Integrated Annual Report

2018

CONSOLIDATED MANAGEMENT AND FINANCIAL STATEMENTS REPORT

OHL

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Consolidated Management Report

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LETTER FROM THE CHAIRMAN

Juan Villar-Mir de Fuentes

Chairman of the Board of Directors

Ladies and gentlemen,

I am writing to all of you to inform about the progress of OHL throughout 2018, a tremendously unique year marked by the reorganization, transformation and resizing of the company.

This year was marked by the sale and transmission of 100% of the capital of OHL Concesiones S.A.U. to IFM Investor, an operation that was executed on April 12th and, consequently, marked the beginning of a new stage.

This operation, for which OHL has received a net amount of 1.991 billion euro, has had a very positive impact from the point of view of the reduction and simplification of debt, while it has substantially improved the company's liquidity, which amounted to 1.033 billion euro at the close of 2018.

As important milestones derived from this operation, I would like to highlight:

- The reduction of the company's gross debt by 55%, eliminating practically all of the bank debt, and maintaining a comfortable profile of long-term debt amounting to 666 million euro in bonds maturing in 2020, 2022 and 2023.
- The distribution of an interim dividend for the year 2018 in the amount of close to 100 million euro (0.348981 euro per share) on June 6th.
- A negative net debt position at the close of the year.

In addition and focusing on the people who are part of our organization, I want to say that, unfortunately and for the second consecutive year, we have been forced to adopt a series of internal restructuring and redundancy measures, in order to ensure the viability of the company, reducing structural costs. The collective dismissal procedure carried out in the parent company OHL S. A. stands out among all of them.

In the framework of the transformation and the commitment to the best practices of Good Governance, I must highlight the changes that we have made in the composition of the Board of Directors of the company. We have reduced its size from twelve to ten members, we have opted for its technification, incorporating leading professionals in the construction and infrastructure industries.

Also outstanding in the year is the appointment of Mr. José Antonio Fernández Gallar as CEO of the company and Mr. Manuel Álvarez as General Manager.

We fully trust that their work, together with that of the OHL employees as a whole, will return the company to the path of growth after a year of poor results, of hard structural adjustments and reinforcements in the control and supervision mechanisms in 2018, which will allow us to face 2019 with maximum guarantees. Our starting point is favorable. We have backlog that amounts approximately to 5.9 billion euro and we will focus on the recovery of profitability and cash generation.

OHL is committed to sustainability as the cross-cutting focus of its activities, being aware of the role that, as a company, OHL plays in the economic and sustainable progress of society. We understand the importance of operating with a framework of responsible action, in social, environmental and governance terms, that allows us to know and respond to the changes, needs and expectations of our stakeholders.

This road map materializes, among other initiatives, with the adhesion to the main international frameworks, such as the Ten Principles of the United Nations Global Compact and the fulfillment of the Sustainable Development Goals. In relation to the commitment to sustainability and the fight against climate change, I am pleased to inform you that the company has been recognized with the A- rating in CDP Climate Change 2018.

Our goal is to continue developing a corporate culture based on integrity, ethical behavior, environmental protection and the economic and social development of the communities where we operate, favoring transformative projects that generate shared value.

And, in terms of RDI, I would like to highlight that OHL was the only Spanish construction company present in two large European RDI consortiums: Built2Spec *(Built To Specifications)* and AZEB *(Affordable Zero Energy Buildings)*, both within the framework of the improvement of energy efficiency of buildings.

Within our continued commitment to the communities in which we are present, OHL maintains an active participation with them, favoring the revitalization of the economy and social progress, with special emphasis on the employability of groups at risk or exclusion. Specifically, in this latter area, I would like to thank OHL Volunteers who, with their actions, contribute among other aspects to the integration of these groups and that have earned us the achievement of important awards and recognition.

I would like to end these reflections by highlighting our firm commitment to Good Governance, prioritizing transparency and compliance with recommendations in this area as factors for generating value, improving economic efficiency and strengthening investor confidence.

Likewise, I must also highlight the work performed by all the people that make up this company. Employees are the pillar of OHL's present and future growth. To all of them, together with our stakeholders and shareholders, I want to convey, on behalf of the Board of Directors that I am honored to preside, our gratitude for the trust they place in this company.

The Chairman of the Board of Directors
Juan Villar-Mir de Fuentes

THIS YEAR WAS MARKED BY THE SALE AND TRANSMISSION OF 100% OF THE CAPITAL OF OHL CONCESIONES S.A.U. TO FM INVESTOR

OHL in a click

PROFILE OF OHL

Obrascón Huarte Lain, S.A. (OHL) is a global infrastructure group with more than 100 years of history and whose activity is centred on three geographical areas: The US, Latin America and Europe.

Focused on concession construction and development it is:
- The 45th largest international contractor, ranking in the US in the Top 20 contractors by sector (transportation) (14th) and in the Top 50 Domestic Heavy Contractors (11th), according to the Engineering News-Record (ENR) 2018 ranking.
- A benchmark in hospital and railway construction.
- Member of the FTSE4Good Ibex stock index.
- A major player in the fight against climate change: CDP Climate Change (A-).

OHL carries on its activity in a sustainable and responsible framework that allows it to align itself with its environment, face future challenges and generate trust and commitment in its stakeholders, responding to their needs. This commitment is evidenced through adherence to initiatives and guidelines led by international bodies: the United Nations' Guiding Principles of Business and Human Rights; the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; and the Tripartite Declaration of the International Labour Organisation (ILO).

OHL has also been part of the Spanish Global Compact Network since it was founded in 2004, favouring business sustainability through the implementation of its ten Principles. In addition, in order to comply with the roadmap established in the Global Agenda 2030, promoted by the UN, it incorporates the Sustainable Development Objectives (SDOs) in the different areas of its activity.

Rout 60, Chile.

Value creation model

OHL A global infrastructure construction and develo

18,373
EMPLOYEES

EUR 5,876.4 M
BACKLOG

EUR 171.9 M
SHARE CAPITAL

97%
VOLUME OF LOCAL PURCHASE

678,919
TOOLBOX MEETING
TRAINING HOURS

80%
NATURAL RAW MATERIALS

17,426
DIRECT JOBS

Over 60
STRATEGIC ALLIANCES

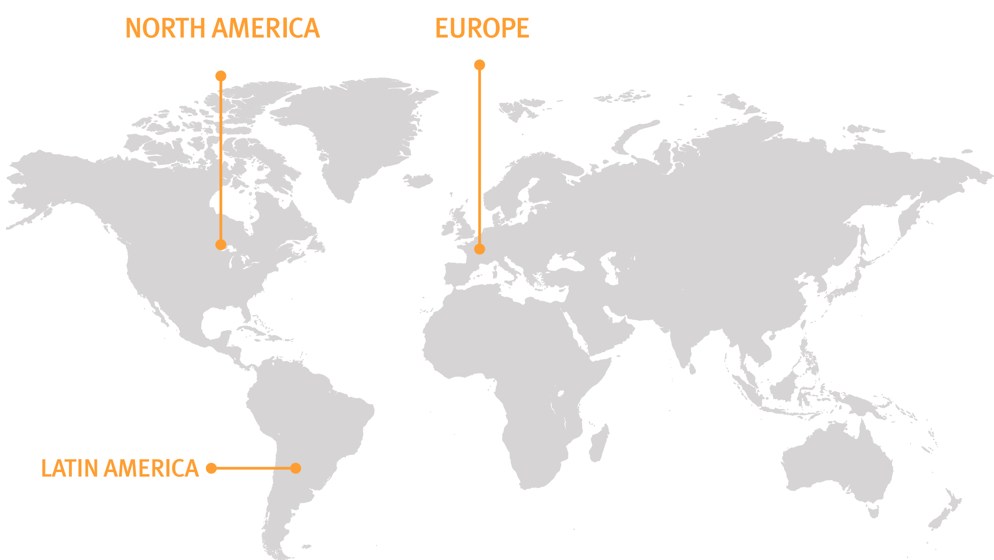
Challenges

- Maximise profitability and cash generation
- Strengthen project risk management
- Austerity in the mangement and enhancement of EBITDA
- Retention and attraction of talent

External environment

- Response to the market
- Regulatory requirements
- Responding to stakeholders
- Presence of competitors
- Positioning in ratings and indexes
- Environmental requirements

Operating in accordance w



...opment group over 100 years of history

Internal environment

- Excellence in operation
- Responsible management (Integrated management system (*))
- Digital transformation
- Effective internal communication
- Process optimisation

...with Corporate Policies(**)

With a framework for action of its own which contributes to the achievement of Sustainable Development Goals

(*) ORP, Quality and the Environment (**) Available at: www.ohl.es

EUR 2,906.9 M
SALES

112
SOCIAL ACTION INITIATIVES

34
PROYECTS WITH SUSTAINABILITY CERTIFICATES

12
R&D+I PATENTS

A- CDP
CDP SCORE CLIMATE CHANGE

90%
OF NON-HAZARDOUS WASTE REUSED

EUR 3,676.0 M
DISTRIBUTED ECONOMIC VALUE

Presence map

USA AND CANADA

SALES
947.9 Mn€

EMPLOYEES
1,954

CERTIFICATES
5

LATIN AMERICA

SALES
549.2 Mn€

EMPLOYEES
4,410

CERTIFICATES
70

GLOBALS OF THE OHL GROUP

SALES
2,906.9 Mn€

EMPLOYEES
18,373

CERTIFICATES
181

Data at 12/31/2018

EUROPE

SALES
1,129.4 Mn€

EMPLOYEES
11,679

CERTIFICATES
91

OTHER COUNTRIES

SALES
267.0 Mn€

EMPLOYEES
330

CERTIFICATES
15

OHL'S PERFORMANCE AND MAIN MILESTONES IN 2018

THE COMPANY'S FINANCIAL SITUATION IN 2018

2018 was marked by the sale of OHL Concesiones, S.A.U. (OHL Concesiones), due to the beginning of a stage of transformation and resizing of the company, led by the management team, reinforced with new acquisitions during the year and focused on the recovery of profitability and cash generation. To this end, the company has set a clear roadmap towards the generation of positive EBITDA and cash flow, which began to show its first results in the last quarter of the year.

The total short-term backlog at 31 December 2018 amounted to EUR 5,876.4 million, with orders of EUR 3,116.0 million placed in the year, of which 86.4% correspond to Construction, 9.1% to Services and 4.5% to Industrial.

Construction's backlog amounted to EUR 5,241.0 million, representing 25.4 months of sales, and is diversified geographically and in terms of project size. It will provide an average gross margin of 6.5%, which will be recognised over the period of execution of the projects.

Construction contracts amounted to EUR 2,643.1 million, the vast majority of which were awarded in the three main regions for OHL, led by the US (40%) followed by Europe (39%). Highlights include the renovation of the Throgs Neck bridge in New York for EUR 212.6 million, the award of the project to modernise the Sudoměřice-Votice railway line in the Czech Republic for EUR 172.2 million, the improvements to the ESI-33 station in New York for EUR 100.0 million and the rehabilitation of the river bank in New York for EUR 83.8 million.

After the review of projects in the Construction and Industrial backlog carried out during the year (eliminating all the projects and claims that did not have a high probability of materialising), in the last quarter of 2018 the average gross margin on the work performed amounted to EUR 54.0 million, representing around 6% of the sales made.

The plan to reduce overheads announced in 2018 amounted to EUR 198.0 million (6.7% of sales), which represents a 17.5% reduction compared to 2017 (when they represented 7.2% of sales in that year). Also, and with the decisions implemented at the end of 2018, the company estimates that in 2019 the overheads will be less than EUR 150 million (4.9% of sales), without relinquishing the aim of further reducing them gradually until the target of 4% of sales for 2020 is achieved.

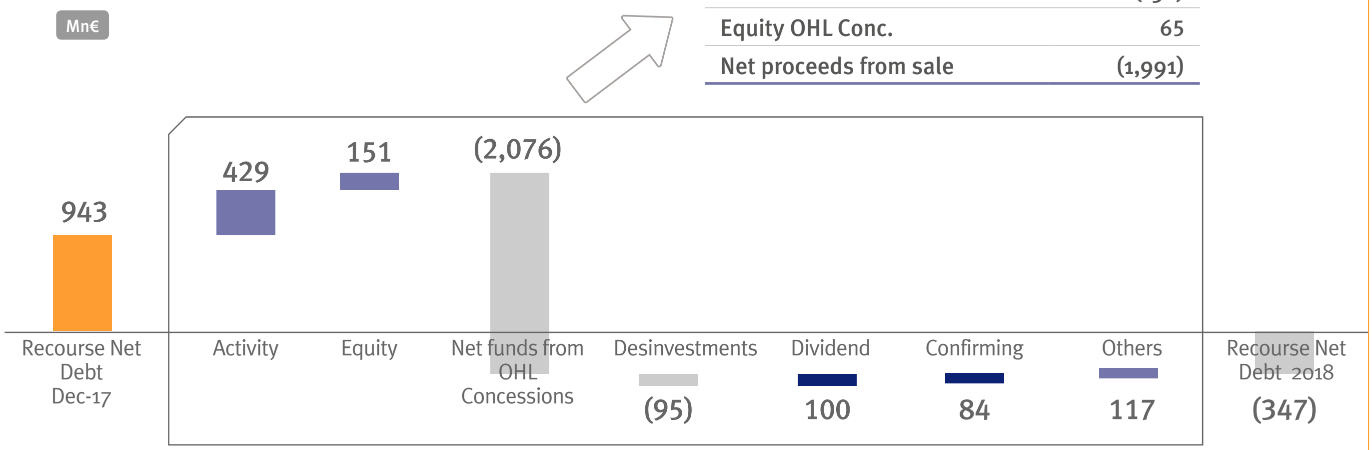
INDEBTEDNESS AND LIQUIDITY

On 12 April 2018, the sale and transfer of 100% of the share capital of OHL Concesiones to IFM Global Infrastructure Fund (IFM) was sealed, which significantly reduced indebtedness and substantially improved the liquidity profile.

Upon completion of the transaction, OHL received a net amount of EUR 1,991.0 million that enabled it to:

- Repay, in April, substantially all of the bank borrowings amounting to EUR 701.7 million.
- Redeem, on 21 May 2018, bonds of EUR 228.3 million (25% of the outstanding total amount) in response the exercise by the bondholders of the put option that they had held as a result of the closure of the transaction with IFM.
- Distribute, on 6 June 2018, an interim dividend for 2018 of close to EUR 100.0 million (EUR 0.348981 per share).
- Increase the company's available cash balance, which made it possible to report, for the first time in the company's history, a negative net recourse borrowings position, i.e., a positive net cash position.

Net funds OHL Conc.	(2,076)
IFM loan	(150)
Equity OHL Conc.	65
Net proceeds from sale	(1,991)



- The net recourse borrowings at 31 December 2018 amounted to EUR -346.8 million, representing a significant reduction of EUR 1,290.3 million in the year, due mainly to:
  - The net proceeds from the sale of OHL Concesiones totalling of EUR 2,076.0 million, which included:
    - _The additional loan of EUR 150.0 million received from IFM in February, which was subsequently discounted from the price collected on completion of the sale.
    - _The equity contributions to OHL Concesiones projects prior to the closure of the transaction, amounting to EUR -65.0 million, made in the first quarter of the year.
    - _Net funds of EUR 1,991.0 million received on the date of the conclusion of the sale of OHL Concesiones, net of the related transaction costs, which were

partially used for: (i) the repayment of EUR 701.7 million of bank borrowings; and (ii) the redemption of bonds amounting to EUR 228.3 million.

- The net funds received as a result of the following divestments: (i) non-controlling interests in the Mayakoba hotels for EUR 58.9 million; (ii) the sale of the Czech railway sleeper factory ŽPSV for EUR 35.2 million; and (iii) other minor divestments for EUR 1.1 million.

The following should be noted in relation to the cash used:

- Cash totalling EUR 429.0 million were used in ordinary activities during the year, with a significant reduction in the cash used in the last quarter of the year. The cash used in 2018 included: (i) EUR 88.5 million used in legacy projects; and (ii) EUR 23.8 million used in the Xacbal Hydroelectric Power Plant project (Guatemala).
- The investment of EUR 150.6 million relates mainly to equity contributed to the Old War Office project for EUR 58.8 million and the acquisition of an additional 32.5% stake in the Centro Canalejas Madrid project in August, as well as minor investments in the project totalling EUR 75.0 million in the year. The remaining EUR 16.0 million correspond to equity contributions to smaller Construction and Industrial projects.
- The payment of an interim dividend to remunerate shareholders for an amount of close to EUR 100.0 million.
- The bringing forward of the cancellation of the reverse factoring line announced in the third quarter of 2018, which led to the use of cash amounting to EUR 84.3 million in the year.
- The payment of restructuring costs amounting to EUR 14.1 million.
- The settlement of the foreign currency hedge arranged for the sale of OHL Concesiones to IFM, which gave rise to the payment of EUR 92.3 million.

- OHL has a solid liquidity position amounting to EUR 1,033.3 million, which places the company in a good position to be able to successfully implement its new business plan, after having repaid its bank debt and distributed an interim dividend to its shareholders.

This amount includes EUR 140.0 million that are deposited as a guarantee for the line of guarantees drawn against in relation to the Multiproduct Syndicated Financing.

- Net recourse debt was reduced by 54.7% with respect to the same period of 2017 mainly as a result of the sale of OHL Concesiones.

On 12 April 2018, OHL informed the holders of the three series of bonds (maturing in 2020, 2022 and 2023) issued by the company and listed on the London Stock Exchange, the total outstanding amount of which was EUR 894.5 million, that they had a put option exercisable for a period of 30 days (until 12 May 2018), whereby OHL would have to redeem the bonds held by them by paying 101% of their nominal value plus the accrued coupon.

On 12 May 2018, the company received confirmation from bondholders holding bonds totalling EUR 228.3 million that they had decided to exercise their put option, the detail being as follows:

Maturity	Balance outstanding	Put option accepted	Ending balance
2020	187.1	113.8	73.3
2022	394.5	71.5	323
2023	312.9	43.0	269.9
Total bonds	**894.5**	**228.3**	**666.2**

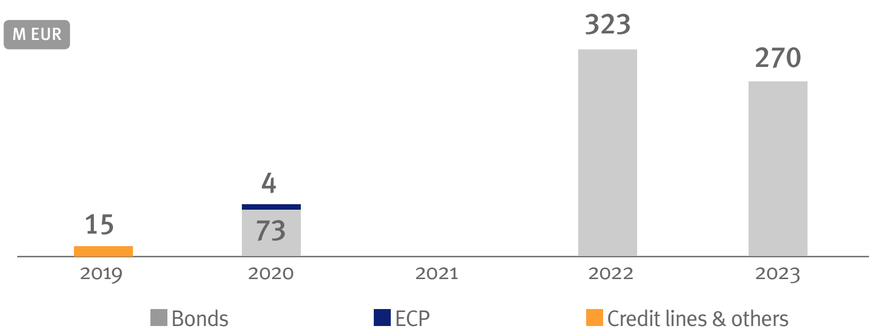
M EUR

The company redeemed the bonds on 21 May 2018, following which OHL had a total amount of EUR 666.2 million of outstanding bond issues at 31 December 2018.

In relation to the recourse bank borrowings, in April the company repaid EUR 701.7 million, as a result of which the amount was reduced to EUR 34.8 million at 31 December 2018.

Consequently, the gross recourse borrowings at 31 December 2018 amounted to EUR 686.5 million, with the following maturity profile:

EUR 687M GROSS RECOURSE DEBT MATURITY PROFILE



DIVESTMENTS

As regards the asset rotation process, the following divestments were made in 2018:

- On 26 April the sale of the non-controlling interests in the hotel companies and of a portion of the land of the Mayakoba complex was completed for a price of EUR 63.0 million, of which EUR 58.9 million were collected and the remainder has been deferred.
- On 27 June the ŽPSV sleeper factory in the Czech Republic was sold for a total price of CZK 1,134.0 million (EUR 44.3 million). The net cash contributed by this divestment amounted to EUR 35.2 million.
- On 10 October the company announced the signing of an agreement to sell the ownership interests in the companies, land and rights that make up the Ciudad Mayakoba project, for a total price of MXN 2,122.7 million (approximately EUR 93.7 million).

2018 IN FIGURES

MAIN AGGREGATES

Millions of euros

	2018	2017	Change (%)
STATEMENT OF PROFIT OR LOSS			
Revenue	2,906.9	3,172.1	-8.4%
EBITDA	-496.0	-66.5	n.s.
% of sales	-17.1%	-2.1%	
Net attributable loss	-1,577.3	-12.1	n.s.
% of sales	-54.3%	-0.4%	
REVENUE BY LINE OF BUSINESS			
Sales	2,906.9	3,169.2	-6.9%
Construction	**2,448.7**	**2,660.7**	**-8.0%**
% of total sales	84.2%	83.9%	
Industrial	**189.9**	**269.8**	**-29.6%**
% of total sales	6.4%	8.5%	
Services	**264.1**	**237.7**	**11.1%**
% of total sales	8.9%	7.5%	
Other	**4.2**	**3.9**	**7.7%**
% of total sales	0.1%	0.1%	
EBITDA BY LINE OF BUSINESS			
EBITDA	-496.0	-66.5	n.s.
Construction	**-329.6**	**70.5**	**n.a.**
EBITDA as a % of sales	-13.5%	2.6%	
Industrial	**-63.0**	**-36.5**	**-72.6%**
EBITDA as a % of sales	-33.2%	-13.5%	
Services	**1.3**	**3.7**	**-64.9%**
EBITDA as a % of sales	0.5%	1.6%	
Corporate and other	**-104.7**	**-104.2**	**N/S**
EQUITY			
Equity attributable to the Parent	786.8	2,166.7	n/s
Non-controlling interests	-1.1	2,016.6	n/s
NET BORROWINGS			
Net recourse borrowings	-346.8	943.5	n.a.
Net non-recourse borrowings	50.8	56.4	-9.9%
Total net borrowings	-296.0	999.9	n.a.
BACKLOG			
Short-term backlog	5,876.4	6,236.2	-5.8%
Long-term backlog	218.2	224.5	-2.8%
EMPLOYEES			
Permanent employees	12,167.0	12,910.0	-5.8%
Temporary employees	6,206.0	8,554.0	-27.4%
Total	**18,373**	**21,464**	**-14.4%**
STOCK MARKET CAPITALISATION	**186.80**	**1,488.10**	

EDAR of Lagares. Vigo, Spain.

PROFIT/LOSS BY DIVISION
Construction

Main aggregates	2018	2017*	Change (%)
Sales	2,448.7	2,660.7	-6.2%
EBITDA	-329.6	70.5	n.a.
% of sales	-13.5%	2.6%	

M EUR.
* Restated.

Construction, with sales amounting to EUR 2,448.7 million, accounts for 84.2% of OHL's total sales.

The continued application of the new accounting standard for revenue recognition IFRS 15 has meant eliminating and not recognising all projects and claims that do not have a high probability of materialising. As a result of the criteria adopted, negative gross margins were recognised in Construction, amounting to EUR -227.4 million at September 2018, recognising improvements in margins for regular work in the last quarter of the year of EUR 48.2 million, making it possible to achieve a margin of EUR -184.6 million in the year.

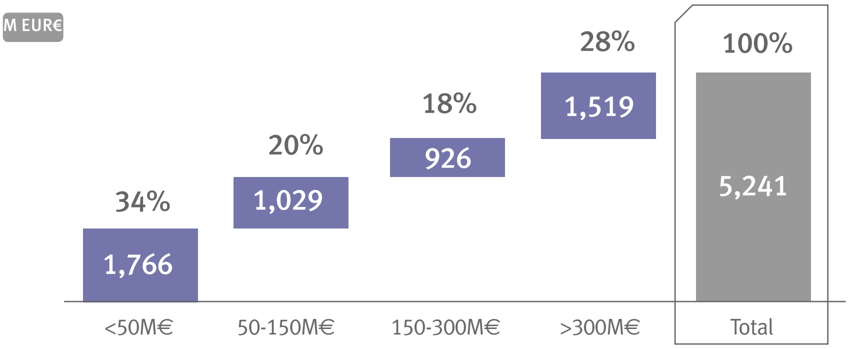
At 31 December 2018, the construction backlog amounted to EUR 5,241.0 million, representing 25.4 months of sales, which shows the backlog's capacity for regeneration in a complicated environment and, in addition, the vast majority of new contracts in the three main regions for OHL. The backlog has a balanced profile both geographically and in terms of the size of the construction projects, with 95.6% coming from the main regions of activity (including most notably 41.8% from the US, 29.4% from Europe and 24.4% from Latin America), and with 28% of the projects exceeding EUR 300 million.

GEOGRAPHICAL DISTRIBUTION OF THE SHORT-TERM CONSTRUCTION BACKLOG

	31 / 12 / 2018
Home markets	**95.6%**
USA	41.8%
Europe	29.4%
Latin America	24.4%
Other	4.4%

DISTRIBUTION OF THE BACKLOG BY PROJECT SIZE

Solid and balanced backlog



Of the total Construction backlog, 17% corresponds to construction projects to be performed for concessions.

CURRENT BACKLOG OF THE TEN PRINCIPAL CONTRACTS AT 31 DECEMBER 2018

	Country	2018
I-405 toll road	US	537.4
Vespucio Oriente toll road	Chile	325.2
Rio Magdalena toll road	Colombia	288.9
Atizapán-Atlacomulco toll road	Mexico	209.7
NY TN-49 Replacement of roadway deck	US	212.9
New York Canarsie tunnel rehabilitation	US	198.3
Modernisation of the Sudomerice-Votice railway line	Czech Republic	152.8
Oslo-Ski high-speed rail line (Follo Line Project)	Norway	156.1
Curicó Hospital	Chile	146.9
D1 Hubová - Ivachnová toll road	Slovakia	123.1
Ten main projects in the backlog		**2,351.3**

M EUR

The diversification of the backlog by type of project should be noted, where 43.8% corresponds to roads, 22.5% to railways, 15.0% to building construction and 18.7% to other activities. The new contracts obtained in 2018 totalled EUR 2,690.6 million, with 39% of projects located in the US. The book-to-bill ratio stands at 1.1 times.

The new awards obtained in 2018 include most notably:

	Country	2018
NY TN-49 Replacement of roadway deck	US	212.6
Modernisation of the Sudomerice-Votice railway line	Czech Republic	172.2
New York. A-36622 ESI-33 Station improvement	US	100.0
Renovation of Riverside Drive Viaduct	US	83.8
Caleido	Spain	78.9
Angiorza high-speed rail line platform	Spain	77.6
Florida Salmon Farm	US	61.9
California Newhope - Placentia	US	48.1
Travis CO SH 130 US 290	US	47.6
Zaragoza - Pamplona high-speed rail line	Spain	46.1
Total main awards		**928.8**
Other awards		**1,761.9**
Total awards		**2,690.6**

M EUR.

Industrial

Main aggregates	2018	2017	Change (%)
Sales	189.9	269.8	-29.6%
EBITDA % of sales	-63.0 -33.2%	-36.5 -13.5%	-72.6%

M EUR

The Industrial Division recorded sales of EUR 189.9 million in 2018, which represents a decrease of 29.6% with respect to 2017, mainly as a result of:

- The downsizing that resulted from the strategic decision to abandon the oil and gas EPC segment.
- The slower pace of execution of certain projects and the completion of others.

EBITDA stood at EUR -63.0 million, affected mainly by the negative margins that are occurring in the final stages of some existing projects, due mainly to additional costs associated with delays in delivery times, which led the company to recognise negative gross margins up to September of EUR -58.9 million, posting improvements in margins in the last quarter of the year of EUR 8.2 million. These margins do not include the negative impact of the unfavourable arbitration relating to the Xacbal project (Guatemala), which amounted to EUR -27.7 million.

The Industrial backlog at 31 December 2018 amounted to EUR 259.9 million, and includes:

- EUR 58.2 million (22.4%) of the Cementos Molins plant in Colombia.
- EUR 167.9 million (64.6%) of O&M, fire safety, solar PV and equipment projects (stable margins and low risk).
- EUR 33.8 million (just 13.0% of the total) of the EPC projects not yet completed.

New contracts amounted to EUR 138.1 million, the main project being a solar PV plant in Mexico for EUR 56.2 million.

Services

Main aggregates	2018	2017	Change (%)
Sales	264.1	237.7	11.1%
EBITDA % of sales	1.3 0.5%	3.7 1.6%	-64.9%

M EUR

Sales amounted to EUR 264.1 million, with growth of 11.1%, thanks mainly to the positive performance of the Facilities segment (cleaning, maintenance and energy efficiency) in Spain, as well as greater activity in urban and home help services.

The Services business line obtained EBITDA of 0.5% of sales, which reflects the context of strong competition in a very mature industry. The backlog at 31 December 2018 totalled EUR 375.8 million, with new contracts totalling EUR 282.0 million, the most noteworthy in Spain being awards such as the cleaning of Metro Madrid Lines 8 and 10 and the home care services of the Estepona Municipal Council. Internationally, of special note are the street cleaning services in Talca (Chile).

Development

Following the divestments of Mayakoba's assets and the announcement of the purchase and sale agreement reached for the sale of Ciudad Mayakoba, at 31 December 2018 Development's operations are presented as being discontinued in OHL's financial statements, the data for 2017 having been adjusted for comparison purposes.

Since the assets of Canalejas and Old War Office do not form part of the current divestment process and do not comply with the representativeness requirements of the standard to be considered as a business segment, they will be classified in the company's Corporate area:

- **Centro Canalejas Madrid**. On 13 August 2018, Development announced the acquisition of the entire 32.5% ownership interest held by Grupo Villar Mir, S.A.U. in the share capital of Centro Canalejas Madrid, S.L.U., after which OHL held a 50.0% interest in the project at 31 December 2018. The project is currently at the construction phase and certain areas of the complex continued to be marketed in 2018.
- **Old War Office.** The project located, in London, in which Development holds a 49% ownership interest, has successfully completed the licensing phase and construction has recently started.

The carrying amount of these projects in OHL's balance sheet as at 31 December 2018 is EUR 301.1 million.

High speed railway Mecca-Medina, in Saudi Arabia.

Strategy

BUSINESS MODEL

BUSINESS MODEL AND SHORT-TERM OUTLOOK

2019 will be a year of transition for OHL, with patently clear recovery prospects and clear cash generation targets.

Thanks to the endeavours made in 2018, the company has:

- A more solid and independent Corporate Governance model.
- An organisational model adapted to the current size of the company.
- Risk control and procedures that will allow greater visibility in the evolution of projects.
- A regular backlog that will provide margins between 6% and 8% in 2019 with overheads of less than EUR 150 million.

PRIORITIES FOR 2019

The company will focus its activity in 2019 on its three main business areas: North America, Latin America and Europe and in the main geographical areas in which it operates, with a profitable backlog with positive EBITDA and cash generation, following the path initiated in the fourth quarter of 2018.

With regard to ordinary activities, in 2019 the priorities of the company's divisions are: Construction, Industrial, Services, Development and Development of Concessions will be managed according to three basic principles:

- Maximisation of cash flows.
- Control of the risks in the tender bids according to the established procedures.
- Implementation of a culture in the organisation based on project management versus contract management.

Focusing on the medium term, the objective is that in the next three years 30% of the backlog will come from the activity of Development and Development of Concessions. In order to achieve this, the business model of the Development business line will be transformed, adapting it to the new reality of the company.

OHL has unique experience as a developer of real estate projects that will allow it to offer services with three different approaches: attract income as a provider of specialised real estate services, attract investor capital, opting for a non-capital-intensive model, and generate backlog for the Construction business line.

With regard to Development of Concessions, OHL has an outstanding track record of participating with concession groups and infrastructure investors in the study, development, operation and rotation of concession projects, with a non-controlling interests in equity and serving as a complementary business enhancer for the Engineering and Construction area.

Turning our attention to Construction, the priorities for 2019 will focus on cash generation, profitability and improvement of efficiency, all of which will be accompanied by risk management and control mechanisms and an additional reduction in overheads.

In order to achieve these objectives, OHL will be committed to building loyalty and developing and attracting the best talent, which is a key element for boosting competitiveness and efficiency in organisations.

OHL'S RISKS

OHL's activities are exposed to various risks, classified into the following categories:

Strategic risks

Market and environment risk.

The following risks are particularly worthy of mention:

- **Political/regulatory.** IIncludes price, contractual and surrender risks. It also considers the risk of unforeseen and/or frequent modifications to the general legal framework (tax, accounting, employment, technical, environmental, etc.).

  In order to reduce it, OHL focuses its activity, mainly and permanently, on three geographical areas: North America, Latin America and Europe, which are considered stable and in which the company's presence allows the adoption of mitigating measures in the event that the aforementioned risks occur. This presence means that the risk of entry barriers has been overcome in its target markets.

- **Demand/spending cuts.** This refers to the risk of variations in the demand for investment, both public and private works, as well as the political uncertainty that may delay budgets and investments, including the paralysis of contracted projects. Faced with these possible changes, the company has the capacity to cushion their effects, by being able to reassign its work teams to these circumstances and foresee, with a certain degree of anticipation, these market changes. The presence in different markets makes it possible to mitigate the impact of the various economic and political cycles in the countries in which the company operates.

Risks associated with alliances and joint arrangements.

The following risks are particularly worthy of mention:

- **Inadequate selection and alignment of partners.** This refers to the risk of inadequate selection of partners from the points of view of solvency, contribution of market and technical knowledge, synergies, respect for the environment and current legislation, etc. It also includes the risk that the procedures/internal regulations/ethical standards existing at the investees are not in line with those of the company, or the imposition or need to associate with a local company to obtain a project.

  OHL, both in the national and international markets, tenders bids with partners as a way of improving its product offering to customers, diversifying risks and strengthening its capacity to access major international calls for tender.

To avoid this risk, the company has a very rigorous partner selection policy subject to a Third Party Due Diligence process, consisting of an analysis of technical, compliance and financial capabilities. These analyses are included in the company's processes where the various levels of authorisation are established, ranging from the areas responsible for each of these aspects, the Contracting Committee chaired by the CEO to the company's Board of Directors.

Reputational risks
A risk arising from participating in the development of projects with third parties as customers, partners or suppliers that may behave irregularly or unlawfully, as well as unethical behaviour of the company's own employees that may lead to a deterioration of the company's reputation.

OHL has rules, processes and tools for assessing third parties that allow it to evaluate them from the standpoints of their external and internal behaviour, social and environmental responsibility, and their financial and technical performance, as well as the identification of whether or not they are on sanctions lists, thereby giving visibility to the third party before sealing contractual commitments with them.

In addition, OHL has a Code of Ethics that must be complied with by everyone in the organisation, with the corresponding Whistleblowing Channel.

Operational risks

Contract and bidding risk

- **Failure to identify the call for tenders in time and definition of the bid.** Bidding risk refers to not identifying the bidding opportunities in the market in time. While the risk involving the definition of the bid lies in committing inaccuracies in the definition of the technical and/or economic bid because it is not appropriate for the circumstances of the project or the contractual framework.

The risks that arose in the past have modified OHL's policy in this connection, and it has made important changes in the bidding process consisting of:
_Reinforcement of the technical teams dedicated to the study of projects that are tendered for.
_Introduction of risk analysis methodologies in the study process.
_Internal levels of authorisation/validation of bids according to the amounts of the projects.

The Contracting Committee, made up of professionals from the highest executive levels of the company, analyses and approves or rejects those bids of significant amount that OHL submits in any geographical area.

Performance/operation risk

- **Inappropriate project performance.** The risk refers to project cost, duration and quality variances. These risks also most notably include contractual breaches or non-recognition of rights by the customer and the risk that the expected margin will not be achieved.

It is the company's priority policy to permanently monitor the projects, from the technical and economic standpoints, throughout the production process and by the company's management, analysing their status and adopting the necessary measures to correct any variance.

- **Non-approval of projects.** This occurs when there is a lack of technical and economic recognition of the progress of the project by customers. OHL, after the entry into force of IFRS 15, does not recognise any claim and/or project whose approval is not highly probable.

  Accordingly, if on the part of the client there is a lack of technical and economic recognition of the progress of the project, measures will be adopted to demand its approval, avoiding the economic damage arising from such delays.

- **Collection delays.** It a priority policy of OHL to generate cash in projects both at the percentages projected and within the contractual term.

  In order to achieve this, a Working Capital Committee has been set up, chaired by the CEO, which periodically reviews the progress of the projects at all levels of the organisation in economic terms, including active collection management and the recovery of guarantees.

Occupational risk. The main risks are:

- **Occupational risk.** Derived from the inadequate management and prevention of risks that may lead to occupational accidents of internal and external personnel linked to the Group.

  OHL, within the framework of its policies, highlights as a priority the prevention of occupational risks, approving a new version of the Integrated Management System (IMS) that complies with ISO standards.

- **Inadequate personnel management and recruitment of talent.** This risk considers the organisation's ability to attract the right professionals to face

The proper management and prevention of risks helps to avoid accidents at work of personnel.

future expansions, to adapt the personnel structure to changes in the business cycle.

OHL's policy in personnel management and talent recruitment/retention is a priority in order to continue to guarantee the best possible qualification of its professionals.

Environmental risks
In addition to the impact of legal regulations on environmental management already mentioned as a regulatory risk, OHL is especially exposed to the direct impact on the projects it implements of risks arising from all types of natural disasters and risks arising from climate change. To this end, the company has an environmental management strategy committed to the responsible use of natural resources, the circular economy, the protection and conservation of biodiversity and the fight against climate change. In addition to this responsible behaviour and in order to protect itself from natural disasters, OHL has the necessary insurance coverage, contractual management communications with customers and local presence in the various different countries that allows these situations to be resolved more quickly.

Technological and system risks. The main risks are:

- **Unsuitability and obsolescence of IT systems.** This includes the risk of technologies used in the business not efficiently and effectively supporting present and future needs or not being the most efficient tools on the market.

  In 2017 OHL initiated an ambitious systems plan which, due to the organisational changes that have been implemented, has made it advisable to reconsider it and adapt it to the new scale of the company.

- **Cyberattacks and information leaks.** Possibility of suffering attacks that damage the company's operating systems, or loss of confidential information.

  OHL has Cybersecurity managers and procedures for restoring information and the most critical systems. As far as information is concerned, OHL has a personal data privacy policy and complies with data protection standards. In 2018 awareness-raising and training activities were carried out, and procedures were defined for managing security risks, managing vulnerabilities in computer systems and responding to security incidents.

The risks discussed are the most typical that OHL might face and are common to the various activities it carries on.

The Audit and Compliance Committee promotes the improvement of risk management, a priority for OHL. In this context, in 2018 progress was made in the following lines of action:

- Update of the Risk Map.
- Ongoing update of the Country Risk Model.
- OHL's risk tolerance red line system in relation to commercial and contractual issues.
- Preventive analysis of OHL risk management with third parties.

In 2019 OHL will continue to analyse the risks and opportunities it faces.

Granadilla Port. Santa Cruz de Tenerife. Canary Islands, Spain.

PROFIT/LOSS BY DIVISION

CONSTRUCTION

The Construction activity, which obtained revenue of EUR 2,496.6 million, focused on the company's three reference regions: North America, Latin America and Europe, with a notable presence in the areas of transport infrastructure and singular building construction. Construction contracts amounted to EUR 2,690.6 million with 39.0% of this figure corresponding to the US and 38.0% to projects awarded in Europe.

GEOGRAPHICAL AREAS

North America

This is one of OHL's reference markets in the construction field. Sales represent close to 40% of the total for Construction and more than 30% of the total for OHL.

In 2018 the company continued to consolidate and expand its presence in the US, obtaining new contracts in some of its main markets, such as New York, California, Illinois, Texas and Florida. The project backlog in the US includes toll roads and bridges, railway infrastructure, hydraulic works and singular building construction.

In New York, the award of a EUR 212.6 million project for the replacement of the decking on the suspended sections of the Throgs Neck Bridge is of particular note. The work was commissioned by the Triborough Bridge and Tunnel Authority of the New York Metropolitan Transport Authority, and include, in addition to replacing the existing concrete decking with orthotropic steel decking on the suspended sections, the installation of new median and parapets along the suspended sections, the installation of a new fire standpipe system between the Throgs Neck Bridge Bronx buttress and the Queens anchorage and the installation of a new lighting system on the suspended sections and the Queens access road.

Also in 2018, Judlau won a EUR 83.8 million contract awarded by the New York City Department of Transportation for the restoration of the Riverside Drive viaduct on West 158th Street in Manhattan.

In terms of construction projects related to passenger transport, Judlau's projects include the refurbishment of stations within the framework of the Enhanced Stations Initiative Package 4, with a value of EUR 100.0 million.

In addition, OHL is working on numerous singular building construction projects in Florida, in the healthcare, retirement home, leisure and education sectors, among others. Of note is the Salmon Farm project for Atlantic Sapphire, a Norwegian company that pioneered the application of technology for farming salmon entirely on land, for EUR 61.9 million.

In the area of civil engineering work, the Florida Department of Transportation awarded two contracts corresponding to the Florida Turnpike for EUR 31.2 million and the project to extend the section between T4472 State Road 80 and Southern Boulevard for EUR 29.0 million.

Two new contracts were awarded in California: the replacement of the Newhope-Placentia sewerage system for the Orange County Sanitation Service amounting to EUR 48.1 million; and the Argo Drain Sub-Basin Facility rainwater collection and piping service, for EUR 29.6 million.

Progress is also being made on the design and construction project to improve the I-405 awarded by the Orange County Transportation Authority, OHL's most important contract in the US.

Other contracts won in 2018 in the US include the project to widen a segment of the SH 130 in Travis County, which includes the addition of a third lane in both directions from US 290 East to SH 71 in Texas, for EUR 47.6 million. Also the work to improve the intersection of Interstate 55 with Weber Road in Romeoville, Illinois, for EUR 41.8 million.

Notable accolades in the US

OHL received important accolades in the US in 2018. Among them is the award to the Miami Dade College Inter American Campus project, which received the Merit Award of Excellence for Renovations/ Additions 2018 from by the American Institute of Architects of Florida (AIA Florida) for excellence in renovation and expansion work. The total size of the project is more than 43,000 m².

Also, the New Jersey Alliance For Action gave Judlau an award for its work on the George Washington Bridge between New York and New Jersey, one of the state's most important projects: the infrastructure has one of the largest volumes of vehicle traffic in the world and has been an architectural icon for more than 85 years.

Latin America

OHL continued its activity in the countries that make up the Pacific Alliance - Peru, Colombia, Chile and Mexico. The joint actions in these countries represent revenue of 20% in relation to the total for Construction.

Noteworthy in Mexico is the Mexico-Toluca intercity train line. OHL is building the first section of the intercity train line that will connect Toluca, capital of the State of

Mexico, with Mexico City, the country's capital. With a length of 36.15 km, it is the most important section of the future Toluca- Mexico City railway, both technically (due to its size) and in terms of budget.

In addition to this project, OHL was awarded the contracts for the new line 3 of the Guadalajara subway: Line 3 Zapopán, Guadalajara-Tlaquepaque, with a length of 20.9 km distributed among 18 stations, of which 13 will be along a viaduct and 5 underground. In the field of road infrastructure, the Atizapán Atlacomulco toll road is being constructed.

In Peru, mention should be made of a new project: the construction of a by-pass in Mina Quellaveco, in the region of Moquegua. The contract, awarded by the Anglo American Quellaveco mining company for EUR 37.5 million, envisages 21 km of new road. The new infrastructure, which will connect the road linking Cuajone and Toquepala, will cross the valley of the river Asana.

In Chile, OHL was awarded the civil engineering work relating to the shafts, galleries and tunnels for both the EFE station and section A of the extension of Line 3 of the Santiago Metro, for an amount of EUR 32.0 million.

Already in 2019 in Colombia the company has added the construction of Avenida El Rincón from Avenida Boyacá to Carrera 91 to its backlog. The project, awarded by the Institute of Urban Development, will have a budget of close to EUR 42 million. It will also build for Ecopetrol the extension of the Cúcuta aqueduct for a budget of close to EUR 36 million. In addition the contract for the construction of the 144 km long Magdalena 2 Road was landed.

Europe

The business in Europe represents more than 32% of sales in the Construction area.

In the Czech Republic, the company was awarded (EUR 172.2 million) the modernisation of the Sudoměřice-Votice railway line, one of the last sections of Transit Corridor IV,

Guadalajara's Light rail.
Mexico.

which connects Germany with Austria via Děčín, Prague and České Budějovice. This is one of the largest investments in railway infrastructure in the Czech Republic, and its objective is to increase transit speed, fluidity, comfort and safety in the 20 kilometres of track making up this section.

In Spain, the EUR 78.9 million Caleido project stands out in the area of building construction. The building will be located in Madrid's Cuatro Torres Financial District and will house the Instituto de Empresa (IE) and the Quirón Salud Group. It has been designed by Fenwick & Iribarren, in conjunction with Serrano Suñer, and will comply with all sustainability and energy efficiency standards in order to obtain the prestigious LEED Gold certification.

In the railway area, OHL is building a section of the Zaragoza-Pamplona high-speed rail line for EUR 46.1 million. The project envisages the execution of a section of the high-speed line that will run through the municipalities of Villafranca, Marcilla and Peralta, in Navarre.

It is also participating in the construction of the Vitoria-Bilbao-San Sebastián high-speed railway platform. Section: Mondragón-Elorrio-Bergara, Sector 1, amounting to EUR 77.5 million. It forms part of the so-called Bergara junction, which will provide a direct high-speed railway link between the three Basque capitals and is included in the Vitoria-Bilbao-San Sebastián-French border high- speed rail line platform.

Others initiatives in Europe

- Expansion of the port of Agaete on the island of Gran Canaria (Spain) amounting to EUR 44.6 million in which the company will use its technogical innovation, Cubipod, which has been exported to other countries such as Denmark or Algeria.

- Marmaray. The Ministry of Transport and Infrastructure of the Republic of Turkey inaugurated start-up of the main phase of the Marmaray project that connects the Asia-Europe corridor, with work executed in 2018 amounting to EUR 154.7 million. OHL as prime contractor has undertaken, inter alia, the design, the complete replacement of the two existing tracks and their replacement in three new tracks of 62 km of the 76 km of the project.

OHL also continued to execute projects awarded in previous years. Highlights include the National Forensic Mental Health Hospital (Ireland), the EPC Ski project (Norway) and the improvement of the railway line between Lund and Arlöv stations in Malmö (Sweden).

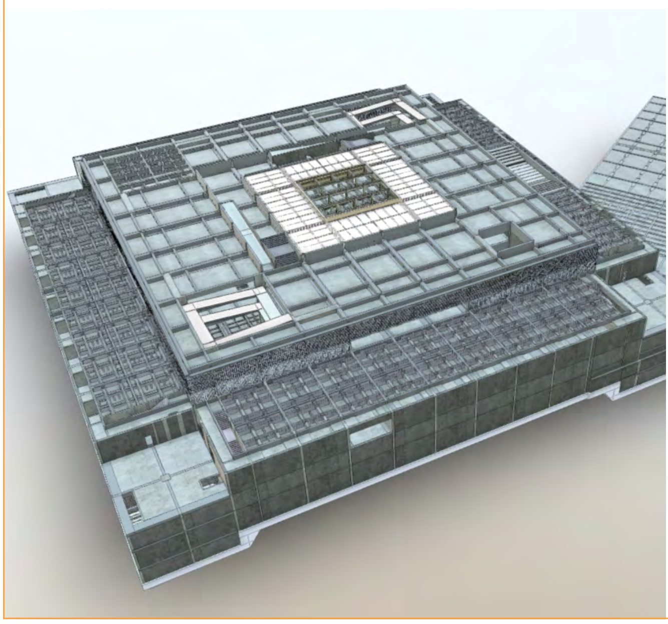
OUTLOOK

Construction activity will continue to be centred in 2019 on the company's reference geographical areas. The focus will be on cash generation, profitability and improving the efficiency of projects, aspects that will be complemented by risk management and control mechanisms, with a commitment to strict control and supervision of projects from the bidding phase onwards.

SUCCESS STORY 1 - NATIONAL MUSEUM OF PERU. LURÍN, LIMA. PERU

The company is constructing the National Museum of Peru in Lima, designed to protect, study and disseminate the rich cultural heritage of this Latin American country, which will become the largest Peruvian museum and one of the most important in Latin America, with the capacity to house nearly 500,000 pre-Incan and Incan archaeological items.

Within the framework of this project, the company has shown its commitment to the community through the implementation of various actions. Of note is the creation of 35 work positions for unskilled labour. Also the donation of material to shelters - wood, plastic bottles, glass, cardboard and paper -, earmarked for recycling, obtaining an income that helps them to self-finance. In addition to giving talks on health prevention - more than 3,200 hours - which have benefited mainly people with limited resources.



Added to these actions is the work of the company through the development of workshops and information talks on environmental matters to a total of 24,636 participants. To this can be added other actions such as the use of biodiesel fuel on site, an alternative to petrol consumption, which results in a notable reduction in the emission of carbon monoxide and volatile hydrocarbons.

Other outstanding measures are the recycling of leftover materials from the construction project such as wood, which is used to manufacture containers to store solid waste and build access ramps, awareness-raising panels, notice boards and ergonomic office elements. Concrete blocks are also reused to mark off green areas; concrete bollards are used to demarcate parking areas and temporary storage areas; as well as to underpin access stairs. Protective helmets are reused as flower pots and metal waste is used to make pot holders for ornamental plants.

This type of measure has meant that 73% of wood, general waste, rubble, concrete, glass, plastic, metals and paper, and cardboard have been reused or recycled on site, which allows for the integral management of solid waste generated in all phases of the project in order to minimise risks to the health of the community and the environment. Of the total waste generated, 27% was disposed of through a Solid Waste Operating Company (EORS).

SUCCESS STORY 2 - EXECUTION OF THE ACCESS TUNNEL TO GIBRALTAR AIRPORT. GIBRALTAR

Design and construction of a 1.24 km road connecting Spain's border control with Gibraltar's Devil's Tower Road. The road circumvents Gibraltar airport and part of its route is executed through a 350 m long tunnel under the head of the runway. Parallel to this tunnel, another is being built for cyclists and pedestrians. The project also includes the construction of a building to house the future control centre and operation of the tunnel installations, an area for the storage, loading and unloading of aviation fuel, as well as the execution of a new approach system to head 27 of the runway at Gibraltar Airport.

The accesses and border movements between Spain and Gibraltar are of vital importance for the local population and the development of this infrastructure has the fundamental objective of facilitating the transit of passengers and reducing waiting times.

Of particular note in relation to the environment is the implementation of a remote control system in the purification plant, which enables monitoring through a smartphone application. This type of monitoring facilitates rapid action in the event of an emergency, as well as reducing the environmental risk of spillage, thereby reinforcing safety levels.

Energy efficiency measures have also been developed, such as the use of LED light towers on site, which leads to significant fuel savings, with a commitment to cleaner and safer energy.

Within the framework of the project, the measures taken to reduce the discontent caused by the execution of the works among the affected population are also of note. Thus, the acoustic impact has been reduced, especially in work carried out at night, by replacing the vehicle reversing alarms with ecological alarms, which reduce annoyance when machinery is being moved, or the dust monitoring system. In this way, not only is compliance with the relevant regulations ensured, but also immediate prevention measures are established to promote the health and safety of workers and the local population.

As every year, the Royal Air Force (RAF) of Gibraltar, in order to recognise excellence in professional careers in the field of aeronautical safety, awards the RAF Safety Award at an institutional, business or personal level. In 2018 this decoration was awarded to Beatriz Valdés, Aeronautical Safety Manager of OHL, in this project.

INDUSTRIAL

In 2018 industrial activity focused on the completion of several projects in countries such as Spain, Mexico, Colombia, Jordan and Oman and on the development of new initiatives.

COMPLETED PROJECTS

In 2018 the company completed seven EPC (Engineering, Procurement and Construction) projects:

- Sulphur solidification plant in Coatzacoalcos, built for PEMEX, in Mexico.
- Construction of the Valiente wind farm, with 20 MW of installed capacity, including the evacuation infrastructure. Huesca, Spain.
- Construction of two 50 MW solar PV plants, Al Mafraq and Empire, for Fotowatio Renewable Ventures (FRV), in Jordan.
- Completion and delivery of the SNGP- CRM Plant, consisting of the construction of a booster compressor for increasing gas pressure and its correct export to the existing gas line (MDT) for the state company Petroleum Development Oman (PDO), in Oman.
- Obtainment, at the end of 2018, of the ToC (Take over Certificate) for the Strategic Hydrocarbon Storage Terminal (ASTPP) project, with a capacity for 386,000 m3 of storage of petroleum products, at the request of the Ministry of Energy and Mineral Resources, in Amman, Jordan.

The company is waiting for CFE (Federal Electricity Commission) to sign the provisional acceptance certificate of the 770 MW Combined Cycle Empalme I, located in Sonora, Mexico.

OTHER INITIATIVES

In the cement sector, OHL has entered the final phase of construction of a cement plant in the municipality of Sonsón, in Antioquia, Colombia. This is a complete cement production line, with a production of 3,150 t/day, for the companies Ecocemento and IACOL.

In Mexico, OHL began construction of a 100 MW solar PV plant in the municipality of Perote, Veracruz, under an EPC or turnkey arrangement in the last quarter of 2018. The contract includes operation and maintenance work for 20 years.

DETAILED VOLUME OF NEW CONTRACTS BY ACTIVITY AND GEOGRAPHICAL AREA IN 2018

BUSINESS LINE	TOTAL/YEAR
Renewable energies	39.4
E&M	10.3
Mining and cement	26.1
Chepro	21.0
Industrial services and O&M	41.3
Total	**138.1**

M EUR

GEOGRAPHICAL AREAS	TOTAL/YEAR
Northern Latin America	77.8
Southern Latin America	10.0
Europe	35.2
Rest of the world (Row)	15.1
TOTAL	**138.1**

M EUR

SUCCESS STORY 3 - TORRE ECOCEMENTOS. RIO CLARO. SONSÓN, ANTIOQUIA. COLOMBIA

Construction of a cement production plant with an installed capacity of 1.3 million tons/year, characterised by a dry production process that saves water. In addition, the plant has included state-of-the-art environmental control systems that will guarantee compliance with environmental emissions standards for both air and water. An environmental brigade, made up of 13 people from the municipality of Sonsón, has also been organised to ensure environmental protection.

As part of the activity at the plant, the donation of 123,200 kg of wood discarded in the production processes to the nearby communities of Jerusalén, San Luis, Las Mercedes, La Danta, Puerto Triunfo, Doradal and San Miguel, among others. This donation has been used in homes and in food microindustries and in cooking activities. The reuse of this resource avoids deforestation in the area and protects the local fauna.

It should be noted that during the construction work on the plant, specimens of fauna potentially affected by the activity carried on at the cement plant were rescued, relocated or transferred to specialised centres, and awareness-raising initiatives were carried out among employees, aimed at avoiding the capture and the trafficking of animals. More than 25 specimens of different species have been rescued, such as iguanas, boas, cuckoos, hummingbirds and bluebirds.

SERVICES

In 2018 Services maintained a growth trend in the Spanish market, although it suffered a decrease in its margins. It also continued to advance in its internationalisation, in countries such as Mexico and Chile.

The cleaning sector, with EUR 9,970 million managed in Spain, experienced growth of 1.8% compared to 2017; and for 2018 and 2019 growth is expected to be slightly below 2%.

The building maintenance sector generated revenue of EUR 8,400 million, and registered an increase of above 2% with similar forecast growth of 2% for 2019 and 2020. Thus, the sector is consolidating its trend of moderate growth by achieving for five consecutive years increases at rates of 1-2%.

In 2018 the urban services market obtained revenue of EUR 5,600 million, similar to 2017, when 2% growth was posted. Growth is expected to be around 1.5% in 2019.

In the home-based care services sector, it is expected that business will increase by 2.9% in 2018 to EUR 1,500 million.

Services' sales amounted to EUR 264.1 million, representing an increase of 11.1% over 2017, thanks mainly to the positive performance of the facilities area in Spain.

In terms of international activity, Chile experienced progressive growth, increasing its billings by 200%; and Mexico initiated activity at private customers such as Uber, Telefónica or Carolina Herrera stores.

Overall, Services achieved an increase in billings, rising 11% from EUR 198 million in facilities management to EUR 219 million. Billings in urban services (EUR 45 million) also grew by 16% compared to 2017, consolidating the strong growth in this activity that generates a higher operating margin.

As a result of the foregoing, although Services maintained positive EBITDA in 2018, it presents losses in its financial statements, in line with the year of adjustments and transition experienced by OHL.

CONTRACTS AND BACKLOG

In terms of contracts, the company achieved revenue of EUR 282 million in 2018, consisting of a backlog of EUR 376 million, equal to 17 months, well above the average for comparable companies in the sector.

New contracts awarded in 2018

With a backlog of more than 500 contracts in force, the additions in the various business lines included:

Cleaning

- Comprehensive cleaning service contract for buildings, premises and state facilities located in the CAM Phase III. Lot 16 - Ministry of Health, Consumer Affairs and Social Welfare, in Madrid (Spain). Term: 36 months. Amount: EUR 8.9 million.
- Cleaning service and management of luggage trolleys Phase III Lot 2 Aena - Alicante-Elche Airport (Spain). Term: 12 months. Amount: EUR 2.4 million.
- Cleaning and washing of the various sets of equipment assigned to the District of Villa de Vallecas. Madrid Municipal Council (Spain). Term: 12 months. Amount: EUR 1.5 million.

Social and health care sector

- Home Help Service Málaga Municipal Council Lot 3 and 6 (Spain). Term: 24 months. Amount: EUR 9.6 million.
- Home Help Service of the A Coruña Municipal Council SAD III (Spain). Term: 24 months. Amount: EUR 7.7 million.

Maintenance

- Maintenance of Hospital and Health Centres associated with the Vinalopó Area and the Torrevieja- Concesionaria Ribera Salud Area (Spain). Term: 36 months. Amount: EUR 5.3 million.
- Preventive, corrective and legal technical maintenance service for the buildings and general installations of the centres attached to the Plataforma de Logística Sanitaria de Almería (Spain). Term: 24 months. Amount: EUR 4.1 million.
- Upkeep and maintenance services contract for 389 buildings. LOTs 11 and 18. Infraestructures de la Generalitat de Catalunya, S.A.U (Spain). Term: 36 months. Amount: EUR 4.0 million.
- Maintenance service for the facilities and energy efficiency in Arganda Hospital (Spain). Term: 36 months. Amount: EUR 2.1 million.
- Energy services and integral management of public lighting installations, including integral maintenance and conservation of public lighting installations and traffic light crossings, including energy supply and installation of energy efficiency measures for El Verger Municipal Council (Spain). Term: 180 months. Amount: EUR 1.8 million.
- Maintenance service for buildings used as the headquarters of various judicial bodies in the Autonomous Community of Galicia (Spain). Term: 12 months. Amount: EUR 1.0 million.

Urban services

- Conservation, maintenance and improvement of green areas, planters and trees in the neighbourhoods of Torrejón de Ardoz, Madrid (Spain). Term: 48 months. Amount: EUR 2.4 million.
- Landscaping of the gardens of the Infante Don Luis Palace in Boadilla del Monte, Madrid (Spain). Term: 14 months. Amount: EUR 2.1 million.
- Installation, maintenance and management of the automated system for the loan of mechanical and electric bicycles, in Albacete (Spain). Term: 10 years. Amount: EUR 1.3 million.

OUTLOOK

Cleaning

The sector has experienced moderate growth in Spain at a rate similar to that of GDP.

Services has consolidated itself in the public sector and is beginning its expansion in the private sector through the extension of its services to more specialised areas, such as the industrial, transport, hospitality, retail or food areas.

Social and health care sector

This sector has a positive growth outlook thanks to family spending power and greater dynamism as regards public sector contracts.

Building maintenance

There is an improvement in this market in terms of expenditure. The brand is expected to consolidate its position in this area through geographical positioning, with the aim of continuing to grow in the energy efficiency sector and incorporating it into new areas such as public lighting and industry.

Energy efficiency

The new criteria for calculating the debt relating to the investments made in contracts for public authorities through energy service companies and the new Public Procurement Law should be taken into account.

OHL Services will continue to back:

- Maintenance according to energy efficiency parameters in buildings and installations.
- Street lighting in medium-sized towns.

Urban services

This sector will continue to base its development on strong competition due to the extension of the deadline for the resolution of public tenders.

Its evolution is influenced by the use of new energy sources to power the fleet of vehicles used in carrying on the activity, and which is implemented, in the context of our activity, together with the innovation departments of our machinery suppliers.

MANAGEMENT IMPROVEMENTS

Measures aimed at improving the profitability of contracts and reducing management risks have been initiated and include:

- Software that improves the management of operations and that can be integrated with the payroll system. This makes it possible to improve and control operations, avoid duplication of processes, reduce the administrative burden, standardise procedures, improve service information, control staff costs (approximately 80%) and absenteeism.
- Implementation in the Salesforce commercial area of a new CRM (Customer Relationship Management) tool aimed at planning the sales process, preparing bids, following-up on commercial action and analysing results.
- Creation of a debt monitoring committee in order to reduce the average period of collections from customers and centralise the execution and monitoring of debt claim files and interest on arrears.

2019 is a key year for Services as it will foreseeably complete the digitisation process carried out in recent years, providing adequate financial and management information support and allowing the integration of all the specific applications already installed.

SUCCESS STORY 4 - 72HREUR INCIDENT MANAGEMENT. SEVILLE, SPAIN

In the 11 districts of Seville, OHL provides a management service for incidents affecting public roads, green areas and urban furniture, with a capacity for resolution in a maximum of 72 hours.

To guarantee this service, a call centre has been activated and a team of professionals has been created that is responsible for inspecting incidents, drawing up a report and uploading it into a database that determines whether OHL or another company working in association with the Municipal Council is responsible for providing the service. Some of the activities carried out within the framework of this project include minor repairs to pavements, the cleaning and clearing of tree wells or the repositioning of signs and bollards on public roads. Since the initiation of the service, 31,210 incidents have been attended to, of which 18,780 were resolved directly by OHL Services personnel.

The work is performed through the use of a fleet of eleven vehicles and five electric motorcycles, which have covered 181,846 km, with less impact on the environment than that caused by the use of vans and motorcycles propelled by traditional fuels. The use of this type of vehicle has avoided 9.86 t of direct emissions of CO_2eq into the atmosphere. Also, the rapid response capacity from the moment an incident is detected until it is resolved impacts favourably on the quality of life of the citizens, as well as on their safety.

DEVELOPMENT

OHL, through its Development business area, continued to advance in its strategy of generating value by participating in the development of projects from the initial phase and opting to divest those more mature initiatives so that the market could appreciate the value generated through their management.

DIVESTMENTS

The company made progress in the divestment process that began in Mexico in 2017, a year in which majority holdings were sold in the four Mayakoba hotels - Fairmont, Rosewood, Banyan Tree and Andaz - and the El Camaleón golf course, to reduce OHL's ownership interest in them to between 9% and 49%.

In 2018 all these shares were sold to the same buyer, RLH Properties S.A.B de C.V., which also acquired 50% of the Fairmont Heritage Place project and 100% of the Villas Rosewood project. In addition, an agreement was signed to sell the rest of the assets of Mayakoba and Ciudad Mayakoba to an investment fund, the sale being expected to be completed in 2019.

PROJECTS UNDER DEVELOPMENT

Centro Canalejas Madrid

Progress continued to be made in 2018 in the ongoing investment in Centro Canalejas Madrid (Spain). The marketing of the 22 residences included in the project began, and memorandums of understanding were signed with some of the most representative brands in the luxury segment to position them in the Galería Canalejas commercial space. Work also continued on the Four Seasons Hotel.

It should be noted that Desarrollos has increased its interest in the project from 17.5% to 50%, equalling the participation of Mohari Limited, which is also participating as a partner in the Centro Canalejas project in Madrid.

Old War Office

In 2018 work continued on the project, which is located in London (UK) and will consist of a luxury hotel and residences. Of particular note is the agreement entered into with the largest hotel operator in the market, Accor, for the hotel that will be housed in the historic building to be operated by Raffles, a luxury brand that, until now, has not had a presence in London (UK).

Also, the financing for the project amounting to EUR 783 million (GBP 700 million) was closed and signed in February 2018, and the construction phase has now begun.

OUTLOOK

The company is analysing various projects, both in resorts and cities, consistent with the positioning in which it has specialised, in order to assess its possible involvement in them.

DEVELOPMENT OF CONCESSIONS

From 2000 to 2018 OHL gained significant experience in the development of newly created concessions (greenfield), dealing with the financing, development, operation and rotation of toll roads, ports, airports and railways in the markets in which it operates. In all this time, the company has managed nearly 5,000 km of toll roads distributed in 40 concessions, one airport, three ports and two railways.

With regard to the rotation of assets, it should be remembered that on 12 April 2018 the sale and transfer of 100% of the capital of OHL Concesiones to the IFM fund was completed. Since this transaction OHL has continued to carry on its activities in this area through the Development of Concessions area, managing the following assets:

Ports
- Port of Roda de Bará. Tarragona, Spain.
- Urola Marina. Zumaia, Spain.

Hospitals
- Burgos Hospital. Spain.
- Centre Hospitalario de la Universidad de Montreal (CHUM), Canada.
- Toledo Hospital, Spain.

Other projects

- Navarra canal, Spain.
- Horta Police Station. Barcelona, Spain.
- Sant Andreu Police Station. Barcelona, Spain.
- Santiago de Chile Justice Centre, Chile.

OUTLOOK

Public-Private Partnership (PPP) projects are critical to future growth and progress. According to the report prepared by EY, Public-Private Partnerships and the Global Infrastructure Challenge, between 2015 and 2025, countries around the world will collectively invest around USD 6 billion to USD 9 billion annually -8% of global GDP - in large-scale infrastructure projects. By 2030, according to estimates of the Organisation for Economic Co-operation and Development (OECD), the infrastructure required in transport, electricity, water and telecommunications will exceed USD 70 billion.

PPPs will undoubtedly play a fundamental role in well-being and progress. In this context, OHL's experience in the management of public-private partnership assets in the field of infrastructure puts it an outstanding position in terms of its participation with concession groups and infrastructure investors in all parts of the life cycle of this type of project.

Specifically, its technical capacity and international experience in the development of greenfield concessions and the associated financial concession models will enable their value to be maximised in the medium and long term.

Canalejas Madrid Center. Madrid, Spain.


Leica

Sustainability

SUSTAINABILITY AT OHL

SUSTAINABILITY MANAGEMENT AT OHL

OHL assumes sustainability as a transversal aspect of the strategy of creating shared value, continuously and in the long term, to ensure sustainable and responsible management of the business that allows the company to align itself with its environment, face challenges proactively and generate trust and commitment in its stakeholders, responding to their needs.

Sustainability management entails adherence to initiatives and guidelines led by international bodies: the United Nations' Guiding Principles of Business and Human Rights; the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; and the Tripartite Declaration of the International Labour Organisation (ILO).

The voluntary commitments made by the OHL Group in human and labour rights, environmental protection, business ethics and transparency in the dissemination

of information have led to the drafting of ten corporate policies that apply across the company and, added to internal regulations, make up the current framework of action.

Throughout 2018 use continued to be made of the roadmap established in the Global Agenda 2030, promoted by the UN, incorporating the Sustainable Development Objectives (SDOs) aligned with the different areas of the company's activity. In addition, OHL has been part of the Spanish Global Compact Network since its foundation in 2004. This body has recognised the active participation of the company in the various initiatives that have been promoted during this time.

In 2018 the 2015-2020 CSR Plan was also in force, and is currently being reviewed in order to adapt it to the company's new reality.

Sustainability governance is managed by the highest governing body, through the Nomination and Remuneration Committee of OHL's Board of Directors. In 2018, and in line with the reorganisation of the company and with the objective of favouring the integration of sustainability transversally across the business, the organisation was simplified, integrating the social and environmental management functions into the OHL Sustainability area. Also, the Quality and Environment, R&D+i and Sustainability Committees were merged under the name of the Sustainability Committee. It is chaired by the company's CEO and is made up of top management, acting as the delegated body to supervise all the company's sustainable management.

Parques del Río Medellín receives the Future Project Awards 2018 in the Sustainability category

The First Phase of the *Parques del Río Medellín* project, carried out by Construction in Colombia, has been recognised by the British magazine The Architectural Review with the with the *Future Project Awards 2018*, in the Sustainability category. The project seeks to turn the city into a sustainable space in environmental matters and to improve mobility.

Services Mexico, awarded the Distintivo ESR® 2018

Services Mexico has been awarded the Distintivo ESR® 2018 for its work in the area of Corporate Social Responsibility. This seal, awarded by the Centro Mexicano para la Filantropía, A.C., and the Alianza por la Responsabilidad Social Empresarial en México (AliaRSE), values the company's public and voluntary commitment to Good Governance and ethical behaviour and care for the environment.

FINANCIAL INFORMATION

FINANCIAL FRAMEWORK

BALANCE SHEET

M EUR

	31/12/2018	31/12/2017	CHANGE (%)
Non-current assets	1,311.2	1,665.3	-21.3%
Intangible assets	216.2	243.9	-11.4%
Concession infrastructure	72.2	66.8	8.1%
Property, plant and equipment	147.4	212.1	-30.5%
Investment property	10.5	73.3	-85.7%
Investments accounted for using the equity method	293.4	303.1	-3.2%
Non-current financial assets	309.0	501.0	-38.3%
Deferred tax assets	262.5	265.1	-1.0%
Current assets	**2,792.2**	**10,543.2**	**-73.5%**
Non-current assets held for sale and discontinued operations	143.5	8,023.6	N/A
Inventories	136.9	152.4	-10.2%
Trade and other receivables	1,322.4	1,753.5	-24.6%
Other current financial assets	222.5	140.1	58.8%
Other current assets	153.5	39.4	289.6%
Cash and cash equivalents	814.4	434.2	87.6%
Total assets	**4,103.4**	**12,208.5**	**-66.4%**
Equity	**785.7**	**4,183.3**	**-81.2%**
Shareholders' equity	812.2	2,918	-72.2%
Share capital	171.9	179.3	-4.1%
Share premium	1,265.3	1,265.3	0.0%
Reserves	1,052.2	1,485.5	-29.2%
Loss for the year attributable to the Parent	-1,577.3	-12.1	N/A
Interim dividend	-99.9	0.0	N/A
Valuation adjustments	-25.4	-751.3	-96.6%
Equity attributable to the Parent	**786.8**	**2,166.7**	**-75.4%**
Non-controlling interests	**-1.1**	**2,016.6**	**N/A**

Non-current liabilities	**888.8**	**1,124.1**	**-20.9%**
Grants	1.3	2.2	-40.9%
Long-term provisions	60.4	50.1	20.6%
Non-current bank borrowings*	661.0	893.5	-26.0%
Other non-current financial liabilities	2.4	4.4	-45.5%
Deferred tax liabilities	149.0	139.5	6.8%
Other non-current liabilities	14.7	34.4	-57.3%
Current liabilities	**2,428.9**	**6,901.1**	**-64.8%**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	63.5	4,141.7	N/A
Short-term provisions	202.5	225.4	-10.2%
Current bank borrowings*	80.0	680.7	-88.2%
Other current financial liabilities	6.0	4.7	27.7%
Trade and other payables	1,827.0	1,614.9	13.1%
Other current liabilities	249.9	233.7	6.9%
Total equity and liabilities	**4,103.4**	**12,208.5**	**-66.4%**

* Includes Bank borrowings + Bonds.

Application of IFRS 15, Revenue from Contracts with Customers

The consolidated balance sheet as at 31 December 2018 was affected primarily by the application of IFRS 15.

The mandatory application of IFRS 15 for reporting periods beginning on or after 1 January 2018 entails the adoption of stricter criteria for revenue recognition, relating mainly to the probability of customer approval, as until 1 January 2018 revenue was recognised when it was likely to be received, whereas under the new standard revenue will be recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

The adjustment made as a result of the entry into force of IFRS 15, Revenue from Contracts with Customers, resulted in the derecognition of the entire balance of claims recognised at 31 December 2017 amounting to EUR 402.0 million, as well as the provision of EUR (204.0) million associated therewith, which was recognised under "Trade and Other Receivables". In addition, EUR 213.0 million were included in other balances for which there is no evidence of a high probability of collection, recognised under "Trade and Other Receivables - Amounts to Be Billed for Work Performed".

The main projects supporting the above conclusion were as follows:

- The Design and Construction of the Sidra Medical Research Centre (Doha, Qatar), Qatar Foundation for Education, Science and Community Development (QF) project, which is subject to arbitration proceedings initiated on 30 July 2014 at the International Chamber of Commerce. As a result of the application of the new standard, net assets of approximately EUR 141.9 million associated with the project and yet to be recovered were derecognised, after taking into account the impairment loss already recognised on these assets.

- Balances of "Amounts to be Billed for Work Performed" of the following Spanish companies: Autopista Eje Aeropuerto Concesionaria Española, S.A.U., Cercanías Móstoles Navalcarnero, S.A. and other minor companies.
- Balances included under "Trade and Other Receivables - Amounts to be Billed for Work Performed", in relation to work of investees abroad (mainly in the US, South America, Algeria, Kuwait, Turkey and other countries of less significance to the Group).

Based on the foregoing, the final assessment of the impact of IFRS 15 on OHL amounted to EUR 410.3 million and the balances associated with legacy projects in the consolidated balance sheet were eliminated in full; OHL is continuing all actions aimed at recovering the above-mentioned amounts, since it considers that there are very firm legal grounds for obtaining these amounts from its customers, at which point this new revenue would be recognised.

Changes in the consolidated balance sheet

The detail of the main headings in the consolidated balance sheet as at 31 December 2018 and of the changes therein with respect to 31 December 2017 is as follows:

Investments accounted for using the equity method: the balance of this heading amounts to EUR 293.4 million and decreased by EUR 9.7 million with respect to 31 December 2017, the main changes being as follows:

- Losses for 2018 recognised by Health Montreal Collective CJV L.P., on the University of Montreal Hospital (CHUM) project amounting to EUR 101.7 million.
- The sale of 18 companies of Development in Abril 2018, recognised under this heading at an amount of EUR 53.8 million.
- The investment made in August 2018 in Proyecto Canalejas Group, S.L. for EUR 50.0 million, in relation to which OHL has increased its ownership interest in

Storing of cubipods

the company from 17.5% to 50.0%. After this investment, the amount recognised under this heading in respect of this ownership interest is EUR 129.7 million.
- The investment made in the 49.0%-owned investee of OHL, 51 Whitehall Holdings, S.A.R.L., for EUR 58.8 million. After this investment, the amount recognised under this heading in relation to this ownership interest is EUR 127.8 million.

Non-current financial assets: amount to EUR 309.0 million, decreasing by EUR 192.0 million, due mainly to:
- The derecognition of EUR 99.7 million of the assets related to the costs of the guarantees executed corresponding to the Design and Construction of the Sidra Medical Research project (Doha, Qatar), charged to the statement of profit and loss under "Impairment and Gains or Losses on Disposals of Financial Instruments"; and
- The reclassification to “Other Current Assets” of EUR 83.8 million in relation to a loan granted to the Villar Mir Group.

Equity attributable to the Parent: amounted to EUR 786.8 million at 31 December 2018, which represents 19.2% of total assets and a decrease of EUR 1,379.9 million with respect to 31 December 2017, due to the net effect of:
- The decrease of EUR -410.3 million due to the application of IFRS 15.
- The decrease of EUR -5.0 million due to the application of IFRS 9.
- The decrease in the attributable bottom line for 2018, which amounted to EUR -1,577.3 million.
- The decrease of EUR -99.9 million arising from the interim dividend paid out of the profit for 2018, which was paid on 6 July 2018.
- The increase in valuation adjustments amounting to EUR 725.9 million, of which EUR 119.6 million arose from the translation of financial statements in foreign currency, EUR 595.7 million arose from the transfer to profit or loss of the Concession and Development division's translation differences due to its sale, and EUR 10.6 million arose from the remeasurement of financial instruments.
- The capital reduction of EUR -7.3 million and the EUR -39.7 million decrease in reserves caused by the retirement of treasury shares.
- The increase of EUR 47.0 million arising from decrease in the backlog. At 31 December 2018, 511,811 treasury shares with a value of EUR 0.4 million were held.
- The decrease of EUR -13.3 million due to other changes.

Non-Controlling Interests: at 31 December 2018 amounted to EUR -1.1 million. This balance was EUR -2,017.7 million lower than at 31 December 2017 due to the net effect of:
- The increase of EUR 73.5 million as a result of the loss for 2018 attributable to non-controlling interests.
- The increase of EUR 661.6 million arising from the translation of the financial statements in foreign currency.
- The decrease of EUR 6.5 million due to the effect of the remeasurement of financial instruments.
- The decrease of EUR 2,741.4 million arising from the sale of OHL Concesiones.
- The decrease of EUR 4.9 million relating to other changes in the scope of consolidation.

Financial debt: the comparison of the borrowings at 31 December 2018 compared with those at 31 December 2017 is as follows:

Gross borrowings (1)	31/12/2018	%	31/12/2017	%	Change (%)
Recourse borrowings	686.5	92.6%	1,517.0	96.4%	-54.7%
Non-recourse borrowings	54.5	7.4%	57.2	3.6%	-4.7%
Total	**741.0**		**1,574.2**		**-52,9%**

M euros
(1) Gross borrowings groups together non-current and current financial debt items, which include bank debt and bonds.

Net borrowings (2)	31/12/2018	%	31/12/2017	%	Change (%)
Recourse borrowings	-346.8	117.2%	943.5	94.4%	N/A
Non-recourse borrowings	50.8	-17.2%	56.4	5.6%	-9.9%
Total	**-296.0**		**999.9**		**N/A**

M euros
(2) Net borrowings consist of gross borrowing less other financial assets and cash and cash equivalents.

The gross recourse borrowings amounted to EUR 686.5 million at 31 December 2018, a decrease from the figure at 31 December 2017, due to:

- The repayment of EUR 602.2 million of the syndicated loan, credit facilities and other payables.
- The amount redeemed of the bonds maturing in 2020, 2022 and 2023 for a total amount of EUR 228.3 million, redeemed on 21 May 2018. Following this redemption, the outstanding balance of the bonds was EUR 666.2 million.

The gross non-recourse borrowings amounted to EUR 54.5 million, representing a mere 7.4% of total gross borrowings. 89.2% of the total gross borrowings falls due at long term and the remaining 10.8% matures at short term.

Total net borrowings amounted to EUR -296.0 million, a reduction of EUR -1,295.9 million with respect to 31 December 2017, as a result of the proceeds from the sale of OHL Concesiones.

"Other Current Financial Assets" amounted to EUR 222.5 million at 31 December 2018, including a restricted deposit of EUR 140.0 million securing the multi-product syndicated financing.

"Cash and Cash Equivalents" of OHL amounts to EUR 814.4 million. Non-recourse liquidity amounted to EUR 3.7 million.

SHAREHOLDER AND INVESTOR RELATIONS

Stock exchange information

Obrascón Huarte Lain, S.A.'s shares suffered a -86.9% fall in value in 2018, a year marked by the completion of the sale of OHL Concesiones, the retirement of treasury shares, the repayment and cancellation of bank and bondholder debt with the funds obtained from the divestment, the payment of an extraordinary dividend, the changes in the Corporate Governance structure and the review of the margins on the projects in the backlog.

OHL on the Spanish Stock Market Interconnection System

OHL on the stock market. OHL stock market indicators in 2018

OHL S.A.	31/12/2018
OHL closing price	0.652
OHL YtD share price performance	-86.9%
Maximum price	5.3800
Minimum price	0.5332
Average price	2.4698
Treasury shares	511,811
Value of treasury shares	333,701
% OHL treasury shares	0.179%
Total number of OHL shares	286,548,289
Nominal value of OHL share capital	171,928,973
Nominal value of OHL share capital per share	0.60
Market capitalisation (EUR million)	187
Number of shares traded in the year	765,504,283
Number of shares traded daily in the year	3,001,978
Traded shares as a % of total shares	267.1%
Effective volume traded in the year	1,889,998,536
Average effective volume traded per day	7,411,759
Total days traded in the year	255
Ibex 35 index	8,539.9
Ibex 35 YtD performance	-14.97%
Construction index in Spain	1,394.7
Construction index YtD performance	-3.37%
Gross dividend paid in the year	0.3490
Net dividend paid in the year	0.2827

Source: Bolsas y Mercados Españoles & Bloomberg

At 31 December 2018, the share capital amounted to EUR 171,928,973.40, represented by 286,548,289 ordinary shares (after the capital reduction through the redemption of treasury shares carried out in February 2018) of EUR 0.60 par value each and all of the same class and series.

In 2018 the share reached a maximum closing value of EUR 5.3800 in January and a minimum closing value of EUR 0.5332 in November, which gives an average price over the whole year of EUR 2.4698 per share.

At the beginning of the year Obrascón Huarte Lain, S.A. held treasury shares equal to 4.194%, which were retired in February, in accordance with best corporate governance practices and the creation of shareholder value. After this reduction, OHL maintained a very small number of treasury shares tied, in full, to the position arising from its liquidity contract. Obrascón Huarte Lain, S.A. ended 2018 with 511,811 treasury shares, equal to 0.179% of the company's current share capital, which at the year-end price was worth EUR 333,701 thousand.

Lastly, in 2018 a total of 765,504,283 shares (267.1% of the total number of shares admitted to trading) were traded on the stock exchange, with a daily average of 3,001,977 shares more than the 643,366,934 shares traded in 2017.

The performance of the IBEX 35 and the Construction index in Spain followed the same trend as OHL over the period, suffering falls of -14.97% and -3.37%, respectively.

On 9 January 2018, an Extraordinary Annual General Meeting was held which approved a capital reduction of EUR 7.3 million through the retirement of treasury shares and the transfer of all of the shares of OHL Concesiones shares to IFM.

Also, the Board of Directors, following a proposal and acceptance at the Ordinary Annual General Meeting held on 26 June, resolved to distribute an extraordinary dividend of EUR 0.348981 gross per share on 6 June 2018, for an amount close to EUR 100.0 million.

OHL bond issues currently outstanding in the market

Obrascón Huarte Lain, S.A. currently has three outstanding bond issues in the market, which are traded in London. These issues, after the execution of the put option by some bondholders, arising from the sale of OHL Concesiones in the first half of 2018 and the concomitant redemption of the related bonds, ended the year as follows:

Issuer	Maturity date	Coupon rate	Balance outstanding	Share price	YtM
OHL, S.A.	March 2020	7.625%	73	75.601%	34.050%
OHL, S.A.	March 2022	4.750%	323	54.990%	26.464%
OHL, S.A.	March 2023	5.500%	270	54.899%	22.718%

Communication with shareholders, investors and analysts

OHL has an Investor Relations Department at the company's corporate headquarters in Madrid, responsible for communication with shareholders, investors and analysts with the aim of offering maximum transparency in the dissemination of information relevant to these stakeholders.

To this end, during the year the company promotes various face-to-face meetings (meetings with analysts, national and international road shows, Investor Day and ad hoc informative meetings) and makes available various channels of communication (including an e-mail account: relacion.accionistas@ohl.es and a telephone number: +34 91 348 41 57).

In 2018 roadshows were run in Spain and abroad, and the company participated in various forums and seminars. In addition, the Capital Markets Day was presented to the market in May. Due to their importance, these presentations were streamed (through the company's website) to facilitate their follow-up by the various stakeholders.

Since 2011 the company has made quarterly presentations of results through Conference Calls, in which OHL's management team establishes a direct communication with the financial community.

TAX CONTRIBUTION

Taxes paid by country	2018
Spain	-13,487
US	-9,582
Mexico	-4,187
Colombia	-4,773
Chile	-3,229
Other countries	-2,465
Total	**-37,723**

Thousands of euros

Profit or loss before tax	2018
Spain	-313,736
Saudi Arabia	-11,925
Algeria	-11,488
Czech Republic/Eastern Europe	-11,014
Chile	16,104
Colombia	-100,709
Kuwait	-4,434
Mexico	-64,310
Peru	12,011
Qatar	-108,068
Turkey	-21,541
US and Canada	-214,062
Vietnam	-872
Australia	-2,374
Other countries	-133,130
Total	**-969,548**

Thousands of euros

Government grants collected	2018
Government grants collected	69

Thousands of euros

Excluding information on grants for training

NON-FINANCIAL INFORMATION

PEOPLE

PROFILE OF THE HUMAN TEAM

OHL's greatest value is its employees. Their talent, professionalism and commitment represent one of the main assets of the company, which conceives the management of human resources based on the principles of trust and respect.

At 31 December 2018, OHL had a total of 18,373 employees, 17% fewer than in 2017. 45% of the total is outside Spain. In addition to direct employment, the company has generated 17,426 indirect jobs, through associates, suppliers and subcontractors, who are required to have the same level of commitment as other OHL employees.

Vopak hydrocarbon plant. Algeciras. Cádiz, Spain.

DISTRIBUTION OF THE WORKFORCE BY PROFESSION, AGE AND GENDER

				<30		30-45		46-55		>56	
	Total	**Men**	**Women**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**
Senior executives	11	11	0	0	0	1	0	6	0	4	0
Senior managers	72	62	10	0	0	15	5	36	4	11	1
Managers	247	224	23	1	0	93	15	85	7	45	1
Supervisors	1,462	1,226	236	46	20	584	135	391	60	205	21
Other line personnel	2,466	1,851	615	319	143	906	335	430	110	196	27
Clerical staff	915	398	517	119	118	153	247	85	116	41	36
Manual workers	13,200	6,382	6,818	1,033	427	2,722	2,228	1,729	2,339	898	1,824
Total	**18,373**	**10,154**	**8,219**	**1,518**	**708**	**4,474**	**2,965**	**2,762**	**2,636**	**1,400**	**1,910**

M: Men / W: Women.

INDIRECT EMPLOYMENT GENERATED

	Subcontractors	**Directly created induced jobs**
Construction	1,437	10,740
Industrial	90	3,906
Services	716	2,780
Total OHL	**2,243**	**17,426**

*The induced jobs were estimated on the basis of the information available on the number and type of subcontractors and the average number of employees of companies of that type in each geographical area, per public data available in each country. The induced employment corresponds to 100% of the estimated workforce of the subcontractors without weighting the volume of transactions with OHL.

DISTRIBUTION OF THE WORKFORCE BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT

	I	**T**	**Total**
Spain	7,505	2,625	10,130
Europe	1,390	188	1,578
North America	1,277	677	1,954
Latin America	1,875	2,535	4,410
Other	120	181	301
Total	**12,167**	**6,206**	**18,373**

TYPE OF CONTRACTS OF CONSTRUCTION AND INDUSTRIAL IN SPAIN

	<30				Between 30 and 45				Between 45 and 55				>56				TOTAL
	Permanent		Temporary		Permanent		Temporary		Permanent		Temporary		Permanent		Temporary		
	M	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	
Senior executives					1				4				4				9
Executives					3	2			11	1			6				23
Directors/Managers					18	6			31	2			10				67
Supervisors				1	130	30	12	2	132	17	3	2	64	3	1		397
Other line personnel	6	9	8	10	195	98	56	20	148	21	43	3	59	2	8		686
Manual workers	1	2	18	1	73	27	181	5	71	46	96	5	37	25	30	4	622
Clerical staff	1	1	1	3	16	59	1	4	21	45	8	4	13	6		1	184
Total	**8**	**12**	**27**	**15**	**436**	**222**	**250**	**31**	**418**	**132**	**150**	**14**	**193**	**36**	**39**	**5**	**1,988**

P: Permanent / T: Temporary. M: Men / W: Women.

In the Construction and Industrial businesses there is not a significant number of part-time contracts.

54% of the employees of Servicios Ingesan have part-time contracts the breakdown being as follows.

PART-TIME CONTRACTS AT SERVICIOS INGESAN

	<30				Between 30 and 45				Between 45 and 55				>56				Total
	P		T		P		T		P		T		P		T		
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	
			8	23			28	298			48	475			20	622	1,522
				1			13				1	6				1	22
			1	3			8	17			5	38			2	31	105
				1				2			1	6				3	13
								3									3
			5	34			29	210			15	282			11	148	734
			3	5			6	80			6	169			4	168	441
																1	1
			1	1			2	14			3	14			4	7	46
				1				9			2	17				34	63
	3	36			23	127			16	101			3	84			393
	15	74			20	175			15	206			5	73			583
	8	36			10	132			8	151			5	65			415
		4				3											7
	3	2			1	4			2	8			1	5			26
Total	**29**	**152**	**18**	**69**	**54**	**441**	**86**	**633**	**41**	**466**	**81**	**1,007**	**14**	**227**	**41**	**1,015**	**4,374**

P: Permanent / T: Temporary. M: Men / W: Women.

TYPES OF CONTRACT AT INTERNATIONAL LEVEL

	Permanent			Temporary		
	M	W	Total	M	W	Total
Europe	1,150	240	1,390	167	21	188
Latin America	1,307	568	1,875	2,224	311	2,535
North America	1,077	200	1,277	671	6	677
Other markets	113	7	120	155	26	181
Total	**3,647**	**1,015**	**4,662**	**3,217**	**364**	**3,581**

M: Men / W: Women.

In 2018 and for the second consecutive year, the company adopted a series of internal reorganisation and restructuring measures to ensure its viability.

Of particular note among these was the collective dismissal procedure carried out by Obrascón Huarte Lain, S.A., which affected 131 workers.

Likewise, during the year the collective redundancy procedure continued in OHL Industrial, S.L., which had started in 2017 and affected a total of 28 employees in 2018, the total number of workers affected being 122. Both procedures contained a package of social measures in order to lessen their social impact. These include giving priority to voluntary rather than forced redundancies, contracting an outplacement programme with an external consultant or creating a job exchange for future personnel needs that may arise at the company. In addition, according to the company's activity, there are the usual changes in the workforce.

OHL is committed to respect for freedom of association and the right to collective bargaining, in all its scope and extension. Also to non-discrimination, the protection of all workers regardless of condition or gender, and for decent conditions in employment in its broadest sense, which applies to the welfare of all its workers.

EQUALITY AND DIVERSITY

OHL understands diversity as an enriching element that improves the company's capacity to respond to the expectations of stakeholders in this area. The company has an active commitment to diversity and equal opportunities, which is manifested through its Human Resources Policy and its Standard for Integration and Diversity Management, as well as in the international agreements signed in this area; and implements measures to favour equality, as well as the integration of groups with special difficulties in accessing the labour market, such as people with different abilities, victims of gender violence or people at risk or in a situation of social exclusion.

Accessibility is also promoted in the facilities and tools for corporate use, in order to favour the integration of all groups.

Gender equality

In 2016 OHL signed the II Equality Plan, in force until 31 December 2019. In addition, the company has an Equality Committee, responsible for ensuring that there is no direct or indirect gender-based discrimination. It also has a protocol for the prevention and action in cases of harassment, in all its forms: sexual, gender-based and/or moral or mobbing.

In line with gender equality, the company provided specific training in this area for the first time in 2018 at OHL Services. This training will be extended throughout 2019 to the rest of the company.

Employment integration plan for vulnerable groups

In 2018 more than 100 people from groups at risk of exclusion, different abilities and gender violence joined OHL's workforce in Spain. 13 people - long- term unemployed - were also hired at Construction, in Sweden. In addition, work is being performed to incorporate people with different abilities in other countries such as Chile. OHL also favours the hiring of ethnic minorities.

To encourage the incorporation of people with different abilities, in 2018 OHL gave, among other actions, 30 informative talks in the offices in Chile, in which more than

Further information
Appendix I. Other HR aggregates

Further information
Appendix II. Information on freedom of association and collective bargaining

Further information
Knowledge management
Appendix I. Other HR aggregates

In 2018 Services won the Alliances for Hiring Award (*Premio Alianzas para la Contratación*) promoted by the Red Cross, for its work in favour of the labour insertion of disadvantaged groups.

600 employees participated. The initiative was advised upon by the Red Incluye, the country's Ministry of Health, the Chilean Safety Association and Fundación Avanzar Juntos.

Of the total number of OHL company employees, 3.25% are people with different abilities and 9.9% are people belonging to ethnic minorities

Further information
Social investment

In addition to generating job opportunities and raising awareness among employees, the company participates in initiatives to promote the employability of vulnerable groups, developing professional volunteers in the Human Resources area, giving workshops aimed at finding employment and developing skills.

Attracting talent

OHL has different channels to attract talent. One of them is the Young Talent programme. Over the last three years, more than 30 young people have joined this programme, participating in projects in Saudi Arabia, Turkey, Norway, Ireland and England. In 2019 new hires of young people with high potential are envisaged in various projects that are being undertaken in Peru and Colombia, and their extension to other countries is planned, especially in Latin America.

Likewise, the company continues to back other senior profiles, whose trajectory and experience add value to OHL in the performance of its activity.

People Development and Performance Management System

In 2018 the process of reorganisation and changes in the company's structure continued, as did the homogenisation of the nomenclature of jobs at a global level, thereby facilitating classification by professional category. The system of setting and evaluating objectives was carried out in all the countries where OHL operates, with the beginning of this process being the annual evaluation of each employee, based on the achievement of the objectives previously agreed upon with their supervisor at the beginning of the year.

The Performance Management System is structured according to the analysis of two profiles:

- Business, through which, and based on functions and responsibilities, behaviours are defined that allow us to focus on strong points and areas for improvement.
- Specialist and business support.

A total of 1,180 people have participated in this evaluation of objectives and performance, which is mandatory for managers and supervisors and voluntary for other line personnel. The results have been reflected in a talent map, which facilitates the professional development of certain profiles.

As a result of this evaluation, people with high potential have been identified and those around whom measures have been developed for their retention by the company. In addition, the development of the talent management system for key positions in the organisation continued, focusing on the role of "boss" as a developer of people.

Remuneration and benefits

OHL's remuneration system is based on criteria of objectivity, fairness and competitiveness, according to the business strategy, and is designed with the aim of attracting, retaining and engaging all employees in the company's global project. The model is endorsed by the Nomination and Remuneration Committee and by the Board of Directors, aligning the competitiveness of salaries with the interests of shareholders.

The remuneration and salary band structure policies are the result of the analysis and description of posts, professional groups and organisational levels, with a specific positioning with respect to the market according to the level of competitiveness required by the business in each case.

On the other hand, a Variable Remuneration System (VRS) has been defined for the management team, the purpose of which is to promote the achievement of the objectives that the company considers strategic at all times for the development of its business, in accordance with the definition of an Objectives Management System (OMS) that includes the company's economic and individual management objectives.

Also, some of the company's employees in Spain have the option of contracting, within the framework of the Flexible Remuneration Plan (FRP), products such as food, day care and transport vouchers, health insurance, training and savings insurance for retirement, thereby being able to optimise their remuneration for tax purposes.

Other work-life balance measures

The company puts into practice various measures that favour the quality of life of the employees, the work-life balance and disconnection from work.

Knowledge management

In order to adapt to the technological, organisational and market changes necessary to reach the maximum professional qualification, OHL develops a training plan that allows us to respond to the needs of continuous professional improvement.

Further information
Appendix I. Other HR aggregates

Further information
Appendix III. Social benefits, measures to promote quality of life, disconnection from work and the work-life balance

Training objectives

- Respond to a real need (present and future) for a work position
- To be useful for the performance of the person in his or her job
- Apply different methodologies according to new technologies
- Optimise means and economic resources

OHL School

In 2018 a total of 5,457 students passed through the OHL School, the global corporate e-learning training platform.

INFORMATION SECURITY FUNDAMENTALS

Management and awareness-raising of the risks of information systems and the processing of personal data in accordance with applicable legislation and regulations. 1,739 students took part.

EQUALITY

OHL Services has given training on the Equality Plan to a total of 133 employees.

CODE OF ETHICS AND ANTI-CORRUPTION POLICY

A total of 2,911 people renewed their commitment to the values of OHL's Code of Ethics and Anti- Corruption Policy. In 2019 new promotions will continue to be offered in English-speaking countries.

Notable training initiatives in 2018 at OHL School
In 2018 a total of 2,911 students took the Code of Ethics and Anti-Corruption Policy course, mainly in Spain, Latin America and the Middle East.

Specific training on the Code of Ethics and Anti-Corruption Policy (CEPA) was developed for the US, in which 509 people participated.

Also noteworthy was the training in Prevention of Money Laundering and Financing of Terrorism, in which 131 students participated, and the training in Third Party Due Diligence, with 293 participants.

Independently of the OHL School, 53 training actions in Occupational Risk Prevention were carried out, aimed at a total of 656 students with training needs due to their job position, as well as training in environmental matters, aimed at a total of 77 company line employees.

Also noteworthy is the OHL English language Master's degree training programme, which has been consolidated in the OHL training offer and from which 71 students benefited in 2018, as well as continuous training in the area of languages, in which 286 students participated with a total of 11,251 hours.

OHL is also working on the development of a new international platform, PHAROS, which will allow the company's employees to access training developed by active professionals and references in the construction, engineering and energy sectors, as well as knowledge that will allow them to adapt to new market trends.

TRAINING HOURS AND BREAKDOWN BY TYPE, PROFESSIONAL CATEGORY AND GENDER

		Gender		Corporate		MA		Technical		Skills and competences		ORP		Total hours		Nº of courses
	Participants	M	W	P	O	P	O	P	O	P	O	P	O	P	O	
Construction	15,917	11,833	4,085	17,205	3,626	8,492	40	9,949	6,503	6,345	1,580	44,227	4,823	86,217	16,572	3,476
Industrial	1,391	1,127	264	1,986	1,506	1,385	0	3,612	89	384	0	7,644	680	15,011	2,275	247
Services	2,315	1,060	1,255	0	1,632	320	0	7,196	2,257	472	0	4,863	126	12,851	4,015	92
Corporate	3,200	2,390	810	0	4,446	2,003	0	19,196	3,811	72	0	2,350	1,320	23,621	9,577	201
Total OHL	22,823	16,410	6,414	19,191	11,210	12,200	40	39,953	12,660	7,273	1,580	59,084	6,949	137,700	32,439	4,016

P: Presential O: Online.

	SENIOR EXECUT.		EXECUTIVES		MANAGERS		SUPERVISORS		OTHER LINE PER.		ADMINISTRATIVES		MANUAL WORK.		TOTAL	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Construction	168	25	752	134	3,601	1,538	6,906	2,362	13,644	6,265	2,145	1,825	18,971	5,800	46,187	17,949
Industrial	4	0	112	0	161	8	1,068	482	5,551	1,849	632	869	6,550	0	14,078	3,208
Services	0	68	261	475	28	31	978	2,538	1,521	735	388	276	3,028	5,155	6,204	9,278
Corporate	1	0	195	488	1,315	623	4,008	1,219	9,594	6,261	913	2,667	4,495	1,419	20,521	12,677
Total OHL	173	93	1,320	1,097	5,105	2,200	12,960	6,601	30,310	15,110	4,078	5,637	33,044	12,374	86,990	43,112

The training hours of Turkey (38,653) and those of Servicios Ingesan Chile (1,384) have not been broken down by professional category. In the coming year, the information collection systems will be adapted to approve the related accounting process.

HEALTH AND SAFETY

Ensuring that the work activity of our own employees and subcontractors is carried out in a safe and healthy manner and minimising as far as possible the risk of accidents are priority commitments for OHL.

The company has a Joint Prevention Service (JPS) responsible for establishing priorities and objectives in the field of occupational risk prevention at corporate level, with the backing of the Health and Safety Committee, and also manages the OHL joint ventures in Spain. In addition, commitments and forms of prevention have been implemented in the other countries in which it operates.

The management system applied by the JPS is exclusive for the prevention of occupational risks in Spain. Apart from this, as there is no legislation on the need to pool prevention between companies in the same business group, management is carried out jointly with other systems: Quality, Environment or R&D+i, paying attention in each country to the established standards and depending on the actions carried out in each case.

In 2018 work was carried out on the unification of prevention, quality and environmental management systems in the areas of Construction, Industrial and Services. At the end of the year the new version of the Integrated Management System (IMS) was approved, which complies with the ISO 9001, ISO 14001, SA 8000 standards and the current version of the ISO 50001 standard.

In 2018 the 47 occupational risk prevention certificates (OHSAS 18001) distributed in 15 countries, under the umbrella of the IMS, were renewed with the SGS certifier. Due to organisational changes at the company, the geographical scope of the occupational risk prevention certification was modified with the cancellation of the Abu Dhabi, Australia, Brazil, Canada, Oman, Poland and Vietnam certificates, due to the cessation of business, and with the extension of certification in Sweden.

In addition, during the year the process of internal audits continued as a tool for self-control and self-assessment of safety.

15 certified countries

26 days of external audits for the Construction, Industrial and Services divisions

ACCIDENT RATES

Division	F.I.		S.I.		I.R.	
	2017	2018	2017	2018	2017	2018
Construction	9.4	8.5	0.4	0.3	2,112.50	1,861.10
Industrial*	1.3	3.6	0.03	0.1	414.6	1,535.20
Services	40.9	36.6	4.9	1.1	6,974.00	6,346.50
Total OHL	**14.2**	**15.8**	**1.3**	**0.5**	**3,238.00**	**3,490.90**

* The 2017 values for Industrial were recalculated including only accidents with sick leave.
Note: in 2018 there was one fatal accident.
F.I. = Number of accidents with sick leave*1,000,000/No. of hours worked.
S.I. = Number of days lost * 1,000/No. of hours worked.
I.R. = Number of accidents with sick leave*100,000/No. workers.

Health and safety measures are applied equally at OHL, with no gender differences.

ACCIDENT RATES

OHL	Change 2017-2018 (%)
Frequency rate	11.2
Seriousness rate	-62.1
Incidence rate	7.8

NUMBER OF ACCIDENTS AND SERIOUSNESS BROKEN DOWN BY GENDER

Division	MEN		WOMEN		TOTAL	
	Minor	Serious	Minor	Serious	Minor	Serious
Construction	160	34	11	2	171	36
Industrial	49	0	0	0	49	0
Services	96	25	295	69	391	94
Total OHL	305	59	306	71	611	130

*Excluding information on contractors and subcontractors.

OHL has health and safety committees which have the following objectives: to guarantee participation and permanent communication between prevention supervisors, prevention delegates, prevention technicians, trade union officials, as well as managers and heads of the different work centres of the company's divisions; as well as preventive surveillance and coordination of activities, with the participation of representatives of the company's own workers and subcontractors.

The main issues dealt with in the committees are related to the results of the audits carried out, monitoring of accident rates, medical examinations, and Personal Protective and Safety Equipment (PPE), among other aspects.

In addition, ToolBox meetings have continued to be held (on-site preventive information days), aimed at all workers, both its own and those of the associate companies that have provided their services at OHL work centres. These meetings are conceived as a tool for preventive awareness, with a view to the proper performance of work tasks in a safe manner.

TOOLBOX MEETING

Division	Hours
Construction	675,668.3
Industrial	1,700.8
Services	1,550.7
Total OHL	678,919.7

Within the framework of the construction project of a by-pass in Mina Quellaveco, in the Peruvian region of Moquegua, OHL has been recognised by the client, Fluor-Angloamerican, in the area of safety, in the category of Large Company. It has also been distinguished for reaching 750,000 hours worked with the highest degree of effectiveness.

In Chile, the company has received the Annual Mining Safety Award for more than 300,000 accident-free hours, within the framework of the Tranque Talabre construction project in which it is participating. This award is given by the Servicio Nacional de Geología y Minería (National Service of Geology and Mining), reporting to Chile's Ministry of Mining, which recognises companies with the lowest accident rates in the mining sector for one year.

In 2018 a cooperation agreement was entered into with Nalanda, a document management and validation platform that allows companies, contractors and subcontractors, as well as workers, machinery and vehicles (own or external), to be controlled to comply with legal, administrative, risk prevention, safety, training and all other requirements established prior to the performance of the activity.

In addition, it the company participated in various forums and meetings to reflect on and share good practices in the area of health and safety. Of note was the work alongside Fundación Prevent (Spain); participation in the Occupational Risk Prevention Congress (ORP), in Colombia, one of the most important in Latin America; and participation in the 2nd Conference on CSR and Health and Safety at Work: Good practices in 21st century organisations, organised by the International University of La Rioja UNIR (Spain), among others.

HUMAN RIGHTS

OHL's commitment in this area is manifested through its adherence to the Universal Declaration of Human Rights and the Global Compact, both promoted by the United Nations; the International Labour Organization's Tripartite Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines, among others.

PRINCIPLES OF HUMAN RIGHTS POLICY

Offer decent work

Protect people's environment

Physical security, safe companies and human rights

Work for equality and combat discrimination

OHL joins

70 YEARS UNIVERSAL DECLARATION OF HUMAN RIGHTS #STANDUP4HUMANRIGHTS

10th December

Respect minorities and indigenous communities

Promote freedom of association and collective bargaining

Eradicate forced labour

Ensure the safety and health of people

In addition, the company has its own human rights policy, which guarantees compliance and protection in all the areas in which OHL operates and with all the agents involved in its activity. In this regard, in 2018 a review of the human rights evaluation questionnaire was carried out, specifically including the supply chain and non-compliance by third parties, with the aim of ensuring that the suppliers and subcontractors with whom OHL works respect human rights.

The Audit and Compliance Committee is the highest body in charge of ensuring compliance with human rights at OHL. This Committee assumes control and monitoring functions through OHL's Internal Audit Department.

In 2018 the Internal Audit Department carried out audits at the Curicó Hospital (Chile), Marmaray Project CR3 (Turkey), Ruta 60 (Chile) and the Guadalajara Light Train (Mexico). Although the tests carried out passed without significant incidents, certain actions were established to be undertaken in the medium term:

- Reinforce the communication campaigns of the Code of Ethics in projects and disseminate the importance of compliance with human rights at all levels.
- Continue working to improve the protocol for action on detected breaches.
- Ensure that each work centre has a copy of the Human Rights form, filled out by the person in charge.

COMMUNICATION

The company has various internal and external communication channels; specialised corporate publications, as well as active and updated profiles in social networks. Internally, OHL Link, the company's intranet, has a global reach.

Among the corporate magazines promoted by OHL, of particular note are Mosaic -internal news bulletin- and Tecno, a specialised technical magazine aimed at disseminating the most outstanding projects carried out by the company.

In social networks, OHL has a presence on LinkedIn (95,018 followers), Infojobs (73 open selection processes and receipt of 8,648 candidates) and YouTube (23,118 views).

Also, and with the aim of fostering links between company and employee, internal initiatives are being carried out, such as the Focus photography competition, which in 2018 reached its fourth edition and in which the participants - employees of the entire company - share the evolution of the various projects in which the company participates through unpublished images and their authorship.

Further information

Appendix IV. Awareness-building campaigns

INNOVATION AND EXCELLENCE

INNOVATIVE CULTURE AND R&D+I

OHL continues to work on the development and implementation of new construction solutions, methods and processes. It has accumulated experience in this field, which can be seen by its participation in 85 R&D+i projects over the last 5 years, 12 families of patents currently in force - with a presence in 28 countries- and collaboration with more than 50 research centres and universities in 12 countries.

The commitment to innovation takes the form of adherence to initiatives and bodies such as the Cotec Foundation and the Spanish Construction Technology Platform, in which it has maintained its participation as trustee in 2018; the BIM commission for the implementation of the BIM methodology in Spain; the SEOPAN R&D+i Commission and the Board of ENCORD (European Network of Construction Companies for Research and Development), to which it also contributed as a member in 2018.

PRIORITY LINES OF ACTION AND MAIN PROJECTS EXPLAINED IN DETAIL

In 2018, following the restructuring carried out at the company, the project portfolio was strongly orientated towards the company's main activity, construction, with a focus on:

- **Civil engineering work:** development of new construction solutions that offer competitive advantages. In 2018 work was carried out on various initiatives with potential in the field of railways and maritime construction projects.
- **Singular building construction:** experimentation in the field of energy efficiency of technologies with a high degree of maturity and low technological risk. In 2018 this line resulted in OHL's participation as the only Spanish construction company in two large European R&D+i consortia: Built2Spec and AZEB.
- **Process improvement:** digitisation based on the BIM methodology. In 2018, supported by various pilot projects, progress was made in the definition and implementation of standards (in processes, model management and working guidelines), in the improvement of data management (technological architecture, coding, Big Data and Analytics) and in the implementation and internal training in BIM methodologies and tools.

With regard to the exploitation of R&D+i results, noteworthy is the maturity achieved in 2018 by the new business line of commercialisation of Cubipod technology, which has passed the incubation phase after signing several contracts in the last three years for its application in Spain, Algeria, Denmark and Mexico under an OHL licence. Cubipod is an international award-winning technology developed and patented by OHL in association with Universidad Politécnica de Valencia for the most efficient construction of embankment dams in ports.

INNOVATION MANAGEMENT MODEL

OHL considers that the systematisation of R&D+i activities is critical in order to carry them out effectively and that the results thereof contribute to improving the company's competitiveness. For this reason, it has a common management model for the whole company in continuous evolution, which in recent years has been incorporating best practices in aspects such as open innovation, the development of projects with agile methodologies, collaborative intelligence, technological surveillance, innovative culture, the management of intangibles or the incubation of new lines of business.

In 2018 a re-adaptation of this management model to the new reality of the company was undertaken. This review will be extended into 2019.

INDUSTRY BENCHMARKS IN R&D+I

European projects in which OHL participates

AZEB (Affordable Zero Energy Buildings)

European project started in 2017 and scheduled for completion in 2019, focused on achieving significant reductions in the construction costs and life cycle of new buildings with almost no energy. Eight partners from Spain, Italy, Bulgaria, Germany, France and the Netherlands are working together to develop a common methodology. See more details in the "Circular Economy" section.

Built2Spec (Built To Specifications)

Project financed by the European Union, with the participation of 20 partners from eight European countries, with OHL as the only Spanish construction company, which began in January 2015 and ended successfully in December 2018. This initiative has meant the development and validation of a set of technological advances for on- site quality control in construction projects. Connected to a virtual construction management platform, also developed as part of the project, these new tools make it possible to measure and control, with a high level of simplicity, precision and integration, aspects such as indoor air quality, air tightness with air pulse controls, acoustics, thermal imaging, 3D image creation and analysis, components for intelligent buildings, energy efficiency quality controls and various BIM- based tools.

QUALITY MANAGEMENT

In 2018 OHL continued to advance in the execution of increasingly efficient processes to achieve customer satisfaction in a sustainable framework.

The year saw the unification of the prevention, quality and environmental management systems of Construction, Industrial and Services, giving rise to the integrated management system in accordance with ISO 9001, ISO 14001, SA 8000 and the current ISO 50001, approved and distributed at the end of the year.

The Integrated Management System (IMS) has also been audited within the Quality area, and the number of Quality Certificates (ISO 9001 and CE Marking) for Engineering and Construction and Services has increased to a total of 71, distributed among 15 countries. Due to the cessation of business, the certificates of Abu Dhabi, Australia, Brazil, Canada, Oman, Poland and Vietnam have been cancelled and Sweden has been added, which has meant a variation in the geographical scope of the quality certificates.

OHL has implemented a methodology based on Project Management Plan (PMP), to control and record the results of the monitoring of the execution and quality control in the different phases of the projects, in order to ensure regulatory compliance and the process of continuous improvement of the organisation.

OHL has also continued with a strategy based on identifying the needs and expectations of interested parties, obtained through dialogue with stakeholders such as customers and users, in the form of regular meetings, management of their complaints and consultation on their satisfaction. Also through the web, periodic reports, e-mail and telephone attention for shareholders, investors, communities, suppliers and the authorities. All this is implemented through the integrated management system. In 2018 a total of 1,060 complaints related to the construction of projects in the Czech Republic and Turkey were lodged. In addition, 300 complaints were received in various countries such as Spain, Mexico, Colombia, Peru, Chile and Turkey for environmental reasons - dust, noise and material damage; the time periods and measures needed to resolve each case depend on the type of claim, although OHL maintains a firm commitment to ongoing information on the progress made.

All complaints and grievances from customers and users are processed by the channel through which they are received, and all are answered. The time periods and measures needed to resolve each case depend on the type of claim, although the company maintains a firm commitment to ongoing information on the progress made.

Results in 2018

- SGS is the certifier of the multi-site integrated management system, renewed in 2018 and with 73 days of external audit.
- 180 days of internal quality audits, without any serious non-compliance.
- Customer satisfaction index: 7.9 out of 10. 73% would recommend working with OHL (rate based on 2017 surveys).

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

OHL is committed to the responsible use of natural resources, to the circular economy, the protection and conservation of biodiversity and the fight against climate change. All these aspects form part of its environmental management strategy, through which it contributes to the creation of value by reducing the environmental impact of its operations.

As part of its commitment to respect and care for the environment, in December 2018 the Management Committee approved the review of the Quality, Health and Safety, Energy and Environment Policy.

Environmental management system

The integrated management system, approved and distributed at the end of the year, arose from the unification of the Construction, Industrial and Services management systems. This new version complies with the ISO 9001, ISO 14001 and SA 8000 standards and with the current ISO 50001 standard.

Within the scope of the Environmental Management System certifications, SGS has continued with the multi-site certification process for the entire company, with 44 environmental certificates currently held (under the ISO 14001 and EMAS standards). As with the OHSAS 18001 and ISO 9001 certifications, Sweden has been added to the certification and the certificates of Abu Dhabi, Australia, Brazil, Canada, Oman, Poland and Vietnam were cancelled due to the discontinuation of operations.

OHL has continued to identify the needs and expectations of the interested parties as established in the ISO 14001 standard and in a similar way to that specified under the ISO 9001 standard.

With the approval of the ISO 45001 standard for Occupational Health and Safety Management Systems, the Prevention, Quality and Environment Service provided training to 43 employees on the ISO 9001:2015 and ISO 14001:2015 standards in Spain and Peru; and on the new management system to 58 employees in Chile, Spain and Peru.

Further information
Chapter 3. Sustainability. Headings *People* and *Innovation y Excelence*

In 2018 1,776 hours of training were given on environmental matters.

PRIMARY LEVEL OF IMPORTANCE	SECONDARY LEVEL OF IMPORTANCE
Energy consumption	Noise and vibration emissions
Consumption of raw materials	Impact on biodiversity, ecosystems, fauna and flora
Water consumption	
GHG emissions	
Waste generation	

Environmental highlights of 2018
In 2018 the costs of decontamination, prevention and environmental management assigned to projects amounted to more than EUR 6.3 million; while overheads not allocated to projects amounted to EUR 0.7 million, and no significant environmental investment was made.

Risks and opportunities

OHL includes environmental risks and opportunities in its risk identification and assessment process following the guidelines of the Risk and Internal Control Division.

These risks are managed with the aim of being able to adapt to regulatory changes, market trends and contractual requirements, as well as responding to stakeholder expectations.

OHL identifies a number of opportunities arising from the appropriate management of environmental risks, such as increased demand for sustainable construction, access to new tenders and projects for the prevention of natural disasters and/or greater demands on the use of renewable energy. In addition, opportunities arise in socially responsible investment and the positioning of the company in terms of sustainability.

Further information
Chapter 2. Strategy. OHL's risks

CLIMATE CHANGE

OHL's low-carbon strategy includes the quantification and verification of its Greenhouse Gas (GHG) emissions, emission reduction activities in its operations and investment in sustainability projects to offset these emissions.

As part of its commitment to the decarbonisation of the economy, OHL has signed, together with other Spanish companies, the Manifesto Spanish companies for the opportunities of Energy Transition and the fight against Climate Change. The aim of this initiative, coordinated by the Spanish Group for Green Growth (GECV), is to emphasise the need to tackle the energy transition process ambitiously.

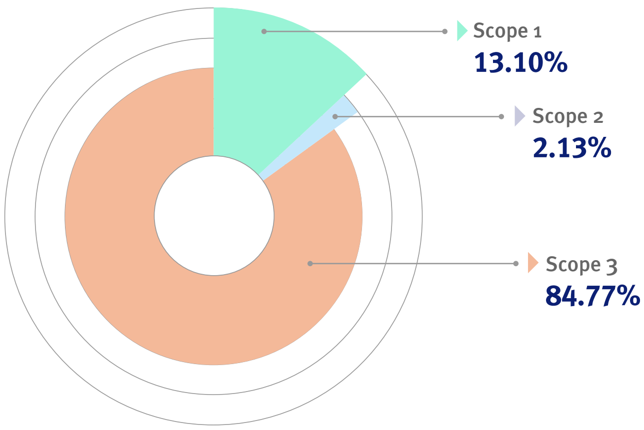
In 2018 OHL actively participated in the Forética Climate Change Cluster, as a leading member. This Cluster acts as a benchmark business platform in Spain in the area of climate change.

In addition, OHL has voluntarily renewed its registration in the carbon footprint register of the Spanish Office of Climate Change, thus obtaining the Calculo seal awarded by that body and that validates the calculations of carbon footprint according to the methodology and principles established by the Ministry for Ecological Transition.

OHL obtains a score of A- in the CDP Climate Change 2018

OHL's continued commitment to a low-carbon economy has been recognised with a score of A- in the CDP Climate Change 2018. This distinction values OHL's voluntary report on climate change and shows its knowledge of critical environmental risks and opportunities, as well as the definition and application of strategies for their management.

DISTRIBUTION OF EMISSIONS BY SCOPE IN 2018



Further information
Appendix V. Environmental Performance Indicators
Appendix VI. Other climate aggregates

Reduction of GHG emissions

OHL, with its commitment to combat climate change, has defined the 2016-2020 GHG Emissions Reduction Plan. This plan, which has a series of defined reduction targets, is in the process of being reviewed and adapted to possible requirements that may arise in the matter and in line with the new size of the company.

ENERGY EFFICIENCY MEASURES

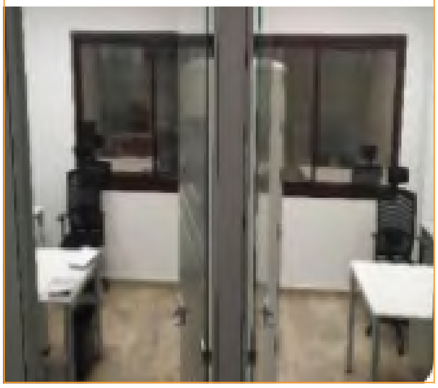
- Instalation of solar protectors in air conditioning systems.
- Instalation of movement sensors to optimise lighting systems.
- Replacement of luminaires by more efficient and less consumption systems.

EMISSION REDUCTION MEASURES

- Change of vehicle fleet for electric vehicles.
- Change of combustion boilers for more efficient boliers.
- Purchase of low-carbon energy.
- Increase in the use of videoconferences.

Construction project of the National Museum of Archaeology of Peru, in which smaller equipment converted to gas is used; and electrical equipment is used in the floor polishing process.

We are committed to energy efficiency through the installation of LED tubes to replace conventional fluorescent tubes in several of the offices where we carry out maintenance work.



Carbon offsetting

Along with emission reduction actions, OHL implements a GHG offset plan that includes the voluntary purchase of carbon credits. For 2018 GHG absorptions or reductions generated through the Clean Development Mechanism (CDM) biomass electricity generation project in Horcones (Chile) were used, offsetting a total of 2,000 tons of CO2e.

CIRCULAR ECONOMY

In 2018 OHL participated in the 1st Summit on Technological Innovation and Circular Economy, promoted by Fundación Advanced Leadership (ALF) and Fundación INCYDE, and in the preparation of the report The Business Case of the Circular Economy, carried out by the Forética Circular Economy Action Group. This document acts as a roadmap for integrating the circular economy into business strategy.

In this context, OHL sees the circular economy as an opportunity to change the linear model of production and consumption towards a system that allows for improved efficiency in the use of resources. The application of this model promotes the reduction, reuse and recycling of waste by reintroducing it into the production cycle through process innovation techniques.

From the perspective of the circular economy in innovation processes, it is worth mentioning that OHL is participating, as the only Spanish construction company, in the AZEB (Affordable Zero Energy Buildings) R&D+i consortium co-financed by the European Commission. AZEB methodology pursues the optimisation of processes and costs throughout the entire life cycle of an almost zero energy building, considering the solutions available in areas such as energy efficiency or the circular economy.

In addition, OHL has signed up to the Pact for a Circular Economy, promoted by the Spanish Ministry of Agriculture and Fisheries, Food and Environment (currently the Ministry for Ecological Transition). It also forms part of the Forética Circular Economy Action Group.

The main materials purchased directly and consumed are soil, rocks and quarry aggregate (80%), followed by concrete and cement (12%). 4% is reused material of external origin in the construction work. On the other hand, most of the waste generated comes from reused material of internal origin (96%). Of the total non-hazardous waste, more than 95% is reused.

Further information
Appendix V. Environmental Performance Indicators

Recovery of steel in the Light Rail Guadalajara, Mexico.
Use of excess steel rod for the manufacture of longitudinal parts required for the assembly of structures. This measure also reduces the carbon footprint in the life cycle of the infrastructure, reducing costs by avoiding the purchase of more material.

Separation of clean earth, coarse rubble and fine rubble with a sorting machine, within the framework of the construction project of the Arqborea Building, located in the Las Tablas district, in Madrid, Spain. The use of this equipment favours the management and reuse of the waste generated in the earthmoving phase of the project.

Automatic system for washing truck wheels with pressurised recycled water in the singular building construction project Caleido, in Madrid, Spain. The implementation of this measure slows down the flow of sediments outside the construction area, preventing dirt from accumulating on the road, recycles the water used for washing and its automated operation allows water and energy consumption to be optimised.

Further information

Anexo VII. Biodiversity report

BIODIVERSITY

OHL works to reduce the impact of its operations on biodiversity and ecosystems and to protect the natural environment through management plans and compensating actions.

In 2018 OHL participated in the Practical Guide to Ecological Restoration, prepared by Fundación Biodiversidad, which aims to guide decision-making to promote ecological restoration and the recovery of natural capital.

In addition, OHL has prepared the Biodiversity Report, which includes the company's main actions relating to this matter.

It has participated in the restoration of the habitat of the European mink within the framework of the Navarre Canal project, in Spain. This joint initiative has served to highlight the importance of establishing preventive and restoration measures to not only minimise impacts on the habitat, but also to restore it to its natural state and even improve it.

Within the framework of the Rio Magdalena project, in Colombia, joint work was carried out on tasks of escape, rescue and relocation of fauna, signposting and delimitation of sensitive areas and environmental education on endangered animal and plant species.

Rescue and relocation of wild flora and fauna around the Atizapán- Atlacomulco highway in Mexico, prior to the start of construction work, and for escape once it has begun. The project affects 38 species of birds, 13 species of mammals, 10 species of reptiles and 6 species of amphibians, with varying degrees of threat.

WATER MANAGEMENT

Water management becomes a key and priority aspect in those locations where OHL operates and in those others where water may be scarce, it is difficult to access or it is a key aspect for the adequate development of ecosystems.

In this regard, OHL has its own Water Footprint Protocol (HA), which establishes the governance and evaluation methodologies and reports on its use, according to the degree of scarcity. It is based on the main international reference standards in the matter, ISO 14046, WFN and CEO Water Mandate.

Furtyher information

Appendix V. Environmental performance indicators

Water use in the Antamina mining project in Peru: reuse of process water in the irrigation of roads, accesses and filling platforms and the spiral classifier zone in the crusher. Recirculation of the water to the tailings dam after its use, for the washing of the fine material after its passage through a French drain.

SUSTAINABLE CONSTRUCTION

OHL participates actively with its clients in the execution of sustainable building projects, aligned with the requirements of the LEED, Breeam, Passivhaus, CES and WELL methodologies, which advocate the establishment and implementation of design and innovation practices that reduce negative impacts on users and the environment. These certifications also promote sustainable mobility and the use of local and recycled materials, as well as improved water and energy efficiency, atmospheric emissions and indoor air quality.

88% of OHL's sustainable construction projects in Spain and the US are carried out under the LEED scheme. In Europe, OHL has started the construction of several BREEAM and WELL projects, as a consequence of the increased demand for buildings that meet the requirements of these certifications.

To date, OHL has built 34 projects with sustainable certification.

PROJECTS CERTIFIED IN 2018

Project	Standard	Certification
OXXEO office building in Las Tablas. Madrid. Spain	New Building	LEED® Platinum
Refurbishment of the interior of the headquarters of COFIDES. Madrid. Spain	Commercial interior	LEED® Gold
BHSF Baptist Cardio Vascular Institute. Miami, EEUU	Commercial interior	LEED® Silver
Olomouc Hospital. Czech Republic	Not applicable	PASSIVHAUS
Building, Paseo de la Castellana, 81. Madrid. Spain	Core and Shell	WELL Oro

SUPPLY CHAIN

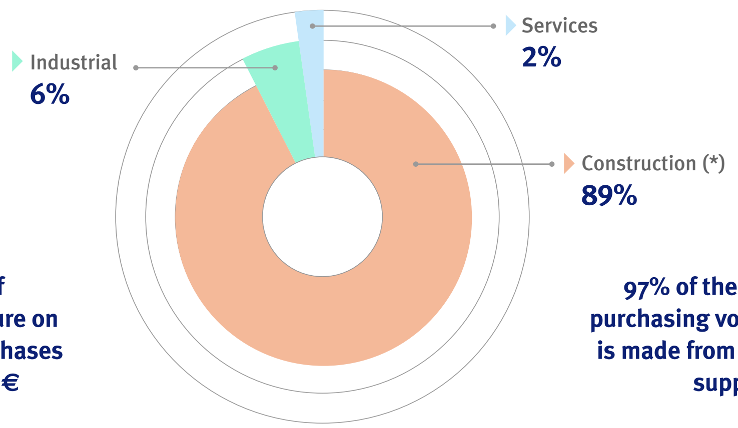
SUPPLY CHAIN MANAGEMENT: PURCHASING MANAGEMENT TOOLS AND GREEN PURCHASES

	Number of suppliers	Volume of purchases from suppliers/subcontractors (M€)	Volume of purchases from local (same country) suppliers/subcontractors (M€)
Construction (*)	14,411.0	1,954.8	1,915.2
Industrial	1,167.0	153.6	118.2
Services	2,304.0	42.2	42.2
TOTAL	**17,882.0**	**2,150.6**	**2,075.6**

	Number of suppliers	Volume of purchases from suppliers/subcontractors (M€)	Volume of purchases from local (same country) suppliers/subcontractors (M€)
Spain	5,287.0	274.7	264.1
Europe	5,893.0	443.3	427.8
Latin America	2,821.0	608.9	601.4
North America	3,537.0	760.4	757.7
Other markets	344.0	63.3	24.7
TOTAL	**17,882.0**	**2,150.6**	**2,075.6**

(*) Including Corporate.

PERCENTAGE OF VOLUME OF THE EXPENSE RELATING TO PURCHASES FROM LOCAL SUPPLIERS



Volume of expenditure on total purchases 2,150.6 M€

97% of the total purchasing volume is made from local suppliers

The relationship with suppliers and subcontractors is key for OHL. It is based on mutual benefit and on offering customers work with the highest levels of quality and reliability. In this context, OHL works to ensure that its supply chain meets the best criteria in terms of human rights, labour and environmental protection, as proactive supply chain management leads to competitive advantages, reduces risks and improves operational efficiency.

In 2018 OHL continued to seek global synergies in its contracting processes. In this regard, it has created cooperation channels between all the work centres with the aim of sharing information on suppliers and subcontractors, and responding to current demands and future needs of the organisation.

The Code of Ethics, the Anti-corruption Policy, the Responsible Purchasing Policy and the internal purchasing regulations are the main pillars of supply chain management at OHL. It should be noted that in 2018 the new Purchasing, Subcontracting and Services standard was published, which aims to establish and report on the minimum mandatory requirements that must be met when managing the procurement of any good or service at the company.

Also, the supplier accreditation requirements include the signing of OHL's Responsible Purchasing Policy, which includes compliance with the Code of Ethics and familiarity and compliance with the ten Principles of the Global Compact promoted by the United Nations. Moreover, another requirements is that suppliers must not have been adjudged in a final decision to have breached of any of these Principles during the previous three years.

These policies governing the supply chain are part of the clauses and general contractual purchasing conditions for the supply of any good or service, while the signature of the supplier, which evidences that the supplier is aware of the policies and is complying with them, is an essential requirement for working with OHL.

As a common requirement for all OHL companies, suppliers considered critical are subject to a Third Party Due Diligence analysis, in which their suitability is assessed from the technical, financial and compliance standpoints.

In order to streamline processes, improve quality, reduce contract formalisation times and lend greater transparency to the process, as well as a broader vision when decisions are taken, new purchasing procedures are being developed and are expected to be approved in 2019.

In 2018 work continued on extending the use of the Purchasing IT System (SIC) at all OHL companies. This is a tool used especially in Construction, created to ensure the traceability of the entire purchasing process in terms of documentary and contractual support, as well as the recording of the entire decision-making process in each purchase, guaranteeing the transparency of the process and the selection of suppliers on an equal opportunity basis.

Green purchases

The standard business terms of OHL's General Services Department include aspects of environmental management and even certifications of its suppliers, thus aligning them with the objectives of accessibility, sustainability and safety of OHL's work spaces, complying with the regulations in force in each country.

Worthy of note is the new agreement for OHL's fleet of vehicles, in accordance with the new Worldwide Harmonized Light Vehicles Test Procedures (WLTP) emissions protocol, designed to measure vehicle consumption and emissions in Spain, which has been in force since September 2018.

More than 95% of purchases of office supplies and computer consumables are environmentally friendly.

CONTRIBUTION TO SOCIETY

GENERATED AND DISTRIBUTED VALUE TABLE

	2018	2017**
Generated economic value		
a) Income		
Revenue	2,906.9	3,172.1
Other operating income	100.9	124.7
Finance and other income	21.7	35.0
TOTAL	3,029.5	3,331.8
Distributed economic value		
b) Operating costs		
Procurements	2,216.7	2,104.1
Other operating expenses	472.0	433.7
c) Employee salaries and benefits		
Staff costs	814.2	824.1
d) Payments to capital providers		
Dividend	99.8	0.0
Finance costs and exchange differences	88.6	126.4
e) Taxes		
Income tax	(16.0)	(3.4)
f) Resources allocated to Society*		
Resources allocated to the Community	0.8	1.4
TOTAL	3,676.1	3,486.3

EUR million.
*The resources allocated to Society in 2017 were calculated using LBG methodology.
**Restated.

SOCIAL INVESTMENT

OHL participates actively in communities, fostering their economic and social development, as well as the improvement of the quality of life of the people through sponsorship, patronage and social action projects.

Most of its actions have been carried out in the context of the company’s projects to create and improve infrastructure. The company has implemented actions aimed at making the economy more dynamic and achieving social progress, such as promoting local employment, which is especially significant for low-skilled and highly vulnerable people; training programmes; and support for schools in the company's areas of influence.

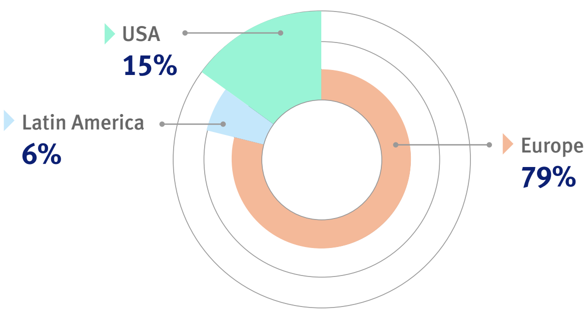
In addition, social welfare initiatives have been promoted and services and products have been commissioned from special employment centres and entities that favour the employability of groups at risk or in a situation of social exclusion.

In 2018 the company's social investment amounted to EUR 843,312, with 112 initiatives and the cooperation of 123 entities. Of this investment, 40% corresponds to sponsorship activities.

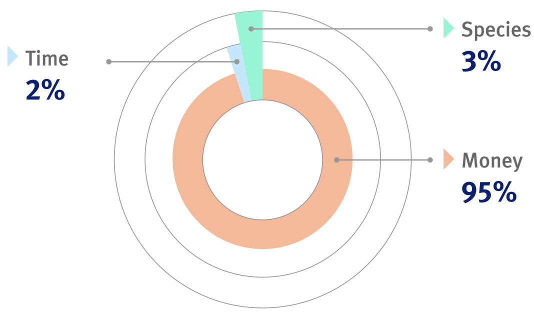
Impact of social investment in SDGs

- 14% SDG 9: Industry, Innovation and Infrastructure
- 19% SDG 8: Decent Work and Economic Growth
- 11% SDG 4: Quality Education
- 11% SDG 3: Good Health and Well-Being

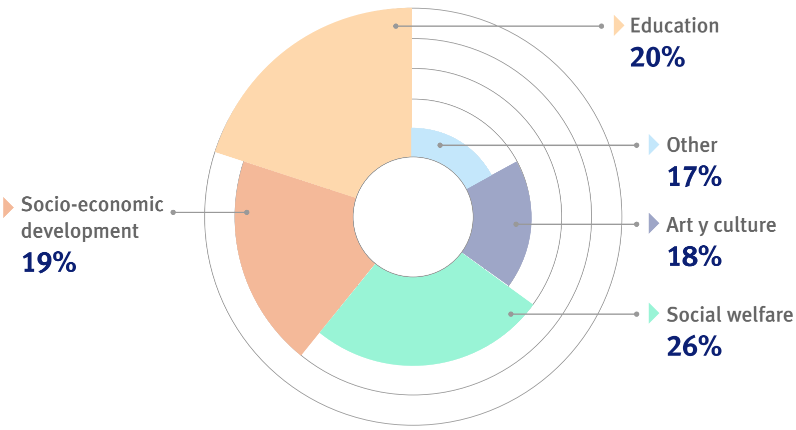
SOCIAL INVESTMENT BY GEOGRAPHICAL AREA



OHL GROUP SOCIAL INVESTMENT IN 2018



SOCIAL INVESTMENT BY SCOPE OF ACTION



OHL was awarded the 2018 Corporate Volunteer Prize by the Integra Foundation, which the Foundation awards annually to companies that have stood out in this field

This year OHL also participated in the Forética Social Impact Cluster, a business meeting point designed to provide enhanced information on the impact of social investment initiatives carried out by the company.

In addition, corporate volunteering activities were promoted, including actions aimed at fostering the employability of vulnerable groups, in which 14 professionals participated and from which 123 people have benefited.

239 employees participating in Spain, Colombia and Peru
1,348 hours of volunteer work

Further information

Appendix VIII. Corporate volunteer work in 2018
www.voluntariosohl.com

TAX CONTRIBUTION

One of the pillars of OHL's contribution to society is the return to it, through taxes, of part of the wealth generated. The company manages and complies with its tax obligations in accordance with the rules applicable in each of the jurisdictions in which it operates, thereby implementing its tax policy.

Further information

Financial information. Financial framework. Tax contribution

RELATIONSHIP WITH STAKEHOLDERS AND ALLIANCES

OHL has channels for continuous interaction and dialogue with its main stakeholders. Worthy of particular mention are the customer satisfaction and claims management analysis systems; face- to-face meetings with senior management; channels of communication with shareholders and investors; supplier hotlines; local community interaction projects; and performance evaluation meetings with employees.

In addition, OHL actively participates in associations related with its activity, in order to favour the exchange of good practices and interaction with other companies and institutions.

In 2018 OHL worked with more than 60 associations in the construction and infrastructure, cleaning services and energy, technical and R&D+i maintenance sectors, as well as with other entities related to good governance and sustainability.

OHL has been recognized by the Integra Foundation with the Corporate Volunteering Award 2018.


SATO LEVANTE
SATO LEVANTE
SATO LEVANTE

Good Governance

GOOD GOVERNANCE

OWNERSHIP STRUCTURE (PERCENTAGES OF OWNERSHIP OF SHARE CAPITAL)

At 31 December 2018:

SHAREHOLDER	%
Inmobiliaria Espacio, S.A.	38.3
Deutsche Bank, AG	4.2
Systematica Investments Limited	1.9
Other shareholders	55.6

GOVERNING BODIES

BOARD OF DIRECTORS

Composition at 31 December 2018:

Chairman
Juan Villar-Mir de Fuentes (proprietary)

First Deputy Chairman
Silvia Villar-Mir de Fuentes (proprietary)

Second Deputy Chairman and CEO
Jose Antonio Fernández Gallar (executive)

Directors
Carmen de Andrés Conde (independent)
César Cañedo-Argüelles Torrejón (independent)
Javier Goñi del Cacho (proprietary)
Juan Antonio Santamera Sánchez (other non-executive)
Juan José Nieto Bueso (independent) (coordinating director)
Manuel Garrido Ruano (proprietary)
Reyes Calderón Cuadrado (independent)

In 2018 the shareholders at the Annual General Meeting resolved to reduce the size of the Board of Directors from 12 to 10 members, maintaining the proportion between proprietary and independent directors.

The Board approved the appointment through co-optation of two new directors: Carmen de Andrés Conde and César Cañedo-Argüelles Torrejón, both of whom are non-executive independent directors.

Further information

Annual Corporate Governance Report (ACGR) for 2018

Company website (www.ohl.es)

Board Committees

Audit and Compliance Committee (ACC)

Composition at 31 December 2018:

Chairman

Juan José Nieto Bueso (independent)

Directors

Manuel Garrido Ruano (proprietary)
César Cañedo-Argüelles Torrejón (independent)

On 16 July 2018, the Committee appointed Juan José Nieto Bueso as its Chairman.

Main business transacted by the ACC in 2018:

- As regards economic and financial reporting, it reviewed, prior to the Board of Directors meeting, the periodic quarterly and half-yearly information, and the separate and consolidated financial statements for the year ended 31 December 2017, for their submission, following approval by the Board of Directors, to the market and the regulatory agency, together with information demanded from the company by the Spanish National Securities Market Commission (CNMV) and the replies thereto. It reviewed, prior to its formal preparation by the Board of Directors, the Annual Corporate Governance Report for 2017 and the non-financial information included in the directors' report for 2017.
- It reviewed and approved OHL's 2017 Tax Situation Report.
- In relation to the external auditor, it analysed the independence and proposed appointment of the external auditor; took note of the conclusions of the external auditors and the main matters in their reports on issued in relation to their limited review at June 30 and their review of the 2017 financial statements, and proposed the appointment of the external auditor for 2018 and reviewed its fees, reporting on the independence of the external auditor.
- In relation to the internal auditor, it analysed internal audit reports included in its annual plan and other ad hoc reviews requested by management or the Committee itself during 2018.
- In the risk control area, it analysed the Group's main risks and their evolution.
- In the compliance area, it supervised the actions of the Compliance Department in its work in relation to the Code of Ethics, surveillance measures, conduct of business and crime prevention and management of incidents reported through the Ethics Channel.
- It undertook the self-assessment of the functioning of the Committee.
- It drew up the Committee's Annual Report.

Nomination and Remuneration Committee (NRC)

Composition at 31 December 2018:

Chairman

Reyes Calderón Cuadrado (independent)

Directors

Carmen de Andrés Conde (independent)
Juan Antonio Santamera Sánchez (other non-executive)
Juan Villar-Mir de Fuentes (proprietary)

On 18 June 2018, the Committee appointed Reyes Calderón Cuadrado as its Chairman.

Further information

Annual Corporate Governance Report (ACGR) for 2018

Company website (www.ohl.es)

Further information

Annual Corporate Governance Report (ACGR) for 2018

Directors Remuneration Report for 2018

Main business transacted by the NRC in 2018:

- It analysed the composition, size and configuration of the Board of Directors, reporting on the proposed reduction approved at the Annual General Meeting.
- It evaluated the competencies, knowledge and experience needed by the candidates to cover the vacancies arising on the Board of Directors during the year, actively participating in the independent director selection process, and reporting on the proposals relating to the other directors appointed in 2018.
- It analysed and reported on the appointments to the Board of Directors in 2018 as a result of the replacement of the Second Deputy Chairman and Chief Executive Officer of the Board.
- It reported on the director remuneration policy approved at the Annual General Meeting for 2018 and subsequent years pursuant to article 529 novodecies of the Spanish Limited Liability Companies Law.
- It proposed to the Board of Directors the remuneration of the executive director and the other contractual terms and conditions.
- It reported on the appointment of senior executives and the basic terms and conditions of their contracts and variable remuneration.
- It was informed of the departure of senior executives, approving the economic conditions of their departure and reporting them to the Board of Directors.
- It submitted to the Board of Directors for authorisation for issue the Board Directors Remuneration Report for 2017.
- It reviewed the transactions with related parties carried out in 2018 in accordance with OHL's regulations, issuing a positive report.
- Actions in relation to the company's Corporate Social Responsibility Policy.
- Self-assessment of the functioning of the Committee.
- It drew up the Committee's Annual Report.

Incompatibilities and conflicts of interest (Regulations of the Board of Directors)

OHL's Regulations of the Board of Directors regulate situations of incompatibility and conflicts of interest of its directors. They also address, in detail, those situations in which, due to the existence of a possible conflict of interests, the director must inform the Board of Directors of any situation of direct or indirect conflict that they may have with the interests of the Company; and they must refrain from attending and intervening in deliberations and voting that affect matters related to the conflict.

The Company has a specific rule that, implementing the provisions of the Regulations of the Board of Directors and approved by the Board of Directors, reinforces and details the procedures and controls of transactions that the company or any of the OHL companies wish to carry out with the directors, with the significant shareholders or with persons related to them.

The transactions affected by this procedure are all transfers of resources, services, rights and obligations, regardless of whether or not there is any consideration, made by any of the persons referred to in the previous section, with the company or with any OHL company.

Neither the directors nor the executives of the Company reported any incompatibility or conflict of interest in 2018. The Company reports in the financial statements and the Corporate Governance Report the significant related party transactions performed by it or by OHL companies with significant shareholders, directors, executives or parties related to them.

MANAGEMENT COMMITTEE

Chairman

José Antonio Fernández Gallar
Second Deputy Chairman and CEO of the OHL Group.

Directors

Manuel Álvarez Muñoz
General Manager of the OHL Group
José Emilio Pont Pérez
General Manager for Europe and Latin America
Ashok Patel
General Manager for North America
Jose Antonio de Cachavera Sánchez
General Manager of Services
Francisco J. Meliá Fullana
General Manager of Development
José María López de Fuentes
General Manager of Infrastructure Development
José María Sagardoy Llonis
General Economic and Financial Manager
Gonzalo Targhetta Reina
General Manager of Organisation and Corporate Resources
Ignacio Cano Torollo
General Manager of Human Resources and General Services
José María del Cuvillo Pemán*
General Manager of the Legal Department

Acts as Secretary.

Further information

Financial statements and Annual Corporate Governance Report (ACGR) for 2018

EQUALITY AND DIVERSITY POLICY

In 2018 the company was guided by the Director Selection Policy approved in 2017. This policy ensures that proposals for the appointment or re-election of members of the Board of Directors are based on a prior analysis of the Board's needs and, in turn, promote diversity of knowledge, experience and gender.

This policy also defines the mechanisms required to avoid certain biases that deliberately hinder the election of women as potential directors.

In 2018 the company appointed new directors, including the appointment of one woman, thus achieving the objective set for 2020: the presence of women representing at least 30% of the total number of Board members.

ETHICS AND COMPLIANCE

CODE OF ETHICS

The Code of Ethics, approved by the Board of Directors in 2010 and revised in 2012 and 2015, is an express declaration of the values, principles and behavioural guidelines, in order to:

- Develop the models and guidelines for professional, ethical and responsible behaviour that should guide all the people who make up OHL in the performance of their work.
- Prevent the commission of criminal acts and any unlawful behaviour by the persons bound by this Code in the performance of their professional activity.
- Establish the monitoring and control mechanisms necessary to guarantee compliance with it.

Also, the Code of Ethics constitutes one of the cornerstones of OHL's Corporate Social Responsibility management and is the channel for the development of its corporate values, which are:

- **Professional ethics**, integrity, honesty, loyalty, efficiency and responsibility vis-à-vis stakeholders, in all the actions of the company, while at all times fully complying with the law in force.
- **Will to succeed and continuous improvement** in professional performance, while striving at all times for excellence.
- **Transparency** in the dissemination of information, which must be adequate, accurate, checked and complete.
- **Creation of value** with a quest for profitability and sustainable growth.
- Constant **promotion** of committed quality, innovation, safety and respect for the environment.

ANTI-CORRUPTION POLICY

OHL has an Anti-Corruption Policy approved by the Board of Directors in June 2015, which reflects the company's position of zero tolerance for any form of bribery or corruption, in both the public and private sectors. The company signed the United Nations Global Compact and, accordingly, it is committed to working anywhere in the world against corruption and bribery and following the recommendations in this field of international organisations such as the OECD.

OHL strictly prohibits, among other things:

- Offering or accepting bribes to or from public officials or individuals.
- Offering or accepting facilitation payments to initiate or streamline administrative processes or procedures.

- Offering or accepting gifts and entertainment from third parties that could affect the impartiality of either party or influence a business decision.

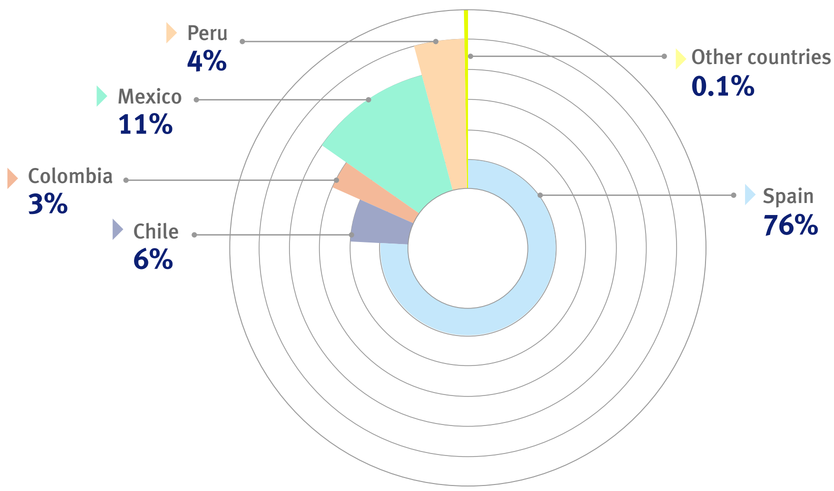
Communication and training

All OHL employees must be familiar with and sign both the Code of Ethics and the Anti-Corruption Policy. Therefore, since 2012 an extra clause has been included in the employment contract of new hires and a copy of both documents is given to them when they sign it.

In 2018 specific training was given on the Code of Ethics and the Anti-Corruption Policy, with a total of 2,911 people receiving training globally and online.

TRAINING BY COUNTRY

Percentage



Further information

Chapter 3. Sustainability. People. Knowledge management.

ETHICAL COMMUNICATIONS CHANNEL

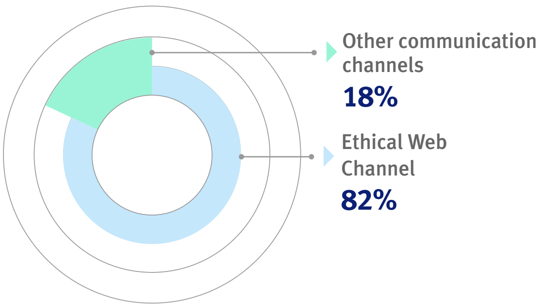
The Ethical Channel is available to all the people that form part of OHL. It is also available to the stakeholders, for any consultation or for the communication in good faith of any professional conduct that may involve, by action or omission, irregularities, breaches or acts contrary to the rules and principles set forth in the Code of Ethics, to all the other rules and procedures making up the company's internal regulatory system or to law.

The Audit and Compliance Committee guarantees the proper management of the complaints made. This ensures that they will be treated with complete confidentiality and in accordance with the internal procedure that regulate its modus operandi. Also, it is responsible for implementing such disciplinary, enforcement and legal actions as might be required until such time as they have been resolved.

In 2018 a total of 62 communications of irregularities were received, the detail being as follows:

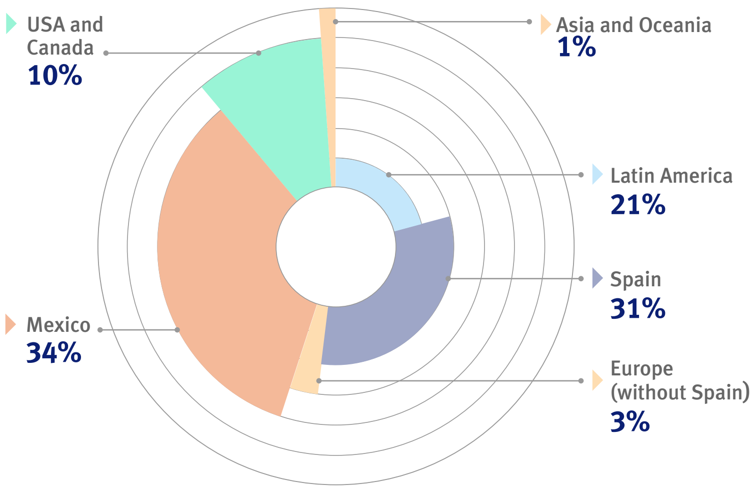
RECEIPT OF COMMUNICATION

Percentage



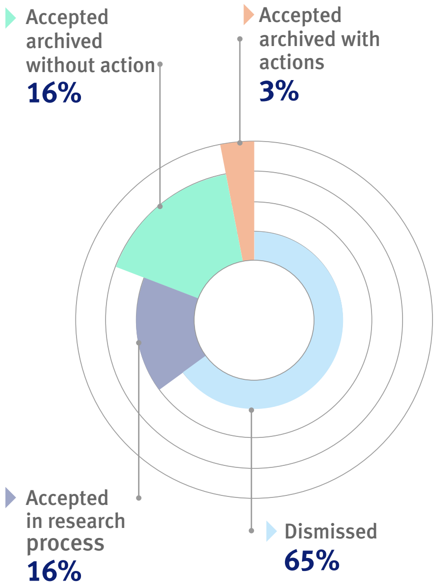
GEOGRAPHICAL AREA

Percentage



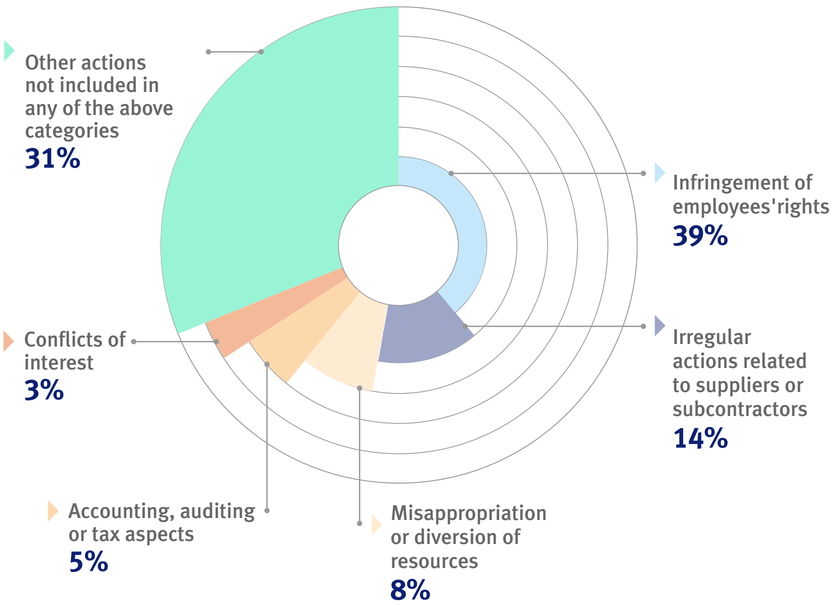
RESOLUTION

Percentage



TYPE

Percentage



TRIPLE LINE OF DEFENCE

CRIME PREVENTION MODEL AND EFFECTIVE RISK MANAGEMENT

OHL has an Organisation and Management Model for Crime Prevention (CPM) in Spain, which will be updated in 2019 to adapt it to the significant organisational changes at the company in 2018: It will also be gradually implemented in the various countries where OHL has a presence, tailoring it to local legislation.

The model consists of:
- Map of criminal risks. List of criminal risks to which the company is exposed and which could lead to criminal liability for OHL.
- Control matrices. Internal controls have been associated with each risk identified that mitigate or reduce the probability of each criminal risk materialising.

The CPM includes system of Internal Control over Financial Reporting (ICFR) controls, as well as the capacity to prevent crimes from being committed. These controls include most notably, inter alia, those associated with the management of financial resources.

In addition, risk management is a strategic priority for OHL. In 2018 progress was made in the following lines of action:

- The Risk Map was drawn up, identifying the main risks that threaten OHL, prioritising and estimating their evolution with a view to establishing an action plan.
- The Country Risk Model continued to be used to manage participation in projects, the opening of offices, branches and ownership interests in companies or decisions on investments in new markets.
- In order to manage the operational performance risks, there is a system of red lines that mark OHL's risk tolerance level in relation to commercial and contractual issues.
- The preventive analysis procedure for the management of risks arising from the company's relationship with third parties (customers, partners, or suppliers/subcontractors considered critical) was improved.
- In the Construction and Industrial Divisions work continued on the implementation of the risk management process for projects at the bidding phase, using a specific tool to use this management, which includes the project risk matrices.
- Progress continued to be made with the business management digitalisation tool developed by OHL (Performance & Control) in order to integrate and improve risk management at the project bidding phase.
- Progress continues to be made in the implementation of integrated management tools for projects at the performance phase.

INTERNAL AUDIT

The Internal Audit Department is an independent, non-executive and objective assurance, internal control and consultation service that provides support to the organisation in the effective fulfilment of its responsibilities and objectives. It is subject to the policies established by the Board of Directors through its Audit and Compliance Committee and its main functions include:

- To review the veracity, reliability and completeness of the financial and operating records and information.
- To report on the proper performance of processes and the efficient use of resources.
- To verify the reliability of the risk management and internal control systems and the quality of the information.
- To review the system of Internal Control over Financial Reporting (ICFR).
- To verify the existence and status of assets and their protection.
- To evaluate the degree of compliance with internal and external rules and procedures.
- To identify deficiencies in internal regulations and propose amendments to existing regulations in order to improve operations.
- To make recommendations to help correct the anomalies detected and monitor their implementation.
- To keep an inventory of fraud risks and the associated controls, and test the effectiveness of those controls on a rotating basis.
- To participate as a guest on various committees.

The Audit and Compliance Committee reviews all the reports it issues and they are presented at its monthly meetings.

In 2018 audits were carried out in all OHL's divisions and in most of the countries in which operates. The scope of those audits encompasses mainly the following:

- Construction projects and industrial projects and services.
- Obtaining indicators and alerts on specific parameters.
- On-site cost monitoring system.
- System of Internal Control over Financial Reporting (ICFR).
- Prevention of money laundering.
- Code of Ethics.
- Indirect cost efficiency.
- Fraud Prevention - Inventories and engagement of advisers.

Also, the Committee has a specialist fraud prevention and investigation unit, which performed actions in this connection throughout the year. It also continued with the verification of compliance with human rights policies.

For the most significant recommendations and corrective measures, monthly monitoring activities are performed in the Management Committee and in the Annual Internal Audit Report submitted to the Audit and Compliance Committee.

Topography work.


Hlubočepy, Smíchovské Nádraží, Anděl, CE

About this report

ABOUT THIS REPORT

SCOPE

The scope of this report is the same as that of the consolidated financial statements, which includes OHL, S.A. and its subsidiaries. In 2018 Development was classified as a discontinued operation.

The non-financial information for 2017 was not recalculated using the new 2018 scope, which excludes the Development line of business. The consideration of Development as a discontinued operation in the 2018 financial statements had a scant impact on OHL's total non-financial information (1.49% of OHL's total sales in 2017).

This report includes the non-financial information statement the content of which is identified in the table of contents of the Non-Financial Information Statement (NFIS).

PREPARATION METHODOLOGY

OHL presents this report following the recommendations of the International Integrated Reporting Framework (IR) of the International Integrated Reporting Council (IIRC) and regulatory guidance in this area[1] and taking into account the trends and changes in the environment that might have an impact on its business. The aim is to explain clearly, directly and transparently the key aspects of OHL's strategy, and how the company understands the management of its intangible assets in the creation of value.

This report was prepared in accordance with the reporting principles of the Global Reporting Initiative (GRI) standards in their Core version, in order to determine its content (stakeholder engagement, sustainability context, materiality, completeness) and quality (balance, comparability.accuracy, timeliness, clarity and reliability). In addition, adequate compliance with the requirements established in the regulations in force was considered at all times[1].

[1]Royal Decree-Law 11/2018, of 28 December, amending the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in the area of non-financial information.

MATERIALITY

In order to establish priorities in relation to the contents defined in this report, last year OHL carried out an analysis of the most relevant material matters for the company and its stakeholders.

This analysis served as the basis for the information addressed in this report.

In addition, it should be noted that in 2018 an internal analysis project was carried out to simplify the sustainability reporting process, maintaining the key information on the material matters identified, with the aim of facilitating the understanding of contributors and offering greater transparency in the non-financial information.

Further information

Appendix IX List of Material Matters

CONTACT DETAILS

For any clarification, suggestion or additional information about this publication please contact:

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www.ohl.es
info@ohl.es

ALTERNATIVE PERFORMANCE MEASURES

OHL presents its results in accordance with International Financial Reporting Standards (IFRSs) and also uses certain Alternative Performance Measures (APMs) that facilitate a better understanding and comparability of the financial information. In order to comply with the guidelines of the European Securities and Markets Authority (ESMA), we hereby disclose the following:

EBITDA: the profit or loss from operations before the depreciation and amortisation charge and changes in provisions and allowances.

Concept	2018	2017
Loss from operations	(560,957)	(139,777)
(-) Depreciation and amortisation charge	61,493	70,478
(-) Changes in provisions and allowances	3,514	2,803
TOTAL EBITDA	(495,950)	(66,496)

Thousands of euros

Use: performance measure that indicates operating results, excluding non-cash items. This is used by analysts and investors to measure operating performance and relate it to indebtedness.

Comparison: comparative amounts for different periods are presented.

Recourse EBITDA: total EBITDA, including interest income and excluding certain losses arising from other expenses, in certain cases with no effect on cash (e.g., contract revision losses, collective redundancy procedures, etc.), less the EBITDA of the project companies, and including dividends paid to the parent by the project companies.

Concept	2018	2017
TOTAL EBITDA	(495,950)	(66,496)
(+) Interest income	21,737	35,014
(-) EBITDA of project companies	(3,429)	(2,600)
(-) Finance income of project companies	-	-
(+) Dividends of project companies	567,637	165,000
(-) Other expenses	67,300	76,500
TOTAL RECOURSE EBITDA	157,295	207,418

Thousands of euros

Use: performance measure used to calculate contractual clauses.

Comparison: comparative amounts for different periods are presented. **Project companies**: scompanies for whose debt there is no recourse to the parent Obrascón Huarte Lain, S.A.

EBIT: calculated on the basis of the following items in the consolidated statement of profit or loss: revenue, other operating income, operating expenses, staff costs, depreciation and amortisation charge and changes in provisions and allowances.

Use: performance measure indicating profit or loss from operations.

Comparison: comparative amounts for different periods are presented.

Gross borrowings: groups together the balances of the "Non-Current Liabilities - Debt Instruments and Other Marketable Securities", "Non-Current Liabilities - Bank Borrowings", "Current Liabilities - Debt Instruments and Other Marketable Securities" and "Current Liabilities - Bank Borrowings" headings on the liability side of the consolidated balance sheet, including bank borrowings and bonds.

	2018	2017
Debt instruments and other marketable securities (non-current)	659,298	883,385
Non-current bank borrowings	1,659	10,171
Debt instruments and other marketable securities (non- current)	14,132	21,341
Current bank borrowings	65,869	659,338
TOTAL GROSS BORROWINGS	740,958	1,574,235

Thousands of euros

Use: gross borrowings are used as an indicator of the company's solvency.

Comparison: comparative amounts for different periods are presented.

Net borrowings: made up of gross borrowings less "Other Current Assets" and "Cash and Cash Equivalents" on the asset side of the consolidated balance sheet.

	2018	2017
GROSS BORROWINGS	740,958	1,574,235
(-) Current financial assets	(222,482)	(140,119)
(-) Cash and cash equivalents	(814,434)	(434,210)
TOTAL GROSS BORROWINGS	(295,958)	(999,906)

Thousands of euros

Use: net borrowings are used to measure the level of indebtedness and to determine the financial structure.

Comparison: comparative amounts for different periods are presented.

Non-recourse borrowings (gross or net): the borrowings (gross or net) of the project companies.

Recourse borrowings (gross or net): total borrowings (gross or net) of the project companies less non-recourse borrowings (gross or net).

Use: non-recourse borrowings (gross or net) are used to measure the level of indebtedness without recourse to the parent.

Comparison: scomparative amounts for different periods are presented.

Backlog: sshort-and long-term unearned revenue from contracts awarded. Once they have been formalised, these contracts are included in the backlog:
- **Short-term backlog:** represents the estimated unearned Construction, Industrial and Services revenue, and also includes expected revenue relating to changes in contracts or additional work estimated on the basis of the percentage of completion of the projects.
- **Long-term backlog:** represents the estimated future revenue of the concessions, over the concession term, based on the related financial plan and including estimates of changes in the exchange rates between the euro and other currencies, inflation, prices, tolls and traffic volumes.

Use: an indicator of future revenue.

Comparison: comparative amounts for different periods are presented.

Market capitalisation: number of shares at the end of the period multiplied by the share price at the end of the period.

	2018
Number of shares at end of period	286,548,289
Market price at end of period	0.65
MARKET CAPITALISATION (millions of euros)	186.8

Earnings per share (EPS): profit or loss attributable to the parent divided by the average number of shares in the year.

	2018
Loss attributable to the Parent	(1,577,346)
Average number of shares	286,142,138
EARNINGS PER SHARE	(5.51)

Thousands of euros

PER: year-end share price divided by the earnings per share for the last 12 months.

The above financial indicators and alternative performance measures (APMs), the use of which facilitates a better understanding of the financial information, are calculated by applying the principles of consistency and uniformity, which allows comparability between periods.

SALIENT EVENTS AT THE COMPANY IN 2018

- **9 January 2018.** Approval of various resolutions at the Extraordinary General Meeting.
- **6 February 2018.** Formalisation of capital reduction.
- **12 April 2018.** Completion of the sale of OHL Concesiones and notification to the bondholders of the put option.
- **14 May 2018.** Result of the put option on the bonds.
- **30 May 2018.** Dividend distribution resolution.
- **8 June 2018.** Agreement with the workers' representatives in connection with the collective redundancy procedure.
- **26 June 2018.** Approval of resolutions at the Annual General Meeting.
- **26 June 2018.** Changes in the Board of Directors.
- **28 June 2018.** Resignation of Juan Osuna as CEO and appointment of José Antonio Fernández Gallar.
- **9 July 2018.** Changes in the Board of Directors.
- **13 August 2018.** Acquisition of 32.5% of the Canalejas Project.
- **10 October 2018.** Agreement for the acquisition of the assets of Ciudad Mayakoba.
- **16 November 2018.** *Moody's rating*.

Caleido. Madrid, Spain.

Content of the non-financial information statement

CONTENT OF THE NON-FINANCIAL INFORMATION STATEMENT

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
BUSINESS MODEL	Description of the Group's business model	Brief description of the Group's business model, including its business environment, organisation and structure, the markets it serves, its objectives and strategies, and the main factors and trends that may affect its future evolution.	GRI 102-2, 102-4, 102-6, 102-7, 102-15	-1. OHL in a click - I. Profile of OHL -I.II Worldwide Presence (pages 14-15) -1. OHL in a click - II. Group performance and main milestones in 2018 - 2. 2018 in Figures (pages 20-25) - 2. Strategy - I. Business model (pages 28-32) -3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non- financial information - 3. Environment - a) Environmental management (pages 73-74) - 5. About this report (pages 100-104)
INFORMATION ON THE ENVIRONMENT	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3	- 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79)
	Main risks	Main risks related to those issues associated with to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term	GRI 102-11, 102-15, 102-30, 201-2	- 2. Strategy - I. Business model (pages 28-32) - 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95) - 5. About this report - III. Materiality (page 100) - ACGR: E. Risk control and management systems -CDP Climate Change Disclosure Project of the OHL Group - CC2.1 and CC2.2.
	General	Current and foreseeable effects of the company's activities in relation to the environment and, where applicable, on health and safety	GRI 102-15, 102-29, 102-31	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - 4. Good Governance - I. Good Governance - 2. Governing Bodies (page 88) - 5. About this report - III. Materiality (page 100)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON THE ENVIRONMENT	General	Environmental assessment or certification procedures	GRI 102-11, 102-29, 102-30	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non- financial information - 3. Environment - a) Environmental management (pages 73-74) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95) - 5. About this report - III. Materiality (page 100)
		Resources dedicated to the prevention of environmental risks	GRI 102-29	- 3. Sustainability - III. Non- financial information - 3. Environment - a) Environmental management (pages 73-74)
		Application of the precautionary principle	GRI 102-11	- 3. Sustainability - III. Non- financial information - 3. Environment - a) Environmental management (pages 73-74) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95)
		Provisions and guarantees for environmental risks	GRI 307-1	No significant environmental investments were made and no significant environmental provisions were recognised in 2018.
	Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2, 302-4, 305-5, 305-7	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - Appendix V. Environmental performance indicators (pages 149-154)
	Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste. Actions to combat food waste	GRI 103-2, 301-1, 301-2, 303-3, 306-1, 306-2	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - Appendix V. Environmental performance indicators (pages 149-154)
	Sustainable use of resources	Water consumption and water supply according to local constraints	GRI 303-1, 303-3	- Appendix V. Environmental performance indicators (pages 149-154)
		Consumption of raw materials and measures taken to improve the efficiency of their use	GRI 103-2, 301-1, 301-2	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - Appendix V. Environmental performance indicators (pages 149-154)
		Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies	GRI 103-2, 302-1, 302-3, 302-4	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - Appendix V. Environmental performance indicators (pages 149-154)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON THE ENVIRONMENT	Climate Change	Greenhouse Gas Emissions	GRI 305-1, 305-2, 305,3, 305-4	- Appendix V. Environmental performance indicators (pages 149-154)
		Measures taken to adapt to the consequences of Climate Change	GRI 102-15, 103-2, 201-2, 305-5	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) -3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79) - 5. About this report - III. Materiality (page 100) - Appendix V. Environmental performance indicators (pages 149-154) - CDP Climate Change Disclosure Project of the OHL Group - CC2.1 and CC2.2.
		Reduction targets voluntarily set in the medium and long term to reduce GHG emissions and measures implemented to that end	GRI 103-2	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79)
	Preserve the biodiversity	Measures taken to preserve or restore biodiversity	GRI 103-2	- 3. Sustainability - III. Non- financial information - 3. Environment (pages 73-79)
		Impacts caused by activities or operations in protected areas	GRI 304-1	- Appendix V. Environmental performance indicators (pages 149-154)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted	GRI 103-2, 103-3, 102-35	- 3. Sustainability - III. Non- financial information - 1. People (pages 60-70) - 4. Good Governance - II. Ethics and Compliance (pages 92-94) - Financial statements: 4.8 - Remuneration of directors and senior executives and conflicts of interest
	Main risks	Main risks related to those issues associated with to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue.This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term	GRI 102-15, 102-30	- 2. Strategy - I. Business model (pages 28-32) - 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95) - 5. About this report - III. Materiality (page 100)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Total number and distribution of employees by gender, age, country and employee category	GRI 102-7, 102-8, 405-1 b)	- 1. OHL in a click - I. Profile of OHL -I.II Worldwide Presence (pages 14-15) - 3. Sustainability - III. Non- financial information - 1. People (pages 60-70) - 4. Good Governance - I. Good Governance - 2. Governing Bodies (page 88)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Total number and distribution of types of employment contract	GRI 102-8	- 1. OHL in a click - I. Profile of OHL -I.II Worldwide Presence (pages 14-15) - 3. Sustainability - III. Non- financial information - 1. People (pages 60-70)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Annual average number of permanent, temporary and part-time contracts by gender, age and employee category	GRI 102-8	Sustainability - III. Non- financial information - 1. People (pages 60-70)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Number of terminations by gender, age and employee category	GRI 401-1 b)	- Appendix I. Other HR aggregates (pages 134-136)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Average pay and changes therein broken down by gender, age and employee category or equivalent value	GRI 405-2	- Appendix I. Other HR aggregates (pages 134-136)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Salary Gap	GRI 405-2	- Appendix I. Other HR aggregates (pages 134-136)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Remuneration of equal or average jobs at the company	GRI 202-1	The employment terms and conditions of OHL's professionals which are governed by a collective agreement are in accordance with the agreement or in some cases exceed it, so that similar positions have the same remuneration package or a better remuneration package than that established in the agreement
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	The average remuneration of directors and executives, including variable remuneration, attendance fees, indemnities, payments to long-term savings schemes and any other payments broken down by gender	GRI 102-35, 102-36	- Appendix I. Other HR aggregates (pages 134-136) - Financial statements 4.8 - Remuneration of directors and senior executives and conflicts of interest -Regulations of the Board of Directors of Obrascon Huarte Lain, S.A. Chapter VIII. Remuneration of the CEO
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Implementation of disconnection from work measures	GRI 103-2	- Appendix III. Social benefits, measures to promote quality of life, disconnection from work and the work-life balance (pages 138-148)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Employment	Disabled employees	GRI 405-1 b)	- 3. Sustainability - III. Non-financial information - 1. People (pages 60-70)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Organisation of work	Organisation of working hours	GRI 102-8 c), 103-2	- 3. Sustainability - III. Non-financial information - 1. People (pages 60-70)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Organisation of work	Absentee rate	GRI 403-2 a)	- Appendix I. Other HR aggregates (pages 134-136)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Organisation of work	Measures aimed at facilitating the enjoyment of work-life balance and promotion of the co- responsible use of those facilities by both parents	GRI 103-2, 401-3	- Appendix III. Social benefits, measures to promote quality of life, disconnection from work and the work-life balance (pages 138-148)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Health and safety	Occupational health and safety conditions	GRI 103-2	- 3. Sustainability - III. Non-financial information - 1. People - c) Health and safety (pages 67-68)
		Occupational accidents (frequency and severity) broken down by gender	GRI 403-2, 403-3	- 3. Sustainability - III. Non-financial information - 1. People - c) Health and safety (pages 67-68)
		Occupational diseases (frequency and severity) broken down by gender	GRI 403-2, 403-3	OHL states that there is no proof of the existence of workers whose profession has a high incidence or risk of disease
	Social relationship	Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees	GRI 102-43, 402-1, 403-1	- 3. Sustainability - III. Non- financial information - 1. People - c) Health and safety (pages 67-68) - Appendix II. Information on freedom of association and collective bargaining (page 137). There are no minimum notice periods at OHL. In any case, these are given pursuant to the legislation in each country
		Percentage of employees covered by collective bargaining agreements by country	GRI 102-41	- Appendix II. Information on freedom of association and collective bargaining (page 137) 82% of the Group's workforce is covered by collective agreements
		Assessment of collective agreements, particularly in the field of occupational health and safety	GRI 403-1, 403-4	- 3. Sustainability - III. Non- financial information - 1. People - c) Health and Safety (pages 67-68) The formal health and safety obligations of employees are covered by the various collective labour agreements entered into by OHL
	Training	Training policies	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
		Total number of hours of training by employee category	GRI 404-1	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66) - 3. Sustainability - III. Non- financial information - 1. People - c) Health and safety (pages 67-68)
	Accessibility	Universal accessibility for persons with disabilities	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
	Equality	Measures taken to promote equal treatment and opportunities for men and women	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
		Equality plans	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Equality	Measures adopted to promote employment	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
		Protocols against sexual and gender-based harassment	GRI 103-2	- 3. 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
		Universal integration and accessibility for persons with disabilities	GRI 103-2	- 3. 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
		Anti-discrimination policy and, where applicable, diversity management	GRI 103-2, 406-1	- 3. 3. Sustainability - III. Non- financial information - 1. People - b) Equality and diversity (pages 63-66)
INFORMATION ON RESPECT FOR HUMAN RIGHTS	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted	GRI 103-2, 103-3, 410-1, 412-2	- 3. Sustainability - III. Non- financial information - 1. People - d) Human Rights (pages 69-70)
	Main risks	Main risks related to those issues associated with to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term	GRI 102-15, 102-30	- 2. Strategy - I. Business model (pages 28-32) - 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (pages 95) - 5. About this report - III. Materiality (page 100)
	Human Rights	Application of human rights due diligence procedures	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - d) Human Rights (pages 69-70)
		Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed	GRI 103-2, 410-1, 412-1	- 4. Good Governance - II. Ethics and Compliance (pages 92-94)
		Human rights violation whistleblowing	GRI 102-17, 103-2, 411-1, 419-1	- 4. Good Governance - II. Ethics and Compliance (pages 92-94)

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON RESPECT FOR HUMAN RIGHTS	Human Rights	Promotion of and compliance with the provisions of the fundamental ILO Conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	GRI 103-2	- 3. Sustainability - III. Non- financial information - 1. People - d) Human Rights (pages 69-70)
INFORMATION ON FIGHTING CORRUPTION AND BRIBERY	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted	GRI 103-2, 103-3, 205-2	- 4. Good Governance - II. Ethics and Compliance (pages 92-94)
	Main risks	Main risks related to those issues associated with to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term	GRI 102-15, 102-30, 205-1	- 2. Strategy - I. Business model (pages 28-32) - 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 4. Good Governance - II. Ethics and Compliance (pages 92-94) - 4. Good Governance - III. Triple Line of Defence (pages 95-96) - 5. About this report - III. Materiality (page 100)
	Corruption and bribery	Measures taken to prevent corruption and bribery	GRI 103-2	- 4. Good Governance - II. Ethics and Compliance (pages 92-94) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95)
		Measures to combat money laundering	GRI 103-2	- 4. Good Governance - II. Ethics and Compliance (pages 92-94) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95)
		Contributions to foundations and non-profit entities	GRI 103-2, 201-1, 203-2, 415-1	- 3. Sustainability - III. Non-financial information - 5. Contribution to Society (pages 82-84) The Code of Ethics prohibits any gift, invitation or hospitality to authorities, public officials or individuals that does not meet the criteria set out in the Anti-Corruption Policy.

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report / Response
INFORMATION ON SOCIETY	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted	GRI 103-2, 103-3	- 3. Sustainability - I. Sustainability at OHL (pages 50-51)
	Main risks	Main risks related to those issues associated with to the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term	GRI 102-15, 102-30	- 2. Strategy - I. Business model (pages 28-32) - 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95) - 5. About this report - III. Materiality (page 100)
	The company's commitment to sustainable development	Impact of the company's activity in relation to employment and local development	GRI 203-1, 203-2, 204-1, 413-1	- 3. Sustainability - III. Non- financial information - 5. Contribution to Society (pages 82-84)
		Impact of the company's activity in relation to local populations and territory	GRI 203-1, 203-2, 413-1	- 3. Sustainability - III. Non- financial information - 5. Contribution to Society (pages 82-84)
		Relations with local community actors and the avenues of dialogue with them	GRI 102-43, 413-1	- 3. Sustainability - III. Non- financial information - 5. Contribution to Society (pages 82-84)
		Association or sponsorship actions	GRI 102-13, 201-1, 203-1	- 3. Sustainability - III. Non- financial information - 5. Contribution to Society (pages 82-84)
	Subcontractors and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	GRI 103-3	- 3. Sustainability - III. Non- financial information - 4. Supply Chain (pages 80-82)
		Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 102-9, 103-3, 308-1, 407-1, 409-1, 414-1	- 3. Sustainability - III. Non- financial information - 4. Supply Chain (pages 80-82)
		Supervision and audit systems and results thereof	GRI 308-1	- 3. Sustainability - III. Non- financial information - 1. People - d) Human Rights (pages 69-70) - 3. Sustainability - III. Non- financial information - 4. Supply Chain (pages 80-82)

<table>
<tr><th colspan="3">Content pursuant to Spanish Law 11/2018 on non-financial information</th><th>Standard used</th><th>Page of report / Response</th></tr>
<tr><td rowspan="5">INFORMATION ON SOCIETY</td><td rowspan="2">Consumers</td><td>Measures to promote the health and safety of consumers</td><td>GRI 103-2, 416-1,</td><td>- 3. Sustainability - III. Non- financial information - 2. Innovation and excellence - e) Quality management (pages 72-73)</td></tr>
<tr><td>Complaint systems, grievances received and resolution</td><td>GRI 102-17, 103-2, 418-1</td><td>- 3. Sustainability - III. Non- financial information - 2. Innovation and excellence - e) Quality management (pages 72-73)</td></tr>
<tr><td rowspan="3">Tax information</td><td>Profit or loss by country</td><td>GRI 201-1</td><td>- 3. Sustainability - II. Financial Information - 1. Financial framework - c) Tax contribution (page 59)</td></tr>
<tr><td>Income tax paid</td><td>GRI 201-1</td><td>- 3. Sustainability - II. Financial Information - 1. Financial framework - c) Tax contribution (page 59)</td></tr>
<tr><td>Government grants received</td><td>GRI 201-4</td><td>- 3. Sustainability - II. Financial Information - 1. Financial framework - c) Tax contribution (page 59)
-Financial statements - Note 3.21</td></tr>
</table>

GRI TABLES

GENERAL INDICATORS

	Global Compact principles	SDG	Page of report / Response
GRI 101 Foundation 2018			
101 Principles			- 3. Sustainability - III. Non-financial information - 5. Contribution to Society - d) Relations with Stakeholders and Alliances (page 84) 5. About this report - III. Materiality (page 100)
GRI 102 General disclosures 2018 - Organizational profile			
102-1 Name of the organization			- About this report - IV. Contact details (page 101)
102-2 Activities, brands, products, and services		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	- 2.Strategy - I. Business model (pages 28-32)
102-3 Location of headquarters			-About this report - IV. Contact details (page 101)
102-4 Location of operations			- 1. OHL in a click - I. Profile of OHL - I.II Worldwide Presence (pages 14-15) - 5. About this report - I. Scope (page 100)
102-5 Ownership and legal form			- 4. Good Governance - I. Good Governance - 1. Ownership structure (pages 88-91)
102-6 Markets served		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	1. OHL in a click - I. Profile of OHL - I.II Worldwide Presence (pages 14-15) - 2. Strategy - I. Business model (pages 28-32)
102-7 Scale of the organization		8 DECENT WORK AND ECONOMIC GROWTH	- 1. OHL in a click - I. Profile of OHL - I.II Worldwide Presence (pages 14-15) - 1. OHL in a click - II. Group performance and main milestones in 2018 -2 2018 in Figures (pages 20-25) - 2. Strategy - I. Business model (pages 28-32)
102-8 Information on employees and other workers		8 DECENT WORK AND ECONOMIC GROWTH	- 1. OHL in a click - I. Profile of OHL - I.II Worldwide Presence (pages 14-15) - 3. Sustainability - III. Non-financial information - 1. People - a) Profile of the human team (pages 60-63) - Appendix I. Other HR aggregates (pages 134-136)
102-9 Supply chain		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - III. Non-financial information - 4. Supply Chain (pages 80-82)

	Global Compact principles	SDG	Page of report / Response
102-10 Significant changes to the organization and its supply chain		5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 1. OHL in a click - II. Group performance and main milestones in 2018 -2 2018 in Figures (pages 20-25) - 5. About this report - I. Scope (page 100)
102-11 Precautionary Principle or approach			- 3. Sustainability - III. Non-financial information - 3. Environment - a) Environmental management (pages 73-74) - 4. Good Governance - III. Triple Line of Defence - 1. Crime prevention model and effective risk management (page 95)
102-12 External initiatives			- 3. Sustainability - III. Non-financial information - 1. People - d) Human Rights (pages 69-70) - 3. Sustainability - III. Non-financial information - 2. Innovation and Excellence - a) Innovative culture and R&D+i (page 69) - 3. Sustainability - III. Non-financial information - 5. Contribution to Society - d) Relations with Stakeholders and Alliances (page 84)
102-13 Membership of associations		5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - III. Non-financial information - 1. People - d) Human Rights (pages 69-70) - 3. Sustainability - III. Non-financial information - 2. Innovation and Excellence - a) Innovative culture and R&D+i (page 71) - 3. Sustainability - III. Non-financial information - 5. Contribution to Society - d) Relations with Stakeholders and Alliances (page 84)
Strategy			
102-14 Statement from senior decision-maker		16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51)
102-15 Key impacts, risks, and opportunities		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79) - 5. About this report -III. Materiality (page 100)
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance -II. Ethics and Compliance (pages 92-94)
102-17 Mechanisms for advice and concerns about ethics		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	4. Good Governance - II. Ethics and Compliance - 3. Ethical communications channel (pages 93-94)

	Global Compact principles	SDG	Page of report / Response
Governance			
102-18 Governance structure		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance - I. Good Governance - 2. Governing Bodies (page 88)
102-19 Delegating authority		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - Regulations of the Board of Directors - Mission of the Board
102-22 Composition of the highest governance body and its committees		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance -I. Good Governance - 2. Governing Bodies (page 88)
102-23 Chair of the highest governance body		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance -I. Good Governance - 2. Governing Bodies (page 88)
102-24 Nominating and selecting the highest governance body		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- Annual Corporate Governance Report C.1.18
102-28 Evaluating the highest governance body's performance		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- Annual Corporate Governance Report C.1.18 and C.1.19
102-29 Identifying and managing economic, environmental, and social impacts		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79) - 5. About this report - III. Materiality (page 100)
102-30 Effectiveness of risk management processes		17 PARTNERSHIPS FOR THE GOALS	- 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79) - 4. Good Governance - III. Triple Line of Defence- 1. Crime prevention model and effective risk management (page 95)
102-31 Review of economic, environmental, and social topics		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance - I. Good Governance - 2. Governing Bodies (page 88)
102-32 Highest governance body's role in sustainability reporting		5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51)
102-35 Remuneration policies			- Financial Statements: 4.8 - Remuneration of directors and senior executives and conflicts of interest
102-36 Process for determining remuneration			- Financial Statements: 4.8 - Remuneration of directors and senior executives and conflicts of interest - Regulations of the Board of Directors of Obrascon Huarte Lain, S.A. Chapter VIII. Remuneration of the CEO.

	Global Compact principles	SDG	Page of report / Response
Stakeholder engagement			
102-40 List of stakeholder groups		17 PARTNERSHIPS FOR THE GOALS	- 5. About this report - III. Materiality (page 100)
102-41 Collective bargaining agreements	**1. Human Rights** **3. Labour Standards**		- Appendix II. Information on freedom of association and collective bargaining (page 137) 82% of the Group's workforce is covered by Collective Agreements.
102-42 Identifying and selecting stakeholders		17 PARTNERSHIPS FOR THE GOALS	- About this report - III. Materiality (page 100)
102-43 Approach to stakeholder engagement		17 PARTNERSHIPS FOR THE GOALS	- 3. Sustainability - I. Sustainability at OHL (pages 50-51) - 3. Sustainability - III. Non-financial information - 5.Contribution to Society -d) Relations with Stakeholders and Alliances (page 84) -5. About this report - III. Materiality (page 100)
102-44 Key topics and concerns raised		17 PARTNERSHIPS FOR THE GOALS	- 5. About this report - III. Materiality (page 100)
Reporting practice			
102-45 Entities included in the consolidated financial statements			- 5. About this report - I. Scope (page 100) - Financial Statements: Appendix I and Appendix II.
102-46 Defining report content and topic Boundaries			- 5. About this report (page 100-104)
102-47 List of material topics			- 5. About this report -III. Materiality (page 100)
102-48 Restatements of information			- 1. OHL in a click - II. Group performance and main milestones in 2018 (pages 16-25)
102-49 Changes in reporting			- 2. Strategy - II. Profit/Loss by division (pages 34-47) - 5. About this report - I. Scope (page 100)
102-50 Reporting period			2018
102-51 Date of most recent report			2017
102-52 Reporting cycle			Annual
102-53 Contact point for questions regarding the report			- 5. About this report - IV. Contact details (page 101)
102-54 Claims of reporting in accordance with the GRI Standards		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 5. About this report - II. Preparation methodology (page 100)
102-55 GRI content index		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 5. About this report - VIII. GRI Tables (pages 117-130)
102-56 External verification		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Independent Limited Assurance Report

ECONOMIC INDICATORS

	Global Compact principles	SDG	Page of report / Response
GRI 103 Management approach 2018: Economic Performance (201), Market Presence (202), Indirect Economic Impacts (203), Procurement Practices (204), Anti-corruption (205) and Anti-competitive Behavior (206)			
103-1 Explanation of the material topic and its Boundary			- 5.About this report - III. Materiality (page 100)
103-2 The management approach and its components			- 3. Sustainability - I. Sustainability at OHL (pages 50-51)
103-3 Evaluation of the management approach			- 3. Sustainability - I. Sustainability at OHL (pages 50-51)
GRI 201 Economic Performance 2018			
201-1 Direct economic value generated and distributed		2 Zero Hunger 7 Affordable and Clean Energy 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 16 Peace, Justice and Strong Institutions	- 3. Sustainability - III. Non-Financial Information - 5. Contribution to Society - a) Generated and distributed value table (page 82)
201-2 Financial implications and other risks and opportunities due to climate change	7. Environment 8. Environment	13 Climate Action	- 3. Sustainability - III. Non-financial nformation - 3. Environment (pages 73-79) - CDP Climate Change Disclosure Project of the OHL Group - CC2.1 and CC2.2
201-4 Financial assistance received from government		16 Peace, Justice and Strong Institutions	- 3. Sustainability - II. Non-Financial Information - 1. Financial framework - c) Tax contribution (page 59) -Financial Statements -Note 3.21
GRI 202 Market Presence 2018			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6. Labour Standards	5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	The employment terms and conditions of OHL's professionals which are governed by a collective agreement are in accordance with the agreement or in some cases exceed it, so that similar positions have the same remuneration package or a better remuneration package than that established in the agreement.
202-2 Proportion of senior management hired from the local community	6. Labour Standards		11% of OHL's executives and managers abroad are nationals of the same country.
GRI 203 Indirect Economic Impacts 2018			
203-1 Infrastructure investments and services supported			- 3. Sustainability - III. Non-financial information - 5.Contribution to Society (pages 82-84)

	Global Compact principles	SDG	Page of report / Response
203-2 Significant indirect economic impacts			- 3. Sustainability - III. Non-financial information - 5.Contribution to Society (pages 82-84)
GRI 204 Procurement Practices 2018			
204-1 Proportion of spending on local suppliers		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - III. Non-financial information - 4. Supply Chain (pages 80-82)
GRI 205 Anti-corruption 2018			
205-1 Operations assessed for risks related to corruption		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance - II. Ethics and Compliance (pages 92-94) - 4. Good Governance - III. Triple Line of Defence (pages 95-96)
205-2 Communication and training about anti-corruption policies and procedures		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance - II. Ethics and Compliance (pages 92-94) - Annual Corporate Governance Report F.1.2
205-3 Confirmed incidents of corruption and actions taken		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 4. Good Governance - II. Ethics and Compliance (pages 92-94) - Annual Corporate Governance Report F.1.2
GRI 206 Anti-competitive Behavior 2018			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			There is an open file on one of OHL's subsidiaries for anti- competitive practices. Further information: Financial Statements Notes 3.20 and 4.6

ENVIRONMENTAL INDICATORS

	Global Compact principles	SDG	Page of report / Response
GRI 103 Management approach 2018: Linked to: Materials (301), Energy (302), Water (303), Biodiversity (304), Emissions (305), Effluents and Waste (306), Environmental Compliance (307), Supplier Environmental Assessment (308)			
103-1 Explanation of the material topic and its Boundary			- 5. About this report - III. Materiality (page 100)
103-2 The management approach and its components			- 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79)
103-3 Evaluation of the management approach			- 3. Sustainability - III. Non-financial information - 3. Environment (pages 73-79)
GRI 301 Materials 2018			
301-1 Materials used by weight or volume	7. Environment	8 Decent work and economic growth 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
301-2 Recycled input materials used	7. Environment 8. Environment	8 Decent work and economic growth 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
GRI 302 Energy 2018			
302-3 Energy intensity		3 Good health and well-being 7 Affordable and clean energy 8 Decent work and economic growth 12 Responsible consumption and production 13 Climate action 14 Life below water 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)
302-4 Reduction of energy consumption	7. Environment 8. Environment 9. Environment	3 Good health and well-being 7 Affordable and clean energy 8 Decent work and economic growth 12 Responsible consumption and production 13 Climate action 14 Life below water 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)

	Global Compact principles	SDG	Page of report / Response
GRI 303 Water 2018			
303-1 Water withdrawal by source	7. Environment	3 Good health and well-being; 6 Clean water and sanitation; 8 Decent work and economic growth; 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
303-3 Water recycled and reused	7. Environment 8. Environment	3 Good health and well-being; 6 Clean water and sanitation; 8 Decent work and economic growth; 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
GRI 304 Biodiversity 2018			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	7. Environment 8. Environment	6 Clean water and sanitation; 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)
GRI 305 Emissions 2018			
305-1 Direct (Scope 1) GHG emissions		3 Good health and well-being; 7 Affordable and clean energy; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)
305-2 Energy indirect (Scope 2) GHG emissions		3 Good health and well-being; 7 Affordable and clean energy; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)

	Global Compact principles	SDG	Page of report / Response
305-3 Other indirect (Scope 3) GHG emissions		3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	- Appendix V. Environmental performance indicators (pages 149-154)
305-4 GHG emissions intensity		3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	- Appendix V. Environmental performance indicators (pages 149-154)
305-5 Reduction of GHG emissions	**7. Environment** **8. Environment** **9. Environment**	3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	-Appendix V. Environmental performance indicators (pages 149-154)
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	- Appendix V. Environmental performance indicators (pages 149-154)

	Global Compact principles	SDG	Page of report / Response
GRI 306 Effluents and Waste 2018			
306-1 Water discharge by quality and destination	7. Environment 8. Environment	3 Good health and well-being 6 Clean water and sanitation 8 Decent work and economic growth 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
306-2 Waste by type and disposal method	7. Environment 8. Environment	3 Good health and well-being 6 Clean water and sanitation 12 Responsible consumption and production	- Appendix V. Environmental performance indicators (pages 149-154)
GRI 307 Environmental Compliance 2018			
307-1 Non-compliance with environmental laws and regulations		3 Good health and well-being 6 Clean water and sanitation 7 Affordable and clean energy 8 Decent work and economic growth 12 Responsible consumption and production 13 Climate action 14 Life below water 15 Life on land	- Appendix V. Environmental performance indicators (pages 149-154)
GRI 308 Supplier Environmental Assessment 2018			
308-1 New suppliers that were screened using environmental criteria		5 Gender equality 8 Decent work and economic growth 16 Peace, justice and strong institutions	All suppliers in the accreditation process are asked for environmental management information.

SOCIAL INDICATORS

	Global Compact principles	SDG	Page of report / Response
GRI 103 Management approach 2018: Linked to: Employment (401), Labour/Management Relations (402), Occupational Health and Safety (403), Training and Education (404), Diversity and Equal Opportunity (405), Non-discrimination (406), Freedom of Association and Collective Bargaining (407), Forced or Compulsory Labor (409), Security Practices (410), Human Rights Assessment (412), Local Communities (413), Supplier Social Assessment(414), Public Policy (415), Customer Health and Safety (416), Marketing and Labeling (417), Customer Privacy (418), Socioeconomic Compliance (419)			
103-1 Explanation of the material topic and its Boundary			- 5. About this report - III. Materiality (page 100)
103-2 The management approach and its components			- 3. Sustainability - III. Non-financial information -1. People (pages 60-70) - 3. Sustainability - III. Non-financial information - 2. Innovation and excellence (pages 71-73) - 3. Sustainability - III. Non-financial information -5. Contribution to Society (pages 82-84) - 4. Good Governance - II. Ethics and Compliance (pages 92-94)
103-3 Evaluation of the management approach			-3. Sustainability - III. Non-financial information -1. People (pages 60-70) - 3. Sustainability - III. Non-financial information - 2. Innovation and excellence (pages 71-73) - 3. Sustainability - III. Non-financial information -5. Contribution to Society (pages 82-84) - 4. Good Governance - II. Ethics and Compliance (pages 92-94)
GRI 401 Employment 2018			
401-1 New employee hires and employee turnover	6. Labour Standards	5 Gender Equality; 8 Decent Work and Economic Growth	- 3. Sustainability - III. Non-financial information -1. People - a) Profile of the human team (pages 60-63)- Appendix I. Other HR aggregates (pages 134-136)
401-3 Parental leave	6. Labour Standards	5 Gender Equality; 8 Decent Work and Economic Growth	- Appendix I. Other HR aggregates (pages 134-136)
GRI 402 Labor/Management Relations 2018			
402-1 Minimum notice periods regarding operational changes	3. Labour Standards		-There are no minimum notice periods at OHL. In any case, these are given pursuant to the legislation in each country.
GRI 403 Occupational Health and Safety 2018			
403-1 Workers representation in formal joint management–worker health and safety committees		3 Good Health and Well-Being; 8 Decent Work and Economic Growth	-3. Sustainability - III. Non-financial information -1. People - c) Health and safety (pages 67-69)
CRE-6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system			- 3. Sustainability - III. Non-financial information -1. People - c) Health and safety (pages 67-69)

	Global Compact principles	SDG	Page of report / Response
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		3 Good Health and Well-Being; 8 Decent Work and Economic Growth	- 3. Sustainability - III. Non-financial information -1. People - c) Health and safety (pages 67-69) - Appendix I. Other HR aggregates (pages 134-136)
403-3 Workers with high incidence or high risk of diseases related to their occupation		3 Good Health and Well-Being; 8 Decent Work and Economic Growth	OHL states that there is no proof of the existence of workers whose profession has a high incidence or risk of disease
403-4 Health and safety topics covered in formal agreements with trade unions			- 3. Sustainability - III. Non-financial information -1. People - c) Health and safety (pages 67-69)
GRI 404 Training and Education 2018			
404-1 Average hours of training per year per employee		4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth	- 3. Sustainability - III. Non-financial information -1. People - b) Equality and diversity (pages 63-66)- 3. Sustainability - III. Non-financial information -1. People - c) Health and safety (pages 67-69)
GRI 405 Diversity and Equal Opportunity 2018			
405-1 Diversity of governance bodies and employees	6. Labour Standards	5 Gender Equality; 8 Decent Work and Economic Growth	- 3. Sustainability - III. Non-financial information -1. People - a) Profile of the human team (pages 60-63)- 4. Good Governance - I. Good Governance - 2. Governing Bodies (pages 88-91)
405-2 Ratio of basic salary and remuneration of women to men		5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	- Appendix I. Other HR aggregates (pages 134-136)
GRI 406 Non-discrimination 2018			
406-1 Incidents of discrimination and corrective actions taken		5 Gender Equality; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions	- 4. Good Governance - II. Ethics and Compliance - 3. Ethical communications channel (pages 93-94) OHL states its absolute rejection and zero tolerance of any behaviour or action that constitutes any form of sexual, moral or gender-based harassment and undertakes to cooperate actively, effectively and firmly in order to prevent, detect, correct and punish any such conduct. OHL has a Protocol for Prevention and Action in cases of Harassment that is governed by the principles of speed, confidentiality, transparency, objectivity, impartiality and respect for the privacy and dignity of employees.

	Global Compact principles	SDG	Page of report / Response
GRI 407 Freedom of Association and Collective Bargaining 2018			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6. Labour Standards		- 3. Sustainability - III. Non-financial information -4. Supply Chain (pages 80-82)
GRI 408 Child Labor 2018			
408-1 Operations and suppliers at significant risk for incidents of child labor	1. Human Rights 2. Human Rights 4. Labour Standards 5. Labour Standards		- 3. Sustainability - III. Non-financial information -4. Supply Chain (pages 80-82)
GRI 409 Forced or Compulsory Labor 2018			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	1. Human Rights 2. Human Rights 4. Labour Standards 5. Labour Standards		- 3. Sustainability - III. Non-financial information -4. Supply Chain (pages 80-82)
GRI 410 Security Practices 2018			
410-1 Security personnel trained in human rights policies or procedures	1. Human Rights		- 3. Sustainability - III. Non-financial information -1. People - d) Human Rights (pages 69-70) Security services are outsourced and the information is not available
GRI 411 Rights of Indigenous Peoples 2018			
411-1 Incidents of violations involving rights of indigenous peoples	1. Human Rights		OHL did not identify any violations of the rights of indigenous peoples in 2018
GRI 412 Human Rights Assessment 2018			
412-1 Operations that have been subject to human rights reviews or impact assessments	1. Human Rights 2. Human Rights 3. Labour Standards 4. Labour Standards 6. Labour Standards		- 3. Sustainability - III. Non-financial information -1. People - d) Human Rights (pages 69-70)
412-2 Employee training on human rights policies or procedures	1. Human Rights		In 2018 no human rights training was given due to the need to adapt and update the contents of the corporate human rights course Since its launch in 2013, until 2016, a total of 5,037 participants have attended human rights training courses
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	1. Human Rights		- 3. Sustainability - III. Non-financial information -4. Supply Chain (pages 80-82)

	Global Compact principles	SDG	Page of report / Response
GRI 413 Local Communities 2018			
413-1 Operations with local community engagement, impact assessments, and development programs	1. Human Rights	1 NO POVERTY 17 PARTNERSHIPS FOR THE GOALS	- 3. Sustainability - III. Non-financial information - 5. Contribution to Society (pages 82-84)
GRI 414 Supplier Social Assessment 2018			
414-1 New suppliers that were screened using social criteria	6. Labour Standards	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- 3. Sustainability - III. Non-financial information - 4. Supply Chain (pages 80-82)
GRI 415 Public Policy 2018			
415-1 Political contributions		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The Code of Ethics prohibits contributions to political parties
GRI 416 Customer Health and Safety 2018			
416-1 Assessment of the health and safety impacts of product and service categories		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	- 3. Sustainability - III. Non-financial information -2. Innovation and excellence - e) Quality management (pages 72-73)
GRI 417 Marketing and Labeling 2018			
CRE-8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment			- 3. Sustainability - III. Non-financial information - 3. Environment - f) Sustainable construction (page 79)
GRI 418 Customer Privacy 2018			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	No significant complaints or economic penalties have been received in this connection
GRI 419 Socioeconomic Compliance 2018			
419-1 Non-compliance with laws and regulations in the social and economic area		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- Consolidated Financial Statements (Note 4.6.2 Contingent liabilities and guarantees)

Appendices

APPENDIX I. OTHER HR AGGREGATES

Employee turnover and new employee hires

	Men	Women	Total
Departures	10,371	8,767	19,138
Hires	7,529	8,790	16,319

- Turnover rate: 87.6%
- Average age: 42
- Average length of service: 7
- Local executives and managers: 11%

In calculating the turnover rate, the voluntary departures, terminations, retirements and departures on termination of contract were taken into account.

Hours of absenteeism

Men	Women	Total
4,234,460	2,443,582	6,678,041

For the calculation of absenteeism, the following, inter alia, were taken into account: strikes, absences, temporary disability and paid and unpaid leave.

Parental leave

	Men	Women	Total
Employees who took parental leave	92	118	210
Employees who kept their jobs at the end of their parental leave	92	115	207
Rate of return (%)	100	97.4	98.6

Scope: OHL Spain.

BREAKDOWN OF EMPLOYEE TERMINATIONS

There were 1,912 terminations in 2018. Specifically, 17% of the terminations related to employees under 30 years of age, 40% to employees of between 30 and 45 years of age, 28% to employees between 46 and 55 years of age and the remaining 16% to employees over 56 years of age.

Breakdown of terminations in Spain by category, age and gender

Category	<30 years		30-45 years		46-55 years		>56 years		Total
Gender	W	M	W	M	W	M	W	M	
Senior executives	0	0	0	1	0	1	0	1	3
Executives	0	0	0	0	0	4	0	3	7
Senior Managers/Managers	0	0	0	2	0	7	0	4	13
Supervisors	0	0	6	16	1	13	4	15	55
Other line personnel	3	1	14	35	6	15	2	12	88
Clerical staff	0	0	14	3	18	3	11	8	57
Manual workers	3	6	10	9	22	8	2	4	74
TOTAL	**6**	**7**	**44**	**76**	**47**	**51**	**19**	**47**	**297**

M: Men / W: Women.

Breakdown of terminations abroad by geographical area and gender

Geographical area	M	W	Total
Europe	44	14	58
Latin America	883	48	881
US	643	32	675
Other markets	1	0	1
TOTAL	1,521	94	1,615

M: Men / W: Women.
At international level, most of the terminations related to other line personnel, clerical staff and administrators and manual workers.

Salary gap by business unit and region

Division	Region	%
Construction	Europe	17%
	Latin America	11%
	North America	21%
	Other	34%
Industrial	Spain	25%
	Latin America	-36%
	Other	20%
Services	Spain	29%
	Latin America	52%

Salary gap where a % greater than o represents the % that women earn less than men.

Breakdown of average remuneration by business unit, gender and employee*

	Average remuneration of executives (€) (**)		Average remuneration of middle managers and other line personnel (€)		Average remuneration of clerical staff and manual workers (€)	
	M	W	M	W	M	W
Construction	162,994	145,730	51,247	49,108	31,061	25,730
Industrial	135,919	77,117	24,887	28,585	8,407	17,144
Services	103,548	104,651	27,823	20,169	15,109	12,487

HM: Men / W: Women.
(*) Including fixed, variable and in-kind remuneration.
(**) The average remuneration of executives includes that of senior executives, executives and senior managers/managers

Breakdown of average terminations in Construction and Industrial Spain by employee category, age bracket and gender*

	<30 years		30-45 years		46-55 years		>56 years	
	M	W	M	W	M	W	M	W
Average remuneration of executives (€) (**)			154,882	124,636	197,179	155,601	314,899	
Average remuneration of middle managers and other line personnel (€)	26,866	23,052	22,257	25,671	51,719	47,296	54,006	55,119
Average remuneration of clerical staff and manual workers (€)	18,187	20,460	22,257	25,671	23,941	26,902	25,837	21,574

M: Men / W: Women.
(*) Including fixed, variable and in-kind remuneration.
(**) The average remuneration of executives includes that of senior executives, executives and senior managers/managers

Breakdown of average remuneration at Ingesan Services by employee category, age bracket and gender*

	<30 years		30-45 yeras		46-55 years		>56 years	
	M	W	M	W	M	W	M	W
Average remuneration of executives (€) (**)				102,341	317,449	107,171		
Average remuneration of middle managers and other line personnel (€)	33,435	29,124	62,855	55,264	64,704	50,912	55,679	38,760
Average remuneration of clerical staff and manual workers (€)	29,415	25,011	35,590	33,416	37,168	37,158	39,865	35,104

M: Men / W: Women.
(*) Including fixed, variable and in-kind remuneration.
(**) The average remuneration of executives includes that of senior executives, executives and senior managers/managers.

Average senior executive remuneration broken down by gender

	Men	Women
Average senior executive remuneration (thousands of euros) (*)	1,111	-

* The data considered for the calculation include the fixed and variable remuneration of the senior executives, as well as the remuneration received by the senior executives who left the company's employ in 2018.
The remuneration of executive directors is included in the calculation of the average remuneration of executives.

Average remuneration of directors broken down by gender

	Men	Women
Average remuneration of the directors (thousands of euros) (*)	2,363	162

*The data considered for the calculation include the ordinary and extraordinary remuneration earned by the executive and non-executive directors.

APPENDIX II. INFORMATION ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

OHL participates in the framework agreement with various international trade union federations, advocating absolute respect for human rights and public freedoms.

OHL workers are under the protection of the law, with absolute respect for national legislation and the collective agreements that apply to them, and on many occasions the company participates in the commissions that negotiate these collective agreements.

In the countries in which it operates OHL works in accordance with the industry regulations in force, and if such regulations do not exist, it negotiates the conditions applicable to each workplace with the legal representatives of the workers.

The type of industry agreements signed depends on the type of activity involved, including collective agreements for the construction industry, the iron and steel and metalworking industry, gardening, street cleaning, cleaning of buildings and premises, car parks and garages; engineering companies and technical studios and consulting companies, and public opinion market surveys.

Social dialogue is managed through discussions with trade union representatives and workers' legal representatives, with whom periodic meetings are held. Independently, the company's Human Resources Department can be contacted directly by employees.

The channels used to inform employees are: corporate intranet, bulletin boards in workplaces, communications or e-mails and through the workers' legal representatives.

Country	Employees covered by collective agreements
Spain	10,130
Chile	1,548
Peru	1,026
US	1,195
Norway	30
Czech Republic	1,133
TOTAL	15,062
Percentage	82.0%

APPENDIX III. SOCIAL BENEFITS, MEASURES TO PROMOTE QUALITY OF LIFE, DISCONNECTION FROM WORK AND WORK-LIFE BALANCE

OHL is committed to ensuring that there is a balance between the professional and personal life of its employees, through the implementation of several measures, including most notably:

- Social benefits.
- Measures to promote the quality of life of the employees.
- Disconnection from work initiatives.
- Actions to ensure that there is a work-life balance and other personal development measures.

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION EUROPE	Ireland	OHL Ireland Construction and engineering LTD	Senior managers/ Managers	✔					
			Middle management	✔					
			Line personnel	✔					
			Clerical staff	✔					
			Other	✔					
	Norway	OHL Branch in Norway	Senior managers/ Managers	✔	✔	✔	✔		
			Middle management	✔	✔	✔	✔		
			Line personnel		✔	✔	✔		
			Clerical staff		✔	✔	✔		
			Other		✔	✔	✔		
	Czech Republic	OHL ZS Rep. Checa	Senior managers/ Managers	✔	✔	✔	✔	✔	Food - Length of service or retirement bonus - vacation
			Middle management	✔	✔	✔	✔	✔	
			Line personnel	✔	✔	✔	✔	✔	
			Clerical staff	✔	✔	✔	✔	✔	
			Other	✔	✔	✔	✔	✔	
		Tomi Remont	Senior managers/ Managers				✔		Food
			Middle management				✔		
			Line personnel				✔		
			Clerical staff				✔		
			Other				✔		

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
OHL Construction Europe	Ireland	OHL Ireland Construction and engineering LTD	Senior managers/ Managers	✔					
			Middle management	✔					
			Line personnel	✔					
			Clerical staff	✔					
			Other	✔					
	Norway	OHL Branch in Norway	Senior managers/ Managers	✔	✔	✔	✔		
			Middle management	✔	✔	✔	✔		
			Line personnel		✔	✔	✔		
			Clerical staff		✔	✔	✔		
			Other		✔	✔	✔		
	Czech Republic	OHL ZS Rep. Checa	Senior managers/ Managers	✔	✔	✔	✔	✔	Food - Length of service or retirement bonus - vacation
			Middle management	✔	✔	✔	✔	✔	Food - Length of service or retirement bonus - vacation
			Line personnel	✔	✔	✔	✔	✔	CFood - Length of service or retirement bonus - vacation
			Clerical staff	✔	✔	✔	✔	✔	Food - Length of service or retirement bonus - vacation
			Other	✔	✔	✔	✔	✔	Food - Length of service or retirement bonus - vacation
		Tomi Remont	Senior managers/ Managers				✔		Food
			Middle management				✔		Food
			Line personnel				✔		Food
			Clerical staff				✔		Food
			Other				✔		Food

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION EUROPE	Spain	A.C. Elsan, S.A.	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		Sobrino	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		S.A.T.O.	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		Marina Urola	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION EUROPE	Spain	Guinovart	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		E&M Instalaciones	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
Construction Latin America	Chile	OHL S.A. Austral	Senior managers/ Managers			✓			
			Middle management			✓			
			Line personnel			✓			
			Clerical staff			✓			
			Other			✓			
		Centro de Justicia de Santiago	Senior managers/ Managers	✓		✓			
			Middle management	✓		✓			
			Line personnel	✓		✓			
			Clerical staff	✓		✓			
			Other			✓			
		OHL Branch in Chile	Senior managers/ Managers	✓		✓			
			Middle management	✓		✓			
			Line personnel	✓		✓			
			Clerical staff	✓		✓			
			Other			✓			
	Mexico	Premol central	Senior managers/ Managers	✓	✓	✓			
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			
		Premol CPVM	Senior managers/ Managers						
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION LATIN AMERICA	Colombia	Construcciones Colombianas	Senior managers/ Managers			✓			
			Middle management			✓			
			Line personnel			✓			
			Clerical staff			✓			
			Other			✓			
		OHL Colombia	Senior managers/ Managers			✓	✓		
			Middle management			✓	✓		
			Line personnel			✓			
			Clerical staff			✓			
			Other			✓			
		G&O Branch in Colombia	Senior managers/ Managers	✓	✓		✓		
			Middle management	✓	✓		✓		
			Line personnel	✓	✓		✓		
			Clerical staff	✓	✓		✓		
			Other	✓	✓		✓		

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION LATIN AMERICA	Peru	OHL Branch in Peru	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		
		Constructora TP SAC	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION NORTH AMERICA	United States	OHL USA	Senior managers/ Managers	✓	✓	✓			
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			
		OHL Building	Senior managers/ Managers	✓	✓	✓			
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			
		OHL Infraestructure	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other						
		Judlau	Senior managers/ Managers	✓	✓	✓	✓	✓	
			Middle management	✓	✓	✓	✓	✓	
			Line personnel	✓	✓	✓	✓	✓	
			Clerical staff	✓	✓	✓	✓	✓	
			Other						

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CONSTRUCTION NORTH AMERICA	United States	Community Asphalt	Senior managers/ Managers	✓	✓	✓			
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			
		Arellano	Senior managers/ Managers	✓	✓	✓			401K elective benefits, life insurance, FSA
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
Construction Middle East and Africa	Saudi Arabia	OHL Arabia	Senior managers/ Managers	✓	✓	✓			
			Middle management	✓	✓	✓			
			Line personnel	✓	✓	✓			
			Clerical staff	✓	✓	✓			
			Other	✓	✓	✓			
	Algeria	OHL Branch in Algeria	Senior managers/ Managers	✓		✓			
			Middle management	✓		✓			
			Line personnel	✓		✓			
			Clerical staff	✓		✓			
			Other	✓					
	Kuwait	OHL Branch in Kuwait	Senior managers/ Managers	✓	✓				
			Middle management	✓	✓				
			Line personnel	✓	✓				
			Clerical staff	✓	✓				
			Other						

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
INDUSTRIAL	Chile	OHL Industrial Chile	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		
	Colombia	OHL Industrial Colombia	Senior managers/ Managers			✓			
			Middle management			✓			
			Line personnel			✓			
			Clerical staff			✓			
			Other			✓			
	Jordan	OHL Jordania	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		
	Mexico	IEPI México-Industrial	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
INDUSTRIAL	Oman	OHL Industrial & Partners	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓		✓		
			Line personnel	✓	✓		✓		
			Clerical staff	✓	✓		✓		
			Other	✓			✓		
	Peru	OHL Industrial Perú	Senior managers/ Managers	✓	✓	✓	✓		
			Middle management	✓	✓	✓	✓		
			Line personnel	✓	✓	✓	✓		
			Clerical staff	✓	✓	✓	✓		
			Other	✓	✓	✓	✓		

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
OHL Industrial	Spain	OHL Industrial, S.L.	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		OHL Mining & Cement	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			
		Chepro	Senior managers/ Managers		✓	✓			Day care assistance
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other		✓	✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
OHL Services	Spain	OHL Servicios Ingesan	Senior managers/ Managers		✓	✓	✓		
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other			✓			
	Mexico	OHL Servicios Ingesan	Senior managers/ Managers	✓	✓				
			Middle management	✓	✓				
			Line personnel	✓	✓				
			Clerical staff	✓	✓				
			Other						
	Chile	OHL Servicios Ingesan	Senior managers/ Managers		✓	✓			
			Middle management		✓	✓			
			Line personnel		✓	✓			
			Clerical staff		✓	✓			
			Other			✓			

Social benefits

	Country	Company	Category	Medical insurance	Coverage of incapacity or disability	Maternity Paternity	Pension fund	Shares	Others (specify)
CORPORATE	Chile	Avalora	Senior managers/ Managers	✔	✔	✔			
			Middle management	✔	✔	✔			
			Line personnel	✔	✔	✔			
			Clerical staff	✔	✔	✔			
			Other						
	Spain	Avalora	Senior managers/ Managers		✔	✔			
			Middle management		✔	✔			
			Line personnel		✔	✔			
			Clerical staff		✔	✔			
			Other		✔	✔			

Measures to promote the quality of life of the employees*

Description of the measure
Health Channel: Community for the dissemination of initiatives and health programmes offered on the corporate intranet.
Periodic health surveillance campaigns: Gynaecological check-ups; urology; seasonal flu campaign; eye health campaigns or regular check-ups.
Talks and conferences to promote health: The topics covered are, inter alia, stress management, sleep hygiene, healthy eating habits or prevention of diseases such as strokes. In 2018 two "Stop lctus" talks were held with more than 100 attendees.
Creation of spaces for employees to rest in workplaces: In 2018, a multipurpose space was created at OHL's central offices. lt is designed for rest meals, informal meetings and other uses of employees.
Encouraging healthy habits among employees: Organisation of sports tournaments for employees, as well as campaigns to encourage healthy eating habits. In 2018 employees participated in various football leagues and a charitable paddle tennis tournament was organised. In addition, a campaign was launched to prevent leftover food at Christmas and to monitor abdominal size to prevent obesity.

* The measures indicated above are applicable to various Group companies and specific groups of employees, and are not applicable to all OHL Group employees.

Measures for disconnection from work

Although OHL does not have a specific disconnection from work policy, the Company is committed to respecting the rest time of employees, as well as their leave and holidays, to promoting the work-life balance and to improving the quality of lite of the workforce.

Work-life balance measures*

Scope	Description of the measure
Flexible working hours	At certain OHL offices there is flexibility in terms of times or arrival and departure from the workplace. There is also flexibility during holiday periods and online training and videoconferencing is encouraged.
Support for the personal environment	▸ Employee Support Program (ESP), through which employees get free advice on legal issues, family finances, stress situations, emotional support, etc. ▸ Family Plan to support children of employees with disabilities through which the Company helps the young with disabilities to enhance their social integration, work and improve their quality of lite. ▸ Access to the Portal "Por ser de OHL", which includes a wide variety of offers, discounts and promotions from which ali employees can benefit. ▸ Family days: Employees' children visit their parents' workplaces. ▸ In certain projects, due to their distance from the employees' family base, more rest days are granted than those stipulated by local law. ▸ Wage supplements for persons with officially acknowledged disabilities.

* The measures indicated above are applicable to various Group companies and specific groups of employees, and are not applicable to all OHL Group employees.

Other measures to promote the personal development of employees*

Description of the measure	
Voluntary work	▸ Carrying out corporate volunteering activities, both during working hours and at weekends, so that employees can participate with their families, and especially their children, with activities designedfor them on the basis of the age groups involved. ▸ Corporate volunteering activities are classified as professional volunteering in which the employee makes his or her knowledge and welfare and leisure volunteering available to vulnerable groups.

* The measures indicated above are applicable to various Group companies and specific groups of employees, and are not applicable to all OHL Group employees.

APPENDIX IV. AWARENESS-RAISING CAMPAIGNS

Objective	Employee awareness-raising campaigns
Combating gender-based violence	OHL has seconded the *International Day for the Elimination of Violence against Women* with the organisation of several awareness-raising campaigns prometed by the United Nations, the Spanish Ministry of Health, Consumer Affairs and Social Welfare and the Integra Foundation, which aims to disseminatethe Company's commttmentto the fight against male violence. The initiatives include most notably *Pinta el mundo de naranja: #EscúchameTambién (Paint the World Orange: #Listen to me too)* and *"Hay salida a la violencia de género" (There is a way out of gender-based violence)*.
The differently-abled	OHL has embraced the lnternational Day of Persons with Disabilities and participates in the Adecco Foundation's "Lucha#ContraLasEtiquetas" (Fight #Against Labels)campaign. An inclusive future can only be built if we integrate human values into algorithms and the "#Auténticos" (#Authentic) campaign, launched by Down Spain(the Spanish Down Syndrome Federation), to achieve a more inclusive society.
lntegration into the job market of people in a sittuation, or at risk, of social exclusion	OHL has participated in the Integra Foundation's "Por una segunda oportunidad" (For a second chance) campaign to promete the labour and social integration of underprivileged groups.
Human rights, labour rights and social action	OHL has seconded the World Human Rights Day on the 70th anniversary of the Universal Declaration of Human Rights; lnternational Volunteer Day; lnternational Children's Day; International Women'sDay; International Day for the Eradication of Poverty; and World Day for Safety and Health at Work.
Environmental protection	OHL has seconded World Environment Day, International Day for Biological Diverstty, World Energy Efficiency Day and the UN's #Climattude Climate Change campaign.

APPENDIX V. ENVIRONMENTAL PERFORMANCE INDICATORS*

* Excluding data relating to the US market.

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Materials used, by weight or volume					
Natural raw material (earth, rock and quarry aggregates) (t)	12,607,326.8	38,155.5	0.0	0.0	12,645,482.4
Reused material of external origin, aggregates, earth, rock (t)	621,965,2	0,0	0.0	0.0	621,965.2
Concrete (t)	1,673,980.8	149,015.0	0.0	0.0	1,822,995.8
Cement (t)	42,066.3	18,826.3	0.2	0,0	60,892.9
Natural humus (t)	269,209.8	0.0	0.0	0.0	269,209.8
Bituminous mixtures and bitumens (t)	255,088.6	7.0	0.0	0.0	255,015,7
Metals (t)	54.9	9.4	0.0	0.0	64.4
Reused humus of external origin (t)	3,851.4	0.0	0.0	0.0	3,851.4

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Materials used, by weight or volume					
Wood (non-certified forestry product) (t)	129,046.8	0.0	0.6	0.0	129,047.6
Paper (non-certified non recycled forestry product) (t)	40.4	4.3	9.1	66.8	120.8
Paints (t)	197.1	0.5	1.0	0.0	198.6
Paper (non-certified recycled forestry product) (t)	8.3	0.1	0.06	0.1	8.7
Chemical products (solven phytosanitary products, fertilizers and others) (t)	275.7	317.0	376.3	0.0	969.2
TOTAL (T)	**15,603,032.9**	**206,335.5**	**387.4**	**67.0**	**15,809,823.0**
Products purchased directly (t)	15,602,708.3	206,014.0	1.8	0.0	15,808,724.2
Non-renewable materials	15,200,875.9	206,331.0	377.5	0.0	15,407,584.5

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Percentage of materials used that are recycled materials					
Total (t)	625,880.0	10	0	0,0	625,889.8
Percentage (%)	4.0	0	0	0	4.0%

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Internal energy consumption					
Consumption of fuel from non-renewable sources					
Diesel (l)	25,700,123.8	1,321,871.3	695,676.7	1,745,093.0	29,453,763.9
Diesel (GJ)	895,007.7	45,721.7	24,227.1	60,773.5	1,025,728.2
Petrol (l)	1,405,331.1	147,406.6	26,388.6	191,427.4	1,770,553.8
Petrol (GJ)	44,410.8	4,658.1	833.9	6,049.2	55,951.1
Natural Gas (m^3)	522,724.8	0.00	0.0	0.0	522,724.8
Natural Gas (GJ)	22,017.1	0.00	0.0	0.0	22,017.1
LPG(l)	1,311,380.2	732,642.9	0.0	0.0	2,044,023.1
LPG (GJ)	32,195.8	17,987.2	0.0	0.0	50,183.1
Lignite (kg)	0.0	0.00	0.0	0.0	0.0
Lignite (GJ)	0.0	0.00	0.0	0.0	0.0
Total consumption of fuel from non-renewable sources (GJ)	993,629.7	68,366.1	25,061.1	66,822.8	1,153,879.7

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Internal energy consumption					
Indirect energy purchased for consumption					
Electricity (GJ)	43,897.0	31,127.5	888.2	77,512.4	153,425.0
Self-generated Indlrect energy for consumptlon					
Solar (GJ)	0.0	0.0	0.0	0.0	0.0
Total energy consumption (GJ)	**1,037,527.7**	**99,493.4**	**25,949.3**	**144,335.3**	**1,307,304.8**

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Energy intensity					
Organisational measure Sales (Millions of euros)	1,500.8	189.9	264.1	-	1,954.8
Energy intensity of sales (GJ/Millions of euros)	691.3	524.0	98.2	-	1,113.6
Reduction of energy consumption					
The reduction in energy consumption in absolute terms is 24%. However, this figure does not take into account the recalculation ofthe previous year without the divestments made in 2018 and, accordingly, the energy consumption figuresare not comparable. In this regard, relativa data cannot be furnished as the scope of the calculation has changed.					

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total water withdrawal by source					
Surface water (m3)	107,449.2	237,501.0	0.0	0.0	344,950.3
Underground water (m3)	60,849.0	261,927.1	0.0	0.0	322,776.1
Rainwater (own water deposits) (m3)	364.3	0.00	0.0	0.0	364.3
Recovered water (m3)	22,970 .4	1,820.1	0.0	0.0	24,790.5
Water from the distribution network (m3)	227,369.8	471.4	3.683,3	81,190.4	312,715.0
TOTAL (m^3)	**419,002.8**	**501,719.6**	**3,683.3**	**81,190.4**	**1,005,596.3**

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Percentage and total volume of water recycled and reused					
Total volume of water recycled or reused (m^3)	22,970.4	1,820.0	0.0	0.0	24,790.5
Recycled or reused water as a percentage of total water consumed (%)	5.4%	0.3%	0.0	0.0	2.4%

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Owned, leased or managed operational facilities that are adjacent to or located in protected areas and unprotected areas of high biodiversity value					
	With operations in 8 areas. Further information in Biodiversity Report	With operations in O areas. Further information in Biodiversity Report	No activities in protected areas and unprotected areas of high biodiversity value	No activities in protected areas and unprotected areas of high biodiversity value	See detail for each of the divisions

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Direct greenhouse gas emissions (Scope 1) // SEE NOTE PAGE 12					
Scope 1 direct emissions (tCo2eq)	81,336.1	5,200.2	2,091.9	3,867.2	92,495.5
Other direct biogenic emissions - outside scope	-	-	-	-	-
Indirect greenhouse gas emissions (Scope 2) // SEE NOTE PAGE 12					
Indirect emissions of Alcance 2 (tCO2eq)	6,889.3	2,797.6	87.3	5,266.1	15,040.4
Other indirect greenhouse gas emissions (Scope 3) // SEE NOTE PAGE 12					
Indirect Scope 3 emissions (tCo2eq)	513,477.6	42,054.4	5,583.32	37,290.3	598,405.6
Other direct biogenic emissions - outside scope	-	-	-	-	-
Intensity of greenhouse gas emissions: Scopes 1+2 / Sales (tCo2e/Millions of euros)					
	58.8	42.1	8.2	-	55.0
Reduction of greenhouse gas emissions					
The reduction of total emissions (scopes 1+2+3) in absolute termsis 61%. However,this figure does not take into account the recalculation of the previous year without the divestments made in 2018 and, accordingly, the GHG emission figures are not comparable.					

** Including all offices.*

Environmental Performance Indicators	TOTAL
NOx, SOx and other significant atmospheric emissions by type and weight	
NOx emissions (t)	122.6
SOx emissions (t)	165.0
COV emissions (t)	11.9
Particle emissions PM (t)	25.3

The emission factors used for the calculation of CO2eq emissions are as follows: for electricity, the factor published by IEA (International Energy Agency 2011); for fuels IPCC 2006 and DEFRA 2016 (Department for Environment, Food and Rural Affairs); for travel DEFRA 2016; for materials DEFRA 2016 and the Construction Technology Institute of Catalonia 2015.

Including all offices.

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total wastewater discharges, by nature and destination					
Into the ground (m^3)	17,482.3	0.00	0.00	0.0	17,482.3
Into the sewerage system (m^3)	1,031,971.8	302.3	2,902.6	0.0	1,035,176.8
To surface water (m^3)	4,706,222.9	30,210.0	0.0	0.0	4,736,432.9
Into the sea (m^3)	0.0	0.0	0.0	0.0	0.0
Underground (m^3)	0.0	0.0	0.0	0.0	0.0
Reused by third party (m^3)	45,816.0	1,103.1	0.0	0.0	46,919.1
Treatment	Discharge to the general sewerage system and subsequent treatment (physi-cal-chemical and biological as a minimum) in sewage treatment plants				
Parameters	Pursuant to authorisation and regulations of the country in question				

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total weight of waste, according to type and method of treatment					
Non-hazardous waste by type (t)	**13,634,681.9**	**1,152.9**	**2.5**	**86.7**	**13,635,924.2**
Wood (%)	1.0	50.12	0.0	-	1.0
Scrap (%)	0.0	31.6	0.0	-	0.0
Vegetable (%)	0.0	0.0	0.0	-	0.0
Plastic (%)	0.0	8.3	0.0	-	0.0
Paper and cardboard (%)	0.0	5.2	100.0	100.0	0.0
USW (%)	0.3	4.5	0.0	-	0.3
Rubble (%)	0.7	0.0	0.0	-	0.7
Concrete (%)	0.1	0.0	0.0	-	0.1
Reused humus (%)	1.8	0.0	0.0	-	1.8
Reused material of internal origin (%)	95.8	0.0	0.0	-	95.8

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total weight of waste, according to type and method of treatment					
Non-hazardous waste by type of treatment	**13,634,681.9**	**1,152.9**	**2.5**	**86.7**	**13,635,924.2**
Reused (%)	96.5	2.1	0.0	0.0	96.5
Recycled (%)	0.0	0.0	0.0	0.0	0.0
Landfill (%)	0.5	12.1	0.0	0.0	0.5
Compost (%)	0.0	0.0	0.0	0.0	0.0
Recycling (%)	2.5	83.3	100.0	100.0	2.56
Injection (%)	0.1	0.0	0.0	0.0	0.1
Recovery (%)	0.0	0.0	0.0	0.0	0.0
Storage (%)	0.0	1.1	0.0	0.0	0.0
Other (%)	0.1	1.1	0.0	0.0	0.1

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total weight of waste, according to type and method of treatment					
Hazardous waste by type (t)	**6,671.6**	**139.4**	**7.4**	**40.4**	**6,859**
Contaminated absorbents (%)	1.2	13.2	81.8	0.0	1.6
Asbestos (%)	0.5	0.0	0.0	0.0	0.5
Contaminated sludge (%)	8.3	27.5	0.0	0.0	8.6
Contaminated metals (%)	0.2	9.6	0.0	0.0	0.4
Contaminated plastic (%)	0.6	5.1	1.5	0.0	0.7
Chemicals (%)	0.3	0.4	0.0	0.0	0.3
WEEEs (%)	1.1	0.0	0.0	94.7	1.6
Bilge with hidrocarbons (%)	0.1	33.5	0.0	0.0	0.8
Contaminated earth (%)	84.8	4.8	0.0	0.0	82.6
Other types of hazardous waste (%)	2.5	5.3	16.6	5.3	2.6

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Total weight of waste, according to type and method of treatment					
Hazardous waste by type of treatment	**6,671.6**	**139.4**	**7.4**	**40.4**	**6,859**
Reused (%)	0.0	8.9	-	-	0.2
Recycled (%)	0.0	0.8	-	-	0.0
Landfill (%)	90.6	2.1	-	-	88.1
Compost (%)	0.0	0.0	-	-	0.0
Recycling (%)	0.4	0.4	-	-	0.4
Other (%)	8.4	87.5	100.0	100.0	11.1

** Including all offices.*

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
Monetary value of significant fines and number of non-monetary penalties for non-compliance with environmental regulations					
Significant fines (Euros)	501.8	0.0	0.0	0.0	501.8
Significant non-monetary penalties (no.)	0.0	0.0	0.0	0.0	0.0
Cases resolved by other mechanisms (proceedings before arbitration institutions)	-	-	-	-	-

Including all offices.

Environmental Performance Indicators	Construction	Industrial	Services	Corporate*	TOTAL
308-1 Percentage of new suppliers screened on the basis of environmental criteria					
	All suppliers in the accreditation process are asked for environmental management information.				
103-2 Number of environmental complaints that have been submitted, addressed and resolved through formal complaint mechanisms					
	OHL has not filed or addressed environmental complaints formal mechanisms in the reporting year or in previous years.				

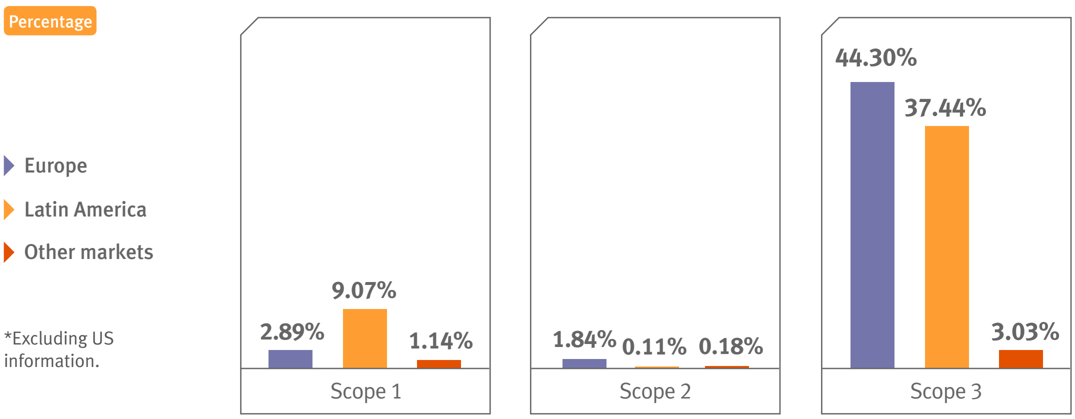
Including all offices.

APPENDIX VI. OTHER CLIMATE-RELATED AGGREGATES

OHL Group emissions by source	2018					
	(t) CO_2	(t) CH_4	(t) N_2O	(t)HFC/PFC	(T) SF_6	(T) CO_2e
Outside scope	-	-	-	-	-	-
Scope 1: Stationary combustion	20,630.8	2.5	0.1	-	-	20,744.8
Scope 1: Mobile combustion	70,622.9	3.7	3.8	-	-	71,750.6
Scope 1: Fugitive and process emissions	-	0.0	0.0	0.0	0.0	0.0
Waste water treatment	-	0.0	-	-	-	0.0
Use of fertilisers	-	-	0.0	-	-	0.0
Refrigerant gases	-	-	-	0.0	-	0.0
Insulating gases	-	-	-	-	0.0	0.0
Scope 1: Verified emissions (EU ETS)	0.00	-	-	-	-	0.0
Total Scope 1	**91,253.8**	**6.2**	**3.9**	**0.0**	**0.0**	**92,495.5**
Scope 2: Imported electricity	15,040.4	-	-	-	-	15,040.4
Total Scope 2	**15,040.2**	-	-	-	-	**15,040.2**
Scope 3: Purchases of goods and services	-	0.0	0.0	-	-	521,741.3
Materials	-	-	-	-	-	521,741.3
Subcontractors: Stationary combustion	0.0	0.0	0.0	-	-	0.0
Subcontractors: Mobile combustion	0.0	0.0	0.0	-	-	0.0
Capital goods	-	-	-	-	-	0.0
Scope 3: Fuel-energy activities	2,525.5	-	-	-	-	2,525.5
T-D electricity losses	1,276.9	-	-	-	-	1,276.9
Electricity generation losses	1,248.5	-	-	-	-	1,248.5
Scope 3: Waste generated	-	-	-	-	-	34,665.2
Scope 3: Business trips	16,883.5	2.3	85.0	-	-	39,473.6
Hotel stays	-	-	-	-	-	205.0
Transport	16,883. 5	2.3	85.0	-	-	39,268.6
Scope 3: Employee mobility	-	-	-	-	-	0.0
Total Scope 3	**19,409.0**	**2.4**	**86.1**	**0.0**	**0.0**	**598,405.6**

*Excluding US information.

DISTRIBUTION OF EMISSIONS BY SCOPES AND GEOGRAPHICAL AREAS*



*Excluding US information.

APPENDIX VII. BIODIVERSITY REPORT

INTRODUCTION

Description of the Company

Obrascón Huarte Lain, S.A. (OHL) is a global infrastructure group with more than 100 years of history and whose activity is centred on the construction and development of concessions focusing on three geographical areas: US, Europe and Latin America. At present, the Company is:

- the 45th largest international contractor* and a benchmark in hospital and railway construction.
- Ranking in the US (Engineering News-Record (ENR) 2018 ranking) in the Top 20 contractors by sector (transportation) (#14)* and in the Top 50 Domestic Heavy Contractors (#11).
- Four decades of activity as an infrastructure builder in Latin America.

Objective of the study

The OHL Group engages mainly in the construction of all manner of civil engineering works and buildings, including the related installations. The Company's activities are carried on in a geographical area with varying degrees of impact on ecosystems, landscapes and species, during all the phases of the projects.

OHL operates under the principle of protecting natural resources and biodiversity through the application of an environmental management system, compliance with legislation and the implementation of good conservation and ecological restoration practices.

The Company's work can be carried out within, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. In 2018 there were eight such protected areas and areas of high biodiversity value outside protected areas. The main impacts are on water, coastal areas, ecosystems and pre-existing fauna and flora. Impacts are controlled through management plans and compensation measures.

In connection with biodiversity and the impacts arising from the occupation of land of its operations, OHL has implemented soil protection measures in an area of 288 hectares, and has restored 155 hectares of land.

The measures are approved by government agencies or independent external professionals, in accordance with the requirements established in the permits, contracts and environmental impact procedures.

Biodiversity activities

In order to avoid and minimise impacts on the environment and its biodiversity, the appropriate location of auxiliary facilities is guaranteed, vulnerable zones are defined and preventative, corrective and awareness-raising measures are designed and implemented.

In addition, attention is paid to a series of specific protection actions and principles, such as:

Specific actions on **vegetation:**

- Properly manage vegetation and control protected species, avoiding the spread of invasive species.
- Ensure the ecological restoration of damaged specimens through plantations, transplants, hydroseeding, etc.

Specific actions on **fauna**:
- Discourage the presence of fauna in areas where it might be at risk and alert workers or users of its presence.
- Minimise the barrier effect generated by infrastructure.
- Avoid the spread of invasive species.

Principles governing protection against **erosion and sedimentation:**
- Limit the duration of operations such as earthworks and the extent of the land affected. Stabilise altered surfaces.
- Protect surfaces exposed to torrential rainfall and keep runoff water speed low.
- Retain sediments inside facilities, thereby preventing silting.

Principles governing the protection of **terrestrial, freshwater, or maritime ecosystems:**
- Design and maintain drainage works to avoid affecting the hydrological network/basin.
- Control the effects of water collection, minimising consumption and activities with direct interaction on watercourses.
- Adequately manage waste and protect ecosystems from the effects of leachate.
- Avoid impacts due to spills, monitoring the quality of water and controlling aquatic fauna.

PRESENCE IN PROTECTED AREAS

Europe

- **Biodiversity value:** protected area. Regional park.
  Position in relation to the protected area: in the area.
  Type of operation: manufacturing. Production of hot and cold bituminous mixtures.
  Size of operational site: 9 ha.
  Subsurface managed: owned land.
  Possible impacts and protection measures: the possible associated impacts are air and soil pollution. These are non-significant impacts, controlled by means of emission measurements, control of particles in suspension and treatment of discharges with periodic control of the quality of the water discharged.
  Facility: asphalt plant. Madrid.

- **Parque Natural de Jandía. Fuerteventura. Spain**
  Biodiversity value: protected area. Natural park. Position in relation to the protected area: in the area. Type of operation: construction.
  Size of operational site: 23.6 ha.
  Subsurface managed: N/A.
  Possible impacts and protection measures: the possible impacts relate to atmospheric pollution. These are not significant impacts due to the application of protection measures, e.g., periodic watering to reduce the amount of dust in suspension.
  Project: UTE Costa Calma temporary joint venture. Canary Islands.

The Americas

- **La Marquesa National Park (Parque Nacional Insurgente Miguel Hidalgo y Costilla). Mexico.**
  Biodiversity value: protected area. National park.
  Position in relation to the protected area: in the area.
  Type of operation: construction.
  Size of operational site: 122.0 ha.
  Subsurface managed: N/A.
  Possible impacts and protection measures: the possible impacts relate to the loss

of habitat for species of flora and fauna. The protection measures are aimed at the implementation of a faunа rescue and relocation programme. In addition, reforestation has been carried out in areas affected by the project.
Project: Toluca train. Mexico.

- **Santuario del Agua y Forestal Subcuenca Tributaria Arroyo Sila. Mexico**
Biodiversity value: protected area. State park.
Position in relation to the protected area: in the area.
Type of operation: construction.
Size of operational site: 169 ha.
Subsurface managed: N/A.
Possible impacts and protection measures: the possible impacts relate to habitat loss and fragmentation. The protection measures are aimed at reforestation of plant cover and the rescue and relocation of species.
Project: Atizapán - Atlacomulco. Mexico.

- **Parque Ecológico Zempoala - La Bufa. Mexico**
Biodiversity value: protected area. Environmental Value Area (AVA).
Position in relation to the protected area: adjacent.
Type of operation: construction.
Size of operational site: no area affected.
Subsurface managed: N/A.
Possible impacts and protection measures: the possible impacts relate to the emissions of gases and noise from road traffic, reducing air quality. The protection measures consisted of building a false tunnel to reduce the impacts on the protected area.
Project: Atizapán-Atlacomulco. Mexico.

- **Espíritu Santo. Cerro de Chiluca. Mexico**
Biodiversity value: area of high biodiversity value. Position in relation to the protected area: adjacent.
Type of operation: construction.
Size of operational site: 0.2250 ha.
Subsurface managed: N/A.
Possible impacts and protection measures: the possible impacts relate to the loss of habitat for flora and fauna. The protection measures are aimed at the restitution of the affected area through revegetation with pasture land.
Project: Atizapán-Atlacomulco. Mexico.

- **Humedales de Jilotepec. Ixtlahuaca. Mexico**
Biodiversity value: area of high biodiversity value.
Position in relation to the protected area: adjacent.
Type of operation: construction.
Size of operational site: no area affected.
Subsurface managed: N/A.
Possible impacts and protection measures: the possible impacts relate to loss of habitat. The protection measures are aimed at reforestation of the vegetation cover.
Project: Atizapán-Atlacomulco. Mexico.

Río Magdalena. Departamento Antioquia-Santander. Colombia
Biodiversity value: area of high biodiversity value.
Position in relation to the protected area: in the area.
Type of operation: construction.
Size of operational site: 0.2250 ha.
Subsurface managed: N/A.
Possible impacts and protection measures: the possible impacts relate to the loss of habitat for flora and fauna. The protection measures are aimed at the restitution of the affected area through revegetation with pasture land.
Project: Río Magdalena. Colombia.

IMPACTS ON ENDANGERED SPECIES

OHL's work can be carried out within, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. In 2018 there were eleven such protected areas and areas of high biodiversity value outside protected areas. The main impacts are on water, coastal areas, ecosystems and pre-existing fauna and flora. Impacts are controlled through management plans and compensation measures.

	Nº	LOCATION
Critically Endangered Species	7	Colombia and Spain
Endangered species	5	Colombia and Mexico
Vulnerable species	12	Colombia, Mexico, Peru and Spain
Near Threatened Species	9	Colombia, Spain and Mexico
Species of minor concern	143	Colombia, Mexico, Peru and Spain
Other species with insufficient data	5	Colombia and Mexico
Species with no defined degree of vulnerability	0	---

IMPACTS ON PROTECTED SPECIES

Critically endangered species

European mink (Mustela lutreola)
Level of extinction risk: Critically endangered (CE).
Location of the population: there are specimens of *Mustela lutreola* in Spain, France, Romania, Russia and the Ukraine.
Population trend: decline.
Habitat and ecological features: The European mink is semi-aquatic, densely inhabiting vegetation on the banks of rivers, streams and sometimes lakes. It hunts in riverside areas and in water various species of amphibians, crustaceans, fish, small mammals, insects and birds.
Threats:

- Hunting and trapping of land animals.
- Domestic and urban wastewater.
- Agricultural and industrial discharges.
- Navigation routes.
- Invasive species and diseases.
- Forestry.
- Roads and railways.
- Water management and use. Dams.
- Livestock.

Conservation measures:

- Habitat protection.
- Habitat management.
- Habitat restoration.
- Reintroduction of species.
- Training and awareness-raising programme.

Magdalena River turtle (Podocnemis lewyana)
Level of extinction risk: Critically endangered (CE).
Location of the population: *Podocnemis lewyana* is endemic to Colombia.
Population trend: decline.
Habitat and ecological features: it is seen mainly along riverbanks, although it is also possible to find these turtles in small tributaries, lagoons and flooded areas connected to rivers.
Threats:

- Fishing and capture of aquatic animals.
- Livestock.
- Water management and use.

Conservation measures:

- Inclusion in international legislation.
- Subject to trade and management controls.

Long-whiskered catfish (Pimelodus grosskopfii)
Level of extinction risk: Critically endangered (CE).
Location of the population: *Pimelodus grosskopfii* is endemic to Colombia.
Population trend: decline.
Habitat and ecological features: it inhabits rivers and lakes on floodplains. It is an omnivorous species, feeding on fish, insects, crustaceans and detritus.
Threats:

- Housing and urban areas.
- Recreational and tourism areas.
- Non-wood crops.
- Livestock.
- Roads and railways.
- Hunting and trapping of land animals.
- Invasive species and diseases.

Conservation measures:

- Recovery plan.
- Identification of conservation areas.
- Reintroduction of species.
- Livestock.
- Subject to trade and management controls.
- Inclusion in international legislation.
- Education and awareness-raising programmes.

Lesser Antillean iguana (Iguana delicatissima)
Level of extinction risk: Critically endangered (CE).
Location of the population: found in the Lesser Antilles.
Population trend: decline.
Habitat and ecological features: the species lives in xeric thickets, dry thickets, coastal forests, river forests, mangroves and tropical forests.
Threats:

- Forestry.

- Fishing and capture of aquatic animals.
- Water management and use.
- Domestic and urban wastewater.
- Agricultural and industrial discharges.

Conservation measures:

- Fisheries management plan.

Almenegra de Ventanas (Magnolia polyhypsophylla)
Level of extinction risk: Critically endangered (CE).
Location of the population: found in Colombia.
Population trend: decline.
Habitat and ecological features: this tree is found in the sub-Andean tropical cloud forests. Isolated trees have been found in fields or pastures and in the gorges of bordering rivers.
Threats:

- Livestock.
- Forestry.

Conservation measures: no conservation measures are being taken.

ENDANGERED SPECIES

White-footed tamarin (Saguinus leucopus)
Level of extinction risk: Endangered (EN).
Location of the population: found in Colombia.
Population trend: decline.
Habitat and ecological features: found in primary and secondary forests, in gallery, tropical dry, tropical humid and very humid premontane forests and in some urban areas.
Threats:

- Non-wood crops.
- Livestock.
- Mining and quarrying.
- Logging and timber harvesting.
- Hunting and trapping of land animals.
- Water management and use. Dams.

Conservation measures:

- Habitat conservation.

Colombian walnut (Juglans neotropica)
Level of extinction risk: Endangered (EN).
Location of the population: it is a mountain species, with a dispersed distribution in the periphery of the Andes and in the inter-Andean valleys.
Habitat and ecological features: mountain species.
Threats:

- Logging and timber harvesting.

Conservation measures: no conservation measures are being taken.

Roughbark lignum-vitae (Guaiacum officinale)
Level of extinction risk: Endangered (EN).
Location of the population: found in the Lesser Antilles, Puerto Rico, Barbados, the Virginia Islands and Colombia.

Habitat and ecological features: slow-growing species of lowland dry forest, forest and scrub, often growing in coastal areas.
Threats:

- Logging and timber harvesting.

Conservation measures: no conservation measures are being taken.

VULNERABLE SPECIES

Vulnerable species (VU)	
American crocodile *(Crocodylus acutus)*	Channel-billed toucan *(Ramphastos vitellinus)*
Ruddy pigeon *(Patagioenas subvinacea)*	Gray-bellied night monkey *(Aotus lemurinus)**
Tiny yellow bat *(Rhogeessa minutilla)*	Bell's False Brook salamander *(Pseudoeurycea belli)*
Common kingfisher *(Alcedo atthis)*	South-west European nase *(Parachondrostoma toxostoma)*
Spanish cedar *(Cedrela odorata)*	Queñua *(Polylepis rugulosa)*

* Species affected by two projects carried out by OHL.

NEAR THREATENED SPECIES

Near threatened species (NT)	
Neotropical otter *(Lontra longicaudis)*	Scorpion mud turtle *(Kinosternon scorpioides)*
Sooty ant tanager *(Habia gutturalis)*	Jaguar *(Panthera onca)*
Chunky False cephalica) Brook Salamander *(Tlaconete regordete)*	Iberian frog *(Rana iberica)*
Iberian emerald lizard *(Lacerta schreiberi)*	Colombian mahogany *(Cariniana pyriformis)*

APPENDIX VIII. CORPORATE VOLUNTEERING ACTIONS

Action	Description
Professional Volunteering - Strengthening School	Professional volunteering in collaboration with the Integra Foundation to promote the labour integration of people in situation or risk of social exclusion. The workshops given by Group employees were as follows: ▸ How to relay my work experience ▸ The job of looking for a job ▸ Preparing for a job interview ▸ My CV, my personal brand ▸ My new job ▸ Role playing: Practicing for a job interview ▸ Overcoming group dynamics
Charitable Paddle Tennis Tournament	This is a sport and leisure day aimed at collecting money for Fundación Luchadores AVA , a non-profit organisation that supports people with neurological disorders and their families and prometesthe first comprehensive social and health centre in Madrid.
Volunteering activity - “Together we can build a future”	Volunteering day to improve the facilities of the special education school Estudio 3 which helps people with disabilities to train for different trades in order to access the labour market.

Action	Descript
Pilgrim's Way to Santiago with Fundación Síndrome de Down (FSDM)	Walking two stages of the Pilgrim's Way to Santiago together with the FSDM to promote the improvement of social and personal skills of people with disabilities to promote their integration into the labour market.
VIII Drawing Contest for Children of OHL Group Employees	Contest targeted at employees' children to choose the best Christmas card.
Inclusive leisure day - Flower planting and flower pot decoration workshop	Leisure activity in collaboration with the Intras Foundation and the San Juan de la Cruz Residence in which volunteers, users of the residence and peoplewith disabilities shared experiences and knowledge.
Volunteering activity - To the rhythm of inclusion	Volunteering day in collaboration with Fundación Down Bilbao to promote the personal autonomy and social skills of people with disabilities using music as a tool.
Charitable Christmas Jumper Day	The OHL team in Potrane, Ireland, held a Christmas Jumper day for the non-profit entity Pieta House. More than 40 employees participated.

Action	Description
Charitable Christmas market at OHL's headquarters	The non-profit organisations to participate were Fundación Agua de Coco, Fundación Síndrome de Down de Madrid, Fundación Aprocor and Fundación AUCAVI - the proceeds will go to people with different abilities, and women and children from Cambodia and various areas of Africa.
Delivery of Christmas presents and donations of sports equipment	OHL employees in Colombia participated in the delivery of presents and sports equipment to children in the municipalities of Puerto Berrío, Cimitarra, Maceo, Valí, Yolombo and Remedios.
Various actions in schools donating school and sports equipment and distribution of Christmas baskets to the most vulnerable local people	OHL employees in Peru participated in the delivery of Christmas baskets and school and sports equipment to children in the municipalities of Cajamarca and San Marcos.
Breast cancer awareness campaign	The volunteering took the form of training and awareness-raising sessions on breast cancer by CIMA experts, attended by 21 OHL employees in Mexico, who in turn shared what they learned with more than 80 employees in Mexico City.
Charitable Christmas Jumper Day	The OHL team in the UK held a Christmas Jumper Day in conjunction with the Alzheimer's Society.

APPENDIX IX. MATERIAL MATTERS

Good governance and CSR
Risk management
Compliance, ethical management and transparent business
Communication and dialogue with stakeholders
Transparent reporting of financial and non-financial information
Integrated CSR management
Prevention of money laundering
Mechanisms to fight against corruption
Conflicts of interest
Whistle-blowing channel

Strategy
Strategy
Offer of sustainable solutions

Financial value
Economic growth
Solvency and financial management
Tax

Contribution to society
Management of the social impact of the company’s projects and its relationships with communities
Corporate action and voluntary work

People
Commitment to compliance with human rights
Quality employment
Health and safety
Diversity and integration
Equality
Talent management (attraction, retention and development)
Training

Innovation and Excellence
Management of customer relationships and satisfaction
Quality control and satisfactory performance of projects
Security of facilities, infrastructure and services
Responsible supply chain management
Innovation (R&D+i)
Digital transformation
Privacy and information security

Environment
Fight against and adaptation to climate change
Efficient use of raw materials
Circular economy
Water footprint management
Management of impact on biodiversity

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

INFORME DE VERIFICACIÓN INDEPENDIENTE

A los accionistas de Obrascón Huarte Lain, S.A.:

De acuerdo al artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información no Financiera Consolidado (en adelante EINFC) correspondiente al ejercicio finalizado el 31 de diciembre de 2018, de Obrascón Huarte Lain, S.A. y sociedades dependientes (en adelante la Sociedad o OHL), que forma parte del Informe de Gestión Consolidado de OHL.

El Informe de Gestión incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera y por los Sustainability Reporting Standards de Global Reporting Initiative para la elaboración de informes de sostenibilidad (en adelante estándares GRI), que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en "Tablas GRI" y en las tablas "Contenido del estado de información no financiera".

Responsabilidad de los Administradores

La formulación del EINFC incluido en el Informe de Gestión Consolidado de OHL, así como el contenido del mismo, es responsabilidad del Consejo de Administración de OHL. El EINFC incluido en el Informe de Gestión Consolidado se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente, y siguiendo los estándares GRI en su versión esencial, así como aquellos otros criterios descritos de acuerdo a lo mencionado para cada materia en "Tablas GRI" del Informe de Gestión Consolidado.

Esta responsabilidad incluye, asimismo, el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINFC estén libre de incorrección material, debida a fraude o error.

Los administradores y la dirección de OHL son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINFC.

Nuestra independencia y control de calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código de Ética para Profesionales de la Contabilidad emitido por el Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (IESBA, por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia profesional, diligencia, confidencialidad y profesionalidad.

Nuestra firma aplica la Norma Internacional de Control de Calidad 1 (NICC 1) y mantiene, en consecuencia, un sistema global de control de calidad que incluye políticas y procedimientos documentados relativos al cumplimiento de requerimientos de ética, normas profesionales y disposiciones legales y reglamentarias aplicables.

El equipo de trabajo ha estado formado por profesionales expertos en revisiones de información no financiera y, específicamente, en información de desempeño económico, social y medioambiental.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado. Hemos llevado a cabo nuestro trabajo de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría o de la Revisión de Información Financiera Histórica" (NIEA 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en su naturaleza y momento de realización, y tienen una menor extensión, que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad que se obtiene es sustancialmente menor.

Nuestro trabajo ha consistido en la formulación de preguntas a la dirección, así como a las diversas unidades de OHL que han participado en la elaboración del EINFC, en la revisión de los procesos para recopilar y validar la información presentada en el EINFC y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de OHL para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.

- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINFC en función del análisis de materialidad realizado por OHL y descrito en el apartado "Materialidad" del capítulo 5. "Sobre este informe", considerando los contenidos requeridos en la normativa mercantil en vigor.

- Análisis de los procesos para recopilar y validar los datos presentados en el EINFC del ejercicio 2018.

- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación a los aspectos materiales presentados en el EINFC del ejercicio 2018.

- Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el EINFC 2018 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.

- Obtención de una carta de manifestaciones de los administradores y la Dirección.

Fundamento de la conclusión

Como resultado de los procedimientos realizados y de las evidencias obtenidas se ha puesto de manifiesto que la información relativa al desempeño ambiental no incluye la correspondiente a actividad de OHL en EE.UU. y Canadá, actividad que representa un 32,6% de la cifra de negocios del Grupo.

Conclusión

Basándonos en los procedimientos realizados en nuestra verificación y en las evidencias que hemos obtenido, salvo por los efectos de la cuestión descrita en el párrafo "Fundamento de la conclusión" no se ha puesto de manifiesto aspecto alguno que nos haga creer que el:

a) EINFC de OHL no ha sido preparado, en todos sus aspectos significativos, incluida la adecuación de los contenidos revisados que se detallan en "Tablas GRI", de acuerdo con los estándares GRI en su versión esencial.

b) EINFC de OHL correspondiente al ejercicio anual finalizado el 31 de diciembre de 2018 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los estándares GRI seleccionados, así como aquellos otros criterios descritos de acuerdo a lo mencionado para cada materia en las tablas "Contenido del estado de información no financiera".

Otra información

El cálculo de las emisiones de Gases de Efecto Invernadero (GEI) de alcance 3, dada su naturaleza, está sujeto a una alta incertidumbre, habiendo sido realizado según la metodología, alcance y estimaciones especificadas en el EINFC, de acuerdo con la información disponible.

Uso y distribución

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

DELOITTE, S.L.

Helena Redondo

1 de abril de 2019

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

DELOITTE, S.L.

2019 Núm. 01/19/06139

SELLO CORPORATIVO: 30,00 EUR

Informe sobre trabajos distintos a la auditoría de cuentas

- 3 -


Brookhurst St
Fountain Valley
Warner Ave
EAST

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2018 AND 31 DECEMBER 2017

ASSETS	Notes	31/12/18	31/12/17
NON-CURRENT ASSETS			
Intangible assets	3.1.		
Intangible assets		463,305	449,460
Accumulated amortisation		(254,327)	(218,012)
		208,978	**231,448**
Concession infrastructure	3.2.		
Intangible asset model		14,226	12,356
Financial asset model		57,945	54,417
		72,171	**66,773**
Property, plant and equipment	3.3.		
Land and buildings		45,267	118,518
Machinery		352,483	383,177
Other fixtures, tools and furniture		85,219	97,749
Advances and property, plant and equipment in the course of construction		7,314	13,261
Other items of property, plant and equipment		59,421	61,648
Accumulated depreciation and impairment losses		(402,298)	(462,294)
		147,406	**212,059**
Investment property	3.4.	**10,529**	**73,284**
Goodwill	3.5.	**7,247**	**12,515**
Non-current financial assets	3.6.		
Investment securities		64,187	209,113
Other receivables		240,420	450,037
Deposits and guarantees given		12,703	123,798
Impairment losses		(8,309)	(281,957)
		309,001	**500,991**
Investments accounted for using the equity method	3.7.	**293,403**	**303,127**
Deferred tax assets	3.22.	**262,456**	**265,056**
	TOTAL NON-CURRENT ASSETS	**1,311,191**	**1,665,253**
CURRENT ASSETS			
Non-current assets classified as held for sale and discontinued operations	3.8.	**142,489**	**8,023,590**
Inventories			
Embodiment items, fungibles and replacement parts for machinery		46,858	57,029
Auxiliary shop projects and site installations		32,775	29,340
Advances to suppliers and subcontractors		58,777	68,278
Write-downs		(1,498)	(2,243)
		136,912	**152,404**
Trade and other receivables	3.9.		
Trade receivables for sales and services		1,123,710	1,710,407
Receivable from associates		150,361	172,163
Employee receivables		2,214	1,655
Tax receivables	3.22.	84,203	89,650
Sundry accounts receivable		51,590	68,230
Write-downs		(107,870)	(305,930)
		1,304,208	**1,736,175**
Current financial assets	3.6.		
Investment securities		28,167	46,660
Other receivables		63,272	100,762
Deposits and guarantees given		145,004	6,106
Write-downs		(13,961)	(13,409)
		222,482	**140,119**
Current income tax assets		**18,183**	**17,330**
Other current assets	3.10.	**153,504**	**39,404**
Cash and cash equivalents	3.11.	**814,434**	**434,210**
	TOTAL CURRENT ASSETS	**2,792,212**	**10,543,232**
	TOTAL ASSETS	**4,103,403**	**12,208,485**

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated balance sheet as at 31 December 2018.

EQUITY AND LIABILITIES	Notes	31/12/18	31/12/17
EQUITY			
Share capital	3.12.	171,929	179,255
Share premium	3.13.	1,265,300	1,265,300
Treasury shares	3.14.	(370)	(48,638)
Reserves	3.15.	1,350,892	(691,193)
Reserves of consolidated companies	3.15.	(298,301)	2,225,326
Valuation adjustments	3.16.	(25,464)	(751,309)
Consolidated loss for the year attributable to the Parent		(1,577,346)	(12,076)
Interim dividend	3.15.	(99,867)	-
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT		786,773	2,166,665
Non-controlling interests	3.17.	(1,104)	2,016,563
TOTAL EQUITY		785,669	4,183,228
NON-CURRENT LIABILITIES			
Debt instruments and other marketable securities	3.18.		
Corporate bond issues		659,298	883,385
Bond issues of concession operators		-	-
		659,298	883,385
Bank borrowings	3.18.		
Mortgage and other loans		1,659	10,171
Loans of concession operators		-	-
		1,659	10,171
Other financial liabilities	3.19.	2,384	4,433
Deferred tax liabilities	3.22.	149,000	139,493
Provisions	3.20.	60,454	50,122
Deferred income		1,362	20,651
Other non-current liabilities	3.21.	14,704	15,867
	TOTAL NON-CURRENT LIABILITIES	888,861	1,124,122
CURRENT LIABILITIES			
Liabilities associated with non-current assets classified as held for sale	3.8.	63,517	4,141,724
Debt instruments and other marketable securities	3.18.		
Corporate bond issues		14,132	21,341
Bond issues of concession operators		-	-
		14,132	21,341
Bank borrowings	3.18.		
Mortgage and other loans		11,265	606,111
Loans of concession operators		54,498	52,058
Unmatured accrued interest payable		106	1,168
Unmatured accrued interest payable of concession operators		-	1
		65,869	659,338
Other financial liabilities	3.19.	6,015	4,767
Trade and other payables			
Customer advances	3.9.	601,285	477,757
Accounts payable for purchases and services		1,180,983	1,106,619
Notes payable		38,161	10,954
		1,820,429	1,595,330
Provisions	3.20.	202,456	225,374
Current income tax liabilities		6,604	19,570
Other current liabilities	3.21.		
Payable to associates		89,690	88,998
Remuneration payable		23,797	30,283
Tax payables	3.22.	74,964	88,762
Other non-trade payables		58,724	22,717
Guarantees and deposits received		2,520	2,610
Other		156	321
		249,851	233,691
	TOTAL CURRENT LIABILITIES	2,428,873	6,901,135
	TOTAL EQUITY AND LIABILITIES	4,103,403	12,208,485

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated balance sheet as at 31 December 2018.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

	Notes	2018	2017 (*)
Revenue	3.23.	2,906,900	3,172,114
Other operating income	3.23.	100,903	124,745
Total operating income		**3,007,803**	**3,296,859**
Procurements		(2,216,741)	(2,104,119)
Staff costs	3.23.	(814,175)	(824,099)
Other operating expenses	3.23.	(472,837)	(435,137)
Depreciation and amortisation charge		(61,493)	(70,478)
Changes in provisions and allowances		(3,514)	(2,803)
LOSS FROM OPERATIONS		**(560,957)**	**(139,777)**
Finance income	3.23.	21,737	35,014
Finance costs	3.23.	(82,665)	(82,313)
Net exchange differences	3.23.	(5,896)	(44,139)
Net gains (losses) on remeasurement of financial instruments at fair value	3.23.	(89,453)	31,777
Result of companies accounted for using the equity method	3.23.	(110,416)	(36,705)
Impairment and gains or losses on disposals of financial instruments	3.23.	(141,898)	23,312
LOSS BEFORE TAX		**(969,548)**	**(212,831)**
Income tax	3.22.	15,995	3,443
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(953,553)**	**(209,388)**
Profit (Loss) for the period from discontinued operations, net of tax	3.23.	**(550,291)**	**489,444**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**(1,503,844)**	**280,056**
Profit (Loss) from continuing operations attributable to non-controlling interests	3.17.	(1,884)	681
Loss from discontinued operations attributable to non-controlling interests	3.17.	(71,618)	(292,813)
CONSOLIDATED LOSS FOR THE YEAR ATTRIBUTABLE TO THE PARENT		**(1,577,346)**	**(12,076)**
Earnings / (loss) per share:			
Basic	1.6.	**(5.51)**	**(0.04)**
Diluted	1.6.	**(5.51)**	**(0.04)**
Earnings / (loss) per share from discontinued operations:			
Basic	1.6.	**(2.17)**	**0.69**
Diluted	1.6.	**(2.17)**	**0.69**

(*) Restated

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2018.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

	2018	2017 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**(1,503,844)**	**280,056**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**780,117**	**(424,873)**
Revaluation of financial instruments	-	(6,326)
Cash flow hedges	(6,446)	10,467
Translation differences	788,913	(426,400)
Companies accounted for using the equity method	(2,525)	(1,550)
Tax effect	175	(1,064)
TRANSFERS TO PROFIT OR LOSS	**600,771**	**7,630**
Revaluation of financial instruments	-	
Cash flow hedges	10,723	18,706
Translation differences	588,029	(8,175)
Companies accounted for using the equity method	2,393	4,235
Tax effect	(374)	(7,136)
TOTAL COMPREHENSIVE INCOME	**(122,956)**	**(137,187)**
Attributable to the Parent	(851,501)	(175,250)
Attributable to non-controlling interests	728,545	60,318

(*) Restated

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2018.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

	Equity attributable to the Parent							Non-controlling interests	Total equity
	Share capital	Share premium and reserves	Treasury shares	Consolidated profit (loss) for the year attributable to the Parent	Valuation adjustments	Interim dividend	Total equity attributable to the Parent		
Ending balance at 31 December 2016	**179,255**	**3,327,052**	**(46,145)**	**(432,338)**	**(588,135)**	**-**	**2,439,689**	**1,603,204**	**4,042,893**
Total comprehensive income	-	-	-	**(12,076)**	**(163,174)**	-	**(175,250)**	**60,318**	**(114,932)**
Transactions with shareholders or owners	-	**279**	**(2,493)**	-	-	-	**(2,214)**	-	**(2,214)**
Capital increases	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Treasury share transactions	-	279	(2,493)	-	-	-	(2,214)	-	(2,214)
Other changes in equity	-	**(527,898)**	-	**432,338**	-	-	**(95,560)**	**353,041**	**257,481**
Transfers between equity items		(432,338)	-	432,338	-	-	-	-	-
Other changes	-	(95,560)	-	-	-	-	(95,560)	353,041	257,481
Ending balance at 31 December 2017	**179,255**	**2,799,433**	**(48,638)**	**(12,076)**	**(751,309)**	**-**	**2,166,665**	**2,016,563**	**4,183,228**
Application of IFRS 15 and IFRS 9	-	(415,237)	-	-	-	-	(415,237)		(415,237)
Ending balance at 1 January 2018	**179,255**	**2,384,196**	**(48,638)**	**(12,076)**	**(751,309)**	**-**	**1,751,428**	**2,016,563**	**3,767,991**
Total comprehensive income	-	-	-	**(1,577,346)**	**725,845**	-	**(851,501)**	**728,545**	**(122,956)**
Transactions with shareholders or owners	**(7,326)**	**(41,519)**	**48,268**	-	-	**(99,867)**	**(100,444)**	-	**(100,444)**
Capital increases	(7,326)	(39,694)	47,020	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(99,867)	(99,867)	-	(99,867)
Treasury share transactions	-	(1,825)	1,248	-	-	-	(577)	-	(577)
Other changes in equity	-	**(24,786)**	-	**12,076**	-	-	(12,710)	**(2,746,212)**	**(2,758,922)**
Transfers between equity items	-	(12,076)	-	12,076	-	-	-	-	-
Other changes	-	(12,710)	-	-	-	-	(12,710)	(2,746,212)	(2,758,922)
Ending balance at 31 December 2018	**171,929**	**2,317,891**	**(370)**	**(1,577,346)**	**(25,464)**	**(99,867)**	**786,773**	**(1,104)**	**785,669**

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2018.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

	2018	2017 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	**(571,639)**	**(133,800)**
Loss before tax	(969,548)	(212,831)
Adjustments for:	473,598	146,335
Depreciation and amortisation charge	61,493	70,478
Other adjustments to loss	412,105	75,857
Changes in working capital	80,902	(167,874)
Other cash flows from operating activities	(156,591)	100,570
Dividends received	6	458
Income tax recovered (paid)	(37,723)	(38,886)
Other amounts received (paid) relating to operating activities	(118,874)	138,998
B) CASH FLOWS FROM INVESTING ACTIVITIES	**1,971,100**	**14,129**
Payments due to investment	(215,332)	(172,639)
Group companies, associates and business units	(145,219)	(16,768)
Property, plant and equipment, intangible assets and investment property	(46,195)	(73,422)
Other financial assets	(23,918)	(82,449)
Proceeds from disposal	2,097,196	269,515
Group companies, associates and business units	2,087,756	248,675
Property, plant and equipment, intangible assets and investment property	9,440	20,840
Other financial assets		-
	89,236	(82,747)
Interest received	21,731	35,010
Other amounts received (paid) relating to investing activities	67,505	(117,757)
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(1,022,727)**	**(55,937)**
Proceeds and (payments) relating to equity instruments	(577)	(2,212)
Issue		
Acquisition	(65,592)	(63,937)
Disposal	65,015	61,725
Proceeds and (payments) relating to financial liability instruments	(833,277)	30,831
Issue	21,346	407,719
Repayment	(854,623)	(376,888)
Dividends and returns on other equity instruments paid	(99,867)	-
Other cash flows from financing activities	(89,006)	(84,556)
Interest paid	(83,728)	(83,051)
Other amounts received (paid) relating to financing activities	(5,278)	(1,505)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**7,571**	**(21,003)**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**384,305**	**(196,611)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**430,129**	**626,740**
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)	**814,434**	**430,129**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	778,344	406,058
Other financial assets	36,090	24,071
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	**814,434**	**430,129**

(*) Restated

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated statement of cash flows for the year ended 31 December 2018.

CASH FLOWS FROM DISCONTINUED OPERATIONS

A) Cash flows from operating activities	11,424	339,741
B) Cash flows from investing activities	(204,844)	483,813
C) Cash flows from financing activities	248,898	(465,507)
D) Net cash flows from discontinued operations (A+B+C)	**55,478**	**358,047**

1. GENERAL INFORMATION

1.1.- COMPANY NAME AND REGISTERED OFFICE

Obrascón Huarte Lain, S.A., formerly Sociedad General de Obras y Construcciones Obrascón, S.A., (the Parent), was incorporated on 15 May 1911 and has its registered office in Madrid, at Paseo de la Castellana, 259 D.

1.2.- BUSINESS ACTIVITIES

The main business activities carried on by the companies composing the Obrascón Huarte Lain Group are as follows:

Engineering and Construction

Construction
Construction of all manner of civil engineering works and building construction for public- and private- sector customers, both in Spain and abroad.

Industrial
Industrial engineering, particularly complete industrial plants and systems, including the design, construction, maintenance and operation thereof and any other activity related to oil and gas, energy, solids engineering and fire safety systems.

Services
Servicing of properties and infrastructure maintenance for all types of properties, housing and offices.

Development
Development and operation of top quality mixed-use hotel-related real estate projects (discontinued operation, see Note 1.3.).

Development of Concessions
Following the OHL Group's significant divestment of its Concessions Division (see Note 1.3.), the objectives set in the Group's Strategic Plan include the expansion of concession development activity through partnerships with financial investors and maximisation of the value of its greenfield projects. This activity is currently not reported separately because the amounts do not account for a significant proportion of the Group's revenue.

1.3.- DISCONTINUED OPERATION

NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As a result of the financial commitments acquired in the market, in 2017 the Group commenced a process to divest its businesses, including its Concessions and Development Divisions. At 2017 year- end the Concessions activity was classified as a discontinued operation, since a sale agreement had been reached with a third party and the Group considered that the conditions for its classification as a discontinued operation in accordance with IFRS 5 had been met, as became evident in the first half of 2018 when that disposal was performed.

It should be indicated that the sale agreement did not include the financial investments held in Autopista Eje Aeropuerto Concesionaria Española, S.A. and Cercanías Móstoles Navalcarnero, S.A. These relate to two concession operators in liquidation which were acquired by the Group prior to the sale of the Concessions Division, and which are recognised under “Non-Current Financial Assets” on the asset side of the consolidated balance sheet (see Note 3.6).

In 2018 the Group continued the process of seeking investors and selling its Development Division or assets belonging to that division, a decisive event being the agreement entered into in October 2018 with Operadora Lakahn, S.A. de C.V. whereby the latter acquired all of the companies, land and rights making up the “Ciudad Mayakoba” urban development project.

At 31 December 2018, in accordance with IFRS 5, the Development assets and liabilities were recognised as “Non-Current Assets and Liabilities Held for Sale and Discontinued Operations”, and it is envisaged that they will be sold in the opening months of 2019.

In this connection, the agreement entered into at year-end includes terms and conditions blocking the management of the assets which mean that the Group is not able to exercise power over the relevant activities relating to those assets without the express approval of the buyer. It also includes certain conditions precedent which were being met in the opening months of 2019 (see Note 5).

The sale agreement does not include the non-controlling interests in the Proyecto Canalejas and Old War Office real estate developments, which are developed through Proyecto Canalejas Group, S.L. and 57 Whitehall Holdings S.A.R.L., which were transferred out of the division and are recognised under “Investments Accounted For Using the Equity Method” in the consolidated balance sheet.

PROFIT (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS, NET OF TAX

“Profit (Loss) for the Year from Discontinued Operations, Net of Tax” includes the impacts on the consolidated statement of profit or loss, before non-controlling interests, generated by the Concessions and Development activities. It is estimated that the recognition of these impacts upon disposal of the Development activity will not give rise to any gain or loss on disposal, as they are recognised as part of the estimated transaction value.

The sale agreement includes the standard clauses whereby the Group manages the business plan of the companies and the related assets, on behalf of the buyer, until the transaction is completed.

On 12 April 2018, the sale was completed and all the share capital of OHL Concesiones, S.A.U. was transferred to IFM Global Infrastructure Fund.

The following table shows the aforementioned impacts, to which the non-controlling interests have been added up to the date of disposal, in order to show the total impact of the disposal of the Division on profit or loss for 2018.

Concept	Concessions	Development	Total
Revaluation losses	(549,868)	(45,771)	(595,639)
Gains on disposal	47,550	-	47,550
Profit (Loss) after tax arising before the disposal	115,738	(117,940)	(2,202)
Total loss for the period from discontinued operations, net of tax	**(386,580)**	**(163,711)**	**(550,291)**
Loss from discontinued operations attributable to non-controlling interests	(71,618)	-	(71,618)
TOTAL LOSS CONTRIBUTED	**(458,198)**	**(163,711)**	**(621,909)**

In addition to the gains arising from the sale of the divisions, the Group, in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, transferred to profit or loss the amounts associated with the valuation adjustments (translation differences and remeasurement at fair value of the financial instruments) contributed by the disposed Concessions Division, which were recognised in the Group's consolidated equity and totalled EUR (549,868) thousand.

Also, the Group transferred to profit or loss the amounts associated with the valuation adjustments (translation differences) contributed by the Development Division amounting to EUR (45,771) thousand, as it considered that, following the sale agreement entered into, control of those companies had been lost.

This transfer relates to the reclassification of the aforementioned amounts from "Valuation Adjustments" to profit or loss, and did not have any effect on the Group's total consolidated equity.

1.4.- LOSS FOR THE YEAR, CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT AND CHANGES IN CASH FLOWS

Loss for the year

The consolidated loss for 2018 attributable to the Parent amounted to EUR (1,577,346) thousand.

	Thousands of euros		
Concept	**2018**	**2017 (*)**	**% Change**
Revenue	2,906,900	3,172,114	-8.4
EBITDA(**)	**(495,950)**	**(66,496)**	**-645.8**
EBIT	**(560,957)**	**(139,777)**	**-301.3**
Financial and other results	(408,591)	(73,054)	-459.3
Loss before tax	**(969,548)**	**(212,831)**	**-355.5**
Income tax	15,995	3,443	364.6
Loss for the year from continuing operations	**(953,553)**	**(209,388)**	**-355.4**
Profit (Loss) for the year from discontinued operations	(550,291)	489,444	n/a
Loss attributable to non-controlling interests	(73,502)	(292,132)	-74.8
Loss attributable to the Parent	**(1,577,346)**	**(12,076)**	**n/s**

(*) Restated.
(**) EBITDA is calculated as profit from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

Changes in equity attributable to the Parent

The changes in the equity attributable to the Parent in 2018 and 2017 were as follows:

Concept	Thousands of euros
Balance at 1 January 2017	**2,439,689**
2017 loss attributable to the Parent	(12,076)
Valuation adjustments relating to hedges	22,539
Translation differences	(200,724)
Adjustments due to changes in available-for-sale financial assets	15,011
Treasury shares	(2,493)
Treasury share transactions	279
Other changes	(95,560)
Balance at 31 December 2017	**2,166,665**
Application of IFRS 15	(410,237)
Application of IFRS 9	(5,000)
Balance at 1 January 2018	**1,751,248**
2018 loss attributable to the Parent	(1,577,346)
Valuation adjustments relating to hedges	10,454
Translation differences	715,391
Interim dividend	(99,867)
Other changes	(13,107)
Balance at 31 December 2018	**786,773**

Changes in cash flows

The cash flows in 2018 compared with those of 2017, classified on the basis of whether they arose from operating, investing or financing activities, are summarised as follows:

Cash flows	Thousands of euros		
	2018	2017 (*)	Difference
Operating activities	(571,639)	(133,800)	(437,839)
Investing activities	1,971,100	14,129	1,956,971
Financing activities	(1,022,727)	(55,937)	(966,790)
Effect of exchange rate changes on cash and cash equivalents	7,571	(21,003)	28,574
Net increase (decrease) in cash and cash equivalents	**384,305**	**(196,611)**	**580,916**
Cash and cash equivalents at beginning of year	**430,129**	**626,740**	**(196,611)**
Cash and cash equivalents at end of year	**814,434**	**430,129**	**384,305**

(*) Restated.

The cash flows from the discontinued operations of Concessions and Development are as follows:

	2018	2017 (*)
Operating activities	11,424	339,741
Investing activities	(204,844)	483,813
Financing activities	248,898	(465,507)
NET CASH FLOWS FROM DISCONTINUED OPERATIONS	**55,478**	**358,047**

(*) Restated.

1.5.- PROPOSED ALLOCATION OF LOSS AND DIVIDEND

The allocation of the loss for 2018 that the directors of Obrascón Huarte Lain, S.A. will propose for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of euros
2018 loss	**382,824**
Allocation:	
To legal reserve	22,417
Interim dividend	99,867
Offset of prior years' losses	260,540

1.6.- EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated profit or loss for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated in a similar way to basic earnings per share; however, the weighted average number of shares outstanding is increased by share options, warrants and convertible debt.

In 2018 and 2017 there were no differences between the basic earnings per share and diluted earnings per share.

	Thousands of euros	
Concept	**2018**	**2017**
Weighted average number of shares outstanding	286,142,138	286,194,034
Consolidated loss for the year attributable to the Parent	(1,577,346)	(12,076)
Basic loss per share = diluted loss per share	**(5.51)**	**(0.04)**
Profit (Loss) for the year from discontinued operations	(621,909)	196,631
Basic earnings per share = diluted earnings per share from discontinued operations	**(2.17)**	**0.69**

2. BASIS OF PRESENTATION AND BASIS OF CONSOLIDATION

2.1.- BASIS OF PRESENTATION

The consolidated financial statements for 2018 of the Obrascón Huarte Lain Group were formally prepared:

- By the Parent's directors, at the Board of Directors Meeting held on 28 March 2019.
- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.
- Taking into account all the mandatory accounting principles and policies and measurement bases with a significant effect on the consolidated financial statements. The most significant accounting principles and policies and measurement bases applied in the preparation of the Group's 2018 consolidated financial statements are summarised in Note 2.6.
- So that they present fairly the Group's consolidated equity and consolidated financial position as at 31 December 2018, and the consolidated results of its operations, the consolidated comprehensive income, the changes in consolidated equity and the consolidated cash flows in 2018.
- On the basis of the accounting records kept by the Parent and by the other Group companies.

However, since the accounting principles and policies and measurement bases used in preparing the Group's consolidated financial statements for 2018 differ in many cases from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the accounting principles and policies and measurement bases used and to make them compliant with IFRSs.

The Group's consolidated financial statements for 2017 were approved by the shareholders at the Annual General Meeting of the Parent held on 26 June 2018.

The 2018 consolidated financial statements of the Group, the Parent and the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Parent's Board of Directors considers that they will be approved without any changes.

2.2.-INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

The accounting policies and methods used in preparing these consolidated financial statements are the same as those used in the consolidated financial statements for 2017, except for the following standards and interpretations which came into force in 2018:

ENTRY INTO FORCE OF NEW ACCOUNTING STANDARDS

In 2018 the following standards came into force:

New standards, amendments and interpretations: Approved for use in the European Union		Obligatory application in annual reporting periods beginning on or after:
IFRS 15, Revenue from Contracts with Customers and the related clarifications	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31).	1 January 2018
IFRS 9, Financial Instruments	Replaces the requirements in IAS 39 relating to the classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment.	
Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions	Limited amendments that clarify specific issues such as the effects of vesting conditions on cash-settled share-based payments, the classification of share-based payment transactions with a net settlement feature and certain issues relating to modifications of the type of share-based payment arrangement	
Amendments to IFRS 4, Insurance Contracts	Provide entities within the scope of IFRS 4 with the option of applying IFRS 9 with certain exceptions or a temporary exemption from it.	
Amendments to IAS 40, Reclassification of Investment Property	The amendments clarify that transfers to, or from, investment property will only be possible when there is evidence of a change in use	
Improvements to IFRSs, 2014-2016 cycle	Amendments to a series of standards.	
IFRIC 22, Foreign Currency Transactions and Advance Consideration	This interpretation establishes "the date of the transaction" for the purpose of determining the exchange rate to use in transactions with advance consideration in a foreign currency	

Of the new standards that became effective, the most significant for the Group were as follows:

IFRS 15, Revenue from Contracts with Customers

The consolidated balance sheet as at 31 December 2018 is affected by the application of IFRS 15 with respect to three major groups: bid costs and costs of obtaining contracts, unbilled collection rights recognised (amounts to be billed for work performed) and changes in the estimates of final revenue from work/projects relating to services that have not been contractually approved.

The mandatory application of IFRS 15 for reporting periods beginning on or after 1 January 2018 entailed the adoption of stricter criteria for revenue recognition, relating mainly to the probability of customer approval, as until 1 January 2018 revenue was recognised when it was likely to be received, whereas under the new standard revenue will be recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

The adjustment made on 1 January 2018, due to the entry into force of IFRS 15, Revenue from Contracts with Customers, resulted in the derecognition of the entire balance of claims, recognised at 31 December 2017 for an amount of EUR 402,000 thousand. Also, the provision of EUR (204,680) thousand relating to those claims and recognised under “Trade and Other Receivables” was derecognised. The claims in dispute at 31 December 2017 were recognised due to the fact that they were supported by internal technical reports and reports by internal and external lawyers, on the basis that those reports were considered to constitute sufficient evidence to support the likely recovery of the aforementioned amounts, and the other amounts were supported by internal technical estimates.

Also, an additional EUR 246,900 thousand were initially considered, mostly in relation to other balances for which there is no evidence indicating a high probability of collection, which were recognised under “Trade and Other Receivables - Amounts to Be Billed for Work Performed”, and the analysis concluded that the final amount was EUR 213,000 thousand.

The main projects supporting the above conclusion were as follows:

- The Design and Construction of the Sidra Medical Research Centre (Doha, Qatar), Qatar Foundation for Education, Science and Community Development (QF) project, which is subject to arbitration proceedings initiated on 30 July 2014 at the International Chamber of Commerce. As a result of the application of the new standard, net assets of approximately EUR 141,940 thousand associated with the project and yet to be recovered were derecognised, after taking into account the impairment loss already recognised on these assets.

- Balances of “Amounts to be Billed for Work Performed” of the following Spanish companies: Autopista Eje Aeropuerto Concesionaria Española, S.A.U., Cercanías Móstoles Navalcarnero, S.A. and other minor companies.

- Balances included under “Trade and Other Receivables - Amounts to be Billed for Work Performed”, in relation to work of investees abroad (mainly in the US, South America, Algeria, Kuwait, Turkey and other countries of less significance to the Group).

Based on the foregoing, the final assessment of the impact of IFRS 15 on the Group amounted to EUR 410,237 million and the balances associated with legacy projects in the consolidated balance sheet were eliminated in full, and the OHL Group is continuing all actions aimed at recovering the above-mentioned amounts, since it considers that there are very firm legal grounds for obtaining these amounts from its customers, at which point this new revenue would be recognised.

In relation to IFRS 15.C8, which requires entities to report the effect of applying the new standard in comparison with the effect that would have materialised if the Group had continued to apply the former standard IAS 11, it is not possible to provide that detail since the entry into force of the new standard has resulted, inter alia, in the update of the Group’s accounting policies and information systems in this connection and, therefore, the detail of the monitoring of the effects of having continued to apply the former standard.

IFRS 9, Financial Instruments

IFRS 9 superseded IAS 39 for reporting periods beginning on or after 1 January 2018 and affects both financial assets and financial liabilities, in three main phases: classification and measurement, impairment methodology and hedge accounting. There are very significant differences with respect to the current standard for the recognition and measurement of financial instruments, the most important being as follows:

- Impairment of financial assets. IFRS 9 replaces the incurred loss model of IAS 39 with a model based on expected credit losses. Under the new standard, the loss allowance for a financial instrument will be calculated at an amount equal to 12-month expected credit losses, or lifetime expected credit losses if there has been a significant increase in the credit risk on the instrument. The Group intends to avail itself of the simplified approach (measuring the loss allowance at an amount equal to lifetime expected credit losses) for its accounts receivable relating to contracts with customers. To this end, in order to implement this approach the Group has established a procedure which not only provides for the write-down of accounts receivable when they are no longer recoverable (losses incurred), but also takes into consideration possible expected losses, based on the evolution of the specific credit risk of the customer, its industry and its country.

- Classification and measurement of financial assets. A new classification is introduced that reflects the business model within which financial assets are held by the company. Investments in financial assets with contractual cash flows that are solely payments of principal and interest and the business model of which is in turn to hold them in order to collect contractual cash flows will generally be measured at amortised cost. When the business model for these assets is the collection of contractual cash flows and the sale of the assets, they will be measured at fair value through other comprehensive income. All the other financial assets that do not consist solely of payments of principal and interest the business model of which is the sale thereof will be measured at fair value through profit or loss. However, the Group may make an irrevocable election to present in equity subsequent changes in the fair value of particular investments in equity instruments and, in general, only the dividends from those investments will be recognised subsequently in profit or loss. In relation to financial liabilities, IFRS 9 does not introduce any changes with respect to IAS 39, except for the change of treatment in the renegotiation of a financial liability that does not result in the derecognition of that liability.

IFRS 15 was applied retrospectively, recognising the cumulative effect of initially applying this standard as an adjustment to the opening balances for 2018 of the consolidated balance sheet, calculated only for those contracts that were not completed contracts at 1 January 2018. Therefore, the comparative information for 2017 was not restated.

In order to assess the risk involved in the measurement, probability of default rates by country were used, both for public- and private-sector customers. The impact of the application of this new standard was a decrease of EUR 5,000 thousand in equity attributable to the Parent, the main balancing entry being “Write-Down of Receivables”.

The effect of the application of IFRS 15 and IFRS 9 on the consolidated financial statements at 1 January 2018 is as follows:

	Thousands of euros		
ASSETS	**31/12/2017**	**IFRS 15 and IFRS 9**	**01/01/2018**
Non-current assets	**1,665,253**	**-**	**1,665,253**
Current assets	**10,543,232**	**(415,237)**	**10,127,995**
Non-current assets classified as held for sale	8,023,590	-	8,023,590
Inventories	152,404	-	152,404
Trade and other receivables	1,736,175	(415,237)	1,320,938
Current financial assets	140,119	-	140,119
Current tax assets	17,330	-	17,330
Other current assets	39,404	-	39,404
Cash and cash equivalents	434,210	-	434,210
TOTAL ASSETS	**12,208,485**	**(415,237)**	**11,793,248**

EQUITY AND LIABILITIES			
Equity attributable to the Parent	**2,166,665**	**(415,237)**	**1,751,428**
Share capital	179,255	-	179,255
Reserves	1,999,486	(415,237)	1,584,249
Consolidated loss for the year attributable to the Parent	(12,076)	-	(12,076)
Non-controlling interests	**2,016,563**	**-**	**2,016,563**
Equity	**4,183,228**	**(415,237)**	**3,767,991**
Non-current liabilities	**1,124,122**	**-**	**1,124,122**
Current liabilities	**6,901,135**	**-**	**6,901,135**
Liabilities associated with non-current assets classified as held for sale	4,141,724	-	4,141,724
Bank borrowings and bonds	680,679	-	680,679
Trade and other payables	1,595,330	-	1,595,330
Other current liabilities	483,402	-	483,402
TOTAL EQUITY AND LIABILITIES	**12,208,485**	**(415,237)**	**11,793,248**

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations: Approved for use in the European Union		Obligatory application in annual reporting periods beginning on or after:
IFRS 16, Leases	Supersedes IAS 17 and the related interpretations. The main development of the new standard is that it introduces a single lessee accounting model in which all leases will be recognised in the balance sheet.	1 January 2019
Amendments to IFRS 9, Prepayment Features with Negative Compensation	They permit the measurement at amortised cost of certain financial instruments with prepayment features, which may be put back to the issuer before maturity for an amount lower than the unpaid amounts of principal and interest on the principal amount outstanding	
IFRIC 23, Uncertainty Over Income Tax Treatments	Clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over whether the relevant taxation authority will accept a tax treatment used by an entity.	
Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures	They clarify that IFRS 9 should be applied to long-term interests in an associate or joint venture to which the equity method is not applied.	
Amendments to IAS 19, Plan Amendments, Curtailments and Settlements	Clarify how to determine current service cost and net interest for the remainder of the annual reporting period after a defined benefit plan amendment, curtailment or settlement.	
Improvements to IFRSs, 2015-2017 cycle	Amendments to a series of standards	

Of the above standards, amendments and interpretations, it is considered that only IFRS 16 will have an impact on the Group.

IFRS 16, Leases

The impact on the consolidated balance sheet figures is an increase due to the recognition of right- of-use assets and financial liabilities for future payment obligations relating to leases classified to date as operating leases. The adoption includes the recognition exemptions permitted for short-term leases (less than 12 months) and leases for which the underlying asset is of low value. From its preliminary analysis of the operating leases at the end of the reporting period, the Group estimates an impact of approximately EUR 40,000 thousand relating to the non-cancellable future minimum lease payments, discounted at the interest rate implicit in each lease considering the type of underlying asset and the country concerned, which could be comparable to the right-of-use asset and the financial liability that would have to be recognised in the consolidated balance sheet.

This estimate was made based on the backlog and market conditions existing at 31 December 2018, and related mainly to lease obligations for offices and vehicles. The average period of depreciation of these items is five years.

New standards, amendments and interpretations: Not yet approved for use in the European Union		Obligatory application in annual reporting periods beginning on or after:
IFRS 17, Insurance Contracts	Will supersede IFRS 4. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and is issued to ensure that entities provide relevant and reliable information that gives a basis for users of the information to assess the effect that insurance contracts have on the financial statements	1 January 2021
Improvements to IFRSs, 2015-2017 cycle	Amendments to a series of standards	
Amendments to IFRS 3, Definition of a Business	Clarifications of the definition of a business.	1 January 2020

All the accounting principles or measurement bases with a material effect on the consolidated financial statements were applied in preparing them.

2.3.- FUNCTIONAL CURRENCY

These consolidated financial statements are presented in euros since this is the currency of the primary economic environment in which the Group operates. Foreign operations are accounted for in accordance with the policies established in Note 2.6.11.

2.4.- RESPONSIBILITY FOR THE INFORMATION AND USE OF ESTIMATES

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In the consolidated financial statements for 2018 estimates were occasionally made by the senior executives of the Group and of the Group companies, later ratified by their directors, in order to quantify certain of the assets, liabilities, income and expenses reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 2.6.6., 3.1., 3.2. and 3.5.)
- The useful life of the intangible assets and property, plant and equipment (see Notes 2.6.1. and 2.6.3.
- The recognition of construction contract revenue and costs (see Notes 2.6.15., 3.9. and 3.23).
- The amount of certain provisions (see Notes 2.6.14. and 3.20.
- The fair value of the assets acquired in business combinations and goodwill (see Note 3.5).
- The fair value of certain unquoted assets.
- The assessment of possible contingencies relating to employment, tax and legal risks (see Notes 3.20. and 3.22.)

- Financial risk management (see Note 4.2.1.).

Although these estimates were made on the basis of the best information available at 31 December 2018, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied, pursuant to IAS 8, by recognising the effects of the change in estimates in the related consolidated statements of profit or loss.

As required by IAS 1, the information relating to 2017 is presented, for comparison purposes, with the information relating to 2018 and, accordingly, the latter does not constitute the Group's complete consolidated financial statements for 2018.

2.5.- BASIS OF CONSOLIDATION

SUBSIDIARIES

Subsidiaries are defined as companies over which the Parent has the capacity to exercise control; control is presumed to exist when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Pursuant to IFRS 10, Consolidated Financial Statements, the Parent controls an investee if and only if it has all of the following:

- Power over the investee.

- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect the amount of its returns.

The financial statements of the subsidiaries are fully consolidated with those of the Parent, and the interest of non-controlling shareholders, if any, is recognised under "Non-Controlling Interests" in the consolidated balance sheet and "Profit or Loss Attributable to Non-Controlling Interests" in the consolidated statement of profit or loss.

Additionally, the results on intra-Group transactions are eliminated and are deferred until they are realised vis-à-vis non-Group third parties, with the exception of those relating to construction work performed for concession operators which, in accordance with IFRIC 12, are identified as results outside the Group and, accordingly, are recognised by reference to the stage of completion.

JOINT OPERATIONS

A joint operation is a contractual arrangement whereby two or more entities that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The financial statements of the joint operations are proportionately consolidated (see Note 3.7.2.).

The assets and liabilities assigned by the Group to joint operations are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint operations is recognised in the consolidated statement of profit or loss on the basis of the nature of the related items.

JOINT VENTURES

A joint venture is an arrangement whereby two or more entities that have joint control of the arrangement do not have rights to the assets, or obligations for the liabilities, but rather have rights to the net assets relating to the arrangement.

In the consolidated financial statements, joint ventures are accounted for using the equity method.

ASSOCIATES

Associates are companies over which the Parent is in a position to exercise significant influence, but not control or joint control with other shareholders.

In the consolidated financial statements, investments in associates are accounted for using the equity method.

SCOPE OF CONSOLIDATION

The most significant companies included in the scope of consolidation at 31 December 2018 are detailed in Appendix I.

The activities, registered offices and equity of, and the net cost of the investments in, the most significant companies composing the consolidated Group are shown in Appendix II and III.

CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation in 2018 were as follows:

Inclusions	No. of companies
Full consolidation	2
Equity method	2
TOTAL INCLUSIONS	**4**

Exclusions	
Full consolidation	42
Equity method	49
TOTAL EXCLUSIONS	**91**

The most significant changes were the following:

Sale of the Concessions Division
In April 2018 the Concessions Division, comprising 58 companies, of which 42 were fully consolidated and 16 were accounted for using the equity method, was sold. At 31 December 2017 these ownership interests had been recognised as assets and liabilities classified as held for sale and discontinued operations.

Sales of companies included in the Development Division
In April 2018 19 companies included in the Development Division were sold, of which 18 had been accounted for using the equity method.

Sale of ZPSV, a.s
In June 2018 ZPSV, a.s. was sold.

There were no significant inclusions in 2018.

The detail of the companies included in or excluded from the scope of consolidation and of the reasons therefor is disclosed in Appendix IV.

2.6.- ACCOUNTING PRINCIPLES AND POLICIES AND MEASUREMENT BASES APPLIED

The accounting principles and policies and measurement bases applied in preparing the Group's consolidated financial statements for 2018 were as follows:

2.6.1. INTANGIBLE ASSETS
Intangible assets are recognised initially at acquisition or production cost.

They are subsequently measured at acquisition or production cost less any accumulated amortisation and any accumulated impairment losses.

"Intangible Assets" includes the costs arising from the installation and acquisition of computer software, which is amortised on a straight-line basis over a maximum period of five years.

It also includes development expenditure, which is capitalised if it meets the requirements of identifiability, reliability in the measurement of cost and high probability that the assets created will generate economic benefits. This expenditure is amortised on a straight-line basis over the useful life of the asset.

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Also, under IFRS 3, all the assets of a business combination, including intangible assets, regardless of whether they had been previously recognised in the acquiree's balance sheet, are measured at fair value, provided that they meet certain identifiability and separability criteria. In this regard, this heading includes the amount relating to the measurement of the backlog and the customer portfolio of the acquirees at the date of acquisition, taking as a reference the projected margins after taxes, projected expenditure and the term of the contracts. The amount relating to the backlog will be amortised over the residual term of the contracts and that relating to the customer portfolio will be amortised over the estimated average useful life thereof.

At the end of each reporting period an analysis is conducted to ascertain whether the goodwill allocated to the US companies has become impaired, using cash flow projections, which at 2018 year-end were discounted at a rate of 8.75%.

2.6.2. CONCESSION INFRASTRUCTURE

Concession infrastructure includes investments made by the Group companies that are infrastructure concession operators, which are recognised in accordance with IFRIC 12, Service Concession Arrangements.

IFRIC 12 relates to the accounting of private sector operators involved in providing infrastructure assets and services to the public sector. This Interpretation establishes that in concession arrangements, the operator must not recognise the infrastructure assets as property, plant and equipment but must instead classify the assets as intangible assets or financial assets.

2.6.2.1. Concession infrastructure classified as an intangible asset

An intangible asset arises when the operator provides construction or upgrade services and receives a right to operate the infrastructure for a specified period of time after the construction has been completed, in which the operator's future cash flows have not been specified, since they may vary on the basis of the extent that the asset is used, for which reason they are considered to be contingent. In these cases the demand risk is borne by the concession operator and, accordingly, the concession is considered to be an intangible asset.

The intangible asset is measured at the fair value of the service provided, equal to the total payments made for its construction, including the construction costs incurred up to entry into service, such as studies and designs, compulsory purchases, costs of restoration of constructions, facilities and other similar items.

The intangible asset also includes borrowing costs incurred prior to the entry into service of the concession.

The concession infrastructure recognised as an intangible asset is amortised on the basis of the pattern of consumption (traffic) of these concession assets during the term of the concession only.

The contractual obligations to restore the infrastructure to a specified level of serviceability, pursuant to the terms and conditions of the licences or services, before it is handed over to the grantor in a specified condition at the end of the period of the concession arrangement, are covered by the recognition of provisions for major maintenance work. These provisions are recognised under "Long- Term Provisions" on the liability side of the consolidated balance sheet.

The grants financing the infrastructure are recognised as “Non-Current Liabilities - Other Financial Liabilities” until the conditions attaching to them have been fulfilled. At that time they are deducted from the cost of the infrastructure.

2.6.2.2. Concession infrastructure classified as a financial asset

These are assets recognised by the concession operators, which represent the rights to operate administrative concessions and the unconditional contractual right to receive cash or another financial asset associated with certain concession arrangements where the demand risk is borne by the concession grantor.

The financial asset arises when an operator constructs or upgrades infrastructure and has an unconditional contractual right to receive a specified amount of cash or another financial asset over the term of the arrangement. This asset is subsequently measured at amortised cost, based on the best estimates of the flows to be received over the term of the concession, and the accrued interest, calculated using the effective interest rate method, on the expected cash inflows and outflows of the concession is recognised as "Other Operating Income" in the consolidated statement of profit or loss, since it is considered that these cash flows relate to the operating activities of the concessions.

All actions taken in relation to the concession infrastructure, such as maintenance and replacements, give rise to revenue from services which is recognised under "Other Operating Income" in the consolidated statement of profit or loss.

The operating expenses incurred by the companies are accounted for on an accrual basis in the consolidated statement of profit or loss, giving rise to the recognition of revenue from services under "Other Operating Income".

The value of the financial asset is increased by the construction services and the effective interest rate, and reduced by the associated net proceeds.

If there are significant changes in the estimates which are indicative of a material change in the effective interest rate applicable to the concession arrangement, the Group assesses the carrying amount of the financial asset and adjusts it prospectively, recognising the corresponding impairment loss if the net present value of the cash flows to be received over the concession term is lower than the carrying amount of the financial asset.

2.6.3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at acquisition cost (revalued, where appropriate, in accordance with the applicable legislation prior to the date of transition to IFRSs, including Royal Decree-Law 7/1996) less any accumulated depreciation and any recognised impairment losses.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Repairs that do not lead to a lengthening of the useful life of the assets and maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

The Group capitalises interest during the non-current asset construction period as indicated in Note 2.6.17.

Group work on non-current assets is recognised at accumulated cost (external costs plus in-house costs, determined on the basis of in-house consumption of warehouse materials and manufacturing costs allocated using hourly absorption rates similar to those used for inventory measurement).

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment depreciation charge is recognised in the consolidated statement of profit or loss at rates based on the following years of estimated useful life of the various assets:

Concept	Years of useful life
Buildings	25-50
Machinery	6-16
Other fixtures, tools and furniture	10
Other items of property, plant and equipment	3-5

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets of the same nature.

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amounts of their property, plant and equipment items exceed their recoverable amounts, i.e. the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If any such indication exists, the carrying amount of the assets is reduced to the recoverable amount and the future depreciation charges in the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amounts and new useful lives.

Similarly, when there are indications that the value of the assets has recovered, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods and adjust the depreciation charges in future consolidated statements of profit or loss up to a maximum of the original cost of the related asset.

2.6.4. INVESTMENT PROPERTY

“Investment Property” in the accompanying consolidated balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Land is measured at acquisition cost increased by site clearance and preparation costs. Construction projects are measured at the cost of the related progress billings plus contract costs, such as site management, levies, architects’ fees, etc. They are depreciated on a straight-line basis over their useful lives, which are the same as those used for similar items of property, plant and equipment.

Borrowing costs attributable to these investments are capitalised during the construction period until the properties are ready for sale and are treated as an addition to the value of the investment. Interest income obtained from the short-term investment of cash surpluses is deducted from the cost of the investment.

Revenue and gains or losses are recognised when the assets are sold and the sale to the buyer has been executed in a public deed, which is when the rights and obligations inherent thereto are transferred. Rental income is allocated to the consolidated statement of profit or loss on an accrual basis.

In leases, expenses are recognised on an accrual basis and all maintenance, management and impairment costs relating to the leased assets are charged to income.

At the end of each reporting period, the Group analyses whether the carrying amount of investment property exceeds fair value and, if so, it makes the appropriate valuation adjustment in the consolidated statement of profit or loss by recognising an impairment loss to reduce the carrying amount to fair value.

2.6.5. GOODWILL

Any excess of the costs of acquisition of an investment in a company over its underlying carrying amount is allocated to certain assets and liabilities on consolidation.

This excess is allocated as follows:

1. If it is attributable to specific assets and liabilities of the company acquired, increasing the value of the assets acquired or reducing the value of the liabilities acquired.

2. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet.

3. Any remaining amount is recognised as goodwill on the asset side of the consolidated balance sheet.

At the end of each reporting period an analysis is conducted to ascertain whether this goodwill has suffered impairment and, if so, it is adjusted to its fair value with a charge to the consolidated statement of profit or loss.

These impairment losses recognised for goodwill are not reversed in subsequent periods.

2.6.6. IMPAIRMENT OF NON-CURRENT ASSETS

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amounts of their assets exceed their recoverable amounts, i.e. the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If any such indication exists, the carrying amount of the assets is reduced to the recoverable amount and the future depreciation and amortisation charges in the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amounts and new useful lives.

The indications of impairment considered for these purposes are, inter alia, the operating losses or negative cash flows during the period if they are combined with a track record or projections of losses, decline in value and depreciation/amortisation taken to profit or loss, which, in percentage terms, in relation to revenue, are substantially higher than those from previous years, effects of obsolescence, reduction in the demand for the services provided, competition and other economic and legal factors.

The impairment, where applicable, is recognised where the carrying amount exceeds the recoverable amount, calculated as the present value of the cash flows.

Similarly, when there are indications that the value of the assets has recovered, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods and adjust the depreciation and amortisation charges in future consolidated statements of profit or loss up to a maximum of the original cost of the related asset.

The following criteria are applied for each non-current asset:

Concession infrastructure

The present value of the expected future cash flows is estimated using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset, both during the use of the asset and from the possible disposal of the asset at the end of its useful life.

The main variables considered are the estimate of revenue to be received over the concession term and the estimate of the operating and maintenance expenses.

Investment property

At the end of each reporting period, analyses are conducted to determine whether the carrying amount of investment property exceeds fair value and, if this is the case, the appropriate valuation adjustment is made in the consolidated statement of profit or loss by recognising an impairment loss to reduce the carrying amount to fair value.

Appraisals are commissioned from external valuers or the latest appraisals made are used as a reference to determine market value.

An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

When an impairment loss subsequently reverses, income is recorded up to the amount of the impairment loss previously recognised.

Goodwill

The cash flow projections used to calculate goodwill were based on the following assumptions:

- The maintenance over time of a short-term backlog measured in months of sales.
- Projected cash flows for three years.
- Annual growth rate of approximately 2% for the coming years.

The impairment, where applicable, is recognised where the carrying amount exceeds the recoverable amount, calculated as the present value of the cash flows.

2.6.7. FINANCIAL ASSETS

These are assets representing collection rights for the Group as a result of investments or loans. These rights are classified as current or non-current on the basis of whether they are due to be settled within less than or more than twelve months, respectively.

As previously mentioned in Note 2.2., the Group has adopted the new IFRS 9, Financial Instruments, which establishes the requirements for the recognition and measurement of financial assets and liabilities.

Note should be made of the change which affects the classification and measurement of financial assets, whereby the method of measurement is determined on the basis of two concepts: the contractual cash flow characteristics of the financial asset and the entity's business model for managing it. The three new categories are: amortised cost; fair value through other comprehensive income (equity) and fair value through profit or loss. As indicated above, the Group’s financial assets are mainly assets held to maturity and for which the cash flows are solely payments of principal and interest and, therefore, based on these characteristics, the financial assets are measured at amortised cost.

Also, the Group recognised impairment for expected credit losses in accordance with the new IFRS 9. To calculate this impairment, the Group used a methodology whereby certain percentages reflecting the expected credit losses based on the credit profile of the counterparty are applied to the balances of the financial assets. These percentages reflect the probability of a failure to meet payment obligations and the percentage of loss, which, once the non-payment occurs, is ultimately uncollectible. If a significant increase in risk is identified with respect to the risk initially recognised, the expected loss is calculated taking into account the probability of default over the entire life of the asset.

The Group applies the simplified approach to trade and other receivables including contract assets. In order to calculate the expected credit losses, an average rating of the customers is obtained by activity and geographical region; on the basis of this rating, the Group obtains percentages to be applied to the balances based on whether the customer is public or private and on its line of business (only in the case of private customers). In addition, if the customer is involved in insolvency proceedings, claims or a situation of default, it will be considered that failure to meet payment obligations has occurred and the entire balance receivable will be written off. For this purpose, the Group has established periods by type of customer determining failure to meet payment obligations and, consequently, the recognition of the subsequent impairment.

2.6.8. TRANSFERS OF FINANCIAL ASSETS AND DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The accounting treatment of the transfers of financial assets depends on the extent to which the risks and rewards associated with the transferred assets are contractually transferred to third parties.

Financial assets are only derecognised when they are realised or when the Group transfers substantially all the risks and rewards of ownership and control thereover to third parties.

Financial liabilities are only derecognised when the obligations giving rise to them cease to exist.

2.6.9. NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, assets and liabilities are classified as non-current assets and liabilities held for sale when their carrying amount is expected to be recovered basically through a sale transaction rather than through continuing use.

The asset must be available for immediate sale, subject only to terms that are usual and customary for sales of such assets and liabilities, and its sale must be highly probable. The sale is considered highly probable when there is a commitment to a plan to sell the asset and an active programme to locate a buyer and complete the plan has been initiated. Also, the sale must be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are not depreciated, but rather are measured at the lower of consolidated carrying amount and fair value less costs to sell.

2.6.10. INVENTORIES

“Inventories” in the consolidated balance sheet includes the assets that the consolidated companies:

- Hold for sale in the ordinary course of their business.
- Have in the process of production, construction or development for such sale; or
- Expect to consume in the production process or in the provision of services.

All inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less all the costs required to complete the production of inventories and to sell them.

Goods and work in progress are measured at production cost, which includes the cost of materials, direct labour and production costs and the interest incurred during the construction period.

2.6.11. FOREIGN CURRENCY

The items included in the financial statements of each of the Group companies are measured in their respective functional currencies.

The consolidated financial statements are presented in euros, which is the Parent's functional and presentation currency.

In the separate financial statements of the Group companies, foreign currency balances and transactions are translated as follows:

- Transactions performed during the year in currencies other than the functional currency are translated at the exchange rates prevailing at the date of the transaction.

- Monetary asset and liability balances denominated in currencies other than the functional currency (cash and items with no loss of value when converted to cash) are translated at the year-end exchange rates.

- Non-monetary asset and liability balances denominated in currencies other than the functional currency are translated at the historical exchange rates.

Exchange gains and losses are recognised in the consolidated statement of profit or loss.

On consolidation, the balances of the financial statements of the consolidated companies whose functional currency is not the euro are translated to euros as follows:

- Assets and liabilities are translated at the exchange rates prevailing at the reporting date.

- Income and expense items are translated at the average exchange rates for the period.

- Equity is translated at the historical exchange rates.

Any exchange differences arising from the consolidation of companies with a functional currency other than the euro are classified in the consolidated balance sheet as translation differences under “Equity - Valuation Adjustments”.

The Group does not have any investments in currencies that are identified as hyper-inflationary.

2.6.12. BANK BORROWINGS, DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

Bank borrowings, debt instruments and other marketable securities are measured at the amount received, net of direct issue costs, plus the accrued interest payable at year-end. Borrowing costs are recognised on an accrual basis in the consolidated statement of profit or loss by modifying the nominal rate, taking into account issue discounts, fees and expenses. This method is equivalent to using the effective interest rate, which is the rate that exactly matches the net value of the income received to the present value of future disbursements.

Debts due to be settled within twelve months of the consolidated balance sheet date are classified as current items and those due to be settled within more than twelve months as non-current items.

2.6.13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

In order to mitigate the economic effects of exchange rate and interest rate fluctuations to which the Group is exposed as a result of its business activities, the Group uses derivative financial instruments, such as foreign currency hedges, interest rate swaps and interest rate options.

The currency forwards and interest rate swaps are future exchange commitments, on the basis of which the Group and banks agree to exchange interest payments or currencies in the future. In the case of an interest rate derivative, the commitment is to pay a fixed interest rate in exchange for receiving a floating interest rate. In the case of a foreign currency derivative, the commitment is to pay or receive a given amount of euros in exchange for a given amount in another currency. In the case of the equity swap tied to the Group's share price, the commitment is to pay or receive the result of the change in the share price with respect to a reference price and to pay a floating interest rate. The Group acquires the right to receive interest on the interest rate options arranged if the interest rate exceeds the reference level initially established with the banks, in exchange for paying a given amount to these banks at the beginning of the transaction.

When the Group arranges a derivative, it does not do so with the intention of settling it early or trading with it. The Group does not use derivatives for speculative purposes, but rather to mitigate the economic effects that may arise from its foreign trade and financing activities due to exchange and interest rate fluctuations.

Derivatives are recognised at their market value (fair value) under "Other Financial Assets" or "Other Financial Liabilities" in the consolidated balance sheet.

Fair value is the net amount that the Group would have to pay or receive if the derivative were settled at the measurement date, and is equal to the difference between the present value of the future collections and payments agreed on by the Group and the related banks under the terms of the derivative arranged. The fair value of the options arranged is the same as the amount which the Group would receive in the event of settling them and is determined using a widely accepted pricing model (the Black-Scholes model).

IFRS 13, Fair Value Measurement has changed the definition of fair value and confirms that own credit risk must be taken into account when measuring fair value. Since 1 January 2013, this adjustment to the measurement of derivatives has been recognised in profit or loss, except when the derivatives qualify as effective hedges, in which case they are recognised in reserves.

The recognition of the fair value of derivatives as other financial assets or liabilities gives rise to a change in equity if the derivative qualifies for hedge accounting. The change in equity arises directly through “Equity - Valuation Adjustments” and indirectly through "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" or "Result of Companies Accounted for Using the Equity Method", as appropriate, in the consolidated statement of profit or loss.

The fair value of a derivative changes during its term. Changes in fair value arise: as a result of the passage of time; as a result of changes in interest rate curves; in the case of foreign currency derivatives, as a result of changes in exchange rates; in the case of equity swaps, as a result of changes in the share price; and in the case of interest rate options, as a result of changes in the volatility of interest rates.

Only certain derivatives can be considered to qualify for hedge accounting.

The requirements that must be met for a derivative to be considered as a hedge are as follows:

- The underlying in relation to which the derivative is arranged to mitigate the economic effects that might arise therefrom as a result of fluctuations in exchange rates and interest rates must initially be identified.

- When the derivative is arranged, the reason for which it was arranged must be appropriately documented and the hedged risk must be identified.

- It must be demonstrated that the hedge is effective from the date of the arrangement of the derivative to the date of its settlement, i.e. that it meets the objective initially defined. In order to assess this, the effectiveness of the hedge is tested.

When the derivative does not qualify for hedge accounting, or the Group voluntarily decides not to apply hedge accounting, changes in fair value are recognised in the consolidated statement of profit or loss.

For derivatives that qualify for hedge accounting, under the relevant standards changes in fair value are recognised directly in equity or indirectly through profit or loss on the basis of the type of hedged risk concerned.

Cash flow hedges

A derivative arranged to hedge against exposure to future variability in the expected cash flows in a foreign currency transaction as a result of exchange rate fluctuations can be considered to be a cash flow hedge. The same is true of a derivative arranged to hedge against exposure to future variability in the expected cash flows in floating-rate financing as a result of interest rate fluctuations.

The portion of the gain or loss on a hedging instrument whose purpose is to act as a cash flow hedge of an underlying and which is determined to be an effective hedge is recognised under “Equity - Valuation Adjustments”, and the ineffective portion of the gain or loss is recognised in the consolidated statement of profit or loss. The changes in the time value of the options are recognised directly in the consolidated statement of profit or loss.

The cumulative balance of “Equity - Valuation Adjustments” is transferred to profit or loss when, and to the extent that, the gains or losses on the hedged risk of the underlying also start to be reflected in profit or loss.

Hedges of net investments in foreign operations

When a derivative or another hedging instrument is used to hedge against exchange rate fluctuations that affect the carrying amount of net investments in foreign operations, it can be considered to be a hedge of a net investment in a foreign operation.

The gains or losses on this type of derivative or hedging instrument are recognised in the consolidated statement of profit or loss in a similar fashion to those on cash flow hedges. The only difference is that the accumulated amounts under “Equity - Valuation Adjustments” are not recognised in the consolidated statement of profit or loss until the investment is sold.

Fair value hedges

Fair value hedges arise when a derivative is arranged to convert financing at a fixed interest rate into financing at a floating interest rate in order to tie a portion of the financing to interest rate changes and, therefore, to the performance of the market.

Fair value hedges also arise when a derivative is arranged to hedge the possible future changes in the equivalent euro value of firm commitments to collect or pay certain amounts in foreign currency due to exchange rate fluctuations.

When the purpose of the hedging derivative is to act as a fair value hedge, gains or losses on the derivative and its underlying are recognised through profit or loss.

2.6.14. PROVISIONS

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is probable that the obligation covered by them will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37 (see Note 4.6.2.).

Provisions are classified as short-term or long-term provisions based on the estimated period of time in which the obligations covered by them will have to be settled.

The most significant provisions are:

Provisions for taxes
These provisions reflect the estimate of tax debts whose payment is uncertain as to its exact amount or timing, since this depends on whether or not certain conditions are met.

Provisions for litigation and third-party liability
These provisions are recognised in order to cater for the possible adverse economic effects that might arise from the litigation and claims against the Group arising from the ordinary course of its operations (see Note 4.6.2.)

Provision for construction work completion
This provision is intended to cover the expenses arising from the completion of a project until its definitive settlement. The estimated costs in this connection are accrued over the construction period on the basis of production volumes.

Provision for management and other fees
This provision relates to the amount incurred in connection with project management and inspection fees, laboratory, layout and other fees payable at the consolidated balance sheet date. The amounts of these fees are established in the related project specifications and in current legislation. The estimated costs in this connection are accrued over the construction period on the basis of production volumes.

Other operating provisions
“Other Operating Provisions", which correspond primarily to the Group's construction companies, includes deferrals of expenses and construction costs. These amounts considered individually are of scant significance and correspond to numerous contracts.

Provisions for major maintenance, retirement or refurbishment of non-current assets
In accordance with IFRIC 12, provisions are recognised for the estimated expenditure required to carry out maintenance work spanning more than one year (mainly at concession operators) with a charge to the consolidated statement of profit or loss for each of the periods remaining until the work has been completed.

2.6.15. REVENUE RECOGNITION
In order to apply revenue recognition uniformly across the various business areas, the Group has a general revenue recognition policy in line with IFRS 15, Revenue from Contracts with Customers. This policy contains the following approaches:

i) General approach
The first stage of recognising revenue requires the identification of the nature of the contract and the performance obligations it contains. Generally, the Group’s Engineering and Construction and Services activities satisfy their obligations over time, on the basis that the customer simultaneously receives and consumes the benefits as the service is provided.

In relation to the revenue recognition approach over time, the Group has clear criteria applied consistently to the Engineering and Construction activities for similar performance obligations. In this connection, the Group measures the value of the goods and services for which control is transferred to the customer over time in accordance with the input method, or "stage of completion measured in terms of costs incurred". In accordance with this method, the Group recognises revenue based on the costs incurred with respect to the total costs expected to be incurred. This method requires the measurement of the proportion of the costs incurred at the date of measurement with respect to the total budgeted costs and, therefore, it recognises revenue and margins in proportion to the total expected revenue and margins.

In the case of maintenance or cleaning services, the revenue recognition method applied by the Group is based on the time elapsed (the "time elapsed" output method)." Under this method, revenue is recognised on a straight-line basis over the term of the contract on an accrual basis.

ii) Recognition of revenue from contract modifications, claims and disputes

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. In most cases, modifications to the original contract require the customer to give technical and financial approval to enable the Group to bill and collect the amounts relating to that additional work. The Group does not recognise revenue relating to contract modifications until the customer approves them; however, in cases where the additional work has been approved but the corresponding change in price has not yet been determined, the Group only recognises the amount with respect to which it is highly probable that a significant reversal will not occur. The performance costs of these units are recognised when they are incurred, irrespective of whether or not the modification has been approved.

A claim is a request for indemnity made to the customer. For these claims, the Group applies the aforementioned method used in the case of modifications.

A dispute is the result of a disconformity following a claim made to the customer under the framework of the contract, the resolution of which is dependent on the mechanism established in the contract for the resolution of the dispute (whether conducted directly with the customer or through a court or arbitration proceeding). In this connection, revenue relating to disputes is not recognised, since the dispute demonstrates the absence of the customer's approval of the work completed.

iii) Consolidated balance sheet balances relating to revenue recognition

Amounts to be billed for work performed/amounts billed in advance for construction work

Unlike the method used to recognise contract revenue, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer through the certificate of completion. Accordingly, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the transfer of goods or services to the customer is more than the amount certified, the difference is recognised in an asset account called “Amounts to be Billed for Work Performed” under “Trade Receivables for Sales and Services”, whereas in contracts in which the transfer of goods or services is less than the amount certified by the customer, the difference is recognised in a liability account called “Amounts Billed in Advance for Construction Work” under “Trade and Other Payables”.

Costs to obtain and fulfil contracts

The Group recognises assets relating to the costs of obtaining a contract (bid costs) and to the costs incurred to fulfil a contract or setup costs (mobilisation costs) that are directly related to the principal contract, provided they will be recovered through performance of the contract.

Costs of obtaining a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future and the contract has been awarded or the Group has been selected as the preferred bidder. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. They are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Costs to fulfil a contract are capitalised if they are expected to be recovered and they do not include expenses that would normally be incurred by the Group had the contract not been obtained. They are recognised in profit or loss on the basis of the proportion of actual output to estimated output under each contract. Otherwise, these costs are recognised directly in profit or loss.

iv) Provisions relating to contracts with customers

The main provisions relating to contracts with customers are provisions for construction contract completion and provisions for budgeted losses.

Provisions for construction contract completion. These cover the expenses expected to be incurred on completion of a contract. These provisions relate to a present obligation stipulated in the contract that is based on the fact that in order to settle the obligation there will probably be an outflow of resources from the company the amount of which can be estimated reliably. Provisions are recognised on the basis of the best possible estimates of the total expenditure required to settle the obligations. They can be determined as a percentage of the total expected revenue from the contract if historical information on similar contracts is available.

Provisions for budgeted losses. These provisions are recognised as soon as it becomes evident that the total envisaged expenses to be incurred in a contract exceed total expected contract revenue and they are included in the estimate of the total budget for the contract.

v) Financial component

In the case of performance obligations for which the period between when the entity transfers a promised good or service to the customer and when the customer pays for that good or service is less than one year, the Group applies the practical expedient permitted by IFRS 15 and does not adjust the promised amount of consideration for the effects of a significant financing component.

In cases in which there is a contractual or legal right to charge late-payment interest owing to a delay in collection with respect to the contractually established periods, such interest is only recognised when it is highly probable that it will actually be collected.

2.6.16. LEASES

Leases are classified as finance or operating leases.

Finance leases are deemed to be those in which the risks and rewards relating to the leased asset are transferred to the lessee, which, habitually but not necessarily, has the option to purchase the asset at the end of the lease on the terms and conditions agreed on when the transaction was arranged. In leases of this nature:

- When the consolidated companies act as the lessor of an asset, the aggregate present values of the lease payments receivable from the lessee plus, where appropriate, the price of exercising the purchase option are recognised as accounts receivable (financial assets).

- When the consolidated companies act as the lessee, they present the cost of the leased assets in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, recognise a liability for the same amount.

The assets are measured at the lower of fair value, i.e. at the price that would be set by two parties in an arm's length transaction, and the discounted present value of the amounts payable to the lessor plus the price of exercising the purchase option.

These assets are depreciated on the basis of their nature using similar criteria to those applied to the items of property, plant and equipment.

Operating leases are contracts that convey the right to use an asset but which do not transfer the risks and rewards incidental to ownership, and they are accounted for on the basis of the contractual nature of each transaction. Income and expenses from these transactions are allocated to profit or loss on an accrual basis.

2.6.17. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are added directly to the cost of those assets, until such time as the assets are ready for their intended use or sale.

Pursuant to IAS 23, investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the year in which they are incurred.

2.6.18. INCOME TAX

The Group companies' income tax expense is calculated on the basis of accounting profit before tax, increased or decreased, as appropriate, by the permanent differences from taxable profit, net of tax relief and tax credits, excluding tax withholdings and prepayments made during the year.

Deferred tax assets and liabilities are the taxes expected to be recoverable or payable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. They are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

At 31 December 2018, most of the Spanish Group companies were being taxed under the consolidated tax regime and, accordingly, the income tax expense recognised in the consolidated statement of profit or loss relates to the sum of the tax expense of the consolidated tax group companies and that of the companies not forming part of the consolidated tax group, which are mainly the foreign companies.

2.6.19. CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows are inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

The consolidated statement of cash flows is prepared using the indirect method, i.e. on the basis of the changes in the consolidated statement of profit or loss and consolidated balance sheet, and is presented with comparable figures for two consecutive periods.

This statement reflects changes in consolidated cash flows in the year, classifying them as:

- Cash flows from operating activities: the principal revenue-producing activities of the Group companies and other activities that are not investing or financing activities. Interest received and paid, gains or losses on the disposal of non-current assets, adjustments to profits generated by companies accounted for using the equity method and, in general, any results that do not generate cash flows are transferred out of "Cash Flows from Operating Activities" through "Other Adjustments to Loss".

  Dividends received may be classified as cash flows from operating activities or investing activities. The Group chose to classify them as cash flows from operating activities.

- Cash flows from investing activities: those arising from the acquisition and disposal of non- current assets.

  Interest received may be classified as cash flows from operating activities or investing activities. The Group chose to classify it as cash flows from investing activities.

- Cash flows from financing activities: those arising from changes in borrowings, payment of the dividend, interest paid and changes in non-controlling interests.

  Interest paid may be classified as cash flows from operating activities or financing activities. The Group elected to classify interest paid as cash flows from financing activities.

2.6.20. TRADE AND OTHER PAYABLES

The Group has entered into reverse factoring arrangements with various banks in order to facilitate early payment to its suppliers, under which suppliers may exercise their collection rights vis-à-vis the Group companies and obtain the amount billed less the finance costs of discounting and the fees charged by those banks.

These arrangements do not change the principal terms and conditions of payment to suppliers, such as the term or amount and, accordingly, the related amounts continue to be classified as trade payables.

At 31 December 2018, the reverse factoring balance under "Trade and Other Payables" related mainly to UTEs and amounted to EUR 33,041 thousand (31 December 2017: EUR 142,715 thousand).

2.6.21. TERMINATION AND POST-EMPLOYMENT BENEFITS

The termination benefits that have to be paid to employees pursuant to the legislation applicable to each Group company are charged to the consolidated statement of profit or loss in the year in which they are paid.

If the Group were to establish a collective redundancy procedure, provisions for the related costs would be recognised in the consolidated statement of profit or loss when the detailed formal plan for the restructuring were established and communicated to the parties concerned.

On 8 June 2018, OHL, S.A. and the workers' representatives ratified a collective redundancy procedure effective until 31 December 2018 which involved the termination of 140 jobs, and the related expenses were recognised in this connection (see Note 3.23.).

The Group does not have any post-employment benefit obligations in the form of pension plans or other benefits.

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1.- INTANGIBLE ASSETS

The changes in "Intangible Assets" in the consolidated balance sheets in 2018 and 2017 were as follows:

Concept	Thousands of euros
Cost	
Balance at 1 January 2017	**486,162**
Additions and disposals due to changes in the scope of consolidation	(188)
Additions	14,315
Disposals	(5,266)
Transfers and other	(8,500)
Exchange differences	(37,063)
Balance at 31 December 2017	**449,460**
Additions and disposals due to changes in the scope of consolidation	(2,391)
Additions	8,048
Disposals	(4,535)
Transfers and other	(150)
Exchange differences	12,873
Balance at 31 December 2018	**463,305**
Accumulated amortisation	
Balance at 1 January 2017	**211,648**
Additions and disposals due to changes in the scope of consolidation	(167)
Additions	27,327
Disposals	(1,947)
Transfers and other	(6,310)
Exchange differences	(12,539)
Balance at 31 December 2017	**218,012**
Additions and disposals due to changes in the scope of consolidation	(2,319)
Additions	26,691
Disposals	(1,734)
Impairment	8,727
Transfers and other	(92)
Exchange differences	5,042
Balance at 31 December 2018	**254,327**
Net balances at 31 December 2017	**231,448**
Net balances at 31 December 2018	**208,978**

"Intangible Assets" includes mainly the values assigned on consolidation to the customer portfolio and backlog of the acquirees, which at 31 December 2018 amounted to EUR 193,387 thousand (net).

The additions in 2018 and 2017 relate to the investments in various IT systems development projects aimed at improving the management and information systems. In 2018 these projects were put on hold due to the profound organisational changes occurring at the Group, giving rise to a change in the scope and rationale of these projects. After reviewing the valuation thereof, an impairment loss of EUR 8,727 thousand was determined to exist.

Intangible assets with a gross cost of EUR 46,290 thousand had been fully amortised and were still in use at 31 December 2018 (31 December 2017: EUR 43,393 thousand).

At the end of each reporting period or whenever there are indications of impairment, the Group tests the assets for impairment to determine whether the recoverable amount of the values assigned to the customer portfolio and backlog has been reduced to below their carrying amount.

Recoverable amount is the higher of carrying amount and value in use.

To determine the recoverable amount, the Group prepares projections on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources. In its impairment tests the Group used projections based on the assumption that the revenue and margins would reflect the best estimate of cash flows to be generated by the backlog of projects performed and pending performance of the cash-generating unit in question.

The key assumptions used to prepare these projections consisted of project revenue levels starting at approximately EUR 1,000 million for 2019 and rising at a constant rate of 2.5% thereafter, gross margins of ~6.5–7.5%, and EBITDA as a percentage of sales of around 4%, all discounted at a rate of 8.75%.

No impairment losses were disclosed for the Group as a result of these impairment test.

3.2.- CONCESSION INFRASTRUCTURE

Concession arrangements are arrangements between the concession grantor, which is generally a public sector entity, and the Group companies to provide services to the public through the operation of certain assets required for the provision of the service.

The concession right generally entails a monopoly on the provision of the service granted for a specified period of time, after which, in general, the concession assets required to provide the service have to be handed over to the concession grantor.

These projects are generally financed with long-term borrowings without recourse to the shareholder, secured mainly by the cash flows generated by the concession operator companies and their assets, accounts and contractual rights. Since cash flows constitute the main security for the repayment of the borrowings, there are restrictions on the use of the funds by the shareholders until certain conditions have been met, which is assessed each year.

The changes in "Concession Infrastructure" in the consolidated balance sheets in 2018 and 2017 were as follows:

	Thousands of euros		
Concept	**Intangible asset model**	**Financial asset model**	**Total**
Cost			
Balances at 1 January 2017	**1,398,015**	**5,240,580**	**6,638,595**
Additions and disposals due to changes in the scope of consolidation	(484,658)	-	(484,658)
Additions	27,286	778,882	806,168
Disposals	(401)	-	(401)
Transfers and other	(883,102)	(5,550,261)	(6,433,363)
Exchange differences	(42,023)	(414,784)	(456,807)
Balances at 31 December 2017	**15,117**	**54,417**	**69,534**
Additions	2,256	3,563	5,819
Transfers and other	-	(35)	(35)
Balances at 31 December 2018	**17,373**	**57,945**	**75,318**
Accumulated amortisation			
Balances at 1 January 2017	**198,961**	**-**	**198,961**
Additions and disposals due to changes in the scope of consolidation	(71,459)	-	(71,459)
Additions	14,425	-	14,425
Transfers and other	(136,673)	-	(136,673)
Exchange differences	(2,493)		(2,493)
Balances at 31 December 2017	**2,761**	**-**	**2,761**
Additions	621	-	621
Disposals	(235)	-	(235)
Balances at 31 December 2018	**3,147**	**-**	**3,147**
Net balances at 31 December 2017	**12,356**	**54,417**	**66,773**
Net balances at 31 December 2018	**14,226**	**57,945**	**72,171**

The Group's fully consolidated concession operators at 31 December 2018 were as follows:

Operator	Description of concession	Country	%	Total projected investment (thousands of euros)	Remaining period (in years)
Marina Urola, S.A.	Marina	Spain	51.00	2,801	9
Sociedad Concesionaria Aguas de Navarra, S.A.	Navarra canal	Spain	65.00	89,475	26
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Law courts	Chile	100.00	35	7

"Transfers and Other" in 2017 amounted to EUR (6,433,363) thousand, and relates mainly to the transfer to assets held for sale and continuing operations of the concession infrastructure of the Concessions Division, classified as a discontinued operation at 31 December 2018 (see Note 1.3).

At 31 December 2018, "Concession Infrastructure" included EUR 1,787 thousand relating to borrowing costs capitalised during the construction period (31 December 2017: EUR 1,100 thousand.

The detail of the changes in borrowing costs capitalised at 31 December 2018 and 2017 is as follows:

Concept	Thousands of euros
Balance at 1 January 2017	**86,737**
Additions and disposals due to changes in the scope of consolidation	(42,844)
Additions	608
Transfers	(43,401)
Balance at 31 December 2017	**1,100**
Additions	687
Balance at 31 December 2018	**1,787**

The breakdown, by company, of the carrying amount of "Concession Infrastructure" at 31 December 2018 is as follows:

Concept	Thousands of euros
Intangible asset model	
Sociedad Concesionaria Aguas de Navarra, S.A.	13,254
Marina Urola, S.A.	935
Other	37
Total intangible asset model	**14,226**
Financial asset model	
Sociedad Concesionaria Aguas de Navarra, S.A.	57,945
Total financial asset model	**57,945**
Total	**72,171**

IMPAIRMENT LOSSES ON CONCESSION INFRASTRUCTURE

At the end of each reporting period or whenever there are indications of impairment, the Group tests the assets for impairment to determine whether their recoverable amount has been reduced to below their carrying amount. Recoverable amount is the higher of fair value and value in use.

Also, sensitivity analyses were performed in various growth scenarios, particularly in relation to toll revenue, operating margins and the discount rates applied.

The Parent's directors consider that the tests are sensitive to their key assumptions, but that these indicators are within a reasonable degree of sensitivity, which meant that no impairment losses were identified in 2018.

Generally, in order to calculate any possible impairment, the projected cash flows to be generated by the concessions are discounted.

The financial information on the companies for 2018 does not differ significantly from that considered in the projections and tests of 2017.

Based on the current information of the models, there are no indications of impairment and the investment will be recovered.

In relation to the investment in Sociedad Concesionaria Aguas de Navarra, S.A., the concession operator is currently negotiating certain changes to the project's implementation schedule and the associated financing with the government and the banks. The recoverability of the investment was determined on the assumption that these negotiations, which are currently under way, will have a positive outcome in the short term.

3.3.- PROPERTY, PLANT AND EQUIPMENT

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2018 and 2017 were as follows:

	Thousands of euros					
Concept	**Land and buildings**	**Machinery**	**Other fixtures, tools and furniture**	**Advances and property, plant and equipment in the course of construction**	**Other items of property, plant and equipment**	**Total**
Cost						
Balances at 1 January 2017	**130,332**	**437,571**	**116,587**	**6,237**	**74,135**	**764,862**
Additions	1,315	14,768	5,096	17,333	10,417	48,929
Disposals	(4,061)	(43,406)	(6,966)	(4,330)	(5,168)	(63,931)
Transfers and other	(5,113)	(6,688)	(8,926)	(5,832)	(12,785)	(39,344)
Exchange differences	(3,955)	(19,068)	(8,042)	(147)	(4,951)	(36,163)
Balances at 31 December 2017	**118,518**	**383,177**	**97,749**	**13,261**	**61,648**	**674,353**
Additions and disposals due to changes in the scope of consolidation	(30,595)	(45,335)	(11,174)	(1,081)	(559)	(88,744)
Additions	11,080	32,880	2,590	8,646	5,872	59,879
Disposals	(16,675)	(22,983)	(3,850)	(5,279)	(7,244)	(58,971)
Transfers and other	(39,666)	(442)	(878)	(8,818)	(306)	(45,980)
Exchange differences	2,605	5,186	782	585	10	9,167
Balances at 31 December 2018	**45,267**	**352,483**	**85,219**	**7,314**	**59,421**	**549,704**
Accumulated depreciation						
Balances at 1 January 2017	**35,858**	**333,706**	**90,996**	**-**	**47,291**	**507,851**
Additions	2,785	27,980	7,454	-	8,430	46,649
Disposals	(873)	(40,013)	(6,223)	-	(4,305)	(51,414)
Transfers and other	(1,493)	(7,048)	(5,548)	-	(5,441)	(19,530)
Exchange differences	429	(12,181)	(6,537)	-	(2,973)	(21,262)
Balances at 31 December 2017	**36,706**	**302,444**	**80,142**	**-**	**43,002**	**462,294**
Additions and disposals due to changes in the scope of consolidation	(16,557)	(38,048)	(9,917)	-	(536)	(65,058)
Additions	1,225	19,377	5,630	-	6,480	32,712
Disposals	(601)	(18,690)	(3,478)	-	(6,421)	(29,190)
Transfers and other	(1,268)	(347)	(722)	-	(510)	(2,847)
Exchange differences	236	2,987	1,119	-	45	4,387
Balances at 31 December 2018	**19,741**	**267,723**	**72,774**	**-**	**42,060**	**402,298**
Net balances at 31 December 2017	**81,812**	**80,733**	**17,607**	**13,261**	**18,646**	**212,059**
Net balances at 31 December 2018	**25,526**	**84,760**	**12,445**	**7,314**	**17,361**	**147,406**

At 31 December 2018, items of property, plant and equipment with a carrying amount of EUR 396 thousand (31 December 2017: EUR 396 thousand) mortgaged as security for loans against which EUR 138 thousand had been drawn down (31 December 2017: EUR 161 thousand) (see Note 3.18.1.).

At 31 December 2018 and 2017, there were no material amounts relating to items of property, plant and equipment that were temporarily idle or retired from active use.

The Group takes out the insurance policies required to cover the possible risks to which its property, plant and equipment are subject.

Property, plant and equipment with a gross cost of EUR 193,938 thousand had been fully depreciated and were still in use at 31 December 2018 (31 December 2017: EUR 217,484 thousand).

At 31 December 2018 and 2017, no amount was recognised under "Property, Plant and Equipment" relating to borrowing costs capitalised during the construction period.

3.4.- INVESTMENT PROPERTY

The changes in "Investment Property" in the consolidated balance sheets in 2018 and 2017 were as follows:

Concept	Thousands of euros
Balances at 1 January 2017	**66,837**
Additions	30,138
Disposals	(18,673)
Exchange differences	(4,458)
Transfers	(560)
Balances at 31 December 2017	**73,284**
Transfers to assets classified as held for sale and discontinued operations	(34,742)
Additions and disposals due to changes in the scope of consolidation	(26,949)
Additions	12,178
Disposals	(15,165)
Exchange differences	1,923
Balances at 31 December 2018	**10,529**

At 31 December 2018, certain items of investment property with a carrying amount of EUR 172 thousand (31 December 2017: EUR 3,218 thousand) had been mortgaged as security for loans against which EUR 92 thousand had been drawn down (31 December 2017: EUR 5,212 thousand) (see Note 3.18.1.)

3.5.- GOODWILL

The detail, by company, of "Goodwill" in the consolidated balance sheets as at 31 December 2018 and 2017 is as follows:

Companies giving rise to goodwill	Thousands of euros	
	2018	2017
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Avalora Tecnologías de la Información, S.A.	-	4,918
Construcciones Adolfo Sobrino, S.A.	3,408	3,408
Constructora Mayaluum, S.A. de C.V.	-	350
Constructora TP, S.A.C.	849	849
EyM Instalaciones, S.A.	99	99
OHL Servicios - Ingesan, S.A.U.	399	399
TOTAL	**7,247**	**12,515**

In 2018 the Group analysed the recoverability of this goodwill based on the estimates and projections available, applying the discounted cash flow method. It concluded that there were impairment losses of EUR 4,918 thousand at Avalora Tecnologías de la Información, S.A. due to the differences in 2018 compared to the latest approved business plan, and recognised this amount under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the consolidated statement of profit or loss (see Note 3.23).

No indications of impairment were detected for the other companies giving rise to the goodwill.

3.6.- FINANCIAL ASSETS

INVESTMENT SECURITIES

The detail of "Investment Securities" at 31 December 2018 and 2017 is as follows:

Concept	Thousands of euros			
	2018		2017	
	Non-current	Current	Non-current	Current
Held-to-maturity securities	299	28,164	1,143	46,657
Available-for-sale securities	63,888	3	207,970	3
Subtotal	**64,187**	**28,167**	**209,113**	**46,660**
Impairment losses	(3,928)	-	(148,049)	-
TOTAL	**60,259**	**28,167**	**61,064**	**46,660**

The amounts of investment securities classified as current relate in full to securities maturing at over three months and at under twelve months.

"Impairment Losses" includes the estimated impairment losses that had to be recognised to write down the carrying amount of the investment securities to their fair value.

The available-for-sale securities in 2017 included the amounts associated with the ownership interests in Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A. (in liquidation), amounting to EUR 108,480 thousand and written down in full, which were not included in the sale of the Concessions Division (see Note 1.3). Consequently, in 2018 these amounts were recognised as a financial asset at their value net of write-downs.

Also, the ownership interest in Cercanías Móstoles Navalcarnero, S.A. (in liquidation), amounting to EUR 95,549 thousand, was included with an associated write-down of EUR (35,638) thousand and, as in the case above, was not included in the disposal of the Concessions Division. This amount was also recognised as a financial asset at its value net of write-downs in 2018, amounting to EUR 59,911 thousand.

There are legal proceedings under way in relation to these assets, which are explained in Note 4.6.

Other receivables and deposits and guarantees given

The detail is as follows:

	Thousands of euros			
	2018		2017	
Concept	Non-current	Current	Non-current	Current
Other receivables	240,420	63,272	450.037	100,762
Deposits and guarantees given	12,703	145,004	123,798	6,106
Impairment losses and write-downs	(4,381)	(13,961)	(133,908)	(13,409)
TOTAL, NET	**248,742**	**194,315**	**439,927**	**93,459**

If the loans granted to other companies pose any collection risk an impairment loss is recognised.

At 31 December 2018, “Other Receivables” and “Deposits and Guarantees Given” included:

1) At 31 December 2017, “Non-Current Deposits and Guarantees Given” included EUR 97,596 thousand corresponding to the assets relating to a project for Qatar Foundation which arose from the litigation with this customer. In 2018 the recoverability of these assets was analysed and the related amount was derecognised (see Note 3.23).

2) At 31 December 2017, "Other Receivables" under non-current assets included a participating loan of EUR 148,241 thousand relating to Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A., for which an impairment loss of EUR 129,654 thousand had been recognised. In 2018 this impairment loss and the related investment were transferred to profit or loss, and the balance recognised at 31 December 2018 totalled EUR 18,587 thousand.

3) At 31 December 2018, "Other Receivables" under non-current assets included EUR 15,869 thousand relating to guarantees of Cercanías Móstoles Navalcarnero, S.A. unduly enforced by the Autonomous Community Government of Madrid, which the Group considers, based on the opinion of its legal advisers, to be recoverable in full.

4) At 31 December 2018, "Other Receivables" under non-current assets included EUR 125,879 thousand relating to the participating loan granted to Cercanías Móstoles Navalcarnero, S.A.

5) At 31 December 2018, "Non-Current Financial Assets – Other Receivables" includes loans to associates amounting to EUR 63,138 thousand.

6) At 31 December 2017, "Non-Current Financial Assets – Other Receivables" included EUR 79,676 thousand relating to an account receivable from Grupo Villar Mir, S.A.U. as a result of the termination of the agreement to purchase all the share capital of Pacadar, S.A. The reimbursement of the price paid is secured by a security interest in all the shares of Pacadar, S.A. and the account receivable bears annual interest at 5.0%. In 2018 this receivable was reclassified to "Other Current Assets" on the basis of its maturity (see Note 3.10).

7) "Current Financial Assets – Deposits and Guarantees Given" includes a deposit of EUR 140,000 thousand securing the guarantee facility of EUR 351,557 thousand that forms part of the multi-product syndicated financing agreement (see Note 3.18).

Impairment of Cercanías Móstoles Navalcarnero, S.A

In relation to the financial assets associated with the investment in Cercanías Móstoles Navalcarnero, S.A., since that company is in liquidation, the Group considered the minimum recoverable amount to be the early termination value, which is estimated to exceed the carrying amount.

To calculate the early termination value, the provisions of Legislative Royal Decree 2/2000 were taken into account, which establish that in the event of termination of the concession arrangement the grantor must pay the concession operator the amounts invested for:

i. The compulsory purchase of land

ii. The construction work

iii. The acquisition of assets necessary to operate the concession.

In addition to the foregoing, the particular administrative specifications of this concession arrangement provide for the payment, in any event, and regardless of the ground for termination of the arrangement, of all the investments made to perform the arrangement, including those relating to construction work and installation projects, repair and major repair work, initially unforeseen construction work, and the investments to acquire and replace rolling stock, based in all cases on the level of amortisation taken.

The Group considers that the costs and amounts recognised are consistent with the foregoing items and, consequently, considers them to be recoverable.

The foregoing supports the total carrying amount of EUR 201,659 million recognised by the Group (an ownership interest of EUR 59,911 thousand, a participating loan of EUR 125,879 thousand and costs related to enforced guarantees of EUR 15,869 thousand), as upheld by studies conducted by independent legal and technical experts. In this regard, although there is uncertainty regarding when the liquidation will be resolved, and the ultimate amount to which the Group will be entitled, the directors consider that the latter will be higher than the carrying amount recognised at 2018 year-end.

3.7.- JOINT ARRANGEMENTS

3.7.1. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments accounted for using the equity method at 31 December 2018 and 2017 were as follows:

	Thousands of euros	
Companies	**2018**	**2017**
Joint ventures		
Altos de Ciudad de Mayakoba, S.A. de C.V.	-	1,359
Consorcio Conpax OHL Valko, S.A.	261	2,494
FHP Villas Lote 2, S.A. de C.V.	-	1,741
Fideicomiso Desarrollo OV CIB/2185	-	2,133
Health Montreal Collective CJV, L.P.	1,282	60,372
Nova Dàrsena Esportiva de Barà, S.A.	10,455	14,369
Novaterra Caribe, S.A.P.I. de C.V.	-	4,445
OHL FCC North Tunnels Canada, Inc.	5	8,494
Proyecto CCC Empalme I, S.A.P.I. de C.V.	-	2,011
Rhatigan OHL Limited	2,346	1,066
Other	(508)	836
Associates		
Alse Park, S.L.	1,282	4,831
Arenales Solar PS, S.L.	-	19,400
Desarrollos RBK en la Riviera, S.A. de C.V.	-	2,460
E.M.V. Alcalá de Henares, S.A.	1,947	1,975
Golf de Mayakoba, S.A. de C.V.	-	5,535
Health Montreal Collective Limited Partnership	6,962	7,039
Hotel Hoyo Uno, S. de R.L. de C.V.	-	5,455
Islas de Mayakoba, S.A. de C.V.	-	16,072
Mayakoba Thai, S.A. de C.V.	-	13,214
Nuevo Hospital de Toledo, S.A.	12,167	915
Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V.	-	8,705
Proyecto Canalejas Group, S.L.	129,653	46,221
57 Whitehall Holdings S.A.R.L.	127,760	69,808
Other	(209)	2,177
TOTAL	**293,403**	**303,127**

The changes in "Investments Accounted for Using the Equity Method" in the consolidated balance sheets in 2018 and 2017 were as follows:

	Thousands of euros	
Concept	2018	2017
Beginning balance	**303,127**	**513,611**
Increases	212,544	140,511
Share of loss for the year from continuing operations	(110,416)	(36,705)
Share of profit for the year from discontinued operations	2,172	27,770
Decreases	(52,570)	(56,743)
Additions and disposals due to changes in the scope of consolidation	(54,463)	73,303
Transfers to non-current assets classified as held for sale	(6,991)	(358,620)
ENDING BALANCE	**293,403**	**303,127**

The most significant assets are those of Proyecto Canalejas Group, S.L. and 57 Whitehall Holdings S.A.R.L., the balances of which amount to EUR 129,653 thousand and EUR 127,760 thousand, respectively.

These companies do not form part of the current divestment process of the Development Division, which has given rise to the exclusion of 18 companies and the recognition of the related amount of EUR 53,800 thousand under "Investments Accounted for Using the Equity Method".

Canalejas

At 13 August 2018, OHL Desarrollos announced the acquisition of Grupo Villar Mir, S.A.U.'s entire ownership interest of 32.5% in the share capital of the Canalejas project for EUR 50,000 thousand, as a result of which the OHL Group held a 50% ownership interest in the project at 31 December 2018. The project is currently at the construction phase and certain areas of the complex continued to be marketed in 2018, and it is envisaged that it will be completed in 2019.

Old War Office

In 2018 EUR 58,800 thousand were invested in the emblematic Old War Office project in London, in which OHL Desarrollos holds a 49% ownership interest. The licensing phase was concluded successfully and construction has recently started.

Appendices I, II and III include a list of the main investments accounted for using the equity method, showing the name, registered office, percentage of ownership and equity of the related companies and the net cost of the investment.

Following are the main aggregates of the joint ventures at 31 December 2018, in proportion to the percentage of ownership:

Concept	Thousands of euros
Loss for the year from continuing operations	(103,105)
Profit after tax from discontinued operations	2,172
TOTAL COMPREHENSIVE INCOME	**(100,933)**

Following are the main aggregates at 31 December 2018 of the other associates, in proportion to the percentage of ownership:

Concept	Thousands of euros
Loss for the year from continuing operations	(7,311)
Profit/Loss after tax from discontinued operations	-
Other comprehensive income	-
TOTAL COMPREHENSIVE INCOME	**(7,311)**

3.7.2 JOINT OPERATIONS

The Group undertakes certain of its business activities by participating in contracts that are executed jointly with other non-Group venturers, mainly through unincorporated temporary joint ventures ("UTEs") and other similar entities, which are proportionately consolidated in the Group's consolidated financial statements.

Following are the main aggregates at 31 December 2018 of the joint operations, in proportion to the percentage of ownership, which the Group considers not to be material taken individually:

Concept	Thousands of euros
Non-current assets	23,889
Current assets	761,124
Non-current liabilities	5,828
Current liabilities	989,999
Revenue	690,081
Loss from operations	(89,400)
Loss before tax	(187,543)

There is no individual joint operation that is material with respect to the Group's assets, liabilities and results.

3.8.- NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As indicated in Note 1.3, "Discontinued Operations", in 2018 the Development Division's operations were discontinued.

The discontinuation of the Development Division gave rise to the following:

- In the consolidated balance sheet as at 31 December 2018 all the assets of the Development Division that are expected to be sold were presented as a single line item under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and all its liabilities that are expected to be sold were presented as a single line item under "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations.

- In the consolidated statements of profit or loss for 2018 and 2017, the profit net of tax and before non-controlling interests was presented as a single line item under "Profit for the Year from Discontinued Operations Net of Tax.

- The consolidated statements of cash flows for 2018 and 2017 were obtained after adjusting the 2017 and 2016 balances in line with 2018.

Set forth below is an illustration of the effect in 2018, by balance sheet heading, of the classification of these investments as held for sale, followed by a detail, by heading, of the statements of profit or loss and of cash flows of the discontinued Development Division for 2018 and 2017.

ASSETS	Thousands of euros 31/12/2018
Non-current assets	
Property, plant and equipment	19,546
Investment property	34,742
Non-current financial assets	8,495
Investments accounted for using the equity method	6,991
Deferred tax assets	20,274
Other non-current assets	408
TOTAL NON-CURRENT ASSETS	**90,456**
Current assets	
Non-current assets classified as held for sale and discontinued operations	**(142,489)**
Inventories	371
Trade and other receivables	29,509
Other current assets	250
Cash and cash equivalents	21,903
TOTAL CURRENT ASSETS	**52,033**
TOTAL ASSETS	**-**

LIABILITIES	31/12/2018
Non-current liabilities	
Bank borrowings	14,379
Deferred tax liabilities	8,037
Deferred income	14,194
Other non-current liabilities	1,924
TOTAL NON-CURRENT LIABILITIES	**38,534**
Current liabilities	
Liabilities associated with non-current assets classified as held for sale and discontinued operations	**(63,517)**
Trade and other payables	9,244
Other current liabilities	15,739
TOTAL CURRENT LIABILITIES	**24,983**
TOTAL LIABILITIES	**-**

STATEMENT OF PROFIT OR LOSS	2018	2017
Revenue	22,226	44,237
Other operating income	24,502	42,097
TOTAL INCOME	**46,728**	**86,334**
Procurements	(29,667)	(14,131)
Staff costs	(6,073)	(15,222)
Other operating expenses	(26,760)	(47,024)
Depreciation and amortisation charge	(332)	(2,917)
Changes in provisions, allowances and write-downs (*)	(42,800)	-
PROFIT (LOSS) FROM OPERATIONS	**(58,904)**	**7,040**
Finance income	44	517
Finance costs	(162)	(4,139)
Exchange differences	(49,920)	17,359
Net gains (losses) on remeasurement of financial instruments at fair value	(7,045)	775
Results of companies accounted for using the equity method	2,172	(8,747)
Net gains on disposals of financial instruments	(43,469)	(24,789)
LOSS BEFORE TAX	**(157,284)**	**(11,984)**
Income tax	(6,427)	3,845
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS, NET OF TAX	**(163,711)**	**(8,439)**

(*) Relates to the write-downs in 2018 to revalue the assets to be sold.

CASH FLOWS FROM THE DISCONTINUED OPERATIONS	2018	2017
Cash flows from operating activities	(39,457)	(24,543)
Cash flows from investing activities	46,360	27,389
Cash flows from financing activities	9,218	(2,527)
CASH FLOWS FROM DISCONTINUED OPERATIONS, NET OF TAX	**16,121**	**319**

Set forth below is an illustration of the effect in 2017, by balance sheet heading, of the classification of the Concessions Division as held for sale, followed by a detail, by heading, of the statements of profit or loss and of cash flows of the discontinued Concessions Division for 2018 and 2017:

ASSETS	Thousands of euros 31/12/2017
Non-current assets	
Concession infrastructure	6,295,778
Property, plant and equipment of companies accounted for using the equity method	358,620
Deferred tax assets	318,862
Other non-current assets	62,801
TOTAL NON-CURRENT ASSETS	**7,036,061**
Current assets	
Non-current assets classified as held for sale and discontinued operations	**(8,023,590)**
Inventories	37,054
Trade and other receivables	201,811
Current financial assets	215,656
Other current assets	25,718
Cash and cash equivalents	507,290
TOTAL CURRENT ASSETS	**987,529**
TOTAL ASSETS	-

LIABILITIES	31/12/2017
Non-current liabilities	
Bank borrowings	1,881,064
Deferred tax liabilities	1,181,569
Long-term provisions	134,063
Other non-current liabilities	173,255
TOTAL NON-CURRENT LIABILITIES	**3,369,951**
Current liabilities	
Liabilities associated with non-current assets classified as held for sale and discontinued operations	**(4,141,724)**
Bank borrowings and other financial liabilities	494,375
Trade and other payables	78,051
Other current liabilities	199,347
TOTAL CURRENT LIABILITIES	**771,773**
TOTAL LIABILITIES	-

STATEMENT OF PROFIT OR LOSS	Thousands of euros 2018	Thousands of euros 2017
Revenue	102,675	439,963
Other operating income	172,776	838,599
TOTAL INCOME	**275,451**	**1,278,562**
Procurements	(4,873)	(62,474)
Staff costs	(17,692)	(61,305)
Other operating expenses	(26,310)	(170,537)
Depreciation and amortisation charge	(5,237)	(26,539)
Changes in provisions and allowances	(216)	13
PROFIT FROM OPERATIONS	**221,123**	**957,720**
Finance income	11,603	43,883
Finance costs	(78,193)	(313,476)
Exchange differences	2,792	(23,155)
Net gains (losses) on remeasurement of financial instruments at fair value	84	(29,404)
Results of companies accounted for using the equity method	6,751	36,517
Net gains (losses) on disposals of financial instruments	(779)	21,778
PROFIT BEFORE TAX	**163,381**	**693,863**
Income tax	(47,643)	(196,280)
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS, NET OF TAX	**115,738**	**497,583**

CASH FLOWS FROM THE DISCONTINUED OPERATIONS	Thousands of euros 2018	Thousands of euros 2017
Cash flows from operating activities	50,881	364,284
Cash flows from investing activities	(251,204)	456,424
Cash flows from financing activities	239,626	(462,980)
CASH FLOWS FROM DISCONTINUED OPERATIONS, NET OF TAX	**39,303**	**357,728**

3.9.- TRADE AND OTHER RECEIVABLES

TRADE RECEIVABLES FOR SALES AND SERVICES

The detail of "Trade Receivables for Sales and Services" at 31 December 2018 and 2017 is as follows:

	Thousands of euros	
Concept	**2018**	**2017**
Trade receivables for sales and services		
Amounts to be billed for work or services performed	465,586	1,039,355
Progress billings receivable	532,890	528,268
Retentions	120,373	140,001
Trade notes receivable	4,861	2,783
Subtotal	**1,123,710**	**1,710,407**
Customer advances	(601,285)	(477,757)
Total net of advances	**522,425**	**1,232,650**
Write-downs and provisions	(98,548)	(299,625)
TOTAL, NET	**423,877**	**933,025**

At 31 December 2018, the balance of "Trade Receivables for Sales and Services" had been reduced by EUR 82,361 thousand (31 December 2017: EUR 40,838 thousand) relating to the accounts receivable from customers factored to banks. Since these factoring arrangements are without recourse in the event of non-payment, they are treated as a reduction of trade receivables.

The detail of "Trade Receivables for Sales and Services" by type of customer is as follows:

	Thousands of euros	
Concept	**2018**	**2017**
Spain	**305,634**	**391,275**
Public sector	**129,326**	**159,705**
Central government	17,376	31,939
Autonomous community governments	10,360	41,266
Local governments	1,465	38,429
Other agencies	100,125	48,071
Private sector	**176,308**	**231,570**
Abroad	**818,076**	**1,319,132**
TOTAL	**1,123,710**	**1,710,407**

At 31 December 2018, 71.9 % (EUR 588,483 thousand) of the total balance of "Trade Receivables for Sales and Services – Abroad" related to the public sector and 28.1% (EUR 229,593 thousand) to the private sector.

Of the balance of "Progress Billings Receivable" and "Trade Notes Receivable", totalling EUR 537,751 thousand at 31 December 2018, 61.0% (EUR 327,630 thousand) relate to the public sector and 39.0% (EUR 210,121 thousand) to the private sector.

The aging of this balance is as follows:

	Thousands of euros		
	Type of customer		
Concept	Public sector	Private sector	Total
0 to 90 days	266,741	55,505	322,246
91 to 180 days	20,356	43,987	64,343
181 to 360 days	16,404	3,478	19,882
More than 360 days	24,129	107,151	131,280
TOTAL	**327,630**	**210,121**	**537,751**

Of the balance of "Progress Billings Receivable" and "Trade Notes Receivable", totalling EUR 531,051 thousand at 31 December 2017, 62.3% (EUR 330,953 thousand) relate to the public sector and 37.7% (EUR 200,098 thousand) to the private sector.

The aging of this balance is as follows:

	Thousands of euros		
	Type of customer		
Concept	Public sector	Private sector	Total
0 to 90 days	259,849	76,394	336,243
91 to 180 days	20,710	9,411	30,121
181 to 360 days	20,561	3,684	24,245
More than 360 days	29,833	110,609	140,442
TOTAL	**330,953**	**200,098**	**531,051**

In 2017 the Group included under "Trade Receivables for Sales and Services – Amounts to Be Billed for Work or Services Performed" the amount of claims under negotiation with customers or in dispute (either in court or in arbitration) that are expected to be obtained. The entry into force of IFRS 15 resulted in the adoption in 2018 of new criteria for the recognition of revenue, particularly with regard to the probability of customer approval and, therefore, the revenue is only recognised when it is highly probable that a significant reversal in revenue will not occur.

In this regard, in 2018 EUR 410,237 thousand relating to "Trade and Other Receivables – Amounts to Be Billed for Work Performed" were derecognised with a charge to "Reserves" in connection with construction projects that were subject to litigation.

Also, in 2018 the final targets of these projects were re-estimated to include only the effect on profit or loss of the claims that are likely to be upheld and, accordingly, there was a significant decrease in the balance of "Trade Receivables for Amounts to Be Billed for Work or Services Performed".

In accordance with IFRS 15, the Group did not recognise any amount relating to claims under "Trade Receivables for Sales and Services" (31 December 2017: EUR 402,000 thousand). The Group under no circumstances recognises claims made against customers as income until they are approved.

However, since the Group fully retains the legitimate right to collect all of the related amounts, it will continue to take all the actions required to recover them.

Of the total balance of provisions at 31 December 2017, EUR 204,680 thousand covered possible losses arising from claims recognised. The related amounts were charged to profit or loss as a result of the first-time application of IFRS 15.

In order to determine the amount of the provisions for possible losses arising from balances recognised, estimates are made which take the following into account for each project on a case-by- case basis:

- The status of the negotiations with each customer.
- The technical assessment of the work performed and of the conformity thereof with the contract with the customer, performed by the project managers and taking into account, if appropriate, any expert reports.
- Assessments made by the Group's internal and external legal advisers to estimate the feasibility and chances of success of the claim filed, based on the knowledge of the project and the related stage of completion; the status is updated on the basis of any new milestone or change.

The changes in provisions in 2018 and 2017 were as follows:

	Thousands of euros	
Concept	**2018**	**2017**
Balance at 1 January	**(299,625)**	**(313,085)**
Impairment loss recognised due to application of IFRS 9	(5,000)	
Recognition and use of provisions	1,397	(4,687)
Reversal of provision due to application of IFRS 15	204,680	-
Provisions reversed	-	18,483
Other	-	(336)
Balance at 31 December	**(98,548)**	**(299,625)**

Estimates are made considering any failure to meet payment obligations under the contracts and the probability of default, which are analysed for each contract and customer. At each reporting date the information is updated to determine the recoverable amount.

Other supplementary information on construction contracts and other contracts under which the related revenue and costs are recognised by reference to the stage of completion

Contract revenue associated with construction contracts and certain services contracts is recognised by reference to the stage of completion (see Note 2.6.15.1.1.).

As indicated in that Note, the difference between the revenue recognised and the amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under “Trade Receivables for Sales and Services - Amounts to Be Billed for Work Performed”, whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under "Trade and Other Payables - Customer Advances - Amounts Billed in Advance for Construction Work".

Also, in certain construction contracts advances are agreed upon that are paid by the customer when work commences on the contract, the balance of which is offset against the various progress billings as the contract work is performed. This balance is recognised under "Trade and Other Payables" on the liability side of the consolidated balance sheet.

Also, in certain contracts the customer retains a portion of the price to be paid in each progress billing to guarantee the fulfilment of certain obligations under the contract. These retentions are not reimbursed until the contract is definitively settled. These balances are recognised under "Trade and Other Receivables" on the asset side of the consolidated balance sheet.

The detail of the amounts recognised in this connection at 31 December 2018 and 2017 is as follows:

	Thousands of euros			
Concept	2018	2017	Difference	Change%
Amounts to be billed for work performed	419,091	1.029.516	(610.425)	-59,3
Customer advances	(601,285)	(469,283)	(132.002)	28,1
Construction contracts, net	**(182,194)**	**560,233**		**n/a**
Retentions	120,373	140,001	19,628	-14.0
Net amount after advances and retentions	**(61,821)**	**700,234**	**714,555**	**n/a**

Other receivables

The detail of "Other Receivables" at 31 December 2018 and 2017 is as follows:

	Thousands of euros					
	2018			2017		
Concept	Gross balance	Write-downs	Net balance	Gross balance	Write-downs	Net balance
Receivable from associates	150,361	(2,966)	147,395	172,163	(993)	171,170
Employee receivables	2,214	-	2,214	1,655	-	1,655
Tax receivables (Note 3.22.)	84,203	-	84,203	89,650	-	89,650
Sundry accounts receivable	51,590	(6,356)	45,234	68,230	(5,312)	62,918
TOTAL	**288,368**	**(9,322)**	**279,046**	**331,698**	**(6,305)**	**325,393**

The balances receivable from associates relate mainly to transactions associated with the Group's normal business activities, which are performed on an arm's length basis.

The net balance of "Sundry Accounts Receivable" at 31 December 2018 and 2017 relates to the provision of services and leases and sales of machinery and materials.

3.10.- OTHER CURRENT ASSETS

"Other Current Assets" at 31 December 2018 included mainly the following related party balances:

- EUR 83,878 thousand relating to an account receivable from Grupo Villar Mir, S.A.U. relating to the price paid in 2016 for the purchase of Pacadar, S.A. which, as a result of the rescission of the purchase agreement, was classified as a financial account receivable. This financial account receivable is secured by a security interest in all the shares of Pacadar, S.A., bearing annual interest at 5.0%, and

- EUR 35,223 thousand relating to a loan to Pacadar, S.A., which bears annual interest at 5.0% with additional security provided by Grupo Villar Mir, S.A.U. This loan was acquired from OHL Concesiones, S.A.U. as a result of the sale option on all its share capital.

The loans granted to Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. are past due and claimable, and the Parent has initiated legal proceedings to claim the loan of EUR 35,223 thousand.

As a result of the foregoing, the Parent tested these balances for impairment. These tests were carried out on the basis of a third-party report on the debtor's ability to repay the amounts, its solvency and the probability of default. Based on this report, the directors consider that there were no indications of impairment on these receivables at 31 December 2018.

3.11.- CASH AND CASH EQUIVALENTS

“Cash and Cash Equivalents” relates to the Group's fully liquid assets and includes cash on hand and at banks and short-term bank deposits with an original maturity of three months or less. These balances are not restricted as to their use and are not subject to a risk of changes in value. Most of the balances relate to short-term deposits.

At 31 December 2018, "Cash and Cash Equivalents" included EUR 308,637 thousand relating to cash balances of UTEs in which the Parent has an interest and branches abroad.

3.12.- SHARE CAPITAL

The changes in the share capital of the Parent in 2018 and 2017 were as follows:

Concept	Number of shares	Par value (Thousands of euros)
Number of shares and par value of share capital at 1 January 2017	298,758,998	179,255
Number of shares and par value of share capital at 31 December 2017	298,758,998	179,255
Capital reduction	12,210,709	(7,326)
Number of shares and par value of share capital at 31 December 2018	286,548,289	171,929

The shareholders at the Extraordinary General Meeting held on 9 January 2018 resolved to reduce the share capital by EUR 7,326 thousand by retiring 12,210,709 treasury shares of EUR 0.60 par value each, representing 4.087% of the share capital.

Following this capital reduction, the share capital of Obrascón Huarte Lain, S.A. stood at EUR 171,928,973.40, divided into 286,548,289 shares of EUR 0.60 par value each, all of the same class and series. The shares are listed on the Madrid and Barcelona Stock Exchanges and are traded on the Spanish Stock Market Interconnection System.

The capital reduction was charged to unrestricted reserves and did not give rise to a reimbursement of shareholder contributions. The Company recognised a reserve for an amount equal to the par value of the retired shares, use of which will be subject to the same requirements as those for the capital reduction, as provided for in the Spanish Limited Liability Companies Law, and, consequently, the Parent's creditors will not be entitled to object to the capital reduction.

The detail of the companies with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain, S.A. at 31 December 2018 is as follows:

Company	% of ownership
Inmobiliaria Espacio, S.A.	38.322
Deutsche Bank	4.243

3.13.- SHARE PREMIUM

Concept	Thousands of euros
Balance at 1 January 2017	1,265,300
Balance at 31 December 2017	**1,265,300**
Balance at 31 December 2018	**1,265,300**

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognised and does not establish any specific restrictions as to its use.

3.14.- TREASURY SHARES

The changes in "Treasury Shares" in 2018 and 2017 were as follows:

Concept	No. of shares	Thousands of euros
Balance at 1 January 2017	**11,961,801**	**46,145**
Purchases	16,100,595	63,937
Sales	(15,530,457)	(61,444)
Balance at 31 December 2017	**12,531,939**	**48,638**
Purchases	24,897,366	65,592
Sales	(24,706,785)	(66,840)
Retirement	(12,210,709)	(47,020)
Balance at 31 December 2018	**511,811**	**370**

3.15.- RESERVES

The detail of the reserves in the consolidated balance sheets in 2018 and 2017 is as follows:

	Thousands of euros	
Concept	2018	2017
Restricted reserves of the Parent		
Legal reserve	11,969	11,969
Reserve for retired capital	11,182	3,856
Subtotal	**23,151**	**15,825**
Voluntary and consolidation reserves		
Attributable to the Parent	1,327,741	(707,018)
Attributable to the consolidated companies	(298,301)	2,225,326
Subtotal	**1,029,440**	**1,518,308**
TOTAL	**1,052,591**	**1,534,133**

LEGAL RESERVE

Under the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

RESERVE FOR RETIRED CAPITAL

The balance of "Reserve for Retired Capital" amounted to EUR 11,182 thousand at 31 December 2018 (31 December 2017: EUR 3,856 thousand), as a result of the capital reductions performed in 2018 amounting to EUR 7,326 thousand, in 2009 amounting to EUR 2,625 thousand and in 2006 amounting to EUR 1,231 thousand, through the retirement of treasury shares, and pursuant to current legislation safeguarding the guarantee provided by equity vis-à-vis third parties.

This reserve is restricted as to its use and may only be used if the same requirements as those stipulated for capital reductions are met, i.e. the shareholders at the Annual General Meeting must decide on its use.

LIMITATIONS ON THE DISTRIBUTION OF DIVIDENDS

Until the balance of development expenditure has been fully amortised, no dividends may be distributed unless the unrestricted reserves are at least equal to the amount of the unamortised balance of this heading. Consequently, at the end of 2018 EUR 4,702 thousand of the Parent's "Share Premium" and "Other Reserves" were restricted.

On 6 June 2018, the Parent paid an interim dividend out of profit for 2018 amounting to EUR 99,867 thousand (EUR 0.348981 per share).

RESERVES OF CONSOLIDATED COMPANIES

The detail, by company, of the balances of “Reserves of Consolidated Companies” in the consolidated balance sheets as at 31 December 2018 and 2017 is as follows:

	Thousands of euros	
Companies	2018	2017
Autopista del Norte, S.A.C. (*)	-	43,859
Autopista Urbana Norte, S.A. de C.V. (*)	-	248,227
Community Asphalt Corp.	(57,146)	(42,737)
Concesionaria Mexiquense, S.A. de C.V. (*)	-	405,871
Constructora de Proyectos Viales de México, S.A. de C.V.	156,881	153,434
Controladora Vía Rápida Poetas, S.A. de C.V. (*)	-	74,714
Health Montreal Collective CJV, L.P.	(162,360)	(159,880)
Huaribe, S.A. de C.V. (*)	(26,201)	(26,387)
Judlau Contracting, Inc.	23,023	19,193
Latina México, S.A. de C.V. (*)	-	3,053
Magenta Infraestructura, S.L. (*)	-	19,180
Obrascón Huarte Lain Construcción Internacional, S.L.	(161,660)	(155,151)
Obrascón Huarte Lain, Desarrollos, S.L.	(120,920)	(84,915)
OHL Andina, S.A.	19,290	20,991
OHL Arabia, LLC	14,754	29,953
OHL Central Europe, a.s.	(96,915)	46,315
OHL Concesiones, S.A. (*)	-	424,351
OHL Construction Canada and FCC Canada Limited Partnership	(88,488)	(61,747)

Companies	Thousands of euros 2018	2017
OHL Emisiones, S.A.U. (*)	-	390,259
OHL Finance, S.à.r.l.	301,037	244,699
OHL Industrial, S.L.	2,082	944
OHL Investments, S.A. (*)	-	(342,904)
OHL México, S.A.B. de C.V. (*)	-	1,016,153
OHL USA, Inc.	(113,641)	(103,976)
OHL ZS, a.s.	40,522	(19,134)
OHLDM, S.A. de C.V. (*)	22,037	(24,437)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (*)	-	(18,011)
Terminales Marítimas del Sureste, S.A. (*)	-	(26,971)
Viaducto Bicentenario, S.A. de C.V. (*)	-	222,177
ZPSV, a.s.	-	(70,246)
OHL Building, S.A.	(34,719)	(23,340)
Hospital de Burgos, S.A.	(12,204)	(11,052)
Other	(3,673)	32,841
TOTAL	**(298,301)**	**2,225,326**

(*) Companies included in the discontinued line of business.

3.16.- VALUATION ADJUSTMENTS

VALUATION ADJUSTMENTS RELATING TO HEDGES

The valuation adjustments relating to hedges include the amount of the changes in the fair value of financial derivatives, net of the related tax effect.

The changes in "Valuation Adjustments Relating to Hedges" in 2018 and 2017 were as follows:

Concept	Thousands of euros 2018	2017
Beginning balance	**(20,668)**	**(43,207)**
Net change in the year at fully consolidated companies	10,586	19,854
Net change in the year at companies accounted for using the equity method	(132)	2,685
Ending balance	**(10,214)**	**(20,668)**

VALUATION ADJUSTMENTS RELATING TO AVAILABLE-FOR-SALE FINANCIAL ASSETS

The changes in "Valuation Adjustments Relating to Available-for-Sale Financial Assets" in 2018 and 2017 were as follows:

Concept	Thousands of euros	
	2018	2017
	-	(15,011)
Valuation adjustments relating to available-for-sale financial assets / reclassification to profit or loss	-	15,011
ENDING BALANCE	**-**	**-**

TRANSLATION DIFFERENCES

The detail, by country and company, of "Translation Differences" at 31 December 2018 and 2017 is as follows:

Country	Thousands of euros	
	2018	2017
Saudi Arabia	4,223	4,411
Argentina	(2,584)	(1,931)
Canada	20,126	8,773
Colombia	(1,532)	(13,397)
Mexico	(36,597)	(726,426)
Chile	(2,339)	273
Peru	252	(2,415)
United Kingdom	(8,294)	(7,055)
Czech Republic	27	4,096
US	10,187	1,528
Other countries	1,281	1,502
TOTAL	**(15,250)**	**(730,641)**

It should be noted that in 2018 the Group took to profit or loss the amounts associated with the translation differences contributed by the Concessions Division that was disposed of, which were recognised in the Group's consolidated equity and totalled EUR (540,545) thousand.

Also, in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, in 2018 the Group took to profit or loss the amounts associated with the translation differences contributed by the Development Division, amounting to EUR (45,771) thousand, since it considered that, after the sale agreement, it had lost control over the companies to be sold.

These transfers relate to the reclassification of the aforementioned amounts from "Translation Differences" to profit or loss, and did not have any effect on the Group's total consolidated equity.

3.17.- NON-CONTROLLING INTERESTS

The balance of “Non-Controlling Interests” in the consolidated balance sheet reflects the interest of non-controlling shareholders in the fully consolidated companies. The balance relating to non- controlling interests in the consolidated statement of profit or loss reflects the share of non-controlling shareholders in the profit or loss.

The detail of "Non-Controlling Interests" in the consolidated balance sheet as at 31 December 2018 is as follows:

Companies	Thousands of euros 2018
Sociedad Concesionaria Aguas de Navarra, S.A.	3,157
Estación de Rebombeo Degollado, S.A.P.I. de C.V.	(1,513)
Hidrógeno Cadereyta, S.A.P.I. de C.V.	(1,036)
Hidro Parsifal, S.A. de C.V.	(237)
Marina Urola, S.A.	597
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	(2,404)
OHL ZS, a.s.	320
Other	12
TOTAL	**(1,104)**

The detail of "Non-Controlling Interests" in the consolidated balance sheet as at 31 December 2017 is as follows:

Companies	Thousands of euros 2017
Autopista Urbana Norte, S.A. de C.V.	168,201
Autovías Concesionadas OHL, S.A. de C.V.	(2,025)
Concesionaria AT - AT, S.A. de C.V.	(21,236)
Concesionaria Mexiquense, S.A. de C.V.	889,880
Grupo Autopistas Nacionales, S.A.	6,579
Magenta Infraestructuras, S.L.U.	815,248
OHL Industrial and Partners LLC	(5,596)
OHL México, S.A.B. de C.V.	(40,442)
OHL Toluca, S.A. de C.V.	(47,016)
Operadora Concesionaria Mexiquense, S.A. de C.V.	6,602
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	117,900
Sociedad Concesionaria Aguas de Navarra, S.A.	3,154
Viaducto Bicentenario, S.A. de C.V.	111,729
Other	13,585
TOTAL	**2,016,563**

The detail of the share of non-controlling shareholders in continuing operations in the loss for 2018 is as follows:

	Thousands of euros
Companies	**2018**
Sociedad Concesionaria Aguas de Navarra, S.A.	(251)
Estación de Rebombeo Degollado, S.A.P.I. de C.V.	462
Hidrógeno Cadereyta, S.A.P.I. de C.V.	1,656
Hidro Parsifal, S.A. de C.V.	(684)
Marina Urola, S.A.	(24)
OHL Industrial & Partners LLC	(5,983)
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	2,858
OHL ZS, a.s.	126
Other	(44)
TOTAL	**(1,884)**

The detail of the share of non-controlling shareholders in discontinued operations in the loss for 2018 is as follows:

	Thousands of euros
Companies	**2018**
Autopista Urbana Norte, S.A. de C.V.	(14,307)
Concesionaria Mexiquense, S.A. de C.V.	(48,795)
Viaducto Bicentenario, S.A. de C.V.	(9,241)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	4,457
Grupo Autopistas Nacionales, S.A.	(1,390)
Operadora Concesionaria Mexiquense, S.A. de C.V.	(804)
OHL México, S.A.B. de C.V.	(449)
Other	(1,089)
TOTAL	**(71,618)**

The detail of the share of non-controlling shareholders in the profit for 2017 is as follows:

Companies	Thousands of euros 2017
Autopista Urbana Norte, S.A. de C.V.	64,215
Concesionaria Mexiquense, S.A. de C.V.	194,930
Grupo Autopistas Nacionales, S.A.	3,424
Hotel Hoyo Uno, S. de R.L. de C.V.	(152)
Magenta Infraestructuras, S.L.U.	(5,677)
OHL Industrial & Partners LLC	(3,032)
OHL México, S.A.B. de C.V.	1,806
Operadora Concesionaria Mexiquense, S.A. de C.V.	2,816
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	(17,312)
Viaducto Bicentenario, S.A. de C.V.	41,654
Other	9,460
TOTAL	**292,132**

The detail of the percentages of ownership and the company name of the non-controlling shareholders at 31 December 2018 of the fully consolidated Group companies is as follows:

Company	% non- controllinginterests	Company name
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	50.00%	Senermex Ingeniería y Sistemas, S.A. de C.V.
Consorcio Aura - OHL, S.A.	35.00%	Aura Ingeniería, S.A.
Estación Rebombeo Degollado, S.A.P.I. de C.V.	50.00%	Construcciones Industriales Tapia, S.A. de C.V.
Hidrógeno Cadereyta, S.A.P.I. de C.V.	40.70%	KT Kinetics Technology, SPA
	5.40%	Construcciones Industriales Tapia, S.A. de C.V.
Hidro Parsifal, S.A. de C.V.	9.98%	José Federico Ramos Elorduy Wolfslindseder
	5.05%	María de Lourdes Bernarda Ramos Elorduy
	5.05%	Grupo HI, S.A. de C.V.
	0.13%	Mexichen Fluor, S.A. de C.V.
	0.13%	Mexichen Soluciones Integrales, S.A. de C.V.
Marina Urola, S.A.	47.34%	Servicios Náuticos Astilleros Elkano, S.L.
	1.66%	Marinas del Mediterráneo, S.L.
OHL Industrial & Partners LLC	30.00%	Faisal Hamid Ahmed Ghazali
OHL ZS, a.s.	1.02%	Other
OHL ZS d.o.o. Banja Luka	1.02%	Other (through OHL ZS, a.s.)
OHL ZS MO, S.R.L.	1.02%	Other (through OHL ZS, a.s.)
OHL ZS Polska, S.Z.o.o.	1.02%	Other (through OHL ZS, a.s.)
Sociedad Concesionaria Aguas de Navarra, S.A.	35.00%	Sociedad General de Aguas de Barcelona, S.A.
Tomi Remont, a.s.	1.02%	Other (through OHL ZS, a.s.)

3.18.- BANK BORROWINGS AND DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

At 31 December 2018, the bank borrowings and debt instruments and other marketable securities amounted to EUR 740,958 thousand, and their maturities, by year, are as follows:

	Thousands of euros						
Concept	2019	2020	2021	2022	2023	Subsequent years	Total
Bank borrowings	65,869	1,595	17	16	15	16	67,528
Debt instruments and other marketable securities	14,132	73,068	-	319,978	266,252	-	673,430
Total bank borrowings and debt instruments and other marketable securities	80,001	74,663	17	319,994	266,267	16	740,958

3.18.1- BANK BORROWINGS

The detail of the bank borrowings at 31 December 2018, by maturity, is as follows:

	Thousands of euros						
	2019	2020	2021	2022	2023	Subsequent years	Total
Mortgage loans	14	152	17	16	15	16	230
Loans and credit facilities	**11,251**	**1,443**	**-**	**-**	**-**	**-**	**12,694**
Total mortgage and other loans	**11,265**	**1,595**	**17**	**16**	**15**	**16**	**12,924**
Loans of concession operators	54,498	-	-	-	-	-	54,498
Total loans	**65,763**	**1,595**	**17**	**16**	**15**	**16**	**67,422**
Unmatured accrued interest payable	106	-	-	-	-	-	106
Unmatured accrued interest payable of concession operators	-	-	-	-	-	-	-
Total unmatured accrued interest payable	**106**	**-**	**-**	**-**	**-**	**-**	**106**
TOTAL	**65,869**	**1,595**	**17**	**16**	**15**	**16**	**67,528**

At 31 December 2018, the bank borrowings hedged by interest rate derivatives represented 80.7% of the total (31 December 2017: 6.6%).

Mortgage loans

At 31 December 2018, certain items of property, plant and equipment amounting to EUR 396 thousand (31 December 2017: EUR 396 thousand) had been mortgaged for loans totalling EUR 138 thousand (31 December 2017: EUR 161 thousand) (see Note 3.3.).

At 31 December 2018, certain items of investment property amounting to EUR 172 thousand (31 December 2017: EUR 3,218 thousand) had been mortgaged for loans totalling EUR 92 thousand (31 December 2017: EUR 5,212 thousand) (see Note 3.4.).

These loans bear interest at market rates.

Progress billing and note discounting facilities.

	Thousands of euros	
Concept	**2018**	**2017**
Limit	-	28,445
Amount drawn down	**-**	**3,438**
Undrawn balance	-	25,007

The average interest rate on the amounts drawn down was 1.85% in 2018 (2017: 3.20%).

Loans, credit facilities and loans of concession operators.

	Thousands of euros	
Concept	**2018**	**2017**
Limit	104,993	855,798
Amount drawn down	**67,192**	**665,800**
Undrawn balance	37,141	189,998

The average interest rate on the amounts drawn down was 3.14% in 2018 (2017: 2.81%).

The most noteworthy loan transactions were as follows:

1) Syndicated loan
At 31 December 2017, the balance of this loan amounted to EUR 250,000 thousand In April 2018 this loan was repaid.

2) Multi-product syndicated financing
At 31 December 2017, the balance of this loan amounted to EUR 190,000 thousand. In April 2018 this loan was repaid (see Note 4.2.1).

At 31 December 2018, the Group had a deposit of EUR 140,000 thousand securing a guarantee facility.

3) Loans of concession operators
At 31 December 2018, "Loans of Concession Operators" totalled EUR 54,498 thousand and related to the loan of Sociedad Concesionaria Aguas de Navarra, S.A., which bears interest at 3.35% and is classified at short term due to the failure to comply with the clauses of the loan agreement (see Note 3.2).

3.18.2- DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

The detail of "Debt Instruments and Other Marketable Securities" in the consolidated balance sheets as at 31 December 2018 and 2017 is as follows:

Concept	Thousands of euros 2018	Thousands of euros 2017
Corporate bond issues (long-term)	659,298	883,385
Corporate bond issues (short-term)	10,435	14,646
Commercial paper issue (short-term)	3,697	6,695
TOTAL	**673,430**	**904,726**

The detail of the corporate bonds, other marketable securities and bonds of concession operators, by maturity, is as follows:

Concept	Thousands of euros						
	2019	2020	2021	2022	2023	Subsequent years	Total
Corporate bond issues	10,435	73,068	-	319,978	266,252	-	669,733
Commercial paper issues	3,697	-	-	-	-	-	3,697
TOTAL	**14,132**	**73,068**	**-**	**319,978**	**266,252**	**-**	**673,430**

Corporate bond issues

Concept	Issuer	Thousands of euros 2018	Thousands of euros 2017	Year of final maturity	Issue currency	Market price (31/12/18)
2012	Obrascón Huarte Lain, S.A	74,699	190,144	2020	Euros	75.601%
2014	Obrascón Huarte Lain, S.A	324,453	395,126	2022	Euros	54.990%
2015	Obrascón Huarte Lain, S.A	270,581	312,761	2023	Euros	54.899%
TOTAL		**669,733**	**898,031**			

"Corporate Bond Issues" includes the principal and the accrued interest payable at 31 December 2018 of the three long-term bond issues carried out by the Parent in Europe.

EUR 669,733 thousand had been recognised in this connection at 31 December 2018 (31 December 2017: EUR 898,031 thousand).

"Debt Instruments and Other Marketable Securities" includes the principal and the accrued interest payable at 31 December 2018 of the following bond issues:

As a result of the completion of the sale and transfer of all the share capital of OHL Concesiones, S.A.U., the Group notified the holders of the three bond issues that they had a put option exercisable until 12 May 2018.

The main changes in each of the three bond issues since their issuance, including the bondholders' exercise of the put option in 2018 whereby the Group redeemed its bonds by paying 101% of the face value plus the accrued coupon, were as follows.

Concept	Thousands of euros
March 2012 issue (maturity 2020)	**300,000**
Repurchase November 2015	(37,583)
Early redemption March 2016	(32,058)
Early redemption August 2016	(13,780)
Repurchase September 2016	(9,500)
Repurchase October 2016	(20,000)
Interest and other	3,065
Balance at 31 December 2017	**190,144**
Exercise of put option May 2018	(113,774)
Interest and other	(1,671)
BALANCE AT 31 DECEMBER 2018	**74,699**

Concept	Thousands of euros
March 2014 issue (maturity 2022)	**400,000**
Repurchase September 2016	(5,500)
Interest and other	626
Balance at 31 December 2017	**395,126**
Exercise of put option May 2018	(71,481)
Interest and other	808
BALANCE AT 31 DECEMBER 2018	**324,453**

Concept	Thousands of euros
March 2015 issue (maturity 2023)	**325,000**
Early redemption November 2015	(8,137)
Repurchase September 2016	(4,000)
Interest and other	(102)
Balance at 31 December 2017	**312,761**
Exercise of put option May 2018	(42,994)
Interest and other	814
BALANCE AT 31 DECEMBER 2018	**270,581**

The average interest rate on the bond issues was 5.48% in 2018 (2017: 5.61%).

The Parent has certain financial commitments in relation to the 2012, 2014 and 2015 issues. The Parent's directors, on the basis of the advice received, consider that all these commitments envisaged in the financing agreements were met at the end of the year.

Obrascón Huarte Lain, S.A.'s bond issues include a sale option clause for the bondholders in the event of third-party takeover of the Parent.

Other marketable securities

At 31 December 2017, the Parent had a commercial paper issue facility of up to EUR 500,000 thousand, the unmatured balance of which totalled EUR 3,697 thousand at 31 December 2018. This commercial paper was redeemed in May 2018. The average interest rate on the commercial paper issues was 0.98% in 2018 (2017: 1.09%).

3.19.- OTHER FINANCIAL LIABILITIES

OBLIGATIONS UNDER FINANCE LEASES

The detail of the Group's obligations under finance leases at 31 December 2018 and 2017 is as follows:

	Thousands of euros	
Concept	**2018**	**2017**
Under non-current liabilities	2,236	4,019
Under current liabilities	3,036	2,933
TOTAL	**5,272**	**6,952**

The Group leases certain of its fixtures and equipment under finance leases. The average lease term is 45 months. In the year ended 31 December 2018, the average effective interest rate on the lease obligations was 1.99% (2017: 2.21%). Interest rates are set at the inception of the lease. All the lease payments are fixed in amount. The unaccrued interest on the leases amounts to EUR 130 thousand (2017: EUR 191 thousand).

INFORMATION ON OPERATING LEASES

Operating leases are leases in which substantially all the risks and rewards incidental to ownership are not transferred.

The Group's main operating leases relate to the lease of offices at its head office and the other operating centres of its subsidiaries.

The future non-cancellable minimum payments under leases are as follows:

Concept	Thousands of euros
Within one year	8,186
Between one and five years	30,737
After five years	996
TOTAL	**39,919**

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments, such as currency forwards, interest rate swaps and interest rate options in order to mitigate the economic effects of exchange rate and interest rate fluctuations to which it is exposed as a result of its business activities.

It is not permitted at the Group to arrange derivatives for speculative purposes.

No collection risks are expected to arise in relation to the amounts that the banks have undertaken to pay to the Group in the future on the basis of the derivatives arranged, since the banks with which they were arranged are highly solvent.

The derivatives arranged by the Group are basically measured by discounting the future cash flows. Interest rate options are measured using a widely accepted pricing model (Black-Scholes). In all cases, they are measured in accordance with the contractual and market conditions prevailing at the date of measurement, including credit risk in accordance with IFRS 13.

The fair value of the derivatives is determined directly or indirectly using the information available in the various markets (foreign currency, fixed income and equity securities, interbank and other organised markets).

The inputs used to measure the derivatives arranged can be classified into three categories based on the degree to which their fair value is directly observable in the market:

Level 1: the derivatives arranged whose characteristics are identical to those of instruments listed on an active market.

Level 2: the derivatives arranged whose characteristics are not identical to those of instruments listed on an active market but whose fair value can be inferred from prices listed on one or several active markets.

Level 3: the derivatives arranged which cannot be classified in Levels 1 or 2.

All the inputs used to measure the derivatives arranged by the Group are Level 2.

The main criteria relating to derivatives are described in Note 2.6.13. Set forth below is a description of how the fair values of the derivatives arranged by the Group were accounted for at 31 December 2018 as other financial assets or liabilities and of their impact, net of taxes, on equity.

FOREIGN CURRENCY DERIVATIVES

The Group arranges currency forwards in order to avoid the economic impact that exchange rate fluctuations might have on payment obligations and collection rights in foreign currencies.

Following is a detail of the outstanding currency forwards at 31 December 2018, indicating, on the one hand, the nominal amounts in euros of the forwards, i.e. the amounts that the Group and the banks have agreed to exchange in euros in exchange for paying or receiving certain amounts in foreign currencies, classified by maturity, and, on the other, the fair values of the currency forwards, grouped together as other financial assets or liabilities, and their impact, net of taxes, on equity. Also indicated is the range of exchange rates and the nominal amounts in foreign currency arranged.

The detail of the currency forwards arranged at 31 December 2018 is as follows:

	Thousands of euros						Foreign currency/euro	
		Maturity		Fair values included in:				
Concept	Nominal amount	Within three months	After three months	Other financial assets	Other financial liabilities	Impact on profit or loss	Range of exchange rates	Nominal amount in foreign currency
Derivatives not considered as hedges for accounting purposes at the Group's discretion								
US dollar purchases	26,394	26,394	-	-	(347)	(260)	1,13003	29,826
US dollar sales	2,821	969	1,852	-	(115)	(86)	1,2146 – 1,1946	3,407
TOTAL	**29,215**	**27,363**	**1,852**	**-**	**(462)**	**(346)**		

The column "Impact on Profit or Loss" includes the gains or losses net of tax attributable to the Group and to non-controlling interests corresponding to the measurement of the foreign currency derivatives outstanding at 31 December of each year, the changes in which are recognised under "Net Gains/Losses on Remeasurement of Financial Instruments at Fair Value" in the consolidated statement of profit or loss since they do not qualify for hedge accounting (see Note 3.23).

The detail of the currency forwards arranged at 31 December 2017 is as follows:

	Thousands of euros						Foreign currency/euro	
		Maturity		Fair values included in:				
Concept	Nominal amount	Within three months	After three months	Other financial assets	Other financial liabilities	Impact on profit or loss	Range of exchange rates	Nominal amount in foreign currency
Derivatives not considered as hedges for accounting purposes at the Group's discretion								
US dollar purchases	49,001	49,001	-	-	(221)	(166)	1,1952-1,1965	58,596
US dollar sales	11,044	11,044	-	-	(48)	(36)	1,2095	13,358
Norwegian krone purchases	2,520	2,520	-	21	-	16	9,9215	25,000,000
Mexican peso sales	801,088	801,088	-	38,351	-	28,763	22,0525-23,1955	18,468,618
Peruvian sol sales	416,000	416,000	-	1,411	-	1,058	3,8986-3,9315	1,631,838
Czech koruna purchases	3,323	3,323	-	6	-		-	-
TOTAL	**1,282,976**	**1,282,976**	**-**	**39,789**	**(269)**	**29,639**		

The changes in foreign currency derivatives in 2018 and 2017 were as follows:

	Thousands of euros	
Concept	Consolidated balance sheet	Consolidated statement of profit or loss
Total 2016	**1,004**	**2,698**
Changes in value in 2017	39,612	339,612
Fair value at 31/12/17	39,520	-
In other financial assets	39,789	-
In other financial liabilities	(269)	-
2017 derecognitions/cancellations	-	(5,648)
Total – 2017	**39,520**	**33,964**
Changes in value in 2018	(39,998)	(39,982)
Fair value at 31/12/18	(462)	-
In other financial assets	-	-
In other financial liabilities	(462)	-
2018 derecognitions/cancellations		(49,510)
TOTAL 2018	**(462)**	**(89,492)**

The impact recognised in profit or loss as a result of the recognition of foreign currency derivatives, amounting to EUR (89,492) thousand in 2018 (31 December 2017: EUR (33,964) thousand), is included under "Net Gains/Losses on Remeasurement of Financial Instruments at Fair Value" in the consolidated statement of profit or loss, and in 2018 the most notable is the foreign currency hedge arranged to hedge the divestment of the Concessions Division, which amounted to EUR (92,255) thousand (see Note 3.23).

INTEREST RATE DERIVATIVES

The Group arranges interest rate swaps and interest rate options to mitigate the variability of borrowing costs.

In the financing of concession projects, the use of interest rate derivatives normally forms part of the requirements imposed by the financing banks. The purpose of these derivatives is to limit the possible impact that future changes in interest rates could have on the borrowing costs of the projects if the financing continued to bear interest at floating rates.

The following table shows in thousands of euros the notional amounts of the interest rate derivatives of the fully consolidated companies at 31 December 2018, which are the amounts on the basis of which the interest will be settled, grouped together by settlement currency and classified based on their final expiry date, together with the fair values of the derivatives, grouped together as other financial assets or other financial liabilities, and their impact, net of taxes, on equity. Also indicated is the range of interest rates.

	Thousands of euros								
		Final expiry date of the derivatives				Fair values included in:			
Settlement currency	Notional amount	Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial liabilities	Impact on equity	Range of annual interest rates
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	73,574	1,197	7,170	35,850	29,357	-	(2,517)	(1,560)	1.32%
Czech koruna	16,648	2,442	10,656	3,550	-	-	(148)	(120)	2.14%
SUBTOTAL	**92,222**	**3,639**	**23,818**	**39,400**	**92,222**		**(2,315)**	**(1,680)**	

In 2018 EUR 39 thousand were recognised under "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" in the consolidated statement of profit or loss, with a net impact on equity of EUR 28 thousand, since one of the derivatives was considered to be ineffective.

The detail of the expiry dates of the notional amounts of the fully consolidated companies at 31 December 2018, by settlement currency, is as follows:

	Thousands of euros						
Settlement currency	2019	2020	2021	2022	2023	Subsequent years	Total
Euro	1,197	1,494	1,701	1,893	2,082	65,207	73,574
Czech koruna	2,442	2,664	2,664	2,664	2,664	3,550	16,648
TOTAL	**3,639**	**4,158**	**4,365**	**4,557**	**4,746**	**68,757**	**92,222**

Following is a detail of the years in which the derivatives considered for accounting purposes to be cash flow hedges are expected to affect the profit or loss for the year.

	Thousands of euros			
Settlement currency	Within one year	One to five years	After five years	Total
Euro	(958)	(2,415)	1,813	(1,560)
Czech koruna	(9)	(100)	(11)	(120)
TOTAL	**(967)**	**(2,515)**	**1,802**	**(1,680)**

The detail of the interest rate derivatives of the fully consolidated companies arranged at 31 December 2017 is as follows:

	Thousands of euros								
		Final expiry date of the derivatives				Fair values included in:			
Settlement currency	Notional amountl	Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial financieros	Impact on equity	Range of annual interest rates
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	70,730	1,197	7,170	35,850	29,357	-	(1,565)	(1,127)	1.32%
Czech koruna	19,454	2,442	10,656	3,550	-	-	(414)	(335)	2.14%
SUBTOTAL	**90,184**	**3,639**	**23,818**	**39,400**	**92,222**	**-**	**(1,979)**	**(1,462)**	

The "Impact on Equity" column shows the valuation of the derivatives of the fully consolidated companies outstanding at 31 December 2018 and 2017, the gains or losses and valuation adjustments attributable to the OHL Group, and the impact on non-controlling interests.

In the case of interest rate derivatives arranged by companies in which the Group holds ownership interests of 50% or less, the amount recognised under “Investments Accounted for Using the Equity Method” in the consolidated balance sheet and the impact on equity at 31 December 2018 amounted to EUR (9,082) thousand (31 December 2017: EUR (8,950) thousand). The negative impact on equity is limited, in the case of the investees less than 50% owned by the Group, to the value of the Group's ownership interest.

The following table summarises the impact on equity arising from the changes in the interest rate derivatives of the fully consolidated companies:

Concept	Thousands of euros
Accumulated impact on equity at 1 January 2017	**(50,568)**
Income and expense recognised directly in equity in 2017	7,821
Transfers to the consolidated statement of profit or loss in 2017	14,070
Accumulated impact on equity at 31 December 2017	**(28,677)**
Income and expense recognised directly in equity in 2018	(6,271)
Transfers to the consolidated statement of profit or loss in 2018	10,349
Accumulated impact on equity at 31 December 2018	**(24,599)**

The impact on the profit or loss attributable to the Parent in the consolidated statement of profit or loss relates mainly to the amounts transferred from equity, since all the interest rate derivatives (except for the interest rate options) were accounted for as cash flow hedges and, consequently, the related changes in value are recognised in equity under “Valuation Adjustments”.

The impact of the interest rate options that do not qualify for hedge accounting on the profit or loss attributable to the Parent in the consolidated statement of profit or loss is direct and does not need to be recognised first under "Valuation Adjustments" in the consolidated balance sheet.

At 31 December 2018, no impact was recognised under "Profit (Loss) for the Year from Discontinued Operations, Net of Taxes" in the consolidated statement of profit or loss as a result of the recognition of the interest rate options (2017: EUR (561) thousand).

The breakdown of "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" in the case of the interest rate derivatives of the fully consolidated companies is as follows:

Concept	Thousands of euros
Changes in value in 2017	(389)
Derecognitions and cancellations in 2017	-
Total – 2017	**(389)**
Changes in value in 2018	39
Derecognitions and cancellations in 2018	-
TOTAL – 2018	**39**

SENSITIVITY ANALYSIS

A sensitivity analysis involves the measurement of the effect that interest rates, exchange rates and/or share prices other than those existing on the market at the measurement date would have had.

The sensitivity analysis of exchange rates focused on the foreign currency derivatives of the fully consolidated companies outstanding at the date of the analysis, simulating a 10% increase in the value of the foreign currencies vis-à-vis the euro with respect to the rates in force at 31 December 2018 and 2017. The result of this analysis is as follows:

	Thousands of euros			
	2018		2017	
Concept	Fair value	Impact on equity	Fair value	Impact on equity
Mexican peso	-	-	106,354	74,448
US dollar	(2,617)	(1,963)	(3,255)	(3.255)
Peruvian sol	-	-	38,715	29,423
Norwegian krone	-	-	(210)	(147)
TOTAL	**(2,617)**	**(1,963)**	**140,208**	**100,469**

If the sensitivity analysis were performed simulating a 10% decrease in the value of the foreign currencies vis-à-vis the euro with respect to the rates in force at 31 December 2018 and 2017, the impact would be as follows:

	Thousands of euros			
	2018		2017	
Concept	Fair value	Impact on equity	Fair value	Impact on equity
Mexican peso	-	-	(43,879)	(30,715)
US dollar	2,262	1,697	5,194	3,636
Peruvian sol	-	-	(43,790)	(33,280)
Norwegian krone	-	-	303	212
TOTAL	**2,262**	**1,697**	**(82,172)**	**(60,147)**

The table below shows the difference in the fair value of the interest rate derivatives and equity of the fully consolidated companies with respect to the data presented had interest rates been 0.20% higher or lower than those prevailing in the market at 31 December 2018 and 2017.

	Thousands of euros			
	2018		2017	
Concept	Fair value	Impact on equity	Fair value	Impact on equity
Euro	1,825	1,314	1,295	933
Czech koruna	111	90	151	122
TOTAL	**1,936**	**1,404**	**1,446**	**1,055**

3.20.- PROVISIONS

LONG-TERM PROVISIONS

The detail of "Short-Term Provisions" at 31 December 2018 is as follows:

Concept	Balance at 31 December 2017	Charge for the year	Amounts used	Exchange differences and interest cost	Balance at 31 December 2018
Provisions for taxes	9,663	-	(5,204)	-	4,459
Provisions for litigation and third-party liability	40,214	28,798	(13,769)	445	55,688
Other provisions	245	72	(7)	(3)	307
TOTAL	**50,122**	**28,870**	**(18,980)**	**442**	**60,454**

The provisions for litigation and third-party liability arise due to the obligations of an indeterminate amount, in respect of lawsuits and/or arbitral proceedings in progress and indemnity payments.

The detail of the projected schedule of the outflows of economic benefits relating to the long-term provisions at 31 December 2018 is as follows:

	Thousands of euros					
Concept	2020	2021	2022	2023	Subsequent years	Total
Provisions for taxes	4,459	-	-	-	-	4,459
Provisions for litigation and third- party liability	45,162	751	324	379	9,072	55,688
Other provisions	307	-	-	-	-	307
TOTAL	**49,928**	**751**	**324**	**379**	**9,072**	**60,454**

SHORT-TERM PROVISIONS

The detail of "Short-Term Provisions" at 31 December 2018 is as follows:

	Thousands of euros						
	Balance at 31 December 2017	Additions and disposals due to changes in the scope of consolidation and reclassifications	Charge for the year	Amounts used	Exchange differences and interest cost	Transfers to liabilities associated with non-current assets classified as held for sale	Balance at 31 December 2018
Provisions for project completion	54,449	-	20,075	(17,590)	261	-	57,195
Provisions for management and other fees	50,624	-	2,008	(7,478)	1,964	-	47,118
Provisions for other transactions	120,301	(131)	36,502	(58,179)	(270)	(80)	98,143
TOTAL	**225,374**	**(131)**	**58,585**	**(83,247)**	**1,955**	**(80)**	**202,456**

"Provisions for Other Transactions" includes provisions for commercial transactions, which correspond primarily to the Group's construction companies, deferrals of expenses and other costs. These amounts considered individually are of scant significance and correspond to numerous contracts.

3.21.- OTHER LIABILITIES

The detail of “Other Non-Current Liabilities” and "Other Current Liabilities" in the consolidated balance sheets as at 31 December 2018 and 2017 is as follows:

	Thousands of euros			
	2018		2017	
Concept	Non-current	Current	Non-current	Current
Payable to associates	-	89,690	-	88,998
Remuneration payable	-	23,797	-	30,283
Tax payables (Note 3.22)	-	74,964	-	88,762
Other non-trade payables	14,690	58,724	15,853	22,717
Guarantees and deposits received	14	2,520	14	2,610
Other	-	156	-	321
TOTAL	**14,704**	**249,851**	**15,867**	**233,691**

The detail of “Other Non-Trade Payables” at 31 December 2018 and 2017 is as follows:

	Thousands of euros			
	2018		2017	
Concept	Non-current	Current	Non-current	Current
Payable for property, plant and equipment purchases	4,752	7,546	4,752	8,826
Payable for financial instrument purchases	-	-	1,500	-
Other	9,938	51,178	9,601	13,891
TOTAL	**14,690**	**58,724**	**15,853**	**22,717**

3.22.- TAX MATTERS

CONSOLIDATED TAX GROUP

The Group files consolidated tax returns in both Spain and the US for all the companies that meet the related requirements. All the other companies file individual tax returns.

ACCOUNTING FOR TAXES

The income tax expense of the consolidated Group is obtained by aggregating the income tax expense of the consolidated tax groups and of the companies that file individual income tax returns.

The tax bases are calculated on the basis of the profit or loss for the year adjusted by temporary differences, permanent differences and prior years' tax losses.

The tax effect of temporary differences between transactions recognised in the accounting records and reported in the income tax return using different criteria gives rise to deferred tax assets and liabilities that will be recoverable or payable in the future.

Tax losses, if recognised, also give rise to deferred tax assets that will reduce the expense for subsequent years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the assets are realised or the liabilities are settled.

Deferred tax assets are only recognised when there are no doubts that there will be sufficient taxable profits in the future against which to charge these temporary differences.

When the closing is performed for tax purposes each year, the deferred tax balances are reviewed in order to ascertain whether they still exist and the appropriate adjustments are made so as to adapt the balances to the new situation.

RECONCILIATION OF THE ACCOUNTING LOSS TO THE TAX LOSS

The reconciliation of the consolidated accounting loss for the year to the tax loss for income tax purposes is as follows:

	Thousands of euros	
Concept	2018	2017
Consolidated loss for the year from continuing operations before tax	**(969,548)**	**(212,382)**
Profit (loss) for the year from discontinued operations	(543,864)	681,880
Permanent differences from discontinued operations	362,139	118,691
Temporary differences from continuing operations	551,380	50,547
Temporary differences	38,485	(697,534)
Offset of prior years' tax losses	(19,872)	(211,669)
Tax loss	**(581,280)**	**(270,467)**

The reconciliation of the accounting loss from continuing operations to the income tax benefit for 2018 is as follows:

	2018
Consolidated loss for the year from continuing operations before tax	**(969,548)**
Result of companies accounted for using the equity method, net of tax	110,416
Other permanent differences	251,723
Unrecognised tax losses offset in the year	(4,238)
Tax losses not recognised in the year as tax assets	430,635
Base for calculating period income tax expense	**(181,014)**
Current income tax benefit	(37,742)
Tax credits and tax relief	(891)
Prior years' adjustments and other adjustments	22,638
Income tax benefit relating to continuing operations	**(15,995)**

The permanent differences relate mainly to the result of companies accounted for using the equity method (EUR 110,416 thousand) and the remainder (EUR 251,723 thousand) relate to:

- Expenses not considered to be deductible for tax purposes such as fines and donations or finance costs exceeding 30% of profit from operations.
- Profits or losses obtained abroad by branches and unincorporated temporary joint ventures (UTEs).
- The recognition and use of non-deductible provisions.
- Tax withholdings paid abroad.
- The elimination of dividends and impairment losses on investments.

INCOME TAX AND TAX RATE

Income tax is calculated using the tax rates in force in each country in which the Group operates: The main rates are:

Country	2018	2017
Spain	25.0%	25.0%
Saudi Arabia	20.0%	20.0%
Algeria	23.0%	23.0%
Argentina	35.0%	35.0%
Bulgaria	10.0%	10.0%
Canada	26.7%	26.5%
Chile	27.0%	25.5%
Colombia	34.0%	34.0%
US	38.6%	38.6%
Kuwait	15.0%	15.0%
Mexico	30.0%	30.0%
Peru	29.5%	29.5%
Poland	19.0%	19.0%
Qatar	10.0%	10.0%
Czech Republic	19.0%	19.0%
Slovakia	21.0%	21.0%
Turkey	22.0%	20.0%

The income tax benefit of EUR 15,995 thousand recognised in 2018 comprises:

- EUR (12,551) thousand relating to the tax expense recognised by the companies forming part of the Spanish tax group and to the amount corresponding to their branches abroad.

- EUR 28,546 thousand relating to the tax benefit recognised by the Spanish and foreign companies that do not form part of the Spanish tax group.

In addition to the income tax benefit for 2018, EUR 131 thousand were recognised directly in equity, relating to the change in value of derivative financial instruments.

DEFERRED TAXES AND TAX LOSSES

The changes in deferred tax assets were as follows:

Concept	Thousands of euros
Balance at 1 January 2017	**622,114**
Increases	36,275
Decreases	(74,470)
Transfers (*)	(318,863)
Balance at 31 December 2017	**265,056**
Increases	61,325
Decreases	(43,651)
Transfers (*)	(20,274)
BALANCE AT 31 DECEMBER 2018	**262,456**

(*) Corresponds to transfers to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"

The detail of the changes in deferred tax assets in 2018 and 2017 is as follows:

Concept	Thousands of euros						
	2018						
	Balance at 31/12/17	Changes in the scope of consolidation	Charge/ credit to profit or loss	Charge/ credit to equity – Hedging instruments	Exchange rate effect	Transfers and other	Balance at 31/12/18
Tax assets	**135,969**	**(2,212)**	**4,226**	**-**	**3,458**	**(19,446)**	**121,995**
Tax loss carryforwards	132,674	(2,212)	3,335	-	3,458	(19,446)	117,809
Tax credits	3,295	-	891	-	-	-	4,186
Temporary differences	**129,087**	**(3,872)**	**21,330**	**131**	**2,698**	**(8,913)**	**140,461**
TOTAL DEFERRED TAX ASSETS	**265,056**	**(6,084)**	**25,556**	**131**	**6,156**	**(28,359)**	**262,456**

Concept	Thousands of euros						
	2017						
	Balance at 31/12/16	Changes in the scope of consolidation	Charge/ credit to profit or loss	Charge/ credit to equity – Hedging instruments	Exchange rate effect	Transfers and other	Balance at 31/12/17
Tax assets	**403,822**	**(2,896)**	**6,375**	**-**	**(31,870)**	**(239,462)**	**135,969**
Tax loss carryforwards	400,527	(2,896)	6,375	-	(31,870)	(239,462)	132,674
Tax credits	3,295	-	-	-	-	-	3,295
Temporary differences	**218,292**	**(8,135)**	**18,377**	**(2,347)**	**(8,383)**	**(88,717)**	**129,087**
TOTAL DEFERRED TAX ASSETS	**622,114**	**(11,031)**	**24,752**	**(2,347)**	**(40,253)**	**(328,179)**	**265,056**

The deductible temporary differences recognised in 2018, amounting to EUR 140,461 thousand, are due mainly to:

- The recognition and use of provisions, amounting to EUR 42,177 thousand.
- The difference in the timing of recognition of revenue relating to customer advances, amounting to EUR 21,636 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 40,861 thousand.

In 2018 the Group evaluated the recoverability of the deferred tax assets recognised. In particular, the key assumptions used to test the recoverability of the tax assets include the generation of margins in line with the current situation of the industries in which the Group operates, in a financing environment similar to that currently prevailing. Also, for the other deferred tax assets a recoverability analysis was conducted based on the maintenance of the current key assumptions of the businesses, and no risk of recoverability within the expiry periods was identified.

The changes in deferred tax liabilities in 2018 and 2017 were as follows:

Concept	Thousands of euros
Balance at 1 January 2017	**1,246,334**
Increases	173,137
Decreases	(98,409)
Transfers (*)	(1,181,569)
Balance at 31 December 2017	**139,493**
Increases	29,046
Decreases	(11,502)
Transfers (*)	(8,037)
BALANCE AT 31 DECEMBER 2018	**149,000**

(*) Corresponds to transfers to "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations"

The detail of the changes in deferred tax liabilities is as follows:

Concept	Thousands of euros						
	2018						
			Charge/credit to equity				
	Balance at 31/12/17	Changes in the scope of consolidation	Hedging instruments	Charge/credit to profit or loss	Exchange rate effect	Transfers and other	Balance at 31/12/18
Temporary differences	139,493	(1,533)	-	14,534	6,095	(9,588)	149,000
TOTAL DEFERRED TAX LIABILITIES	**139,493**	**(1,533)**	**-**	**14,534**	**6,095**	**(9,588)**	**149,000**

Concept	Thousands of euros						
	2017						
			Charge/credit to equity				
	Balance at 31/12/16	Changes in the scope of consolidation	Hedging instruments	Charge/credit to profit or loss	Exchange rate effect	Transfers and other	Balance at 31/12/17
Temporary differences	1,246,334	(14)	(107)	180,013	(101,423)	(1,185,310)	139,493
TOTAL DEFERRED TAX LIABILITIES	**1,246,334**	**(14)**	**(107)**	**180,013**	**(101,423)**	**(1,185,310)**	**139,493**

The taxable temporary differences recognised in 2018, amounting to EUR 149,000 thousand, relate mainly to:

- The adjustments made on consolidation of the financial statements, including most notably the allocations made to the assets and liabilities of the acquirees, increasing the value of the acquired assets by EUR 47,556 thousand on performance of the business combinations.

- The recognition and use of provisions, amounting to EUR 1,307 thousand.

- The difference in the timing of the depreciation and amortisation of non-current assets, amounting to EUR 20,212 thousand.

- The difference in the timing of recognition of revenue relating to "Trade Receivables for Amounts to be Billed for Work Performed", amounting to EUR 43,900 thousand.

The Group companies' tax losses available for offset in future tax returns amount to EUR 1,740,850 thousand, the detail of which, by last year for offset, is as follows:

Year	Thousands of euros
2019	19,620
2020	13,204
2021	38,954
2022	49,064
2023	16,888
2024	22
2025	678
2026	2,096
2027	2,217
2028	11,071
2029	3,953
2030	1,125
2031	988
2032	9,307
2033	8,716
Unlimited	1,562,947
TOTAL	**1,740,850**

In addition to these tax losses, at 31 December 2018 there were EUR 57,573 thousand of tax losses relating to companies belonging to the discontinued operations of the Development Division.

The Group companies have unused double taxation tax credits amounting to EUR 10,788 thousand, and tax credits for investment (reinvestment, R&D&I and other) amounting to EUR 28,674 thousands.

Other than the foregoing, at 31 December 2018 there were no tax credits relating to companies belonging to the discontinued operations of the Development Division.

YEARS OPEN FOR REVIEW BY THE TAX AUTHORITIES

In general, the Group companies have all the tax returns filed in recent years for the taxes applicable to them open for review by the tax authorities.

On 5 July 2016, the Spanish tax authorities commenced tax audits, which concluded on 14 June 2018, of the following taxes and years:

Concept	Periodos
Property income withholdings and pre-payments	2012-2013
Income from movable capital withholdings and pre-payments	2012-2013
Non-resident income tax withholdings	2012-2013
VAT	2012-2013
Income tax	2011-2013
Personal income tax withholdings and pre-payments	2012-2013

In relation to the tax audits of VAT, property income and income from movable capital withholdings and pre-payments and non-resident income tax withholdings, the tax authorities concluded that the data contained in the tax returns filed for the years open for review were correct.

In relation to VAT, the Parent, as the head of consolidated tax group 043/99, signed the tax assessment on an uncontested basis, which did not give rise to any tax liabilities. However, the tax authorities adjusted the tax losses incurred by the Parent in 2011, 2012 and 2013 by EUR 25,619 thousand, EUR 3,109 thousand and EUR 3,635 thousand, respectively, which gave rise to the reduction of the tax group's tax losses.

With respect to personal income tax withholdings and pre-payments, an assessment was signed on a contested basis, giving rise to a tax liability of EUR 493 thousand. As a result of the submissions filed by the Parent, the tax liability was reduced to EUR 448 thousand, of which EUR 365 thousand related to the tax deficiency and the rest to late-payment interest. Also, a penalty of EUR 182 thousand was imposed. The Parent filed appeals against both the tax liability and the penalty with the Central Economic-Administrative Tribunal. The tax assessment was settled in due time and form, and a provision was recognised for the amount of the penalty.

The Parent also has an unresolved appeal filed with the National Appellate Court against the VAT tax assessment for 2009–2011. The assessment appealed against included a tax deficiency and interest amounting to EUR 1,705 thousand and a penalty of EUR 753 thousand, and a provision was recognised for both amounts.

In December 2017 the Supreme Court confirmed the National Appellate Court's decision upholding the appeal that the Parent had filed against a VAT settlement from 2007, which amounted to EUR 21,711 thousand, of which EUR 18,187 thousand related to the tax deficiency and the rest to late- payment interest. In 2018 the Parent recovered the guarantees provided, together with associated costs of EUR 2,211 thousand.

The Parent's directors consider that the tax returns for all the taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying consolidated financial statements.

The possible tax audits of the years open for review by the tax authorities could give rise to certain contingent tax liabilities that cannot be objectively quantified. However, the Parent's directors consider that those liabilities would not be material.

TAX RECEIVABLES AND PAYABLES

The detail of "Tax Receivables" and "Tax Payables" at 31 December 2018 and 2017 is as follows:

	Thousands of euros			
	Current assets		Current liabilities	
Concept	2018	2017	2018	2017
VAT	53,613	64,277	33,489	36,288
Other taxes	30,559	24,687	30,937	41,175
Social security taxes	31	686	10,538	11,299
TOTAL	**84,203**	**89,650**	**74,964**	**88,762**

3.23.- INCOME AND EXPENSES

REVENUE

The Group's revenue in 2018 amounted to EUR 2,954,400 thousand (2017: EUR 3,172,114 thousand). The detail, by business activity, geographical market and type of customer, is as follows:

	Thousands of euros		
Business activity	2018	2017	% change
Engineering and construction	2,902,701	3,168,168	-8.4
Construction	2,448,734	2,660,695	-8.0
Industrial	189,853	269,788	-29.6
Services	264,114	237,685	11.1
Other	4,199	3,946	6.4
TOTAL REVENUE	**2,906,900**	**3,172,114**	**-8.4**

	Thousands of euros					
	2018					
	Spain		Abroad		Total	
Business activity, geographical market and customer	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Engineering and construction	448,363	340,073	1,709,942	404,323	2,158,305	744,396
Construction	221,240	253,949	1,692,554	280,991	1,913,794	534,940
Industrial	6	55,754	14,853	119,240	14,859	174,994
Services	227,117	30,370	2,535	4,092	229,652	34,462
Other	-	4,199	-	-	-	4,199
TOTAL REVENUE	**448,363**	**344,272**	**1,709,942**	**404,323**	**2,158,305**	**748,595**

Business activity, geographical market and customer	Thousands of euros					
	2017					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sectoro	Private sector
Engineering and construction	418.452	306,796	1,916,118	526,802	2,334,570	833,598
Construction	217,365	182,217	1,890,117	370,996	2,107,482	553,213
Industrial	1,058	89,856	25,314	153,560	26,372	243,416
Services	200,029	34,723	687	2,246	200,716	36,969
Other	-	3,946	-	-	-	3,946
TOTAL REVENUE	**418,452**	**310,742**	**1,916,118**	**526,802**	**2,334,570**	**837,544**

Geographical market	Thousands of euros	
	2018	2017
US and Canada	947,892	1,116,528
Mexico	164,205	221,939
Chile	155,347	149,776
Peru	133,833	113,833
Colombia	95,848	93,786
Spain	792,635	729,193
Central and Eastern Europe	284,786	270,212
Other	332,354	476,847
TOTAL REVENUE	**2,906,900**	**3,172,114**

The detail of revenue by geographical area in 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Spanish market	**792,635**	**729,193**
International market::	**2,114,265**	**2,442,921**
European Union	288,956	240,501
Euro area	20,292	26,781
Non-euro area	268,664	213,720
Other	1,825,309	2,202,420
TOTAL	**2,906,900**	**3,172,114**

The reconciliation of revenue by segment to consolidated revenue in 2018 and 2017 is as follows:

	Thousands of euros					
	2018			2017		
Segment	Revenue from non- Group customers	Inter-segment revenue	Total revenue	Revenue from non- Group customers	Inter-segment revenue	Total revenue
Engineering and construction	**2,902,701**	**67,686**	**2,970,387**	**3,168,168**	**87,839**	**3,256,007**
- Construction	2,448,734	63,080	2,511,814	2,660,695	85,157	2,745,852
- Industrial	189,853	4,606	194,459	269,788	2,682	272,470
- Services	264,114	-	264,114	237,685	-	237,685
Other	**4,199**	**-**	**4,199**	**3,946**	**-**	**3,946**
Adjustments and eliminations to inter- segment revenue	-	(67,686)	(67,686)	-	(87,839)	(87,839)
TOTAL	**2,906,900**	**-**	**2,906,900**	**3,172,114**	**-**	**3,172,114**

OTHER OPERATING INCOME

"Other Operating Income" in 2018 amounted to EUR 100,903 thousand (2017: EUR 124,745 thousand).

PROCUREMENTS

"Procurements" in 2018 amounted to EUR (2,216,741) thousand, 5.5% more than in 2017. It includes most notably the loss of EUR (27,639) thousand relating to the penalty imposed by the International Chamber of Commerce of New York in connection with the claim brought by OHL Industrial, S.L.U. against Energía Limpia de Guatemala, S.A. (see Note 4.6.).

STAFF COSTS

"Staff costs" in 2018 amounted to EUR (814,175) thousand (2017: EUR (824,099) thousand).

It includes costs of EUR 13,000 thousand in 2018 relating to the collective redundancy procedure that the Parent concluded on 31 December 2018, whereby 131 job positions were terminated (see Note 2.2.23).

OTHER OPERATING EXPENSES

The detail of "Other Operating Expenses" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
Concept	2018	2017
Outside services	(355,885)	(377,734)
Taxes other than income tax	(15,142)	(18,971)
Other current operating expenses	(101,810)	(38,432)
TOTAL	**(472,837)**	**(435,137)**

FINANCE INCOME

The detail of "Finance Income" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
Concept	**2018**	**2017**
Interest income from other companies	21,731	35,010
Income from equity investments	6	4
TOTAL	**21,737**	**35,014**

FINANCE COSTS

The detail of "Finance Costs" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
Concept	**2018**	**2017**
On the financing of current transactions	(81,544)	(82,178)
On finance leases and deferred purchases of non-current assets	(62)	(135)
Interest costs relating to provisions	(1,059)	-
TOTAL	**(82,665)**	**(82,313)**

EXCHANGE DIFFERENCES (GAINS AND LOSSES)

The exchange differences in 2018 amounted to EUR (5,896) thousand (2017: EUR (44,139) thousand).

NET GAINS (LOSSES) ON REMEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE

In 2018 net losses on remeasurement of financial instruments at fair value amounted to EUR (89,453) thousand and arose mainly as a result of the foreign currency hedge arranged to hedge the divestment of the Concessions Division, which following its settlement in 2018 amounted to EUR (92,255) thousand.

In 2017 net gains on remeasurement of financial instruments at fair value amounted to EUR 31,777 thousand and arose mainly as a result of the change of EUR 33,964 thousand in the fair value of the foreign currency derivatives.

RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

"Result of Companies Accounted for Using the Equity Method" in 2018 amounted to EUR (110,416) thousand, including most notably the losses of EUR (101,723) thousand recognised by Health Montreal Collective CJV L.P. due to the cost overruns incurred in the project as a result of flaws in the start-up of the Centre Hospitalier de L´Université de Montreal (CHUM).

IMPAIRMENT AND GAINS OR LOSSES ON DISPOSALS OF FINANCIAL INSTRUMENTS

In 2018 "Impairment and Gains or Losses on Disposals of Financial Instruments" amounted to EUR (141,898) thousand, and included most notably:

- Impairment of EUR (99,694) thousand relating to the costs of the enforced guarantees associated with the Sidra Medical Research Center design and construction project (Doha, Qatar).

- Various impairment losses totalling EUR 27,771 thousand (relating to Arenales Solar PS, S.L., Nova Dàrsena Esportiva de Barà, S. and Avalora Tecnologías de la Información, S.A.).

- The sale in June 2018 of PSV, a.s. for EUR 44,331 thousand, which gave rise to a loss of EUR (3,066) thousand.

LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS, NET OF TAX

Concept	Concessions	Development	Total
Revaluation losses	(549,868)	(45,771)	(595,639)
Gains on disposal	47,550	-	47,550
Profit (loss) after tax arising before the disposal	115,738	(117,940)	(2,202)
TOTAL LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS, NET OF TAX	**(386,580)**	**(163,711)**	**(550,291)**

On 12 April 2018, the sale was completed and all the share capital of OHL Concesiones, S.A.U. was transferred to IFM Global Infrastructure Fund.

OHL Concesiones, S.A.U. was valued at EUR 2,775,000 thousand net of project borrowings in the sale agreement and, after taking into account the usual price adjustments in these transactions, net borrowings, exchange rate and cash contributed to greenfield projects, the selling price was set at EUR 2,158,040 thousand.

The gain on the disposal that arose from the selling price less the associated costs amounted to EUR 47,550 thousand.

Prior to the sale transaction, on 10 April 2018, OHL Concesiones, S.A.U. approved the payment of an extraordinary dividend of EUR 567,637 thousand.

In addition to the gain on the disposal, the Group transferred to profit or loss the amounts associated with the valuation adjustments (translation differences and remeasurement at fair value of the financial instruments) contributed by the disposed Concessions Division, which were recognised in the Group's consolidated equity and totalled EUR 549,868 thousand. This transfer relates to the reclassification of the aforementioned amounts from "Valuation Adjustments" to profit or loss, and did not have any effect on the Group's total consolidated equity.

The disposal is subject to the usual clauses on compliance with obligations and assumption of liabilities by the parties.

The disposal of OHL Desarrollos will be carried out in 2019, and it is considered that, in view of the results recognised in 2018, revaluing the assets and liabilities classified as held for sale, no profit will be made on the disposal.

BALANCES IN CURRENCIES OTHER THAN THE EURO

The detail of the transactions performed by the Group companies in 2018 in currencies other than the euro, by currency and for the main operating income and expense items, translated to euros at the average exchange rates, is as follows:

	Thousands of euros			
Currency	**Sales**	**Other income**	**Procurements**	**Other operating expenses**
Czech koruna	229,165	5,139	217,558	13,330
Algerian dinar	3,981	108	9,824	5,100
Kuwaiti dinar	11,734	92	-	3,763
Canadian dollar	3,567	-	-	2,245
US dollar	1,005,175	13,407	753,448	141,485
Chilean peso	155,215	3,910	96,885	15,163
Colombian peso	93,560	3,937	156,565	20,159
Mexican peso	129,187	9,685	170,675	54,343
Saudi riyal	21,280	724	21,609	11,852
Qatari riyal	5,703	19	-	10,658
Peruvian sol	125,145	605	16,870	16,731
Polish zloty	6,523	1,181	379	461
Other currencies	72,187	5,304	174,354	26,383
TOTAL	**1,862,422**	**44,111**	**1,620,167**	**321,673**

The detail of the balances receivable in currencies other than the euro at 31 December 2018 and 2017, by currency and for the main asset items in the consolidated balance sheets, translated to euros at the year-end exchange rates, is as follows:

	Thousands of euros		
	2018		
Currency	**Non-current financial assets**	**Current financial assets**	**Trade and other receivables**
Czech koruna	475	-	82,643
Algerian dinar	818	-	8,967
Kuwaiti dinar	66	-	21,902
Canadian dollar	27,430	95	13,587
US dollar	5,347	26,605	321,069
Chilean peso	34	1	110,979
Colombian peso	-	2	28,792
Mexican peso	97	753	152,373
Saudi riyal	2,212	36,459	38,075
Qatari riyal	2,900	-	13,559
Peruvian sol	-	12	26,382
Polish zloty	-	-	1,960
Other currencies	532	34	53,366
TOTAL	**39,911**	**63,961**	**873,654**

Currency	Thousands of euros		
	2017		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	1,738	-	52,522
Algerian dinar	-	-	70,987
Kuwaiti dinar	70	-	35,187
Canadian dollar	321,334	99	12,822
US dollar	5,434	39,005	367,542
Chilean peso	54,498	-	120,452
Colombian peso	-	2	15,605
Mexican peso	25,186	-	118,085
Saudi riyal	2,211	33,352	80,138
Qatari riyal	100,038	-	360,570
Peruvian sol	-	13	25,680
Polish zloty	-	-	2,149
Other currencies	1,449	160	72,953
TOTAL	**511,958**	**72,631**	**1,334,692**

The detail of the balances payable in currencies other than the euro at 31 December 2018 and 2017, by currency and for the main liability items in the consolidated balance sheets, translated to euros at the year-end exchange rates, is as follows:

Currency	Thousands of euros				
	2018				
	Bank borrowings	Debt instruments and other marketable securities	Other financial liabilities	Trade and other payables	Other current and non-current liabilities
Czech koruna	-	-	587	65,345	14,501
Algerian dinar	-	-	-	3,399	3,302
Kuwaiti dinar	-	-	-	57,022	30
Canadian dollar	-	-	-	3,538	1,237
US dollar	-	-	-	498,385	29,890
Chilean peso	-	-	-	68,913	10,535
Colombian peso	-	-	-	152,211	2,883
Mexican peso	-	-	-	195,512	15,512
Saudi riyal	-	-	-	30,136	153
Qatari riyal	-	-	-	52,939	-
Peruvian sol	-	-	-	43,471	3,148
Polish zloty	-	-	-	1,823	50
Other currencies	-	-	-	118,307	19,219
TOTAL	**-**	**-**	**587**	**1,291,001**	**100,460**

Currency	Thousands of euros 2017 Bank borrowings	Debt instruments and other marketable securities	Other financial liabilities	Trade and other payables	Other current and non-current liabilities
Czech koruna	783	-	1,256	33,328	11,200
Algerian dinar	-	-	-	12,481	8,186
Kuwaiti dinar	-	-	-	73,408	-
Canadian dollar	-	-	-	6,131	870
US dollar	2,512	-	-	404,143	32,633
Chilean peso	55,140	-	1,574	83,503	5,160
Colombian peso	-	-	-	58,407	964
Mexican peso	5,107	-	-	90,079	15,682
Saudi riyal	-	-	-	36,040	1,430
Qatari riyal Peruvian sol	-	-	-	51,629	28
Polish zloty	-	-	-	29,708	2,141
Other currencies	-	-	-	2,021	43
Total	1	-	-	97,062	24,050
TOTAL	**63,543**	**-**	**2,830**	**977,940**	**102,387**

3.24.- CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows was prepared in accordance with IAS 7 and is unaffected by changes in the exchange rates to euros of the currencies with which the Group operates.

Also, the pertinent classifications have been made in order to properly show the changes due to inclusions in and exclusions from the scope of consolidation.

The following aspects are worthy of mention in relation to each of the main sections of the consolidated statement of cash flows:

CASH FLOWS FROM OPERATING ACTIVITIES

The detail of "Other Adjustments to Loss" is as follows:

Concept	Thousands of euros 2018	2017
Changes in provisions and allowances	3,514	2,803
Financial loss	298,175	36,349
Result of companies accounted for using the equity method	110,416	36,705
TOTAL	**412,105**	**75,857**

CASH FLOWS FROM INVESTING ACTIVITIES

"Cash Flows from Investing Activities" amounted to EUR 1,971,100 thousand in 2018.

Payments due to investments amounted to EUR (215,332) thousand.

Proceeds from disposals amounted to EUR 2,097,196 thousand and included most notably the gain of EUR 1,991,040 thousand on the sale of the discontinued operations of the Concessions Division.

CASH FLOWS FROM FINANCING ACTIVITIES

"Cash Flows from Financing Activities" amounted to EUR (1,022,727) thousand in 2018.

Following the aforementioned transactions, and taking into consideration the exchange rates, cash and cash equivalents at the end of the year amounted to EUR 814,434 thousand.

4. OTHER DISCLOSURES

4.1.- SEGMENT REPORTING

An operating segment is defined in the relevant IFRS as one having a segment manager who is directly accountable to and maintains regular contact with the chief operating decision maker to discuss operating activities, financial results, forecasts, or plans for the segment. The IFRS also states that if those characteristics apply to more than one set of components of an organisation but there is only one set for which segment managers are held responsible, that set of components constitutes the operating segments.

The Group considers that the segmentation that best represents it is that based on the various business areas in which it operates, the detail being as follows:

- Engineering and Construction
  - Construction
  - Industrial
  - Services
  - Corporate

- Other

Basic information about these segments in 2018 and 2017 is presented below:

	Thousands of euros						
	2018						
		Engineering and Construction					
Concept	Concessions	Construction	Industrial	Services	Corporate	Other	Total Group
Revenue		2,448,734	189,853	264,114	-	4,199	2,906,900
EBITDA(**)	-	(330,290)	(92,480)	1,274	(72,366)	(2,088)	(495,950)
As a percentage of revenue	-	-13.5%	-48.7%	0.5%	-	-49.7%	-17.1%
Depreciation and amortisation charge	-	(43,896)	(6,173)	(3,729)	(11,207)	(2)	(65,007)
EBIT	-	(374,186)	(98,653)	(2,455)	(83,573)	(2,090)	(560,957)
As a percentage of revenue	-	-13.5%	-52.0%	-0.9%	-	-49.8%	-19.3%
Current assets	-	1,824,825	197,905	71,330	549,475	148,677	2,792,212
Current liabilities	-	2,902,865	362,428	76,666	(1,123,726)	410,640	2,428,873
Total assets	-	2,528,718	221,179	85,730	812,104	455,672	4,103,403
Total liabilities	-	3,049,055	383,981	78,662	(654,293)	412,829	3,270,234
Cash flows from operating activities (*)	-	(269,345)	(115,082)	8,243	(266,020)	5,612	(636,592)
Changes in net borrowings(*)	(85,000)	278,297	88,127	583	(1,671,675)	98,459	(1,291,209)
Cash flows from investing activities (*)	85,000	(8,952)	26,955	(8,826)	1,937,695	(104,071)	1,927,801

(*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.

**) EBITDA is calculated as profit from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

	Thousands of euros						
	2017						
		Engineering and Construction					
Concept	Concessions	Construction	Industrial	Services	Corporate	Other	Total Group
Revenue	-	2,660,695	269,788	237,685	-	3,946	3,172,114
EBITDA(**)	-	34,121	(42,111)	3,644	(58,200)	(3,950)	(66,496)
As a percentage of revenue	-	1.3%	-15.6%	1.5%	-	-100.1%	-2.1%
Depreciation and amortisation charge	-	(63,018)	(3,354)	(2,742)	(4,165)	(2)	(73,281)
EBIT	-	(28,897)	(45,465)	902	(62,365)	(3,952)	(139,777)
As a percentage of revenue	-	-1.1%	-16.9%	0.4%	-	-100.2%	-4.4%
Current assets	8,074,964	2,252,143	286,227	78,715	(200,204)	51,387	10,543,232
Current liabilities	3,808,691	2,646,722	342,856	74,159	(210,445)	239,152	6,901,135
Total assets	8,311,179	3,093,694	323,026	89,673	(63,548)	454,461	12,208,485
Total liabilities	3,808,691	2,828,671	350,700	77,312	685,124	274,759	8,025,257
Cash flows from operating activities (*)	-	(11,341)	(104,752	8,479	(110,337)	15,595	(292,356)
Changes in net borrowings(*)	108,224	79.546	98,351	(3,485)	97,804	(175,198)	205,242
Cash flows from investing activities (*)	(108,224)	(68,205)	6,401	(4,994)	12,532	159,603	(2,887)

(*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.

(**) EBITDA is calculated as profit from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

The secondary segments -the geographical areas in which the Group companies operate on a lasting basis, since they have local structures- are the US and Canada, Mexico, Chile, Peru, Colombia, Spain and Central and Eastern Europe. The Group is also present in other countries, which are not currently considered to be local markets and are grouped together under "Other Countries".

Concept	Thousands of euros 2018								
	US and Canada	Mexico	Chile	Peru	Colombia	Spain	Central and Eastern Europe	Other countries	Total Group
Revenue	947,892	164,205	153,347	133,883	95,848	792,635	284,786	332,304	2,906,900
EBITDA (*)	(55,815)	(59,760)	10,124	5,018	(99,128)	(113,184)	(5,966)	(177,239)	(495,950)
As a percentage of revenue	-5.9%	-36.4%	6.5%	3.7%	-103.4%	-14.3%	-2.1%	-53.3%	-17.1%
EBIT	(84,131)	(63,266)	(4,135)	72	(99,572)	(124,800)	(8,615)	(176,510)	(560,957)
As a percentage of revenue	-8.9%	-38.5%	-2.7%	0.1%	-103.9%	-15.7%	-3.0%	-53.1%	-19.3%
Profit (Loss) after tax (attributable to the Parent)	(178,699)	(74,650)	21,327	13,996	(100,033)	(938,449)	(13,714)	(307,124)	(1,577,346)
As a percentage of revenue	-18.9%	-45.5%	13.7%	10.5%	-104.4%	-118.4%	-4.8%	-92.4%	-54.8%
Concession infrastructure	-	-	-	-	-	72,171	-	-	-
Year-end headcount	1,954	710	1,717	1,402	580	10,130	1,403	477	18,373
Short-term backlog	2,193,223	312,970	586,800	184,475	361,975	1,380,908	408,042	447,967	5,876,360
Long-term backlog	-	-	81,343	-	-	136,872	-	-	218,215
Total backlog	2,193,223	312,970	668,143	184,475	361,975	1,517,780	408,042	447,967	6,094,575

(*) EBITDA is calculated as profit from operations plus the depreciation and amortisation charge plus the change in provisions and allowances

Concept	Thousands of euros 2017								
	US and Canada	Mexico	Chile	Peru	Colombia	Spain	Central and Eastern Europe	Other countries	Total Group
Revenue	1,116,528	221,939	149,776	113,833	93,786	729,193	270,212	476,847	3,172,114
EBITDA (*)	33,977	23,009	(35,084)	11,886	5,167	(111,854)	(1,730)	8,133	(66,496)
As a percentage of revenue	3.0%	10.4%	-23.4%	10.4%	5.5%	-15.3%	-0.6%	1.7%	-2.1%
EBIT	4,319	20,194	(37,428)	7,129	3,694	(127,056)	(12,119)	1,490	(139,777)
As a percentage of revenue	0.4%	9.1%	-25.0%	6.3%	3.9%	-17.4%	-4.5%	0.3%	-4.4%
Profit (Loss) after tax (attributable to the Parent)	(71,768)	314,160	(19,663)	22,937	5,738	(188,860)	(12,121)	(72,499)	(12,076)
As a percentage of revenue	-5.5%	141.6%	-13.1%	20.1%	6.1%	-25.9%	-4.5%	-15.2%	-0.4%
Concession infrastructure	-	-	-	-	-	66,738	-	-	66,738
Year-end headcount	2,196	1,055	2,126	2,446	482	10,144	2,006	1,009	21,464
Short-term backlog	2,079,173	387,963	999,455	224,297	374,011	1,407,092	214,665	549,594	6,236,250
Long-term backlog	-	-	87,615	-	-	136,872	-	-	224,487
Total backlog	2,079,173	387,963	1,087,070	224,297	374,011	1,543,964	214,665	549,594	6,460,737

(*) EBITDA is calculated as profit from operations plus the depreciation and amortisation charge plus the change in provisions and allowances

4.2.- RISK MANAGEMENT POLICY

Risk management, as a strategic objective of the OHL Group, focuses on the implementation and maintenance of a reliable risk management system to be used as a management tool at all decision- making levels.

This system develops and implements a common set of processes, risk categories, and management tools and techniques in order to:

- Identify and manage risks at Group and divisional level.
- Implement integrated reporting, enabling the identification and follow-up of key risks.
- Align levels of risk tolerance with Group aims.
- Improve risk-related information and communications.
- Improve risk-response decisions.
- Integrate risk management into the decision-making process.
- Reduce the Group's vulnerability to adverse events
- Establish and maintain a culture of raising risk awareness.
- Increase the confidence and assurance of the Board of Directors and of stakeholders that material risks are being managed and communicated on a timely basis.

The framework of the OHL Group's risk management process represents how the Group manages risk. The OHL Group manages risk on the basis of the following principles:

- Risk management is included in the main business processes such as planning or operational processes to ensure consistent risk analysis in decision-making.
- The OHL Group analyses and defines its ability to reduce, accept, share or avoid risks. This definition is aligned with and supports the Group's strategic and operational objectives and its declaration on risk tolerance.
- All the OHL Group's risks are identified, prioritised and evaluated, based on risk assessments and potential exposure, by appropriate personnel in the organisation.
- Each functional area and division is responsible for adopting and following the OHL Group Risk Management System. The risks identified are analysed in all divisions and are added together to ensure the adoption of a coordinated response to the most common risks within the Group.
- Each functional area and division carries out periodic reviews of its risk listing in order to update the status of existing risks and to identify emerging risks.

- Each functional area and division supports a culture of transparency, awareness-raising and open dialogue on risk. The OHL Group's Risk Management programme supports and helps facilitate regular debates on risk, corporate risk awareness and communication, and ongoing training on risk management.

- It is the responsibility of each division to proactively disseminate information on significant current or potential risks in a timely manner, and to ensure that risk management information is provided to the corresponding division management, the corporate risk management function or others as deemed appropriate.

- The OHL Group provides the necessary tools and resources to facilitate risk reporting, monitoring and measurement.

The OHL Group's risk management policy is reviewed annually to ensure that it remains in line with the interests of the Group and its stakeholders.

The OHL Group's Audit and Compliance Committee has the ultimate responsibility for ensuring that the commitments contained in the risk management policy are up to date and fulfilled on an ongoing basis.

4.2.1 FINANCIAL RISK MANAGEMENT

Financial risks affect mainly the obtainment of the necessary financing when required and at a reasonable cost and the maximisation of the available financial resources. The most significant financial risks are as follows:

- Interest rate risks.

- Foreign currency risk.

- Credit risk.

- Liquidity risk.

Interest rate risk

Interest rate fluctuations change the future flows from assets and liabilities tied to floating interest rates.

This interest rate risk is particularly important in relation to the financing of infrastructure projects and other projects in which project profitability depends on possible changes in interest rates because it is directly linked to project cash flows.

The Group finances its operations using fixed- or floating-rate financial products and, based on estimates of the trend in interest rates and of debt structure targets, it either performs hedging transactions by arranging derivatives to mitigate these risks, also conducting a sensitivity analysis in this connection, or it arranges fixed-rate financing.

Of the Group's total gross debt at 31 December 2018, 7.4% had been hedged while 90.9% was bearing interest at a fixed rate.

The sensitivity of the Group's profit or loss to an increase of 0.5% in interest rates, excluding the debt hedged with hedging instruments and the debt bearing a fixed rate of interest, would have an impact of EUR 651 thousand on the profit or loss attributable to the Parent.

Foreign currency risk

Foreign currency risk management is centralised at the Group and various hedging mechanisms are applied to minimise the impact of the changes in value of foreign currencies against the euro.

The foreign currency risks relate basically to:

- Debt denominated in foreign currencies.
- Payments to be made in international markets for the acquisition of procurements or non- current assets.
- Collections arising on projects tied to currencies other than the functional currency of the Parent or of the subsidiaries.
- Investments in foreign subsidiaries.

The Group arranges foreign currency derivatives and currency forwards to hedge significant future transactions and cash flows, in keeping with the acceptable risk limits.

Also, the net assets relating to net investments in foreign operations with a functional currency other than the euro are exposed to the risk of exchange rate fluctuations on the translation of the financial statements of these foreign operations on consolidation.

Non-current assets denominated in currencies other than the euro are financed in that same currency with a view to creating a natural hedge.

The sensitivity analysis of the foreign currency risk of financial instruments for the main currencies in which the Group operates simulated a 10% increase in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2018 and 2017, the possible impact of which was as follows:

	Thousands of euros				
	2018				
Currency	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
Czech koruna	(419)	824	405	3	408
Algerian dinar	(518)	-	(518)	-	(518)
Kuwaiti dinar	(26)	(470)	(2,631)	-	(2,631)
Canadian dollar	-	(3,633)	3,633	-	3,633
US dollar	(4,978)	(11,127)	(15,925)	-	(15,925)
Chilean peso	3,228	(1,148)	2,080	-	2,080
Colombian peso	141	(12,818)	(12,677)	-	(12,677)
Mexican peso	(856)	(4,640)	(5,496)	-	(5,496)
Saudi Arabian riyal	.	4,645	4,645	-	4,645
Qatari riyal	(2,736)	-	(2,736)	-	(2,736)
Peruvian sol	(1,160)	(477)	(1,637)	-	(1,637)
TOTAL	**(7,324)**	**(28,844)**	**(30,857)**	**3**	**(30,854)**

	Thousands of euros				
	2017				
Currency	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
Czech koruna	41	693	734	18	752
Algerian dinar	3,842	-	3,842	-	3,842
Kuwaiti dinar	(2,862)	-	(2,862)	-	(2,862)
Canadian dollar	-	32,726	32,726	-	32,726
US dollar	2,078	(5,500)	(3,422)	-	(3,422)
Chilean peso	3,001	(1,044)	1,957	-	1,957
Colombian peso	339	(4,828)	(4,489)	-	(4,489)
Mexican peso	(81)	3,347	3,266	-	3,266
Saudi Arabian riyal	-	7,823	7,823	-	7,823
Qatari riyal	30,672	-	30,672	-	30,672
Peruvian sol	(1,620)	1,544	(76)	-	(76)
TOTAL	**35,410**	**34,761**	**70,171**	**18**	**70,189**

If the sensitivity analysis were performed simulating a 10% decrease in the value of the foreign currencies vis-à-vis the euro with respect to the rates in force at 31 December 2018 and 2017, the impact would be as follows:

	Thousands of euros				
	2018				
Currency	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
Czech koruna	381	(750)	(369)	(2)	(371)
Algerian dinar	471	-	471	-	471
Kuwaiti dinar	2,392	-	2,392	-	2,392
Canadian dollar	-	(3,303)	(3,303)	-	(3,303)
US dollar	4,363	10,115	14,478	-	14,478
Chilean peso	(2,935)	1,044	(1,891)	-	(1,891)
Colombian peso	(128)	11,653	11,525	-	11,525
Mexican peso	778	4,218	4,996	-	4,996
Saudi Arabian riyal	-	(4,223)	(4,223)	-	(4,223)
Qatari riyal	2,488	-	2,488	-	2,488
Peruvian sol	1,054	434	1,488	-	1,488
TOTAL	**8,864**	**19,188**	**42,922**	**(2)**	**42,920**

	Thousands of euros				
	2017				
Currency	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	TotaL equity
Czech koruna	(40)	(631)	(671)	(16)	(687)
Algerian dinar	(3,493)	-	(3,493)	-	(3,493)
Kuwaiti dinar	2,601	-	2,601	-	2,601
Canadian dollar	-	(29,751)	(29,751)	-	(29,751)
US dollar	(1,888)	5,000	3,112	-	3,112
Chilean peso	(2,729)	949	(1,780)	-	(1,780)
Colombian peso	(308)	4,389	4,081	-	4,081
Mexican peso	73	(3,042)	(2,969)	-	(2,969)
Saudi Arabian riyal	-	(7,112)	(7,112)	-	(7,112)
Qatari riyal	(27,883)	-	(27,883)	-	(27,883)
Peruvian sol	1,473	(1,403)	70	-	70
TOTAL	**(32,194)**	**(31,601)**	**(63,795)**	**(16)**	**(63,811)**

Credit risk

Credit risk is the probability that a counterparty to a contract does not meet its contractual obligations, giving rise to a loss.

The Group has adopted a policy of trading only with solvent third parties and obtaining sufficient guarantees to mitigate the risk of incurring losses in the event of non-compliance. The Group obtains information on its counterparty through independent company valuation agencies, other public sources of financial information or its own relationships with customers and third parties.

At 31 December 2018, the net balances of the Group's financial assets exposed to credit risk are::

Concept	Thousands of euros
Non-current financial assets	309,901
Trade and other receivables	1,304,208
Current financial assets	222,482
Cash and cash equivalents	814,434

Non-current financial assets

Non-current financial assets include loans to associates totalling EUR 63,138 thousand. The Group is aware of the solvency of its associates and does not expect any losses to arise in relation to these financial assets. No write-downs were recognised on these financial assets in 2018.

Non-current hedging instruments

The credit risk of hedging instruments with a positive fair value is limited by the Group, since derivatives are arranged with highly solvent counterparties with high credit ratings and no counterparty accounts for a significant percentage of the total credit risk.

Trade and other receivables

Trade and other receivables includes the balances of "Trade Receivables for Sales and Services" totalling EUR 1,123,710 thousand, of which 71.9% relate to public-sector customers in relation to which the Group does not expect any losses to arise. In certain cases, the Group is entitled to demand interest. The remaining 38.7% relate to private-sector customers which, in general, have a high level of solvency.

Customers are assessed prior to entering into contracts. This assessment includes a solvency study. Over the course of the contract term, changes in debt are monitored on a constant basis and the recoverable amounts are reviewed, and write-downs are recognised whenever necessary.

No significant counterparty liquidity risks were detected as a result of the analysis performed on these balances.

Liquidity risk

This risk is managed by maintaining adequate levels of cash and marketable securities as well as by arranging and maintaining sufficient financing lines to cover all financing needs and to maintain at all times adequate levels of financial flexibility for the Group's activity.

In order to improve this liquidity position, the Group takes measures in relation to:

- Ongoing management of working capital and, particularly, of "Trade and Other Receivables".

- Optimisation of the financial position of all its companies through ongoing monitoring of cash projections.

- Management of the arrangement of financing lines in capital markets.

The Group presents the repayment schedule at 31 December 2018, of which EUR 80,001 thousand mature in 2019 (see Note 3.18.).

The Group's liquidity position at 31 December 2018 comprises the following:

- Current financial assets amounting to EUR 222,482 thousand.

- Cash and cash equivalents amounting to EUR 814,434 thousand.

The multi-product syndicated financing (MSF) agreement dated 30 December 2016, which was amended and approved on 30 March 2017 and amended on 28 June 2017, 29 November 2017 and 22 February 2018, had an aggregate amount of EUR 684,000 thousand, for the issue of guarantees (EUR 402,000 thousand), reverse factoring (EUR 92,000 thousand) and a revolving credit line (EUR 190,000 thousand).

On 11 April 2018 a novation agreement was executed whereby certain essential terms and conditions of the agreement were amended, such as:

1) Authorisation for the sale of all of the shares of OHL Concesiones, S.A.U.

2) Authorisation for the Parent to use the total amount of the guarantees and reverse factoring facilities.

3) Creation of two escrow accounts totalling EUR 372,000 thousand (EUR 280,000 thousand to secure the bank guarantees and EUR 92,000 thousand to secure the reverse factoring) to replace the security interest in the shares of OHL Concesiones, S.A.U.

Following the sale of all the ownership interest in OHL Concesiones to IFM Global Infraestructure (IFM), which took place on 12 April 2018, the net proceeds of the sale were used to:

i. Repay, in April 2018, substantially all of the bank borrowings totalling EUR 701,700 thousand (including the revolving line of credit from the MSF amounting to EUR 190,000 thousand).

ii. Redeem, on 21 May 2018, bonds of EUR 228,249 thousand (25% of the outstanding total amount) in response to the exercise by the bondholders of the put option that they had held as a result of the sale of OHL Concesiones, S.A.U.

iii. Distribute, on 6 June 2018, an interim dividend for 2018 of close to EUR 100,000 thousand (EUR 0.348981 per share);

iv. Increase, with the remaining income from the sale, the Group's cash and current financial assets balance, which at 31 December 2018 amounted to EUR 1,036,916 thousand.

Subsequently, the following novation of the multi-product syndicated financing agreement occurred:

1. Novation on 3 October 2018 in which it was agreed to:

- Extend the maturity date to 31 March 2019.

- Reduce and partially cancel 50% of the amount available under the guarantee facility, which amounted to EUR 351,556 thousand.

- Reduce the escrow accounts created in April 2018 (which totalled EUR 372,000 thousand) to EUR 140,000 thousand.

- Cancel in full the reverse factoring facility, releasing the funds held in escrow.

- Maintain a minimum amount in the escrow account of at least EUR 140,000 thousand from that date onwards.

- Credit EUR 160,000 thousand to unrestricted reserves to enable the Parent to deposit amounts in the escrow account at any time and/or for any other use, provided that it has the written consent of all the counter-guarantors.

A new novation of the multi-product syndicated financing agreement was entered into on 28 March 2019 which extended the maturity date to 30 June 2019. The remaining conditions were not amended and negotiations continued with the financial institutions.

All the steps taken by the Company were aimed at mitigating liquidity risk and, following the significant disposals in 2018, the Group's significant liquidity, with cash and current financial assets of EUR 1,036,916 thousand, ensures that it is able to carry on its activities normally.

4.2.2. -CAPITAL MANAGEMENT

The objective of the Group's capital management is to maintain an optimum financial structure that enables it to reduce the cost of capital but also guarantees the capacity to continue managing recurring operations and undertaking new projects focused on growth and the creation of value.

In order to achieve this target, the Group considered it necessary to strengthen its financial structure to undertake investments in new concession operators and also to reduce its net financial debt. Accordingly, on 30 October 2015, it increased capital by a par value of EUR 119,410 thousand, through the issue of 199,018,056 new shares of EUR 0.60 par value and a share premium of EUR 4.42 each, of the same class and series as the existing shares.

The total amount of the capital increase, i.e. par value plus share premium, excluding expenses, was EUR 999,070 thousand

In addition to obtaining funds from its shareholders, the main sources used by the Group to finance its growth and operations are as follows:

- Cash flows generated by the Group that are not related to project finance, including dividends arising from projects.

- Project finance, which is always long term and with recourse only to the cash flows generated and the project assets being financed and always in the same currency as the revenue from the related project.

- Short-term corporate finance, with recourse mainly to the Parent, used to cover the possible seasonality of business during the year.

- Long-term corporate finance, with recourse mainly to the Parent, always of a moderate amount with respect to equity and in proportion to the cash generated.

It should be noted that in 2018 the sale of all the share capital of OHL Concesiones, S.A.U., for which the Group received a net amount of EUR 1,991,040 thousand, gave rise to a negative net borrowings figure for the first time.

The capital structure is controlled through the leverage ratio (calculated as the ratio of net financial debt to equity).

These ratios at 31 December 2018 and 2017 are as follows:

	Thousands of euros				
	2018	**%**	**2017**	**%**	**Change %**
Equity	**785,669**		**4,183,228**		**-81.2**
Total financial debt					
Non-current	660,957	89.2	893,556	56.8	-26.0
Current	80,001	10.8	680,679	43.2	-88.2
Total gross financial debt	**740,958**	**100.0**	**1,574,235**	**100**	**-52.3**
Current financial assets + Cash and cash equivalents	**(1,036,916)**		**(574,329)**		
Total net financial debt	**(295,958)**		**999,906**		**n/a**
Total net debt/Equity	**(0.38)**		**0.24**		**n/a**

4.3.- NUMBER OF EMPLOYEES

The average number of employees in 2018 and 2017, by professional category, was as follows:

	Average number of employees	
Professional category	**2018**	**2017 (*)**
Management and university graduates	364	415
Further education college graduates	1,563	1,724
Non-graduate line personnel	2,762	2,886
Clerical staff	1,088	1,292
Other employees	14,538	14,538
Total	**20,315**	**20,855**
Permanent employees	12,471	13,107
Temporary employees	7,844	7,748
Total	**20,315**	**20,855**

(*) Restated

The average number of employees at the Group with a disability equal to or greater than 33% in 2018 was 303 (2017: 521).

Of the average number of employees in 2018, 8,172 were women and 12,143 were men.

4.4.- RELATED PARTY TRANSACTIONS

Related party transactions are deemed to be transactions with parties outside the Group but with which there are strong ties as defined in Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and in Spanish National Securities Market Commission (CNMV) Circular 1/2005, of 1 April.

The following transactions were performed with related companies in 2018 and 2017:

	Thousands of euros			
Concept	**2018**	**% of Total**	**2017**	**% of Total**
Income and expenses				
Revenue	54,960	1.89	33,139	1.03
Other operating income	1,522	1.51	1,359	0.81
Finance income	5,845	26.89	5,382	15.15
Procurements	2,615	0.12	4,568	0.22
Other operating expenses	7,795	1.65	5,409	1.12
Other transactions				
Acquisitions of intangible assets	686	-	711	-
Acquisitions of property, plant and equipment	-	-	-	-
Acquisitions of financial assets	50,000	-	8,470	-
Financing agreements: loans granted	45,215	-	-	-
Financing agreements: repayment of loans granted	542	-	926	-
Dividends paid	44,346	-		
Sales of property, plant and equipment	245	-		
Advances	(34,866)	-	1	-

The following transactions were performed with the related companies of the discontinued operations in 2018 and 2017 (2018 and 2017: EUR 0 with Concessions):

	Thousands of euros			
Concept	**2018**	**% of Total**	**2017**	**% of Total**
Income and expenses				
Revenue	-	-	-	-
Procurements	-	-	-	-
Other operating expenses	-	-	551	0,32
Finance costs	-	-	-	-

The detail of the related party transactions in 2018 is as follows:

Employer identification number	Related company	Concept	Group company	Thousands of euros
PT502473525	ADP-Ferilizantes, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	48
B86092145	Centro Canalejas Madrid, S.L.U.	Revenue	Obrascon Huarte Lain, Desarrollos, S.L.	1,120
B86092145	Centro Canalejas Madrid, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	28,485
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	21
B83962225	Espacio Living Homes, S.L.	Revenue	Obrascon Huarte Lain, S.A.	1,319
B87567160	Espacio Mallaeta, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	2,075
B87238689	Espacio-OHLD Proyectos Singulares, S.L.	Revenue	Avalora Tecnologías de la Información, S.A.	1
A87287223	Espacio Caleido, S.A.	Revenue	Obrascon Huarte Lain, S.A.	20,793
A87287223	Espacio Caleido, S.A.	Revenue	OHL Servicios- Ingesan, S.A.U.	3
A80400351	Espacio Information Technology, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	175
A80420516	Ferroatlántica, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	17
FR33642005177	FerroPem, SAS	Revenue	Avalora Tecnologías de la Información, S.A.	2
A28165298	Fertiberia, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	53
A28165298	Fertiberia, S.A.	Revenue	Chemtrol Proyectos y Sistemas, S.L.	2
A28165298	Fertiberia, S.A.	Revenue	Comercial de Materiales de Incendio, S.L.	22
A28165298	Fertiberia, S.A.	Revenue	OHL Industrial Mining & Cement, S.A.	5
A28165298	Fertiberia, S.A.	Revenue	S.A. Trabajos y Obras	51
A28294718	Inmobiliaria Espacio, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	33
A28294718	Inmobiliaria Espacio, S.A.	Revenue	OHL Servicios- Ingesan, S.A.U.	2
A28032829	Padacar, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	5
A28032829	Padacar, S.A.U.	Revenue	OHL Servicios- Ingesan, S.A.U.	82
B82607839	Promociones y propiedades Inmobiliaria Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	6
B82607839	Promociones y propiedades Inmobiliaria Espacio, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	228
B84996362	Torre Espacio Gestion S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	24
B84996362	Torre Espacio Gestion S.L.U.	Revenue	OHL Servicios- Ingesan, S.A.U.	358
B85253888	Villar Mir Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	3
B85253888	Villar Mir Energía, S.L.U.	Revenue	OHL Servicios- Ingesan, S.A.U.	27
B86830536	Alse Park, S L	Other operating income	Obrascon Huarte Lain, S.A.	1
B86830536	Alse Park, S L	Other operating income	Obrascon Huarte Lain, Desarrollos, S.L.	43
B86092145	Centro Canalejas Madrid, S.L.U.	Other operating income	Obrascon Huarte Lain, S.A.	19
A87287223	Espacio Caleido, S.A.	Other operating income	Obrascon Huarte Lain, S.A.	91
A80400351	Espacio Information Technology, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	68
A82500257	Grupo Villar Mir, S.A.U.	Other operating income	operating income	1,291
B87801668	Proyecto Canalejas Group, S.L.	Other operating income	operating income	9
B86830536	Alse Park, S L	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	5

Employer identification number	Related company	Concept	Group company	Thousands of euros
B86092145	Centro Canalejas Madrid, S.L.U.	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	596
A82500257	Grupo Villar Mir, S.A.U.	Finance income	Obrascon Huarte Lain, S.A.	4,045
A28294718	Inmobiliaria Espacio, S.A.	Finance income	Avalora Tecnologías de la Información, S.A.	132
A28032829	Pacadar, S.A.U.	Finance income	Obrascon Huarte Lain, S.A.	1,067
A28032829	Pacadar, S.A.U.	Procurements	Obrascon Huarte Lain, S.A.	77
A28032829	Padacar, S.A.U.	Procurements	Construcciones Adolfo Sobrino, S.A.	2,538
B86830536	Alse Park, S.L.	Other operating expenses	Obrascon Huarte Lain, S.A.	17
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	4
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	12
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	4
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	316
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	OHL Servicios- Ingesan, S.A.U.	10
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	26
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Avalora Tecnologías de la Información, S.A.	2,660
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	14
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	8
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Constructora de Proyectos Viales de México, S.A. de C.V.	109
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	EYM Instalaciones, S.A.	10
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	13
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	3,145
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Arabia LLC	50
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Colombia, S.A.S.	111
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Industrial Mining & Cement, S.A.	4
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Industrial, S.L.	43
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	S.A. Trabajos y Obras	14
A28294718	Inmobiliaria Espacio, S.A.	Other operating expenses	Obrascon Huarte Lain, S.A.	14
B80209232	Inse Rail, S.L.	Other operating expenses	EYM Instalaciones, S.A.	19
B82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	1,100
B84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	42
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	3
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	27
Other transactions				
A80400351	Espacio Information Technology, S.A.U.	Acquisitions of intangible assets	Obrascon Huarte Lain, S.A.	686
A82500257	Grupo Villar Mir, S.A.U.	Acquisitions of financial assets	Obrascon Huarte Lain, Desarrollos, S.L.	50,000
A80400351	Espacio Information Technology, S.A.U.	Sales of property, plant and equipment	Avalora Tecnologías de la Información, S.A.	245
A28032829	Pacadar, S.A.U.	Advances	Obrascon Huarte Lain, S.A.	(34,866)
B86092145	Centro Canalejas Madrid, S.L.U.	Financing agreement: loans granted	Obrascon Huarte Lain, Desarrollos, S.L.	575
A82500257	Grupo Villar Mir, S.A.U.	Financing agreement: loans granted	Obrascon Huarte Lain, Desarrollos, S.L.	9.774
A28032829	Pacadar, S.A.U.	Financing agreement: loans granted	Obrascon Huarte Lain, S.A.	34,866

Employer identification number	Related company	Concept	Group company	Thousands of euros
B86830536	Alse Park, S.L.	Financing agreement: repayment of loan granted	Obrascon Huarte Lain, Desarrollos, S.L.	542
B86092145	Centro Canalejas Madrid, S.L.U.	Guarantees for construction work	Obrascon Huarte Lain, S.A.	999
A87287223	Espacio Caleido, S.A.	Guarantees for construction work	Obrascon Huarte Lain, S.A.	10,000
B86830536	Alse Park, S.L.	Financial guarantees	Obrascon Huarte Lain, S.A.	7,250
B86830536	Alse Park, S.L.	Financial guarantees	Obrascon Huarte Lain, S.A.	(6,042)
B86092145	Centro Canalejas Madrid, S.L.U.	Financial guarantees	Obrascon Huarte Lain, S.A.	1,000
A28294718	Inmobiliaria Espacio, S.A.	Financial guarantees	Obrascon Huarte Lain, S.A.	(2,663)
B84996362	Torre Espacio Gestión, S.L.U.	Financial guarantees	OHL Servicios- Ingesan, S.A.U.	18
B86830536	Alse Park, S.L.	Dividends paid	Obrascon Huarte Lain, Desarrollos, S.L.	1,663
A82500257	Grupo Villar Mir, S.A.U.	Dividends paid	Obrascon Huarte Lain, S.A.	42,683

At 31 December 2018 and 2017, the balances with related companies were as follows:

	Thousands of euros			
Concept	2018	% of total	2017	% of total
Non-current assets				
Other receivables	-	-	101,524	22.56
Current assets				
Advances to suppliers and subcontractors	-	-	-	-
Trade receivables for sales and services	12,743	1.09	10,744	0.63
Sundry accounts receivable	3,081	6.00	1,613	2.36
Other receivables	3,227	5.10	7,000	6.95
Other current assets (see Note 3.10)	119,101	77.59	-	-
Non-current liabilities				
Other non-current liabilities			1,500	9.45
Current liabilities				
Customer advances	-	-	4,587	0.96
Accounts payable for purchases and services	316	0.03	841	0.08
Notes payable	-	-	-	-
Other non-trade payables	1,825	3.11	212	0.93

The balances with related companies associated with discontinued operations at 31 December 2018 and 2017 are as follows:

	2018	% of total discontinued operations	2017	% of total discontinued operations
Non-current assets	-	-	-	-
Advances to suppliers and subcontractors	-	-	34,110	95.67
Current liabilities	-	-	-	-
Accounts payable for purchases and services	-	-	7	0.01

4.5.- BACKLOG

At 31 December 2018, the Group's backlog amounted to EUR 6,094,575 thousand (31 December 2017: EUR 6,460,737 thousand).

The breakdown of the Group's backlog, by activity and geographical market, is as follows:

	Thousands of euros					
	2018			2017		
Business activity	Short-term	Long-term	Total	Short-term	Long-term	Total
Construction	5,240,754	218,215	5,458,969	5,792,781	224,487	5,792,781
Industrial	259,853	-	259,853	312,107	-	312,107
Services	375,753	-	375,753	355,849	-	355,849
TOTAL BACKLOG	**5,876,360**	**218,215**	**6,094,575**	**6,460,737**	**224,487**	**6,460,737**

Of the total short-term backlog at 31 December 2018, EUR 4,225,423 thousand related to public sector customers and EUR 1,380,908 thousand to private sector customers (2017: EUR 4,976,279 thousand and EUR 1,259,971 thousand, respectively).

	Thousands of euros					
	2018			2017		
Geographical market	Short-term	Long-term	Total	Short-term	Long-term	Total
US and Canada	2,193,223	-	2,193,223	2,079,173	-	2,079,173
Mexico	312,970	-	312,970	387,963	-	387,963
Chile	586,800	81,343	668,143	999,455	87,615	1,087,070
Peru	184,475	-	184,475	224,297	-	224,297
Colombia	361,975	-	361,975	374,011	-	374,011
Spain	1,380,908	136,872	1,517,780	1,407,092	136,872	1,543,964
Central and Eastern Europe	408,042	-	408,042	214,666	-	214,666
Other countries	447,967	-	447,967	549,593	-	549,593
TOTAL BACKLOG	**5,876,360**	**218,215**	**6,094,575**	**6,236,250**	**224,487**	**6,460,737**

At 31 December 2018, the backlog abroad represented 75.1% of the total backlog (31 December 2017: 76.1%).

4.6.- CONTINGENT ASSETS ANDCONTINGENT LIABILITIES

4.6.1.- CONTINGENT ASSETS

There were no material contingent assets at 31 December 2018.

4.6.2.- CONTINGENT LIABILITIES AND GUARANTEES

4.6.2.1.- Guarantees provided to third parties

The contingent liabilities include the normal liability of construction companies for the performance and completion of the project contracts held by the Group companies and those arranged by the UTEs in which they have interests. The subsidiaries in Spain also have a secondary liability for the obligations of their subcontractors to the social security system with respect to their site employees. No losses are expected to be incurred by the Group in this connection.

At 31 December 2018, the Group companies had provided EUR 3,417,700 thousand of guarantees to third parties (31 December 2017: EUR 3,672,965 thousand), of which, in accordance with standard practice in the industry, EUR 3,344,000 thousand (31 December 2017: EUR 3,550,465 thousand) related to completion bonds deposited with public authorities and private sector customers to guarantee proper performance of the project contracts, and the remainder to provisional guarantees for project bids.

The Group considers that, in connection with the construction projects subject to this type of guarantee, no circumstances have arisen that require a provision to be recognised.

The obligations assumed are the performance of the construction work or project in accordance with the prime contract entered into. Should the Group breach the terms and conditions envisaged in the contract and, accordingly, fail to perform the construction work or project, the customer would be entitled to enforce the guarantee provided, although it would have to evidence the Group's default.

The Group considers that it has been complying with the obligations assumed with its customers in relation to the performance of the construction work or projects awarded, which is the Group's core business. Therefore, the Group considers the probability of defaulting on the contracts it performs and, consequently, of the performance bonds or guarantees provided being enforced, to be remote.

Joint and several personal financial guarantees
Also, certain Group companies had provided joint and several personal guarantees to various entities (mainly banks) as security for the credit facilities granted to other associates, which amounted to EUR 1,458 thousand at 31 December 2018 (31 December 2017: EUR 50,493 thousand).

The Parent's directors do not expect, as a result of the provision of these guarantees, any additional liabilities to arise that might affect the interim condensed consolidated financial statements as at 31 December 2018.

Guarantees for financial instruments
Group companies have not provided guarantees to any entities to secure derivatives granted to other associates at 31 December 2018 (31 December 2017: EUR 6,095 thousand).

The Parent's directors do not expect the collateral guarantees to pose a significant risk for the Group's liquidity.

Investment obligations
The concession operators are obliged, under the concession arrangements, to make certain investments (see Note 3.2.).

These investments will be financed through loans granted to, capital increases at, and cash flows generated by, the concession operators. Given that these are estimates and neither the amounts to be received through the loans nor the cash flows to be generated by the concessions are fixed, the amount and the timing of the capital increases at the subsidiaries that the Group would have to subscribe is not certain.

Litigation
At 31 December 2018, certain lawsuits were in process involving the Parent and/or its subsidiaries as a result of the ordinary performance of their operations.

The Group's most significant litigations relating to the Construction and Industrial Divisions are:

- In 2014 the Group reported that as a consequence of **the contract for the Design and Construction of the Sidra Medical Research Centre (Doha, Qatar), Qatar Foundation for Education, Science and Community Development (QF)** and the joint venture (JV) between the company and Contrack Cyprus Ltda. (55% - 45%, respectively) had initiated arbitration proceedings on 30 July 2014, at the International Chamber of Commerce.

  On 21 November 2018, a partial award was handed down with certain rulings, including the statement on the legality of the termination of the contract. This statement enables QF to file a claim for the actual costs of completion of the work that exceed the contract price yet to be applied. The JV filed an appeal in the UK for the partial annulment of this award with regards to the statement it contained on the legality of the termination of the contract. If the appeal filed by the JV is upheld, the statement on the legality of the termination will be rendered null and void, and a new decision will have to be issued. QF's ability to claim these termination costs will depend on this new decision. On 27 February 2019 another partial award was handed down to determine the percentage of work completed at the time of termination, which determined that approximately 95% of the work had been completed at the time of termination.

  In this context and on the basis of the aforementioned court decision, the parties' counter claims are as follows: the JV claims reimbursement of the amount of the enforced guarantees (QAR 880 million, EUR 210 million), the amount of the unpaid alterations made that were already recognised in the partial award (QAR 182 million, EUR 43 million), the amount of the unpaid alterations made for which no arbitration decision has been handed down (QAR 76 million, EUR 18 million), the construction prolongation costs in line with the prolongation period recognised in the partial award (QAR 322 million, EUR 77 million), and compensation for disruption costs (QAR 67 million, EUR 16 million); QF claims termination costs in excess of the outstanding contract price to be applied (QAR 3,636 million, EUR 869 million), defect repair costs (QAR 320 million, EUR 76 million) and contractual penalties for delay (QAR 792 million, EUR 189 million).

It should be noted that the aforementioned amounts relate to claims made by the parties. In all cases (except the case described below), both the legitimacy and the amounts of the items included in each claim are subject to the decision of the arbitral tribunal, which will be handed down during the quantum stage of the arbitration proceedings. The aforementioned decision will not affect the following: (i) the amount of the guarantee enforced against the JV (QAR 880 million, EUR 210 million), which is fixed and in all cases functions as a collection right in the JV's favour, and (ii) the amount of the unpaid alterations made for which no arbitration decision has been handed down (QAR 182 million, EUR 43 million), which is also fixed and functions as a collection right in the JV's favour.

In this context, based on third-party reports and the interpretation thereof by the Parent's legal advisory team, the Parent's directors have assessed the various scenarios that may arise from the aforementioned legal proceeding and considered when a decision may be handed down in this connection. Based on the foregoing and taking into account the current situation of the proceeding and the possible decisions that may be handed down, the directors concluded that a loss was not likely to occur for the Parent at 31 December 2018 and, therefore, no provision was recognised in this connection.

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascon Huarte Lain, S.A. initiated an arbitration proceeding to protect an investment against the State of Kuwait at the International Centre for Settlement of Investment Disputes (ICSID) in relation to the "Construction, Completion and Maintenance of Roads, Overpasses, Sanitary and Storm Water Drains, as well as other Services for Jamal Abdul Nasser Street" agreement. OHL holds a 50% ownership interest in the construction joint venture. This arbitration proceeding was initiated under the international treaties for the reciprocal protection of investments entered into by the State of Kuwait with Spain and Italy and as a result of the breach thereof by the State of Kuwait through its obstructive, abusive and arbitrary actions, to the detriment of the foreign investors, in the performance of that agreement.

  The joint venture submitted its claim quantifying the economic compensation to which the claimants are entitled at KWD 81,716,760 (EUR 231.5 million) or, alternatively, KWD 67,676,108 (EUR 191.7 million), based on the assessment performed by external consultants. The State of Kuwait answered the claim and submitted a counterclaim quantified at KWD 26 million (EUR 74 million).

- On 12 May 2017, Judlau Contracting Inc. (a US company wholly owned by Obrascon Huarte Lain, S.A. through OHL USA Inc.) received a statement of claim from Welsbach Electric Corp. claiming from Judlau Contracting Inc. an amount initially estimated at USD 39.7 million (EUR 34,827 thousand). Welsbach Electric Corp. brought this claim as subcontractor of Judlau Contracting Inc. in the **"Construction of Part of Second Avenue Subway Route 132ª 72nd Street Station, Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan "B" Division"** project. The litigation is being conducted at the courts of the city of New York (US). The court of first instance has ruled against Welsbach's claim.

- On 13 December 2017, Samsung C&T Corporation, Obrascon Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration at the International Chamber of Commerce against Qatar Railways Company.

The claim arose from the "**Design & Build Package 5 - Major Stations - Doha Metro Project**" agreement. OHL holds a 30% ownership interest in the construction joint venture. The joint venture claims an amount initially estimated at QAR 1,500 million (EUR 358.5 million). Qatar Rail answered the claim and submitted an initial counterclaim, quantified at QAR 1,000 million (EUR 239.0 million).

- The Polish courts granted leave for consideration to the claim brought by Obrascon Huarte Lain, S.A. against the Polish company PGB, S.A. in which OHL sought from PGB PLN 191,518,336 (EUR 43.61 million) as a result of the liability of PGB as member of the **construction consortium for the Slowacckiego IV project, in Gdansk (Poland)**. The proceeding continues at the preliminary phase.

- At 31 December 2018, the Group was undertaking two construction projects for the Aleatica Group (formerly OHL Concesiones) in Colombia (the Rio Magdalena toll road) and Mexico (the Atizapán- Atlacomulco toll road) for which the Group considers that the contractual terms for the performance of the projects were not being met. Consequently, it initiated two arbitration proceedings which were the mechanisms stipulated in the contracts for settling disputes. According to the Parent's directors these proceedings will have a positive outcome and will not give rise to significant losses for the Group.

- **Cogeneración Complejo Pajaritos, SAPI de CV (SAPI),** a company 50% owned by OHL Industrial, S.L.U. and Sener Ingeniería y Sistemas, S.A. de C.V., filed at the International Chamber of Commerce (ICC) in Mexico, a request for arbitration against **CYDSA S.A.B de C.V (CYDSA)** in relation to the performance of the **Coatzacoalcos II combined heat and power plant** project. The defendant, in turn, submitted an initial counterclaim. In February 2019 the parties filed their replies, in which: SAPI claims EUR 7.26 million and CYDSA claims EUR 56.58 million. The counterclaims were made in different currencies and, therefore, the information has been unified and provided in euros at the exchange rate prevailing at 28 February 2019. These arbitration proceedings are expected to conclude in 2019 or during the first quarter of 2020.

The Group's most significant litigation relating to investments in companies in liquidation includes the following:

- In June 2008 and 2009 the concession operator , **Autopista Eje Aeropuerto Concesionaria Española, S.A.U. (Eje Aeropuerto)** filed two claims (the latter refiled on 31 July 2013) against the Spanish Ministry of Public Works requesting that the economic feasibility of the concession be restored and that the concession arrangement be rendered null and void with the reimbursement of the amounts invested, respectively.

  In order to compensate for the shortfall in traffic and the compulsory purchase cost overruns, in 2012, 2013, 2014, 2015, 2016 and 2017 the company claimed from the Ministry the approval and payment of the amounts earmarked in the compensation account and approval of the annual participating loans pursuant to Additional Provision Eight of Law 43/2010. At present, all the claims have been rejected by the corresponding courts.

  Also, at the reporting date a decision had yet to be handed down on the appeal filed by the concession operator in June 2014 at the Supreme Court against the alleged dismissals of the request for compensation filed by the concession operator for the performance of additional works.

Also, in relation to the insolvency proceeding involving Autopista Eje Aeropuerto Concesionaria Española, S.A.U. and Aeropistas, S.L.U.:

a) Petition for initiation of insolvency proceedings

Autopista Eje Aeropuerto Concesionaria Española, S.A.U. was declared to be involved in insolvency proceedings together with its sole shareholder, Aeropistas, S.L.U., in the order of 12 December 2013 handed down by Madrid Commercial Court No. 2, which gave rise to voluntary insolvency proceeding 863/13.

b) The common phase of the insolvency proceeding

On 19 May 2015, the insolvency managers submitted the lists of creditors in the final reports. With respect to Eje Aeropuerto, there were no changes to the inventory of assets and rights of the concession operator, and the total value remained at EUR 412.6 million, of which intangible assets accounted for EUR 396.1 million. Neither were amendments made to the list of creditors in the final reports or the inventory of assets and rights in the case of Aeropistas, with assets totalling EUR 336.6 million, comprising mainly investments in Group companies and equity instruments.

On 31 July 2015, an order was issued to end the common phase and open the phase of arrangement, as both SEITTSA and the insolvent companies had submitted arrangement proposals.

c) Opening and processing of the liquidation phase

The court order of 13 October 2015 rejected the arrangement proposals submitted and, consequently, ordered the commencement of the liquidation phase, with the legal effects that this entails, including, among others, and in accordance with case law of the Supreme Court's Chamber for Jurisdictional Conflicts, the termination of the concession arrangement.

Lastly, with respect to the termination of the concession arrangement, the Ministry of Public Works terminated this arrangement on 14 July 2018, as a preliminary formality to the settlement of the arrangement.

In parallel, the proceeding related to appeal for judicial review 210/2018 commenced at the Supreme Court. This appeal has no fixed amount, and will only contend whether the date of termination of the arrangement must be the date of the liquidation order (13/10/15) and whether, in this case, the State had three months from that date to settle the arrangement and, therefore, owes late-payment interest from then, as well as what the applicable interest rate would be. At the reporting date, the appeal for judicial review had been filed.

The commencement of the liquidation phase at the two companies led to their exclusion from consolidation from October 2015 onwards.

In this context, and with respect to the termination of the liquidation process of the investees, the Parent's directors consider that in a base-case resolution scenario, which is inferior to the scenario requested by the companies' insolvency managers, the net investment recognised (EUR 19 million) would be recovered.

- The concession operator **Cercanías Móstoles Navalcarnero, S.A.**: on 12 July 2016, Madrid Commercial Court No. 1 issued an interlocutory order granting permission to proceed in relation to the insolvency petition filed by the company and declared the voluntary insolvency thereof.

  On 16 August 2016, the initiation of the ordinary voluntary insolvency proceedings of Cercanías Móstoles Navalcarnero, S.A. was published in the Spanish Official State Gazette.

  On 15 March 2017, Madrid Commercial Court no. 1 ordered the liquidation of Cercanías Móstoles Navalcarnero, S.A., opening the liquidation phase, declaring the dissolution of the company, the removal of its directors and their substitution by the insolvency managers.

  Lastly, on 2 November 2017, Madrid Commercial Court no. 1 approved the company's liquidation plan within the aforementioned insolvency proceeding, which meant the continuation of the legal actions making it possible for the company to recover the Government Liability (RPA), as well as such items admissible under law, and the filing of such new appeals as required with the same purpose.

  On 20 June 2017, as a result of the imposition of the penalty on the Parent, the Autonomous Community Government of Madrid enforced the guarantees that OHL, S.A. and OHL Concesiones, S.A.U. had provided to secure performance of their obligations under that company's concession arrangement. The enforced guarantees amounted to EUR 15,869,300.60 (EUR 12,696,240.48 from Banco Popular Español, S.A. and EUR 3,173,060.12 from Abanca Corporación Bancaria, S.A.). On 7 July 2017, subsequent to the filing of an appeal for judicial review, the High Court of Madrid resolved to stay the court proceeding pending a preliminary judgment to be handed down on the appeal for judicial review filed by the company requesting the termination of the concession arrangement.

  Also, on 21 July 2017 the concession operator was notified of the order issued by the Autonomous Community of Madrid's Regional Minister for Transport, Housing and Infrastructure declaring the termination of the concession arrangement, the attachment of the guarantee and the obligation to pay compensation for damage and losses to the grantor for an amount to be determined in the corresponding adversarial procedure. The company lodged an administrative appeal against this order, which was dismissed by the Autonomous Community Government of Madrid on 10 October 2017 and, accordingly, on 5 December 2017 the company filed an appeal for judicial review against this decision. On 27 July 2018 the Autonomous Community Government of Madrid initiated a proceeding against CEMONASA to claim damages of EUR 355 million. This claim was subject to an appeal for judicial review which requested that enforcement of the administrative act be stayed. The Chamber admitted the stay of enforcement on condition that CEMONASA provide a guarantee amounting to EUR 212 million. This most recent decision is yet to be appealed.

  On 8 March 2018, the Madrid High Court handed down a judgment on the appeal for judicial review whereby Cercanías Móstoles Navalcarnero, S.A. applied for the termination of the concession arrangement on grounds attributable to the Autonomous Community Government of Madrid. The judgment ruled against Cercanías Móstoles Navalcarnero, S.A. and, therefore, a cassation appeal was filed at the Supreme Court, which was granted leave for consideration on 25 April 2018.

Also, on 21 March 2018 the company's insolvency managers filed, in accordance with the approved liquidation plan, an appeal for judicial review against the Autonomous Community Government of Madrid at the Madrid High Court, requesting the economic settlement of the arrangement since they considered it to be terminated on commencement of the liquidation phase of the insolvency proceeding.

Lastly, as a result of termination of the arrangement mentioned in the preceding paragraph, the Autonomous Community Government of Madrid notified of the economic settlement of the arrangement on 20 August 2018, totalling EUR 123 million, to be paid to Cemonasa. The company is currently appealing this settlement in the administrative jurisdiction since it considers the amount to be insufficient.

In line with the situation described above, the Parent considers that, based on opinions of its internal and external legal advisers, the concession arrangement supports the right to recover the net investments and the amounts contributed in the form of a loan to the company, with respect to which no provisions have been recognised and that the claim for damages filed by the Autonomous Community Government of Madrid against the concession operator will be unsuccessful.

In addition to the aforementioned litigation, the Group is involved in other minor lawsuits arising from the ordinary course of its operations, none of which are for a significant individual amount.

Contingent liabilities

The Parent's directors do not expect any significant additional liabilities to arise in connection with the litigation in progress that might affect the consolidated financial statements as at 31 December 2018.

The contingent liabilities include the normal liability of construction companies for the performance and completion of the project contracts held by the Group companies and those arranged by the UTEs in which they have interests. The subsidiaries in Spain also have a secondary liability for the obligations of their subcontractors to the social security system with respect to their site employees. No losses are expected to be incurred by the Group in this connection.

4.7.- DISCLOSURES ON THE PAYMENT PERIODS TO SUPPLIERS. ADDITIONAL PROVISION THREE. “DISCLOSURE OBLIGATION” PROVIDED FOR IN LAW 15/2010, OF 5 JULY"

Law 15/2010, of 5 July, establishes measures for combating late payment in commercial transactions, and the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 implements the disclosure obligation provided for in Additional Provision Three of the aforementioned law. This resolution repeals the immediately preceding resolution of 29 December 2010, which was based on the previous wording of Additional Provision Three of Law 15/2010, of 5 July.

The disclosures on the average period of payment, ratios of transactions settled and transactions not yet settled, and total payments made and outstanding at 31 December 2018 and 2017 are as follows:

Concept	Days	
	2018	2017
Average period of payment to suppliers	65	60
Ratio of transactions settled	61	59
Ratio of transactions not yet settled	82	65

Concept	Thousands of euros	
	2018	2017
Total payments made	502,531	526,145
Total payments outstanding	140,792	166,117

The average period of payment excluding transactions with Group companies is calculated as the quotient whose numerator is the sum of the ratio of transactions settled multiplied by the total amount of the payments made plus the sum of the ratio of transactions not yet settled multiplied by the total amount of outstanding payments, and whose denominator is the result of adding the total amount of the payments made to the total amount of the outstanding payments.

The ratio of transactions settled is the sum of the products of the amount of each transaction multiplied by the number of days elapsed until payment, divided by the total amount of the payments made.

The ratio of transactions not yet settled is the sum of the products of the amount of each transaction not yet settled multiplied by the number of days until the last day of the year, divided by the total amount of the aforementioned payments.

The information furnished relates exclusively to the fully consolidated Spanish Group companies.

The companies which, taken separately, exceed the legal limit of the ratio of transactions not yet settled are taking measures to comply therewith.

4.8.- REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES AND CONFLICTS OF INTEREST

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors is regulated by Article 24 of the bylaws and the Directors' Remuneration Policy approved, as established in Article 529 novodecies of the Spanish Limited Liability Companies Law, by the shareholders at the Annual General Meeting held on 26 June 2018, for 2018 and the following three years and which established annual maximum remuneration for the non-executive directors, as compensation for the tasks performed, of ONE MILLION FOUR HUNDRED THOUSAND EUROS (EUR 1,400,000), with the distribution criteria that the Board of Directors itself approved and which is included in the aforementioned Remuneration Policy.

Also, at the proposal of the Nomination and Remuneration Committee, the Board of Directors submitted for approval by the shareholders at the Annual General Meeting additional remuneration of EUR 450,000 for the members of the Board of Directors in 2018 as an extraordinary and one-off amount. This remuneration was intended to compensate them for the increased workload and completion of the sale of the wholly-owned subsidiary OHL Concesiones, S.A. on 12 April 2018. This additional amount was distributed in equal parts among the Independent Non-Executive Directors in office on the completion date of the transaction as a one-off payment. Consequently, the amount of the annual remuneration of all the non-executive directors as a whole, due to their general duties as directors in 2018, included the annual maximum remuneration of EUR 1,400,000 and the extraordinary one-off remuneration of EUR 450,000 as an additional amount.

In 2018, as in prior years, the non-executive directors did not receive any kind of benefits. This fixed remuneration is compatible with, and independent from, remuneration, termination benefits, pensions and compensation of any kind received by those members of the Board of Directors as a result of the employment relationship with or the rendering of services to the Parent.

The Board of Directors of the Parent, on this same date, prepared the Annual Report on Directors' Remuneration, as established in Article 541 of the Spanish Limited Liability Companies Law, with an individualised breakdown of all items earned in 2018 by each director. Following is an individualised detail of the remuneration earned by each director in his or her capacity as such in 2018, excluding the remuneration earned for executive functions subsequently disclosed:

	ATTENDANCE FEES	NON-RECURRING AND EXTRAORDINARY REMUNERATION
Juan Villar-Mir de Fuentes (Non-Executive Proprietary)	130,000	0
Silvia Villar-Mir de Fuentes (Non-Executive Proprietary)	110,000	0
Juan Luis Osuna Gómez (1) (Executive)	0	0
José Antonio Fernández Gallar (2) (Executive)	0	0
Mónica de Oriol e Icaza (3) (Non-Executive Independent)	70,000	90,000
Reyes Calderón Cuadrado (Non-Executive Independent)	145,000	90,000
Manuel Garrido Ruano (Non-Executive Proprietary)	130,000	0
Juan José Nieto Bueso (Non-Executive Independent)	152,500	90,000
Juan Antonio Santamera Sánchez (Non-Executive Proprietary)	130,000	0
Álvaro Villar-Mir de Fuentes (Non-Executive Proprietary)	55,000	0
José Luis Díez García (Non-Executive Independent)	72,500	90,000
Ignacio Moreno Sánchez (Non-Executive Independent)	65,000	90,000
Javier Goñi del Cacho (Non-Executive Proprietary)	110,000	0
Carmen de Andrés Conde (6) (Non-Executive Independent)	75,000	0
César Cañedo-Argüelles Torrejón (Non-Executive Independent)	65,000	0
TOTAL	**1,310,000**	**450,000**

(1) Resigned on 28 June 2018
(2) Appointed on 28 June 2018
(3) Removal due to termination of position on 26 June 2018
(4) Resigned on 26 June 2018
(5) Resigned on 9 July 2018
(6) Appointed on 9 July 2018

In 2018 the executive directors earned total remuneration of EUR 20,807 thousand (2017: EUR 12,365 thousand), including the amount earned by the then CEO of the Parent until 28 July 2018, Juan Osuna, as extraordinary remuneration amounting to eighteen million euros (EUR 18,000,000), which was approved by the shareholders at the Extraordinary General Meeting held on 9 January 2018 as a result of the sale of OHL Concesiones, S.A.U. Also, EUR 17 thousand were paid in other benefits relating to life insurance policies (2017 EUR 11 thousand) and no amounts were paid with regard to the employee welfare plan (2017: EUR 283 thousand).

REMUNERATION OF SENIOR EXECUTIVES

The remuneration earned by the Parent's senior executives in 2018 -excluding those who are also members of the Board of Directors (whose remuneration is detailed above)- amounted to EUR 12,728 thousand (2017: EUR 8,208 thousand), of which EUR 3,244 thousand correspond to variable remuneration (2017: EUR 1,904 thousand). “Remuneration of Senior Executives” also includes the amounts accrued and paid as settlements to five senior executives upon termination of their employment in 2018.

No advances or loans have been granted to the Parent's senior executives.

CONFLICTS OF INTEREST

At 31 December 2018, none of the directors had notified the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have had with respect to the Parent in 2018.

4.9.- FEES PAID TO AUDITORS

The detail of the fees for financial audit and other services provided by the auditors, or by other companies related to the auditors, of the companies comprising the Group’s continuing operations in 2018 and 2017 is as follows:

	Thousands of euros					
	Principal auditor		Other auditors		Total	
Concept	2018	2017	2018	2017	2018	2017
Financial audit services	1,181	1,336	626	640	1,807	1,976
Other attest services	92	222	31	9	123	231
Total audit and related services	**1,273**	**1,558**	**657**	**649**	**1,930**	**2,207**
Tax counselling services	40	124	179	43	219	167
Other services	455	656	25	34	480	690
Total professional services	**495**	**780**	**204**	**77**	**699**	**857**
TOTAL	**1,768**	**2,338**	**861**	**726**	**2,629**	**3,064**

The detail of the fees for financial audit and other services provided by the auditors, or by other companies related to the auditors, of the companies comprising the Group's discontinued operations, the Development business in 2018 and the Concessions business in 2017, is as follows:

	Thousands of euros					
	Principal auditor		Other auditors		Total	
Concept	2018	2017	2018	2017	2018	2017
Financial audit services	50	690	-	49	50	739
Other attest services	-	109	-	1	-	110
Total audit and related services	**50**	**799**	**-**	**50**	**50**	**849**
Tax counselling services	59	84	-	6	65	84
Other services	-	26	-	-	-	26
Total professional services	**59**	**110**	**-**	**6**	**59**	**116**
TOTAL	**109**	**909**		**56**	**109**	**965**

"Financial Audit Services" includes the fees for professional services performed by the auditor, normally due to regulatory requirements, such as statutory audits, internal control review reports, limited reviews of periodic public information performed at listed companies, etc.

“Other Attest Services" includes the fees for professional services in which some kind of assurance is expressed, but which are not regulated by any mandatory legislation, such as one-off limited reviews, special reports on security placement processes, agreed-upon procedures reports, covenant reports, etc.

"Tax Counselling Services" includes the fees for the provision of services relating to all forms of tax counselling.

"Other Services" includes the fees for the other professional services not included in the above line items which, by nature, are more akin to consultancy or independent third-party services.

5. EVENTS AFTER THE REPORTING PERIOD

On 15 February 2019 a portion of the assets included in the transaction entered into with BK Partners on 4 July 2018 was sold for a total of MXN 833.6 million (EUR 38.5 million).

The assets sold were shares, trustee rights, land and collection rights from various companies that comprise the “Ciudad Mayakoba” complex.

A new novation of the multi-product syndicated financing agreement was entered into on 28 March 2019 which extended the maturity date to 30 June 2019. The remaining conditions were not amended and negotiations continued with the financial institutions.

6. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation at 31 December 2018

Subsidiaries (fully consolidated)

COMPANIES WITH REGISTERED OFFICE IN SPAIN

Construction

(1)	Agrupación Guinovart Obras y Servicios Hispania, S.A.
(1)	Asfaltos y Construcciones Elsan, S.A.
(1)	Construcciones Adolfo Sobrino, S.A.
(1)	EyM Instalaciones, S.A.
(1)	Obrascón Huarte Lain, Construcción Internacional, S.L.
n/a	Posmar Inversiones 2008, S.L.
n/a	Puente Logístico Mediterráneo, S.A.
(1)	S.A. Trabajos y Obras
(1)	Sociedad Concesionaria Aguas de Navarra, S.A.

Industrial

(1)	Chemtrol Proyectos y Sistemas, S.L.
n/a	Ecolaire España, S.A.
(1)	OHL Industrial Mining & Cement, S.A.
(1)	OHL Industrial, S.L.

Services

n/a	Gizatzen, S.A.
(1)	OHL Servicios-Ingesan, S.A.U.

Other

(1)	Avalora Tecnologías de la Información, S.A.
(2)	Marina Urola, S.A.
n/a	Obrascon Huarte Lain, Desarrollos, S.L.
n/a	Promoción de Concesiones 2018, S.L.U.
n/a	Tenedora de Participaciones Tecnológicas, S.A.

COMPANIES WITH REGISTERED OFFICE ABROAD

Construction

n/a	CAC Vero I, LLC
(2)	Community Asphalt Corp.
(2)	Construcciones Colombianas OHL, S.A.S.
	Constructora de Proyectos Viales de México, S.A. de C.V.
n/a	Constructora e Inmobiliaria Huarte Ltda.
(2)	Constructora TP, S.A.C.
(2)	E y M Arabia, LLC
n/a	Empresa Constructora Huarte San José, Ltda.
(1)	EYM México Instalaciones, S.A. de C.V.
(1)	EYM Norway, S.A.
(2)	Judlau Contracting, Inc.
n/a	OHL Andina, S.A.
(2)	OHL Arabia, LLC
(2)	OHL Arellano Construction Company
(1)	OHL Austral, S.A.
n/a	OHL Brasil S.A.
(2)	OHL Building, Inc.
(2)	OHL Central Europe, a.s.
(2)	OHL Colombia, S.A.S.
n/a	OHL Construction Canada, Inc.
n/a	OHL Construction India Private Limited
n/a	OHL Construction Pacific Pty. Ltd
n/a	OHL Finance, S.à.r.l.
(1)	OHL Health Montreal (Holding) Inc.
(1)	OHL Health Montreal (Partner) Inc.
(1)	OHL Ireland Construction and Engineering Limited
(1)	OHL Sverige AB
(2)	OHL Uruguay, S.A.
n/a	OHL UK Construction Limited
(2)	OHL USA, Inc.
(2)	OHL ZS d.o.o. Banja Luka
n/a	OHL ZS MO, S.R.L.
(2)	OHL ZS Polska, S.Z.o.o.
(1)	OHL ZS Slovaquia, s.a.
(1)	OHL ZS, a.s.
(1)	Premol, S.A. de C.V.
n/a	Sawgrass Rock Quarry, Inc.
(1)	Sociedad Concesionaria Centro de Justicia de Santiago, S.A.
(1)	Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.
(2)	Tomi Remont, a.s.

Industrial

(1)	Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.
n/a	Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA
(1)	Estación Rebombeo Degollado, S.A.P.I. de C.V.
(1)	Hidro Parsifal, S.A. de C.V.
(1)	Hidrógeno Cadereyta, S.A.P.I. de C.V.
(1)	IEPI México, S.A. de C.V.
(1)	OHL Industrial and Partners, LLC
(1)	OHL Industrial Chile, S.A.
(1)	OHL Industrial Colombia, S.A.S.
(1)	OHL Industrial Delegación Guatemala, S.A.
n/a	OHL Industrial Honduras S. de R.L.
(2)	OHL Industrial Perú, S.A.C.
n/a	Sthim Maquinaria de México, S.A. de C.V.

Services

n/a	Ingesan Chile, SpA
(1)	Ingesan Servicios Administrativos México, S.A. de C.V.
(1)	Ingesan Servicios México S.A. de C.V.
(1)	Ingesan Servicios Profesionales México, S.A. de C.V.

Other

n/a	Avalora América S.A.C.
n/a	Avalora Chile SpA
(1)	Controladora L 4 - 5 Mayakoba, S.A. de C.V. (*)
(1)	Desarrollo Vivienda MK1, S.A.P.I. de C.V. (*)
(1)	DMC Mayakoba, S.A. de C.V. (*)
n/a	Elsengrund Bau, GmbH (*)
(1)	Gastronómica Santa Fé, S.A. de C.V. (*)
(1)	Huaribe, S.A. de C.V. (*)
(1)	Huaribe Servicios, S.A. de C.V. (*)
(1)	Lotes 4-5 Hotel Mayakoba, S.A. de C.V. (*)
(1)	MKB Real Estate, S.A. de C.V. (*)
(1)	OHLDM, S.A. de C.V. (*)
(1)	Playa 4 - 5 Mayakoba, S.A. de C.V. (*)

(1) Audited by the principal auditor
(2) Audited by other auditors
n/a Unaudited company
(*) Discontinued operations

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation at 31 December 2018

Subsidiaries (fully consolidated)
Joint ventures and associates (accounted for using the equity method)

COMPANIES WITH REGISTERED OFFICE IN SPAIN

Construction

Navarra Gestión del Agua, S.A.
(1) Nuevo Hospital de Burgos, S.A.
(2) Nuevo Hospital de Toledo, S.A.

Industrial

(1) Arenales Solar PS, S.L.

Other

n/a Alse Park, S.L.
n/a Espacio-OHLD Proyectos Singulares, S.L.
(2) Nova Dársena Esportiva de Bara, S.A.
(1) Proyecto Canalejas Group, S.L.

COMPANIES WITH REGISTERED OFFICE ABROAD

Construction

n/a Constructora Vespucio Oriente,S.A.
(2) Health Montreal Collective CJV L.P.
(1) Health Montreal Collective Limited Partnership
(2) Obalovna Boskovice, s.r.o.
n/a OHL Construction Canada and FCC Canada Limited Partnership
n/a OHL-FCC North Tunnels Canada INC
n/a Prestadora de Servicios PLSV, S.A. de C.V.
n/a Servicios Administrativos TMT, S.A. de C.V.

Industrial

(1) Proyecto CCC Empalme I, S.A.P.I. de C.V.
(2) Refinería Madero Tamaulipas, S.A.P.I. de C.V.

Other

n/a 57 Whitehall Holdings Limited
n/a 57 Whitehall Holdings S.A.R.L.
n/a Asenda Ciudad Mayakoba, S.A. de C.V.
(1) Fideicomiso Desarrollo OV CIB/2185
(1) Novaterra Caribe, S.A.P.I. de C.V.
n/a Westminster Development Services Limited

(1) Audited by the principal auditor
(2) Audited by other auditors
Unaudited company
Discontinued operations

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2018

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Construction		
Agrupación Guinovart Obras y Servicios Hispania, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
Asfaltos y Construcciones Elsan, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Infrastructure and urban services
CAC Vero I, LLC	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 US	Construction
Community Asphalt Corp.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 US	Construction
Consorcio Aura - OHL, S.A.	Territorio del Registro de Comercio del Conservador de Bienes Raíces de Santiago	Construction
Consorcio Conpax OHL-VALKO, S.A.	Palacio Riesco No. 4583, Comuna De Huechuraba, Santiago de Chile	Construction
Construcciones Adolfo Sobrino, S.A.	Gran Vía Don Diego López De Haro 33 - 4º 48009 Bilbao	Construction
Construcciones Colombianas OHL, S.A.S.		Construction
Constructora de Proyectos Viales de México, S.A. de C.V.	Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Construction
Constructora e Inmobiliaria Huarte Ltda.	C/ Cerro El Plomo, no. 5855 Piso 15. Las Condes (Santiago de Chile)	Construction
Constructora TP, S.A.C.	Av. 28 de Julio, no. 150, piso 7, Miraflores - Lima - Peru	Construction
E y M Arabia, LLC	6161 King Abdulaziz Branch Road – Abhur Al Janubiyah Unit No. 6415 Jeddah 23731 – 2854	Construction
Empresa Constructora Huarte San José, Ltda.	C/ Cerro El Plomo, no. 5855 Piso 15. Las Condes (Santiago de Chile)	Construction
EyM Instalaciones, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
EYM Norway, AS	Langhusveien 77, SKI -1400 (Norway)	Construction
Guinovart Rail, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
Health Montreal Collective CJV L.P.	810 St-Antoine str East. Montreal, H2Y 1A6. Quebec. Canada	Construction
Health Montreal Collective Limited Partnership	1440 St Catherine West, Suite 500 Montreal, Quebec H3G1R8	Construction
Judlau Contracting, Inc.	26-15 Umer Street, Collage Point, NY 11354	Construction
Mantohledo, S.A. (formerly Josefa Valcarce, S.A.)	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
Navarra Gestión del Agua, S.A.	Camino Labiano, no. 45, 1ª derecha (31192 - Mutilva) Navarre	Construction
Nuevo Hospital de Burgos, S.A.	C/ Islas Baleares, s/n 09006 Burgos	Construction and operation of new Burgos hospital
Nuevo Hospital de Toledo, S.A.	Avda. de Europa 24 Bajo 45003 Toledo	Construction
Obalovna Boskovice, s.r.o.	Rovná 2146, 680 01 Boskovice. Brno	Construction
Obrascón Huarte Lain, Construcción Internacional, S.L.	Rovná 2146, 680 01 Boskovice. Brno	Construction and operation
OHL Andina, S.A.	C/ Cerro El Plomo, no. 5855 Piso 15. Las Condes (Santiago de Chile)	Construction
OHL Arabia, LLC	Jameel Squire - Tahlia, Po Box 8909 - Jeddah 23326	Construction and maintenance
OHL Arellano Construction Company	7051 S.W. 12 th Street, Miami, FL 33144, US	Construction
OHL Austral, S.A.	C/ Cerro El Plomo, no. 5855 Piso 15. Las Condes (Santiago de Chile)	Construction
OHL Brasil, S.A.	Rua Tabapuã, 1.123 - 16º Andar. Brazil	Construction
OHL Building, Inc.	7051 S.W. 12 th Street, Miami, FL 33144, US	Construction
OHL Central Europe, a.s.	C/ Olsanska, 2643/1A, 130 80 (Prague - Czech Republic)	Construction
OHL Colombia, S.A.S.	Cra. 17 Nº 93-09 Piso 8, Bogotá (Colombia)	Construction
OHL Construction Canada and FCC Canada Limited	5945 Airport Road, N.144, Mississagua. Ontario. Canada. L4V1R9	Construction
OHL Construction Canada, Inc.	1440 Ste Catherine Ouest, Suite 410, Montreal, Quebec H3G1R8	Construction
OHL Construction India Private Limited	Unit 701, 7th Floor, Tower 4A, DLF Corporate Park, DLF Phase 3, Gurgaon 122010, Haryana, India	Construction
OHL Construction Pacific Pty. Ltd	40 Creek Street Level 11, 4000 Brisbane - Australia	Construction
OHL Finance, S.à.r.l.	14 rue Edward Steichen, L - 2540, Luxembourg	Management
OHL Health Montreal (Holding) Inc.	507 Place d'armes, office 250, Montreal, QC, H2Y 2W8	Construction
OHL Health Montreal (Partner) Inc.	507 Place d'armes, office 250, Montreal, QC, H2Y 2W8	Construction
OHL Infrastructures. Inc	555 Theodore Fremd Ave, Suite B 201 RYE. 10580 New York	Financial studies
OHL Ireland Construction and Engineering Limited	Unit 15, Second Floor, Northwood Court, Santry, Dublin 9	Construction
OHL Sverige AB	C/O Baker & Mckenzie Advokatbyra KB Box 180 101 23 Stockholm - Sweden	Construction
OHL UK Construction Limited	30 Crown Place, London, United Kingdom, EC2A 4ES	Construction
OHL Uruguay, S.A.	Edificio Argela, calle Rio Negro, 1354, piso 3, escritorio 16 Montevideo 11105, Uruguay	Construction
OHL USA, Inc.	26-15 Ulmer Street, College Point, NY 11354	Construction
OHL ZS MO, S.R.L.	65, Stefan cel Mare blvd, of 806, Chisinau, MD-2012, Moldova	Construction
OHL ZS Polska, S.p. z.o.o.	UL. Tarnogajska 11/13, 50-512 Wrocław (Poland)	Construction
OHL ZS Slovakia, a.s.	Tuhovska 29/ Bratislava	Construction
OHL ZS, a.s.	C/ Buresova 938/17, 660 02 (Brno - Czech Republic)	Construction
OHL-FCC North Tunnels Canada INC	5945 Airport Road, N.144, Mississagua. Ontario. Canada. L4V1R9	Construction
Posmar Inversiones 2008, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
Premol, S.A. de C.V.	Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Construction
Puente Logístico Mediterráneo, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
S.A. Trabajos y Obras	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction
Sawgrass Rock Quarry, Inc.	9725 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 US	Construction
Servicios Administrativos TMT, S.A. de C.V.	Avda. Paseo de la Reforma, no. 383, Piso 8, Colonia Cuahtemoc, Delegación Cuauhtemoc, Mexico City 06500	Construction
Sociedad Concesionaria Aguas de Navarra, S.A.	Camino Labiano, no. 45, 1ª derecha (31.192 - Mutilva) Navarre	Construction
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Av Manuel Rodriguez Sur # 2281, Santiago de Chile	Construction
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Construction
Tomi Remont, a.s.	C/ Premyslovka c.p. 2514/4, PSC 796 01 (Prostejov - Czech Republic)	Construction
Vacua, S.A.	Cerro el Plomo 5855 Piso 15 Oficina 1505, Las Condes, Santiago de Chile	Construction

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2018

Industrial		
Arenales Solar PS, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Construction and operation of a fossil-fuel power plant
Chemtrol Proyectos y Sistemas, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Installation and maintenance of security and fire safety systems
Chepro México, S.A. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Installation and maintenance of security and fire safety systems
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Industrial engineering and maintenance at industrial plants
Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo	Los Militares 6191, Piso 8. Las Condes. Santiago de Chile. Chile	Execution of HVAC projects
Ecolaire España, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Design and performance of industrial engineering projects
Estación Rebombeo Degollado, S.A.P.I. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Industrial engineering for a repumping station
Hidro Parsifal, S.A. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Civil engineering construction
Hidrógeno Cadereyta, S.A.P.I. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Civil engineering construction
IEPI México, S.A. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Industrial engineering and maintenance at industrial plants
OHL Industrial and Partners, LLC	Muscat, Governorate Muscat 112	Industrial engineering and maintenance at industrial plants
OHL Industrial Chile, S.A.	Cerro el Plomo 5855 Piso 15, Santiago de Chile. (Chile)	Engineering works, technical advisory services, water treatment and distribution
OHL Industrial Colombia, S.A.S.	Cra 17 No. 93-09 Oficina 702. Edificio Ecotower	Industrial engineering and maintenance at industrial plants
OHL Industrial Delegación Guatemala, S.A.	13 Calle 3-40 zona 10 Edificio Atlantis nivel 13, oficina 1304	Industrial engineering and maintenance at industrial plants
OHL Industrial Honduras S. de R.L.	Tegucigalpa, municipio del Distrito Central, Departamento de Francisco Morazán (Honduras)	Industrial engineering and maintenance at industrial plants
OHL Industrial Mining & Cement, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Industrial engineering and maintenance at industrial plants
OHL Industrial Perú, S.A.C.	Av. 28 de Julio, no. 150, piso 8, Miraflores - Lima - Peru	Construction of industrial plants in the mining and cement, oil and gas, and energy industries
OHL Industrial, S.L.	Torre Espacio, Pº de la Castellana no. 259 D, planta 7, (28046 Madrid)	Industrial engineering and maintenance at industrial plants
Proyecto CCC Empalme I, S.A.P.I. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Development of a fossil-fuel power plant
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	Juan Racine No. 112, Piso 10. Colonia Los Morales. Delegación Miguel Hidalgo. Mexico City C.P. 11510	Industrial engineering for a refinery
Sthim Maquinaria de México, S.A. de C.V.	Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Administration consultancy services
Services		
Ingesan Servicios México S.A. de C.V.	Hamburgo 213, Piso 9, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06601	Building maintenance and upkeep
OHL Servicios-Ingesan, S.A.U.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Building maintenance and upkeep
Other		
Avalora América S.A.C.	Av. 28 De Julio No. 150 Piso 7. Miraflores. Lima	New technologies
Avalora Tecnologías de la Información, S.A.	Torre Espacio, Pº de la Castellana no. 259 D, planta 7, (28046 Madrid)	New technologies
Marina Urola, S.A.	Barrio Santiago - Puerto deportivo - (Zumaia - Guipúzcoa)	Concession and operation of marina, Zumaia (Guipúzcoa)
Nova Dársena Esportiva de Bara, S.A.	C/ Puerto deportivo Roda de Barà. Edificio Capitanía, Bajos. Pº Marítimo s/n, 43883 Roda de Bara. Tarragona	Port concession and operation
OHL Concesiones Argentina, S.A.	CL/ Avenida Córdoba 632 - Piso 7, C1054AA5, Ciudad Autónoma Buenos Aires	Operation of concessions
Por Torredembarra, S.A.	Puerto Deportivo Pesquero, s/n Edf. de Capitanía. 43830 Torredembarra. Tarragona	Port concession and operation
Promoción de Concesiones 2018, S.L.U.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Development of Concessions
Tenedora de Participaciones Tecnológicas, S.A.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	New technologies
Development		
57 Whitehall Holdings S.A.R.L.	20 Avenue Marie - Therese 2132 Luxembourg - Luxembourg	Operation, upkeep and maintenance of car parks
ALSE Park, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Operation of hotels and leisure centres
Centro Canalejas Madrid, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Operation of hotels and leisure centres
Controladora L 4 - 5 Mayakoba, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Real estate project development
Desarrollador Maestro Ciudad Mayakoba, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Construction of single-family housing
Desarrollo Vivienda MK1, S.A.P.I. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Construction of housing
Espacio - OHLD Proyectos Singulares, S.L.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Operation of hotels and leisure centres
Fideicomiso Desarrollo OV CIB/2185	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	
Gastronómica Santa Fé, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Operating of shopping and leisure centres
Huaribe Servicios, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Real estate project development services
Huaribe, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Real estate project development services
Lotes 4-5 Hotel Mayakoba, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Operation of hotels and leisure centres
MKB Real Estate, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Operation of hotels and leisure centres
Novaterra Caribe, S.A.P.I. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Real estate project development
Obrascon Huarte Lain, Desarrollos, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Real estate project development services
OHL Desarrollos México, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Real estate project development services
Playa 4 - 5 Mayakoba, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Operation of hotels and leisure centres
Westminster Development Services Limited	33 St. James´s Square, London Executive Offices, Eo M.05 London SW1Y 4JS	Growing of indigenous plants and reforestation services

APPENDIX III

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2018

Thousands of euros

COMPANY	Ownership interest Direct	Ownership interest Indirect	Ownership interest Total	Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2018	Interim dividend	Total shareholders' equity	Valuation adjustments	Total equity	Participating loans	Total equity + participating loans	Underlying carrying amount	Net cost of the investment
Fully consolidated companies															
9095063 Canada Inc.	100.00	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-
Agrupación Guinovart Obras y Servicios Hispania, S.A.	100.00	-	100.00	30,050	-	75,670	(10,452)	-	95,268	-	95,268	-	95,268	95,268	69,056
Asfaltos y Construcciones Elsan, S.A.	100.00	-	100.00	7,603	-	942	(1,303)	-	7,242	-	7,242	5,000	12,242	12,242	13,940
Avalora América S.A.C.	-	100.00	100.00	233	-	188	(20)	-	401	-	401	-	401	401	239
Avalora Chile SpA	-	100.00	100.00	159	-	(46)	16	-	129	-	129	-	129	129	129
Avalora Tecnologías de la Información, S.A.	-	100.00	100.00	455	-	6,343	(264)	-	6,534	-	6,534	-	6,534	6,534	12,407
Avalora USA, INC		100.00	100.00	-	-	-	-	-	-	-	-	-	-	-	-
CAC Vero I, LLC	-	100.00	100.00	3,057	-	628	61	-	3,746	-	3,746	-	3,746	3,746	3,057
Chemtrol Proyectos y Sistemas, S.L.	-	100.00	100.00	630	-	(11,076)	(839)	-	(11,285)	-	(11,285)	11,000	(285)	(285)	180
Chepro México, S.A. de C.V.	-	100.00	100.00	4	-	(62)	(151)	-	(209)	-	(209)	-	(209)	(209)	-
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	-	50.00	50.00	6	-	940	(5,754)	-	(4,808)	-	(4,808)	-	(4,808)	(2,404)	-
Community Asphalt Corp.	6.50	93.50	100.00	2	-	55,003	(47,878)	-	7,127	-	7,127	-	7,127	7,127	152,826
Consorcio Aura - OHL, S.A.	65.00	-	65.00	189	(189)	-	-	-	-	-	-	-	-	-	(1)
Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA	-	100.00	100.00	1	-	(1,231)	(373)	-	(1,603)	-	(1,603)	-	(1,603)	(1,603)	-
Construcciones Adolfo Sobrino, S.A.	100.00	-	100.00	1,520	-	7,713	2,044	-	11,277	-	11,277	-	11,277	11,277	18,641
Construcciones Colombianas OHL, S.A.S.	30.00	70.00	100.00	75	-	4,858	(24,087)	-	(19,154)	-	(19,154)	-	(19,154)	(19,154)	-
Constructora de Proyectos Viales de México, S.A. de C.V.	-	100.00	100.00	2,225	-	119,374	(44,957)	-	76,642	-	76,642	-	76,642	76,642	73,009
Constructora e Inmobiliaria Huarte Ltda.	89.90	10.10	100.00	654	-	(185)	(144)	-	325	-	325	-	325	325	2,488
Constructora TP, S.A.C.	-	100.00	100.00	2,592	-	(282)	566	-	2,876	-	2,876	-	2,876	2,876	5,359
E y M Arabia, LLC	-	100.00	100.00	116	-	21,065	137	-	21,318	-	21,318	-	21,318	21,318	102
Ecolaire España, S.A.	-	100.00	100.00	905	-	(20,922)	(4,933)	-	(24,950)	-	(24,950)	25,500	550	550	619
Empresa Constructora Huarte San José, Ltda.	95.00	5.00	100.00	18	(17)	201	(1)	-	201	-	201	-	201	201	11
Estación Rebombeo Degollado, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(2,096)	(930)	-	(3,026)	-	(3,026)	-	(3,026)	(1,513)	-
EyM Instalaciones, S.A.	-	100.00	100.00	601	-	3,476	2,820	-	6,897	-	6,897	-	6,897	6,897	4,490
EYM México Instalaciones, S.A. de C.V.	-	100.00	100.00	13	-	302	(134)	-	181	-	181	-	181	181	14
EYM Norway, AS	-	100.00	100.00	3	-	-	88	-	91	-	91	-	91	91	3
Gizatzen, S.A.	-	100.00	100.00	60	(45)	-	(4)	-	11	-	11	-	11	11	15
Guinovart Rail, S.A.	-	100.00	100.00	100	-	(26)	11	-	85	-	85	500	585	585	600
Hidro Parsifal, S.A. de C.V.	-	79.66	79.66	34	-	(4,586)	3,385	-	(1,167)	-	(1,167)	-	(1,167)	(930)	-
Hidrógeno Cadereyta, S.A.P.I. de C.V.	-	53.90	53.90	-	-	1,369	(3,617)	-	(2,248)	-	(2,248)	-	(2,248)	(1,212)	-
IEPI México, S.A. de C.V.	-	100.00	100.00	1,019	-	7,087	(2,051)	-	6,055	-	6,055	-	6,055	6,055	-
Ingesan Chile, SpA	-	100.00	100.00	25	(25)	-	(15)	-	(15)	-	(15)	-	(15)	(15)	(27)
Ingesan Servicios Administrativos México, S.A. de C.V.	-	100.00	100.00	2	-	(2)	8	-	8	-	8	-	8	8	2
Ingesan Servicios México S.A. de C.V.	-	100.00	100.00	1,816	-	(1,459)	(696)	-	(339)	-	(339)	-	(339)	(339)	1,792
Ingesan Servicios Profesionales México, S.A. de C.V.	-	100.00	100.00	2	-	1	8	-	11	-	11	-	11	11	2
Judlau Contracting, Inc.	-	100.00	100.00	23	-	87,912	15,196	-	103,131	-	103,131	-	103,131	103,131	159,322
Mantohledo, S.A.	100.00	-	100.00	69	-	(963)	-	-	(894)	-	(894)	962	68	68	320
Marina Urola, S.A.	25.50	25.50	51.00	503	-	666	49	-	1,218	-	1,218	-	1,218	621	460
Obrascón Huarte Lain, Construcción Internacional, S.L.	100.00	-	100.00	42,173	-	59,789	(280,499)	-	(178,537)	-	(178,537)	-	(178,537)	(178,537)	-
Obrascon Huarte Lain, Desarrollos, S.L.	100.00	-	100.00	80,334	-	182,865	(218,763)	-	44,436	-	44,436	-	44,436	44,436	44,436
OHL Andina, S.A.	99.00	1.00	100.00	2,927	-	18,888	7,574	-	29,389	-	29,389	-	29,389	29,389	3,283
OHL Arabia, LLC	95.00	5.00	100.00	116	-	15,420	(9,431)	-	6,105	-	6,105	-	6,105	6,105	105
OHL Arellano Construction Company	-	100.00	100.00	1	-	9,604	(687)	-	8,918	-	8,918	-	8,918	8,918	60,569
OHL Austral, S.A.	-	100.00	100.00	13,014	-	10,977	2,305	-	26,296	-	26,296	-	26,296	26,296	5,060
OHL Brasil, S.A.	1.00	99.00	100.00	291	-	(186)	(21)	-	84	-	84	-	84	84	117
OHL Building, Inc.	-	100.00	100.00	1	-	3,443	1,804	-	5,248	-	5,248	-	5,248	5,248	46,074
OHL Central Europe, a.s.	-	100.00	100.00	19,475	-	25,541	(24,552)	-	20,464	-	20,464	-	20,464	20,464	78,602
OHL Colombia, S.A.S.	-	100.00	100.00	99	-	(1,514)	(4,781)	-	(6,196)	-	(6,196)	-	(6,196)	(6,196)	-
OHL Concesiones Argentina, S.A.	100.00	-	100.00	209	-	(156)	(52)	-	1	-	1	-	1	1	106
OHL Construction Canada, Inc.	-	100.00	100.00	29,994	-	(43,929)	(30,494)	-	(44,429)	-	(44,429)	-	(44,429)	(44,429)	32,565
OHL Construction India Private Limited	1.00	99.00	100.00	468	-	(445)	(23)	-	-	-	-	-	-	-	24
OHL Construction Pacific Pty. Ltd	100.00	-	100.00	-	-	(9,081)	153	-	(8,928)	-	(8,928)	-	(8,928)	(8,928)	-
OHL Finance, S.à.r.l.	-	100.00	100.00	2,456	-	29,812	(50)	-	32,218	-	32,218	-	32,218	32,218	1
OHL Health Montreal (Holding) Inc.	-	100.00	100.00	-	-	(17)	(2)	-	(19)	-	(19)	-	(19)	(19)	-
OHL Health Montreal (Partner) Inc.	-	100.00	100.00	1,444	-	(19)	(4)	-	1,421	-	1,421	-	1,421	1,421	1,444
OHL Industrial and Partners, LLC	-	100.00	100.00	567	(170)	(19,532)	(14,641)	-	(33,776)	-	(33,776)	-	(33,776)	(33,776)	-
OHL Industrial Chile, S.A.	0.00	100.00	100.00	51,354	-	(41,856)	(1,939)	-	7,559	-	7,559	-	7,559	7,559	5,956
OHL Industrial Colombia, S.A.S.	-	100.00	100.00	479	-	(210)	(9,842)	-	(9,573)	-	(9,573)	-	(9,573)	(9,573)	-
OHL Industrial Delegación Guatemala, S.A.	-	100.00	100.00	1	-	(13,434)	(38,946)	-	(52,379)	-	(52,379)	-	(52,379)	(52,379)	1
OHL Industrial Honduras S. de R.L.	-	100.00	100.00	3	-	-	-	-	3	-	3	-	3	3	2
OHL Industrial Mining & Cement, S.A.	-	100.00	100.00	1,964	-	(978)	(645)	-	341	-	341	1,000	1,341	1,341	7,983
OHL Industrial Perú, S.A.C.	-	100.00	100.00	4,122	-	(1,770)	360	-	2,712	-	2,712	-	2,712	2,712	2,337

APPENDIX III

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2018

Thousands of euros

COMPANY	Ownership interest Direct	Ownership interest Indirect	Ownership interest Total	Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2018	Interim dividend	Total shareholders' equity	Valuation adjustments	Total equity	Participating loans	Total equity + participating loans	Underlying carrying amount	Net cost of the investment
OHL Industrial, S.L.	100.00	-	100.00	47,394	-	(66,829)	(121,180)	-	(140,615)	-	(140,615)	63,000	(77,615)	(77,615)	-
OHL Infraestructure Canada Inc.	100.00	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-
OHL Infrastructure, Inc.	100.00	-	100.00	-	-	(1,062)	(1,867)	-	(2,929)	-	(2,929)	-	(2,929)	(2,929)	-
OHL Ireland Construction and Engineering Limited	-	100.00	100.00	-	-	(58)	(713)	-	(771)	-	(771)	-	(771)	(771)	1
OHL Servicios-Ingesan, S.A.U.	100.00	-	100.00	790	-	12,018	(3,417)	-	9,391	-	9,391	-	9,391	9,391	1,172
OHL Sverige AB	-	100.00	100.00	5	-	2,721	(1,718)	-	1,008	-	1,008	-	1,008	1,008	3,214
OHL UK Construction Limited	-	100.00	100.00	559	-	-	(547)	-	12	-	12	-	12	12	559
OHL Uruguay, S.A.	100.00	-	100.00	-	-	(60)	58	-	(2)	-	(2)	-	(2)	(2)	-
OHL USA, Inc.	-	100.00	100.00	6,550	-	394,989	(3,514)	-	398,025	-	398,025	-	398,025	398,025	367,011
OHL ZS d.o.o. Banja Luka	-	98.98	98.98	10	-	6	(1)	-	15	-	15	-	15	15	13
OHL ZS MO, S.R.L.	-	98.98	98.98	-	-	(13)	13	-	-	-	-	-	-	-	-
OHL ZS Polska, S.Z.o.o.	-	98.98	98.98	12	-	(328)	(670)	-	(986)	-	(986)	-	(986)	(976)	-
OHL ZS Slovakia, a.s.	-	98.98	98.98	5,398	-	(2,044)	(2,341)	-	1,013	-	1,013	-	1,013	1,003	5,221
OHL ZS, a.s.	-	98.98	98.98	32,899	-	10,820	175	-	43,894	-	43,894	-	43,894	43,446	44,872
Posmar Inversiones 2008, S.L.	-	100.00	100.00	3	-	(1,234)	(2)	-	(1,233)	-	(1,233)	1,266	33	33	36
Premol, S.A. de C.V.	-	100.00	100.00	47	-	2,157	438	-	2,642	-	2,642	-	2,642	2,642	47
Promoción de Concesiones 2018, S.L.U.	100.00	-	100.00	3	-	-	-	-	3	-	3	-	3	3	3
Puente Logístico Mediterráneo, S.A.	-	100.00	100.00	105	-	(1,328)	(1)	-	(1,224)	-	(1,224)	1,281	57	57	60
S.A. Trabajos y Obras	100.00	-	100.00	1,854	-	74,264	(9,784)	-	66,334	-	66,334	-	66,334	66,334	43,347
Sawgrass Rock Quarry, Inc.	-	100.00	100.00	1	-	3,238	79	-	3,318	-	3,318	-	3,318	3,318	10,044
Sociedad Concesionaria Aguas de Navarra, S.A.	65.00	-	65.00	7,370	-	2,492	717	-	10,579	(1,559)	9,020	-	9,020	5,863	4,791
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100.00	-	100.00	13,098	-	8,098	607	-	21,803	-	21,803	-	21,803	21,803	10,441
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	-	100.00	100.00	17,565	-	(13,782)	(655)	-	3,128	-	3,128	-	3,128	3,128	-
Sthim Maquinaria de México, S.A. de C.V.	-	100.00	100.00	2	(2)	(187)	(103)	-	(290)	-	(290)	-	(290)	(290)	-
Tenedora de Participaciones Tecnológicas, S.A.	100.00	-	100.00	601	-	(34,542)	(514)	-	(34,455)	-	(34,455)	38,162	3,707	3,707	4,199
Tomi Remont, a.s.	-	98.98	98.98	1,924	-	10,443	1,105	-	13,472	-	13,472	-	13,472	13,335	7,311
Vacua, S.A.	99.11	0.89	100.00	14,429	-	(13,828)	(4)	-	597	-	597	-	597	597	604
Asfaltos Elsan-Pacsa Torrescámara, A.I.E.	-	50.00	50.00	12	-	-	-	-	12	-	12	-	12	6	6
Consorcio Conpax OHL VALKO, S.A.	-	49.00	49.00	1,258	-	-	3,993	(4,718)	533	-	533	-	533	261	346
Constructora Vespucio Oriente, S.A.	50.00	-	50.00	13	-	-	163	-	176	-	176	-	176	88	3
Health Montreal Collective CJV L.P.	-	50.00	50.00	1	-	(301,405)	(199,777)	-	(501,181)	-	(501,181)	477,378	(23,803)	(11,902)	238,689
Nova Dársena Esportiva de Bara, S.A.	-	50.00	50.00	3,731	-	(6,998)	(202)	-	(3,469)	-	(3,469)	32,006	28,537	14,269	10,556
OHL Construction Canada and Fomento de Construcciones y Contratas Canada Limited Partnership	-	50.00	50.00	1	-	(165,511)	19,717	-	(145,793)	-	(145,793)	130,338	(15,455)	(7,728)	65,169
OHL-FCC Gp Canada Inc	-	50.00	50.00	-	-	-	-	-	-	-	-	-	-	-	-
OHL-FCC North Tunnels Canada Inc	-	50.00	50.00	-	-	(17)	(3,321)	-	(3,338)	-	(3,338)	3,349	11	6	1,674
Prestadora de Servicios PLSV, S.A. de C.V.	-	50.00	50.00	70	(49)	(2)	(16)	-	3	-	3	-	3	2	10
Proyecto CCC Empalme I, S.A.P.I. de C.V.	-	50.00	50.00	-	-	4,230	(28,518)	-	(24,288)	-	(24,288)	-	(24,288)	(12,144)	-
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(1,757)	(60)	-	(1,817)	-	(1,817)	-	(1,817)	(909)	-
Regena spol s.r.o.	-	49.49	49.49	4	-	333	(67)	-	270	-	270	-	270	134	18
Rhatigan OHL Limited	-	50.00	50.00	-	-	2,537	2,559	-	5,096	-	5,096	-	5,096	2,548	-
Servicios Administrativos TMT, S.A de C.V.	-	50.00	50.00	-	-	80	13	-	93	-	93	-	93	47	-
Westminster Development Services Limited	-	50.00	50.00	11	-	505	439	-	955	-	955	-	955	478	7
Associates															
57 Whitehall Holdings Limited	-	49	49	1	-	(218)	(2)	-	(219)	-	(219)	-	(219)	(107)	1
57 Whitehall Holdings S.A.R.L.	-	49.00	49.00	28	-	260,841	(133)	-	260,736	-	260,736	-	260,736	127,761	136,311
ALSE Park, S.L.	-	17.50	17.50	4,298	-	2,619	(1,526)	-	5,391	-	5,391	-	5,391	943	1,891
Arenales Solar PS, S.L.	-	25.02	25.02	71	-	(56,371)	(13,223)	-	(69,523)	(22,667)	(92,190)	168,289	76,099	19,040	-
E.M.V. Alcalá de Henares, S.A.	34.00	-	34.00	1,202	-	4,526	-	-	5,728	-	5,728	-	5,728	1,948	409
Espacio-OHLD Proyectos Singulares, S.L.	-	25.00	25.00	50	-	(541)	(665)	-	(1,156)	-	(1,156)	-	(1,156)	(289)	12
Health Montreal Collective Limited Partnership	-	25.00	25.00	5,775	-	21,359	716	-	27,850	-	27,850	-	27,850	6,963	1,444
Navarra Gestión del Agua, S.A.	30.00	-	30.00	60	-	656	64	-	780	-	780	-	780	234	18
Nuevo Hospital de Burgos, S.A.	20.75	-	20.75	55,033	-	(58,818)	(5,099)	-	(8,884)	-	(8,884)	-	(8,884)	(1,843)	-
Nuevo Hospital de Toledo, S.A.	33.34	-	33.34	23,803	-	188	2,742	-	26,733	(10,231)	16,502	19,988	36,490	12,166	14,598
Obalovna Boskovice, s.r.o.	-	44.53	44.53	1,481	-	-	150	-	1,631	-	1,631	-	1,631	726	551
Proyecto Canalejas Group, S.L.	-	50.00	50.00	71,670	-	280,817	(14)	-	352,473	-	352,473	-	352,473	176,237	129,663

APPENDIX III

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2018

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2018	Interim dividend	Total shareholders' equity	Valuation adjustments	Total equity	Participating loans	Total equity + participating loans	Underlying carrying amount	Net cost of the investment
	Direct	Indirect	Total												
DISCONTINUED OPERATIONS															
Fully consolidated companies															
Controladora L 4 - 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	17,321	-	(33)	(12)	-	17,276	-	17,276	-	17,276	17,276	13,003
Desarrollador Maestro Ciudad Mayakoba, S.A. de C.V.	-	100.00	100.00	562	-	(486)	(69)	-	7	-	7	-	7	7	36
Desarrollo Vivienda MK1, S.A.P.I. de C.V.	-	100.00	100.00	7,569	-	(1,420)	(82)	-	6,067	-	6,067	-	6,067	6,067	13,693
Gastronómica Santa Fé, S.A. de C.V.	-	100.00	100.00	4,906	-	940	(4,178)	-	1,668	-	1,668	-	1,668	1,668	3,564
Huaribe, S.A. de C.V.	-	100.00	100.00	67,316	-	(41,730)	(18,810)	-	6,776	-	6,776	-	6,776	6,776	36,722
Huaribe Servicios, S.A. de C.V.	-	100.00	100.00	142	-	1,812	(1,092)	-	862	-	862	-	862	862	623
Lotes 4-5 Hotel Mayakoba, S.A. de C.V.	-	100.00	100.00	15,384	-	(8,941)	(920)	-	5,523	-	5,523	-	5,523	5,523	15,384
MKB Real Estate, S.A. de C.V.	-	100.00	100.00	497	-	397	199	-	1,093	-	1,093	-	1,093	1,093	1,531
OHLDM, S.A. de C.V.	-	100.00	100.00	124,490	-	(11,183)	(44,547)	-	68,760	-	68,760	-	68,760	68,760	-
Playa 4 - 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	1,879	-	(5,716)	(2,046)	-	(5,883)	-	(5,883)	-	(5,883)	(5,883)	1,879
Companies accounted for using the equity method															
Joint ventures															
Altos de Ciudad Mayakoba, S.A. de C.V.	-	50.00	50.00	3,980	-	-	(300)	-	3,680	-	3,680	-	3,680	1,840	1,990
Asenda Ciudad Mayakoba, S.A. de C.V.	-	50.00	50.00	89	-	-	11	-	100	-	100	-	100	50	45
Fideicomiso Desarrollo OV CIB/2185	-	50.00	50.00	5,335	-	(847)	346	-	4,834	-	4,834	-	4,834	2,417	4,166
La Ceiba DCM, S.A. de C.V.	-	50.00	50.00	1,556	-	(64)	(1,217)	-	275	-	275	-	275	138	778
Mayakoba Country Club, S.A. de C.V.	-	50.00	50.00	89	-	(2)	61	-	148	-	148	-	148	74	44
Novaterra Caribe, S.A.P.I. de C.V.	-	50.00	50.00	105	-	3,467	6,878	(5,469)	4,981	-	4,981	-	4,981	2,491	2,605
Associates															

APPENDIX IV
OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the changes in the scope of consolidation at 31 December 2018

Subsidiaries (fully consolidated)

INCLUSIONS

COMPANY	REASON
OHL UK Construction Limited	Incorporation
Promoción de Concesiones 2018, S.L.U.	Incorporation

EXCLUSIONS

COMPANY	REASON
0606 Investments S.a r.l.	Sale
Autopista del Norte, S.A.C.	Sale
Autopista Río Magdalena, S.A.S.	Sale
Autopista Urbana Norte, S.A. de C.V.	Sale
Autovías Concesionadas OHL, S.A. de C.V.	Sale
BNS International, Inc.	Merger
Catalana de Seguretat i Comunicacións, S.L.	Sale
Comercial de Materiales de Incendios, S.L.	Merger
Concesionaria AT - AT, S.A. de C.V.	Sale
Concesionaria Mexiquense, S.A. de C.V.	Sale
Construcciones Amozoc Perote, S.A. de C.V.	Sale
Constructora Mayaluum Servicios, S.A. de C.V.	Merger
Constructora Mayaluum, S.A. de C.V.	Merger
Euroconcesiones, S.L.	Sale
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	Sale
Grupo Autopistas Nacionales, S.A.	Sale
La Ceiba en Ciudad de Mayakoba, S.A.P.I. de C.V.	Liquidation
L 6 Hotel Mayakoba, S. de R.L. de C.V.	Sale
Latina México, S.A. de C.V.	Sale
Magenta Infraestructuras, S.L.U.	Sale
Marina Mayakoba, S.A. de C.V.	Sale
OHL C. Emisiones, S.A.U.	Sale
OHL Concesiones Chile, S.A.	Sale
OHL Concesiones Colombia, S.A.S.	Sale
OHL Concesiones Perú, S.A.	Sale
OHL Concesiones, S.A.	Sale
OHL Concessoes Brasil Ltda.	Sale
OHL Emisiones, S.A.U.	Sale
OHL Industrial Brasil, Ltda.	Liquidation
OHL Investments, S.A.	Sale
OHL México, S.A.B. de C.V.	Sale
OHL Toluca, S.A. de C.V.	Sale
OPCEM, S.A.P.I. de C.V.	Sale
Operaciones Cerro Valparaíso, SpA	Sale
Operaciones Portuarias Valparaíso, SpA	Sale
Operadora Concesionaria Mexiquense, S.A. de C.V.	Sale
Operadora de Carreteras, S.A.C.	Sale
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	Sale
Pachira, S.L.	Sale
Partícipes en Metro Ligero Oeste, S.L.	Sale
Seconmex Administración, S.A. de C.V.	Sale
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A.	Sale
Sociedad Concesionaria Puente Industrial, S.A.	Sale
Terminal Cerros de Valparaíso, S.A.	Sale
Terminal de Contenedores de Tenerife, S.A.	Sale
Terminal Polivalente Sureste, S.L.	Sale
Terminales Marítimas del Sureste, S.A.	Sale
Tráfico y Transporte Sistemas México, S.A. de C.V.	Sale
Tráfico y Transporte Sistemas, S.A.U.	Sale
Viaducto Bicentenario, S.A. de C.V.	Sale
Vincida Grupo de Inversiones 2006, S.L.	Sale
Villas de Mayakoba, S.A. de C.V.	Merger
ZPSV, a.s.	Sale
ZPSV Caňa, a.s.	Sale
ZPSV Eood, a.s.	Sale
ZPSV Servis, s.r.o.	Sale