



Madrid, 7<sup>th</sup> September 2015

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## Section

|           |                                                      |          |
|-----------|------------------------------------------------------|----------|
| <b>1.</b> | <b>From OBRASCÓN to OHL</b>                          | <b>1</b> |
| 1.1.-     | Creation of OBRASCÓN                                 | 1.1      |
| 1.2.-     | Evolution of OBRASCÓN between 1950 and 1970          | 1.2      |
| 1.3.-     | Origin of one of Spain's largest construction groups | 1.3      |
| 1.4.-     | Integration process                                  | 1.4      |
| <b>2.</b> | <b>The Year 2015</b>                                 | <b>2</b> |
| 2.1.-     | Positive 1H 2015 OHL Results                         | 2.1      |
| 2.2.-     | Home Markets                                         | 2.2      |
| 2.3.-     | Strategic Plan 2015-2020                             | 2.3      |
| <b>3.</b> | <b>The capital increase</b>                          | <b>3</b> |
| 3.1.-     | Transaction rationale                                | 3.1      |
| 3.2.-     | Deal structure overview                              | 3.2      |
| <b>4.</b> | <b>OHL's positioning</b>                             | <b>4</b> |
| <b>5.</b> | <b>Proposed Resolutions</b>                          | <b>5</b> |

— 2015 —

EXTRAORDINARY  
GENERAL SHAREHOLDERS' MEETING

# 1. From OBRASCÓN to OHL



## 1.1.- Creation of OBRASCÓN

- On May 15th, 1911 “Sociedad General de Obras y Construcciones, Obrascón”, was constituted with a share capital of 500,000 pesetas
- Its creation was promoted by two construction businessmen from Biscay, Spain: José de Uribasterra and Pío Ezcurra and by three financial entities: Banco de Bilbao, Banco de Vizcaya and Aldama y Compañía
- Obrascón, the oldest construction company in Spain, was born with a focus on ports and with an international tilt. *La Dársena de Alcántara*, in the port of Lisbon, and *Muelle oeste del puerto de Santos*, also in the Portuguese capital, were the first projects awarded to the company. Soon thereafter, it won the *Muelle de atraque y zona de acceso en el puerto exterior de la Ría de Bilbao*



The “Dársena de Alcántara”, in the port of Lisbon and the “Muelle oeste del puerto de Santos”, also in the Portuguese capital, were the first awards won by Obrascón. These were awarded in March 1912 and completed in 1918 and 1915, respectively.

# 1. From OBRASCÓN to OHL



## 1.2.- Evolution of OBRASCÓN between 1950 and 1970

- In the 1950s, Obrascón continued to focus on its core market of civil engineering, specially in ports
- In the 1960s, it expanded to other segments beyond civil engineering, mainly to construction
- In the 1970s, Obrascón was acquired by Altos Hornos de Vizcaya (1973) to build the 4<sup>th</sup> Iron and Steel Plant in Sagunto, the biggest industrial project developed in Spain at the time



4th Iron and Steel Plant in Sagunto. Valencia.

# 1. From OBRASCÓN to OHL



## 1.3.- Origin of one of Spain's largest construction groups

- 1987: Acquisition of Obrascón by Juan-Miguel Villar Mir. At the time the company had losses of 1,649 million per year
  - Obrascón was the first company acquired for the creation of Grupo Villar Mir
  - Grupo Villar Mir has strictly maintained the same principles since the purchase of Obrascón in all subsequent acquisitions:
    - Pay creditors without assuming any defaults
    - Maintain management teams in all of the acquired companies, without any exception
- 1991: IPO of Obrascón
- 1996: Start of expansion process through the acquisition of companies
- 1999: Creation of one of Spain's largest construction groups through the integration of 10 companies from SEOPAN

**POLIZA DE OPERACIONES AL CONTADO**

IMPUESTO SOBRE TRANSMISIONES PATRIMONIALES Y ACTOS JURIDICOS DOCUMENTADOS.-ARTICULO 12. 3. TEXTO REFUNDIDO.

7.ª CLASE A0057159

10 PTA  
DIEZ PESETAS  
HASTA 10.000 PTA

En Madrid a 1 Agosto 1987 POR LA PRESENTE POLIZA INTRANSFERIBLE A FAVOR DE:

FINANCIERA OBRASCON, S.A.

SE LE/S RECONOCERA LA LEGITIMA PROPIEDAD DE LOS TITULOS QUE SE RELACIONAN QUE HAN ADQUIRIDO CON MI INTERVENCION. ACCIONES DE LA SOCIEDAD GENERAL DE OBRAS Y CONSTRUCCIONES, S.A.

| PESETAS NOMINALES | CAMBIO | PESETAS EFECTIVAS | DERECHOS | IMPUESTO T.P. | TOTAL COMPRA |
|-------------------|--------|-------------------|----------|---------------|--------------|
| 932.100.000       | -      | 1 peseta          | -        | 10            | 11 pesetas   |

NUMERACION DE LOS TITULOS  
1 a 932.100 Serie B

(Véase al dorso)

OPERACION EFECTUADA POR ORDEN DE

El Agente de Cambio y Bolsa.

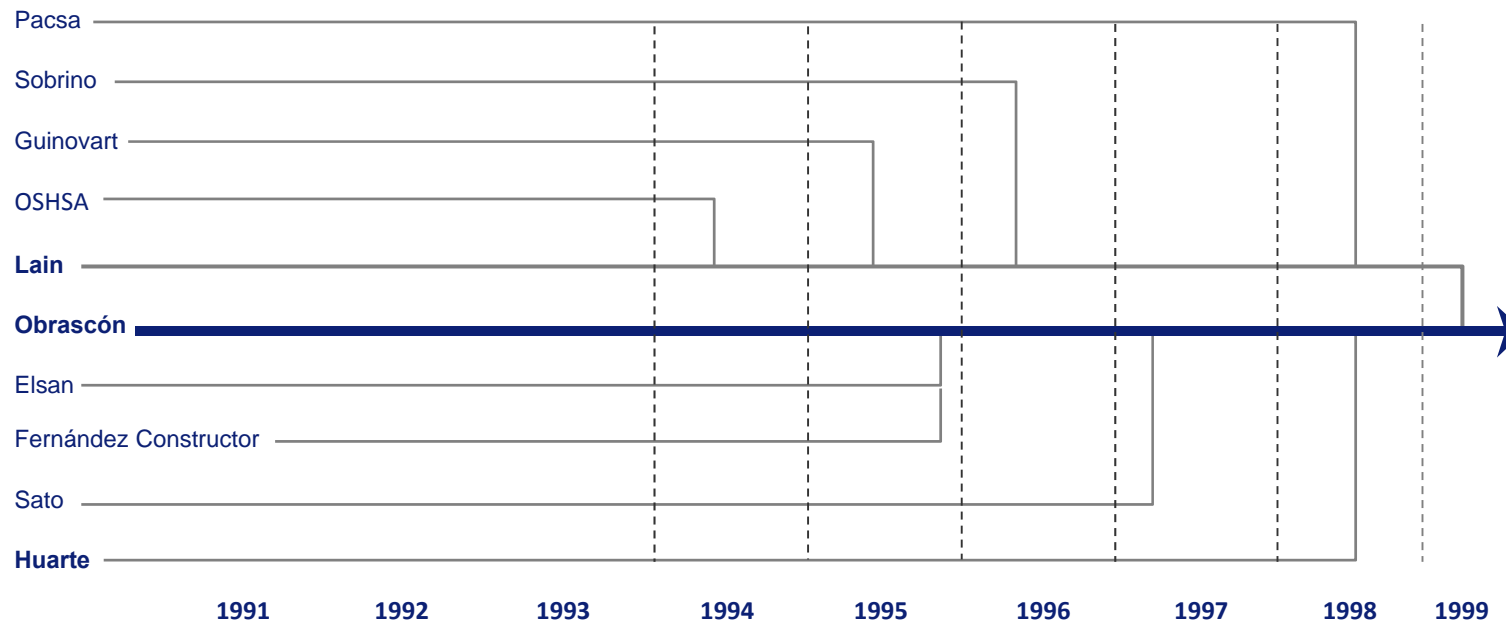
Juan-Miguel Villar Mir acquired Obrascón for one peseta and assumed all liabilities in 1987

# 1. From OBRASCÓN to OHL



## 1.4.- Integration process

OHL is integrated by 10 construction companies affiliated to SEOPAN



## 2. The Year 2015



### 2.1.- Positive 1H 2015 OHL Results

#### Revenues

Revenues up 20.8%, driven by good performance across divisions

- Strong performance of concession business, revenues up 16.2%
- Engineering & Construction up 20.7%,
- Developments up 44.4%

#### EBITDA

EBITDA down 7.8%

- Concessions dropped 11.5%
- Engineering & Construction up 6.6%

#### WC

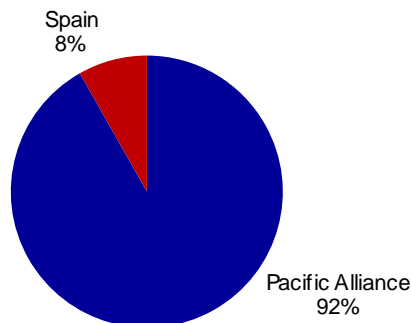
Significant improvement in control of working capital consumption

#### Net Debt

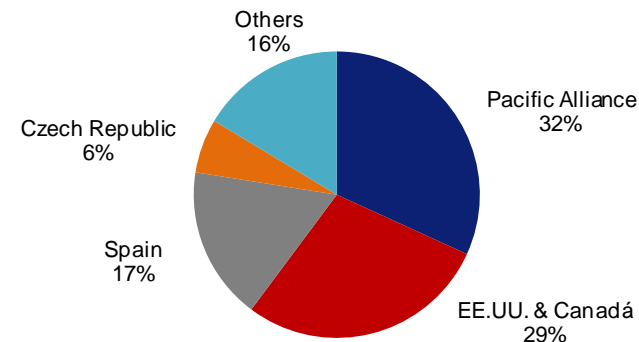
Positive Recourse Net Debt evolution, increasing €304mn vs. €625mn for the same period in 2014, excluding the impact of extraordinary financing transactions<sup>1</sup>

#### Positive future perspective backed by strong backlog

**Concessions Backlog: €61,491mn**



**Construction backlog: €7,454mn**



<sup>1</sup> Impact of €110m of extraordinary transactions affecting Recourse Net Debt level in 1H 2015.

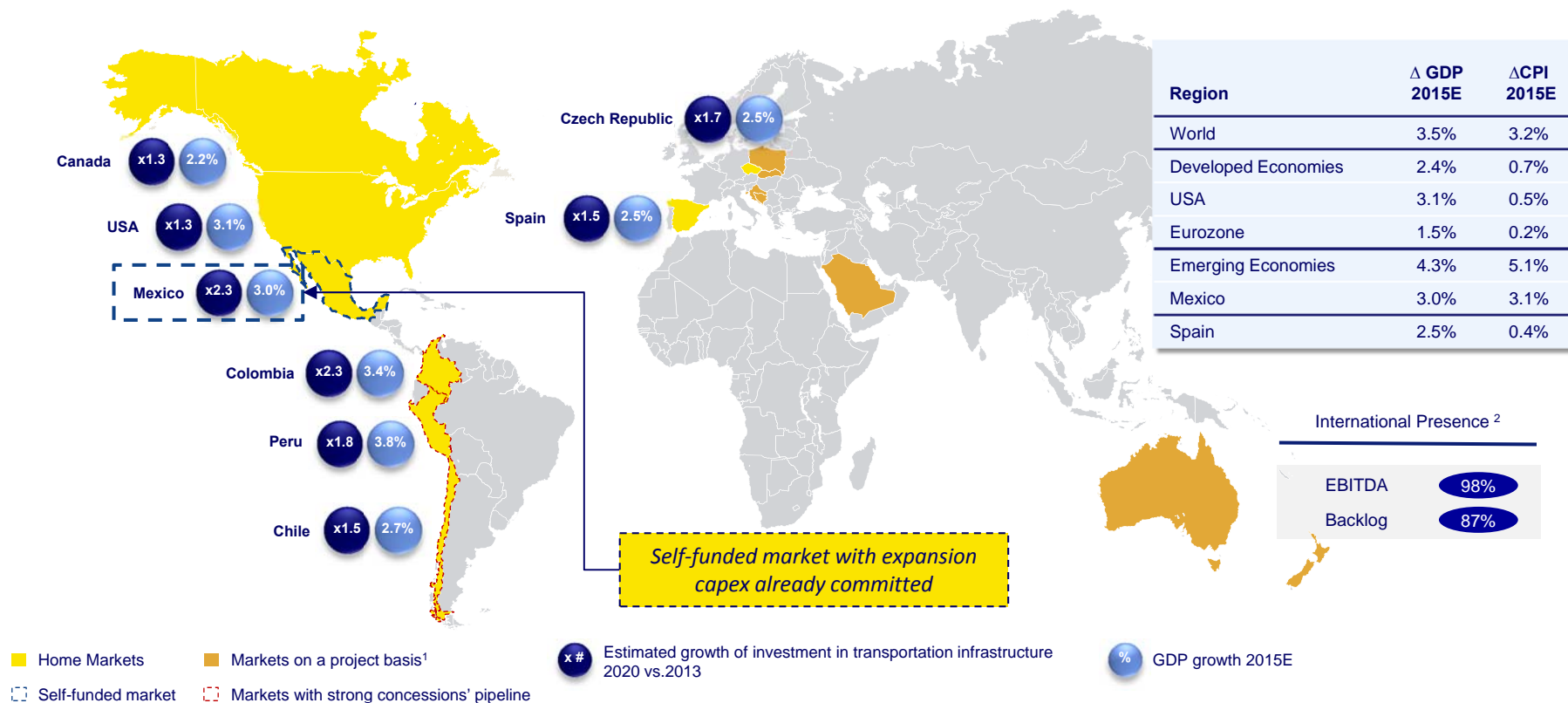
## 2. The Year 2015

### 2.2.- Home Markets



Increased weight of international activity to further benefit from global opportunities

Main focus on 8 Home Markets resulting in shift of Group's centre of gravity towards North and South America



**Attractive international footprint with presence in more than 31 countries in 5 continents underpinned by exposure to areas with positive economic outlook**

Source: International Monetary Fund, World Economic Outlook Database, April 2015

<sup>1</sup> Potential future Home Markets periodically reviewed

<sup>2</sup> As of Dec-2014

## 2. The Year 2015

### 2.3.- Strategic Plan 2015-2020



#### Principles of OHL Group Strategic Plan

- Optimize sustainable cash flow generation and self funding for all divisions
- Maximization of project profitability and strengthening of risk control mechanisms
- Focus of OHL Group's activity on priority markets and sectors
- Leveraging on synergies and collaboration potential among the Group's Divisions

#### OHL Group Targets for 2020<sup>1</sup>



Company to strengthen its financial results increasing the scale of its operations



85% of revenue to come from Home Markets<sup>2</sup>



Industrial and Services to represent 20% of revenue



Maintaining the Recourse Net Debt / Recourse EBITDA ratio below 2.0x<sup>3</sup>

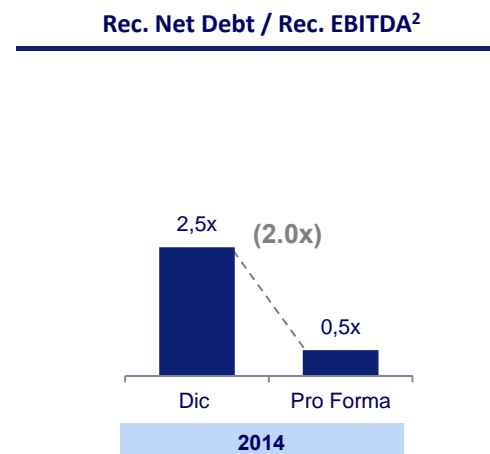
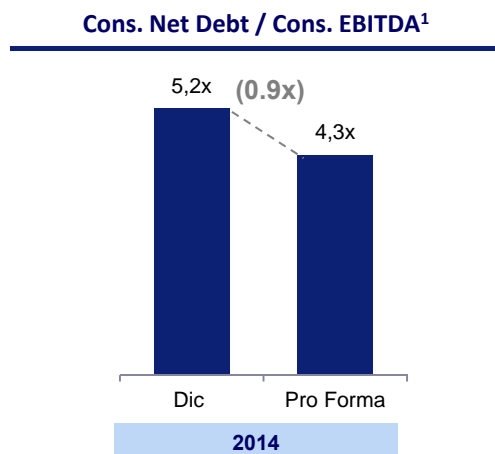
1. Group targets presented on the Strategic Plan 2015-2020 presentation of March 2<sup>nd</sup>, 2015, and available at our website.  
2. Home Markets include Canada, USA, Mexico, Colombia, Peru, Chile, Czech Republic and Spain.  
3. New target for recourse leverage to be defined based on announced capital increase.

## 3. The capital increase



### 3.1.- Transaction rationale

1. Provide a stronger and more sustainable capital structure, thus reinforcing the implementation of the 2015 – 2020 Strategic Plan
- 2. Reduce leverage at recourse level**
  - €650m of total proceeds to be used to improve recourse leverage profile
3. Contribute **further funding to OHL Concesiones**: €350m of total proceeds will be allocated to OHL Concesiones to finance future equity commitments and the achievement of the Strategic Plan
- 4. Create additional value through lower cost of debt**



€1bn capital increase with €650m used to delever and €350m providing additional firepower for concessions

<sup>1</sup> Consolidated Net Debt as at December 2014 of €5,625m; consolidated EBITDA as at December 2014 of €1,078m.

<sup>2</sup> Recourse Net Debt as at December 2014 of €328m; recourse EBITDA as at December 2014 of €335m.

## 3. The capital increase



### 3.2.- Deal structure overview

|                               |                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Main issuer</b>            | <ul style="list-style-type: none"><li>• Obrascón Huarte Lain SA (“OHL”).</li></ul>                                                                                                                                              |
| <b>Offering structure</b>     | <ul style="list-style-type: none"><li>• Capital increase via a rights issue with <b>pre-emption rights</b> for current shareholders</li></ul>                                                                                   |
| <b>Offering size</b>          | <ul style="list-style-type: none"><li>• <b>€1,000 million</b></li></ul>                                                                                                                                                         |
| <b>Use of proceeds</b>        | <ul style="list-style-type: none"><li>• Leverage reduction at recourse level and provide firepower for greenfield concessions</li></ul>                                                                                         |
| <b>Shareholding structure</b> | <ul style="list-style-type: none"><li>• Current shareholding: Grupo Villar Mir: 59.6%; Free Float: 40.4%</li><li>• Post capital increase: Grupo Villar Mir will retain a majority shareholding with a stake above 50%</li></ul> |
| <b>Syndicate</b>              | <ul style="list-style-type: none"><li>• Leading financial institutions</li></ul>                                                                                                                                                |

## 4. OHL's positioning



1. Diversified international footprint with key presence in fast growing markets
2. Successful concession developer underpinned by attractive portfolio and proven track record of value crystallisation
3. Refocused Engineering & Construction division with further growth potential and strong orderbook
4. Growth strategy refocused on sustainable cash flow generation together with an efficient capital structure
5. Highly experienced team backed by a well recognized founding shareholder

## 5. Proposed Resolutions



|               |                                                                        |
|---------------|------------------------------------------------------------------------|
| <b>First</b>  | Share Capital increase                                                 |
| <b>Second</b> | Board of Directors authorization                                       |
| <b>Third</b>  | Approve the Minutes of the Extraordinary General Shareholders' Meeting |