amounted to €47 million. This represented a healthy 7% year-on-year increase (15% excluding the impact of the disposals of the Portuguese hospitals).

TREND IN TRAFFIC

The positive trends in traffic of previous quarters consolidated in 1Q16, with average growth in our concessions in Spain of 7%. The following table presents traffic data:

	ACCUMULATED ADT		
	Mar-16	Mar-15	Chg.
SHADOW TOLL HIGHWAY SPAIN			
- AUTOVIA DEL NOROESTE	11,342	10,866	4.4%
- Ma-15 PALMA-MANACOR	19,942	18,603	7.2%
- AS-II OVIEDO-GUÓN (VIASTUR)	22,210	21,883	1.5%
- AUTURSA CV-35	36,321	35,050	3.6%
- ERESMA	7,060	6,532	8.1%
- BARBANZA	11,570	11,426	1.3%
- ARLANZÓN	17,825	16,015	11.3%
TOLL HIGHWAY SPAIN			
- AP-46 MÁLAGA - LAS PEDRIZAS	9,857	8,056	22.4%
TOLL HIGHWAY OTHER COUNTRIES			
- N6 GALWAY-BALLINA SLOE	9,820	8,951	9.7%
- VALLES DEL DESIERTO	5,809	5,842	-0.6%
- R-1 RUTAS DEL DESIERTO	6,556	6,742	-2.7%
- R-16 RUTAS DEL DESIERTO	7,340	0	-
- RUTAS DEL ALGARROBO	5,088	0	-

Noteworthy is the 22% increase in traffic on the Malaga - Las Pedrizas motorway.

International activities accounted for 58% of backlog in 1Q16, up from 43% in the same period last year.

DISPOSALS

As part of Sacyr Concesiones' policy of rotating mature assets in order to invest in new development projects, the company disposed of three concession assets in Portugal in the first quarter of 2016 with the sale of 98% of HC-Hospitais Concessionados, which holds

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interests in the concession of three hospitals in Portugal (51% of Braga and Vila Franca de Xira and 40% of Isla Terceira in the Azores Islands) to the Aberdeen infrastructures fund.

The total value of the transaction was €113 million, including associated debt. Sacyr Concesiones has retained a 2% interest in HC-Hospitais Concesionados and will continue to provide hospital centre management services.

The deal generated an attractive return on equity invested, above the average multiples achieved in recent transactions.

VALORIZA

Revenue at Valoriza amounted to €188 million at 31 March 2016, 7% higher year-on-year. Growth of the Services area was fuelled by the Multiservices and Environment businesses (13% and 5%, respectively) thanks to the contribution by major contracts in the portfolio, especially related to environmental services, infrastructure conservation and dependency services.

VALORIZA (Thousands of Euros)	1Q 2016	1Q 2015	% Chg. 1Q16/1Q15
REVENUE	187,585	175,533	7%
Environment	77,583	73,811	5%
Multi-Services	80,670	71,300	13%
Water	28,659	29,749	-4%
Central	673	673	0%
EBITDA	14,254	14,574	-2%
Environment	10,430	9,613	8%
Multi-Services	2,527	2,191	15%
Water	1,787	1,776	1%
Central	(491)	994	-149%
EBITDA Margin	7.6%	0	

The slight contraction in Water business revenue was due mainly to delivery of the Ashod desalination plant in Israel. This activity should expand in coming quarters as the recently-awarded desalination plant contract in Sohar (Oman) begins to contribute revenue.

EBITDA amounted to €14 million in the first quarter of 2016, leaving an EBITDA margin of 7.6%. Trends were positive in Valoriza's three business lines, with increases of 15% in Multiservices, 8% in Environment and 1% in Water. All areas of the services businesses showed wider margins, although the greater impact of overhead costs of the plant in the period caused total EBITDA to decrease by 2%.

CONTRACTING AND BACKLOG

Valoriza's backlog stood at €6,183 million, of which 32% is accounted for by international business. Valoriza remains firmly committed to tendering activity in all its business areas both in Spain and abroad.

In the first quarter of 2016, Valoriza Agua began operating in Oman, a new market for the group, by winning the contract to design, build, operate and maintain a seawater desalination plant in Sohar, on the Batinah coast, for US\$1,200 million (approx. €1,050 million). This seawater desalination plant, which will produce 250,000m³ of fresh water a day, marks one of the largest investments ever in this kind of plant in Oman. Only part of the construction contract, €172 million, was included in Valoriza's backlog at the end of the first quarter.

In Spain, Valoriza remains firmly committed to tendering activity. Among other contracts, Valoriza Servicios Medioambientales won a 10-year solid urban waste collection and transport, street and beach cleaning contract worth €68 million in Ibiza, Valoriza Servicios a la Dependencia a 2-year home care services contract with the Barcelona Town Council (Gracia and El Ensanche districts) worth €29 million and Valoriza Facilities 2-year building and facilities cleaning services contracts for the Elche, Alcoy and Requena hospital and health care centres worth €15 million.

INDUSTRIAL

INDUSTRIAL (Thousands of Euros)	1Q 2016	1Q 2015	% Chg. 16/15
Revenue	86,261	52,777	63%
-Oil and gas	53,324	12,016	
-Electricity grid	6,320	3,515	
-Environment and mining	2,444	103	
-Generation	23,658	37,075	
-Central	515	68	
EBITDA	6,877	4,387	57%
EBITDA Margin	8.0%	8.3%	
BACKLOG	2,488	2,578	-3%
- National	2,090	2,136	-2%
- International	398	442	-10%

Sacyr Industrial's revenue increased by 63% year-on-year in the first quarter to €86 million from €53 million last year. Noteworthy was the higher revenue from EPC contracts, which amounted to €63 million (compared to €19 million in the first quarter of 2015) and represented 73% of revenue. Included are the EPC contracts for the refinery in Pampilla (Peru), the regasification plant in Cartagena (Colombia), the cement plant in Oruro (Bolivia) and the electricity infrastructure projects (Mexico, Peru and Panama), as Sacyr Nervión and Sacyr Fluor.

Power plants contributed €23 million to revenue. The increase compared to the first quarter of 2015 was driven by the drop in the pool price caused by weather conditions, which favoured wind and hydro generation. The average electricity pool price in the first quarter of 2016 was €30.6/MWh, well below last year's average (€45.8/MWh). The trend in demand this year was shaped by warmer temperatures in January and February, which resulted in a 1.6% drop in demand even though the period included one more day.

Higher revenue, coupled with a 57% increase in EBITDA, to €7 million, left an operating margin of 8%.

In the April this year, Sacyr Industrial won the main contract for the enlargement of the Chimborazo cement plant in Riobamba (Ecuador) for UCEM (Unión Cementera Nacional). Worth €150 million, this EPC marks Sacyr's entry into a new market. The contract includes the design, construction, assembly and start-up of the new clinker line, which will have a capacity of 2,600 tonnes per day.

STOCK MARKET PERFORMANCE

SACYR	MARCH		% Chg 16/15
	2016	2015	
Market Price at closing (euros per share)	1.70	3.91	-56.60%
High share price	1.95	4.19	-53.53%
Low share price	1.26	2.89	-56.30%
Market Capitalization at closing (Thousands of euros)*	878,080	2,023,155	-56.60%
Average Trading Volume (Thousands of euros)	738,714	1,936,348	-61.85%
Average Daily Trading Volume (Number of shares)	7,498,856	8,378,976	-10.50%
Liquidity (%)	100	100	
Number of shares (Thousands)	517,431	502,212	3.03%
Share Nominal Value	1 EURO	1 EURO	

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

SHAREHOLDER STRUCTURE

Significant shareholders in Sacyr, S.A at the date of presentation of this information 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%
Grupo Satocan, S,A.	2.6%
TOTAL SIGNIFICANT SHAREHOLDINGS	39.5%

For more information, please contact:

Department of Investor Relations

Tel: 91 545 50 00

ir@sacyr.com