

Obrascón Huarte Lain, S.A. and Subsidiaries

**Consolidated Financial Statements for the
year ended 31 December 2017 and
Consolidated Directors' Report, together
with Independent Auditor's Report**

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Obrascón Huarte Lain, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Obrascón Huarte Lain, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2017, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As indicated in Notes 3.17 and 4.2.1 to the accompanying consolidated financial statements, in March 2017 the Group formalised a multi-product finance facility in order to cater for the future needs arising from its business plan. The availability of this facility, which matures in 2018, is tied to compliance with a plan that included significant divestments that the Group had to perform prior to 2017 year-end. In the course of 2017 the initial agreement was novated in order to adapt the cash requirements to the Group's various activities. Also, after year-end, certain waivers were obtained from the banks with respect to the requirement to achieve financial ratios associated with the syndicated and multi-product financing arrangements. These waivers are tied to the obligation to repay both financing agreements once the divestment in progress has been formalised.

In this context, as indicated in Note 1.3 to the accompanying consolidated financial statements, in November the Group entered into an agreement to sell all the share capital of OHL Concesiones, S.A.U. (the parent of the Group's Concessions Division), for approximately EUR 2,200 million, which included certain conditions precedent that had not yet been fulfilled at the date of this auditor's report. The directors of the Parent of the OHL Group prepared these consolidated financial statements in accordance with the going concern basis of accounting, on the assumption that the Group's financial capacity and, consequently, the continuity of its operations will be guaranteed by the inflow of the funds arising from the aforementioned divestment.

Accordingly, at the present date, a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and to realise its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying consolidated financial statements, which depends on the fulfilment of the conditions precedent required for the effectiveness of the sale agreement mentioned above. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recognition and measurement of concession infrastructure recognised as discontinued operations

Description

As a result of the agreement for the sale of all the share capital of OHL Concesiones, S.A.U., at 2017 year-end the Group recognised non-current assets classified as held for sale and discontinued operations, amounting to EUR 8,023 million, and liabilities associated with non-current assets classified as held for sale and discontinued operations, amounting to EUR 4,142 million, in the consolidated balance sheet. The Group also recognised the Concessions Division's net profit for the year in a single line item, as profit for the year from discontinued operations, in the consolidated statement of profit or loss, and it adjusted, for comparison purposes and in accordance with accounting legislation, the consolidated statement of profit or loss for the previous year. Similarly, the cash flows for 2017 and 2016 associated with the discontinued operation are presented separately.

The classification of non-current assets and associated liabilities as held for sale and discontinued operations is a key matter in our audit, since it requires the directors to make judgements as to whether the requirements established by accounting regulations have been met, in particular those relating to the probability that the divestment will take place in the short term and the estimate of the recoverable amount of the assets.

Procedures applied in the audit

Our audit procedures included, among others, the obtainment and analysis of the evidence supporting the classification of these assets, checking the supporting records for the divestment decisions taken at the appropriate level of management, as well as the review of the agreement for the sale of all the share capital of OHL Concesiones, S.A.U. in order to adequately understand the conditions precedent included therein, the periods considered and their situation at the date of the audit opinion.

Also, we analysed the reasonableness of the estimates made by the directors in terms of the valuation of the division, reviewing whether its carrying amount is consistent with the price agreed between the parties to the sale agreement.

Lastly, we evaluated whether the disclosures included in Notes 1.3 and 3.8 to the accompanying consolidated financial statements in connection with this matter are in conformity with those required by the applicable accounting regulations.

Recognition of revenue from long-term contracts and amounts to be billed for work performed

Description

The Group uses the percentage of completion method to recognise revenue from long-term construction contracts.

This revenue recognition method was a key matter in our audit, since it affects the valuation of the amounts to be billed for work performed (ABWP), which at 31 December 2017 totalled EUR 1,039 million, and a very significant amount of total consolidated revenue, and requires Group management to make significant estimates relating mainly to the expected outcome of the contract, the amount of costs yet to be incurred, the measurement of the work completed in the period, and the probability of recovering the amounts of claims and modifications to the initial contract which, although not approved by the end customer, the Group considers it is likely to be entitled to receive, taking into account the status of the negotiations and the requirements of the applicable regulatory framework in this regard.

These judgements and estimates are made by the persons in charge of performing the construction work, are subsequently reviewed at the various levels of the organisation, and are submitted to controls designed to ensure the consistency and reasonableness of the criteria applied. In this connection, the construction project budgets, contract modifications and claims or damage caused affecting the judgements and estimates must be very closely monitored.

As indicated in Note 3.9, these judgements and estimates include most notably those associated with the Hospital de Sidra project, which has amounts to be billed for work performed, in dispute, of EUR 346 million.

Procedures applied in the audit

Our audit procedures included a detailed analysis of a selection of projects, based on qualitative and quantitative factors, in order to evaluate the reasonableness of the assumptions and hypotheses used by the Group. For this purpose, we held meetings with technical personnel of the Group and involved our internal infrastructure project specialists in order to evaluate, for certain significant projects, both the reasonableness of the assumptions and hypotheses used in updating the estimated costs, and the consistency of the stage of completion in relation to the actual units of work completed. We also reviewed the estimates made by the Group in 2016 with respect to the actual data for the contracts in 2017.

As regards the amounts to be billed for work performed, we analysed whether the recognition of revenue from work in progress that has not been approved by the end customer is appropriate in light of the applicable framework. To this end, and in order to obtain evidence about the recoverability of the collection rights arising from contract modifications and claims, we evaluated the evidence provided by management, including, inter alia, legal opinions and correspondence with customers. With respect to a selection of contracts based on qualitative and quantitative factors, we analysed the reasonableness of the most significant positions.

Lastly, we verified that the notes to the accompanying consolidated financial statements include the related disclosures required by the financial reporting framework. In this regard, the disclosures in Notes 2.6.15, 3.9 and 4.6.2.5 to the consolidated financial statements in connection with this matter are in conformity with those required by the applicable accounting regulations.

Non-current financial assets involved in insolvency proceedings

Description

As indicated in Note 3.6 to the accompanying consolidated financial statements, at 2017 year-end, the Group recognised under "Non-Current Financial Assets - Investment Securities" and "Non-Current Financial Assets - Other Receivables", the equity interests in and the loans and guarantees granted to Eje Aeropuerto, S.A. and Cercanías Móstoles Navalcarnero, S.A. ("Cemonasa"), amounting to EUR 59.9 million and EUR 160.3 million, respectively. Both of these companies are in liquidation and the concession arrangements constituting their core business activities have been terminated.

The Group tests these assets for impairment each year in order to estimate their recoverable amount. The Parent's directors consider that in a base-case resolution scenario, which is inferior to that requested by the liquidator of Eje Aeropuerto, the net investment recognised and the balances receivable associated with the construction of the infrastructure will be recovered. Also, in the case of Cemonasa, they consider that the concession arrangement supports the right to recover the net investment and the loans held at the end of 2017.

This is a key matter for our audit, since the Parent's directors' assessment of possible impairment is a complex process that includes a significant level of estimates, judgements and assumptions, including most notably the interpretation of the legal framework of the concession arrangements and the right to request an early termination value from the Spanish State, aspects which are supplemented by expert reports and third-party legal opinions that support the conclusions reached by the Group.

Procedures applied in the audit

Our audit procedures included, among others, an analysis of the concession arrangements of the companies in liquidation and of the judgements made by the directors based on the opinion of their legal advisers.

For this purpose, we obtained the legal analyses of the lawyers and legal advisers used by the Group, and the third-party expert reports available.

We analysed the reasonableness of the conclusions reached by the Group's directors considering the various factors on which those conclusions were based.

In addition, we analysed and concluded upon the suitability of the accounting treatment applied by the Group, including the disclosures made in relation to these matters, which are contained in Notes 3.6 and 4.6.2.5 to the accompanying consolidated financial statements for 2017, including the description of the existing uncertainty resulting from the insolvency and liquidation of the investments, the recoverability of which will depend on the final resolution of the aforementioned liquidation proceedings.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2017, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the information contained in the consolidated directors' report is defined in the audit regulations in force, which establish two distinct levels of review:

- a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the consolidated directors' report and, if this is not the case, reporting this fact.
- b) A general level applicable to the other information included in the consolidated directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraphs, we have checked that the specific information described in section a) above has been provided and that the other information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2017 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on pages 8 and 9, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 26 February 2018.

Engagement Period

The Annual General Meeting held on 9 May 2017 appointed us as auditors for a period of one year from the year ended 31 December 2016, i.e. for 2017.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the consolidated financial statements uninterruptedly since the year ended 31 December 1990, taking into account the content of Article 17.8 of Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities.

DELOITTE, S.L.
Registered in ROAC under no. S0692



Ignacio Alcaraz Elorrieta
Registered in ROAC under no. 20687

28 February 2018

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated financial statements and directors' report
for the year ended 31 December 2017



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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheets as at 31 December 2017 and 2016

ASSETS	Notes	31/12/17	31/12/16
NON-CURRENT ASSETS			
Intangible assets	3.1.		
Intangible assets		449,460	486,162
Accumulated amortisation		(218,012)	(211,648)
		231,448	274,514
Concession infrastructure	3.2.		
Intangible asset model		12,356	1,199,054
Financial asset model		54,417	5,240,580
		66,773	6,439,634
Property, plant and equipment	3.3.		
Land and buildings		118,518	130,332
Machinery		383,177	437,571
Other fixtures, tools and furniture		97,749	116,587
Advances and property, plant and equipment in the course of construction		13,261	6,237
Other items of property, plant and equipment		61,648	74,135
Accumulated depreciation and impairment losses		(462,294)	(507,851)
		212,059	257,011
Investment property	3.4.	73,284	66,837
Goodwill	3.5.	12,515	12,515
Non-current financial assets	3.6.		
Investment securities		209,113	113,864
Other receivables		450,037	378,300
Deposits and guarantees given		123,798	157,039
Impairment losses		(281,957)	(246,372)
		500,991	402,831
Investments accounted for using the equity method	3.7.	303,127	513,611
Deferred tax assets	3.21.	265,056	622,114
TOTAL NON-CURRENT ASSETS		1,665,253	8,589,067
CURRENT ASSETS			
Non-current assets classified as held for sale and discontinued operations	3.8.	8,023,590	491,963
Inventories			
Embodiment items, fungibles and replacement parts for machinery		57,029	63,971
Auxiliary shop projects and site installations		29,340	32,105
Advances to suppliers and subcontractors		68,278	117,804
Write-downs		(2,243)	(1,993)
		152,404	211,887
Trade and other receivables	3.9.		
Trade receivables for sales and services		1,710,407	1,806,382
Receivable from associates		172,163	254,050
Employee receivables		1,655	2,435
Tax receivables	3.21.	89,650	204,366
Sundry accounts receivable		68,230	142,253
Write-downs		(305,930)	(329,268)
		1,736,175	2,080,218
Current financial assets	3.6.		
Investment securities		46,660	396,168
Other receivables		100,762	271,412
Deposits and guarantees given		6,106	12,950
Write-downs		(13,409)	(17,082)
		140,119	663,448
Current income tax assets		17,330	23,089
Other current assets		39,404	42,802
Cash and cash equivalents	3.10.	434,210	817,872
TOTAL CURRENT ASSETS		10,543,232	4,331,279
TOTAL ASSETS		12,208,485	12,920,346

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated balance sheet as at 31 December 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheets as at 31 December 2017 and 2016

EQUITY AND LIABILITIES	Notes	31/12/17	31/12/16
EQUITY			
Share capital	3.11.	179,255	179,255
Share premium	3.12.	1,265,300	1,265,300
Treasury shares	3.13.	(48,638)	(46,145)
Reserves	3.14.	(691,193)	(173,645)
Reserves of consolidated companies	3.14.	2,225,326	2,235,397
Valuation adjustments	3.15.	(751,309)	(588,135)
Consolidated loss for the year attributable to the Parent	3.22.	(12,076)	(432,338)
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT		2,166,665	2,439,689
Non-controlling interests	3.16.	2,016,563	1,603,204
TOTAL EQUITY		4,183,228	4,042,893
NON-CURRENT LIABILITIES			
Debt instruments and other marketable securities	3.17.		
Corporate bond issues		883,385	1,473,418
Bond issues of concession operators		-	539,994
		883,385	2,013,412
Bank borrowings	3.17.		
Mortgage and other loans		10,171	659,813
Loans of concession operators		-	1,103,840
		10,171	1,763,653
Other financial liabilities	3.18.	4,433	53,043
Deferred tax liabilities	3.21.	139,493	1,246,334
Provisions	3.19.	50,122	199,352
Deferred income		20,651	12,199
Other non-current liabilities	3.20.	15,867	165,913
TOTAL NON-CURRENT LIABILITIES		1,124,122	5,453,906
CURRENT LIABILITIES			
Liabilities associated with non-current assets classified as held for sale and discontinued operations	3.8.	4,141,724	220,008
Debt instruments and other marketable securities	3.17.		
Corporate bond issues		21,341	31,332
Bond issues of concession operators		-	6,637
		21,341	37,969
Bank borrowings	3.17.		
Mortgage and other loans		606,111	499,660
Loans of concession operators		52,058	66,282
Unmatured accrued interest payable		1,168	4,618
Unmatured accrued interest payable of concession operators		1	6,672
		659,338	577,232
Other financial liabilities	3.18.	4,767	7,055
Trade and other payables			
Customer advances	3.9.	477,757	461,614
Accounts payable for purchases and services		1,106,619	1,405,193
Notes payable		10,954	19,256
		1,595,330	1,886,063
Provisions	3.19.	225,374	298,230
Current income tax liabilities		19,570	29,357
Other current liabilities	3.20.		
Payable to associates		88,998	97,511
Remuneration payable		30,283	25,940
Tax payables	3.21.	88,762	137,106
Other non-trade payables		22,717	101,841
Guarantees and deposits received		2,610	1,489
Other		321	3,746
		233,691	367,633
TOTAL CURRENT LIABILITIES		6,901,135	3,423,547
TOTAL EQUITY AND LIABILITIES		12,208,485	12,920,346

Note: the accompanying Notes 1 to 6 are an integral part of the consolidated balance sheet as at 31 December 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of profit or loss for the years ended 31 December 2017 and 2016

	Notes	2017	2016 (*)
Revenue	3.22.	3,216,351	3,342,369
Other operating income		166,842	181,483
Total operating income		3,383,193	3,523,852
Procurements		(2,118,250)	(2,600,073)
Staff costs	3.22.	(839,321)	(854,777)
Other operating expenses	3.22.	(482,161)	(645,313)
Depreciation and amortisation charge		(73,395)	(100,270)
Changes in provisions and allowances		(2,803)	(29,436)
LOSS FROM OPERATIONS		(132,737)	(706,017)
Finance income	3.22.	35,531	24,709
Finance costs	3.22.	(86,452)	(93,072)
Net exchange differences		(26,780)	8,418
Net gains (losses) on remeasurement of financial instruments at fair value	3.22.	32,552	(73,937)
Result of companies accounted for using the equity method		(45,452)	(148,885)
Impairment and gains or losses on disposals of financial instruments	3.22.	(1,477)	99,115
LOSS BEFORE TAX		(224,815)	(889,669)
Income tax	3.21.	7,288	32,055
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(217,527)	(857,614)
Profit for the year from discontinued operations, net of tax	3.8.	497,583	622,298
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		280,056	(235,316)
Loss from continuing operations attributable to non-controlling interests	3.16.	381	3,467
Profit from discontinued operations attributable to non-controlling interests	3.16.	(292,513)	(200,489)
CONSOLIDATED LOSS FOR THE YEAR ATTRIBUTABLE TO THE PARENT	3.22.	(12,076)	(432,338)
Earnings / (loss) per share:			
Basic	1.6.	(0.04)	(1.47)
Diluted	1.6.	(0.04)	(1.47)
Earnings / (loss) per share from discontinued operations:			
Basic	1.6.	0.72	1.44
Diluted	1.6.	0.72	1.44

(*) 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 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of comprehensive income for the years ended 31 December 2017 and 2016

	2017	2016 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	280,056	(235,316)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(424,873)	(451,511)
Revaluation of financial instruments	(6,326)	(15,929)
Cash flow hedges	10,467	55,556
Translation differences	(426,400)	(485,813)
Companies accounted for using the equity method	(1,550)	9,205
Tax effect	(1,064)	(14,530)
TRANSFERS TO PROFIT OR LOSS	29,885	106,850
Revaluation of financial instruments	22,255	-
Cash flow hedges	18,706	35,778
Translation differences	(8,175)	(3,837)
Companies accounted for using the equity method	4,235	84,373
Tax effect	(7,136)	(9,464)
TOTAL COMPREHENSIVE INCOME	(114,932)	(579,977)
Attributable to the Parent	(175,250)	(573,492)
Attributable to non-controlling interests	60,318	(6,485)

(*) 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 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6).
In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of changes in equity for the years ended 31 December 2017 and 2016

	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	Total equity attributable to the Parent		
Ending balance at 31 December 2015	179,255	3,262,958	(3,908)	55,632	(446,981)	3,046,956	1,764,718	4,811,674
Total comprehensive income	-	-	-	(432,338)	(141,154)	(573,492)	(6,485)	(579,977)
Transactions with shareholders or owners	-	(14,367)	(42,237)	-	-	(56,604)	-	(56,604)
Capital increases	-	(231)	-	-	-	(231)	-	(231)
Dividends paid	-	(13,719)	-	-	-	(13,719)	-	(13,719)
Treasury share transactions	-	(417)	(42,237)	-	-	(42,654)	-	(42,654)
Other changes in equity	-	78,461	-	(55,632)	-	22,829	(155,029)	(132,200)
Transfers between equity items	-	55,632	-	(55,632)	-	-	-	-
Other changes	-	22,829	-	-	-	22,829	(155,029)	(132,200)
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

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 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of cash flows
for the years ended 31 December 2017 and 2016

	2017	2016 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	(158,343)	(384,303)
Loss before tax	(224,815)	(889,669)
Adjustments for:	168,276	313,358
Depreciation and amortisation charge	73,395	100,270
Other adjustments to loss	94,881	213,088
Changes in working capital	(185,851)	173,498
Other cash flows from operating activities	84,047	18,510
Dividends received	458	137
Income tax recovered (paid)	(38,936)	(41,735)
Other amounts received (paid) relating to operating activities	122,525	60,108
B) CASH FLOWS FROM INVESTING ACTIVITIES	41,519	83,069
Payments due to investment	(189,787)	(437,367)
Group companies, associates and business units	(30,711)	(89,552)
Property, plant and equipment, intangible assets and investment property	(96,273)	(48,945)
Other financial assets	(62,803)	(298,870)
Proceeds from disposal	279,379	179,326
Group companies, associates and business units	248,675	142,680
Property, plant and equipment, intangible assets and investment property	30,704	36,646
Other financial assets	-	-
Other cash flows from investing activities	(48,073)	341,110
Interest received	35,527	24,710
Other amounts received (paid) relating to investing activities	(83,600)	316,400
C) CASH FLOWS FROM FINANCING ACTIVITIES	(58,464)	158,803
Proceeds and (payments) relating to equity instruments	(2,212)	(42,655)
Issue	-	-
Acquisition	(63,937)	(155,566)
Disposal	61,725	112,911
Proceeds and (payments) relating to financial liability instruments	31,274	312,743
Issue	408,162	663,516
Repayment	(376,888)	(350,773)
Dividends and returns on other equity instruments paid	-	(13,719)
Other cash flows from financing activities	(87,526)	(97,566)
Interest paid	(86,021)	(93,715)
Other amounts received (paid) relating to financing activities	(1,505)	(3,851)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	(21,293)	4,694
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(196,581)	(137,737)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	630,791	768,528
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)	434,210	630,791
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	410,139	609,524
Other financial assets	24,071	21,267
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	434,210	630,791

(*) 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 2017.

CASH FLOWS FROM DISCONTINUED OPERATIONS

A) Cash flows from operating activities	364,284	144,000
B) Cash flows from investing activities	456,424	1,099,822
C) Cash flows from financing activities	(462,980)	(1,379,223)
D) Net cash flows from discontinued operations (A+B+C)	357,728	(135,401)

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 6). In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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:

Concessions

Operation of administrative infrastructure concessions, relating mainly to transport, car parks, ports and airports.

This business activity was classified as a discontinued operation in 2017 (see Note 1.3).

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.

1.3.- Discontinued operation

On 16 October 2017, OHL and IFM Investors entered into an agreement for the acquisition by IFM Investors of all the share capital of OHL Concesiones, S.A.U., the main terms and conditions of which are as follows:

- The sale price was set at EUR 2,775 million, which will be paid by IFM Investors on completion of the transaction, subject to the customary adjustments for this type of transaction (net debt, exchange rate and cash contributed to each project).

The OHL Group estimates that, after these adjustments, the amount to be paid by IFM Investors will be EUR 2,235 million.

- Cercanías Móstoles Navalcarnero and Autopista Eje Aeropuerto, companies in liquidation, were excluded from the scope of the transaction and, as a result, they will be transferred to OHL, S.A. at the net cost at which they were recognised by OHL Concesiones, S.A.U. Therefore, OHL, S.A. will be entitled to receive all the compensation arising from the liquidation processes.

On 30 November 2017, the corresponding agreement was signed with IFM Investors (through its subsidiary Global Infraico, S.L.U.), pursuant to which the acquisition will take effect.

This agreement also includes certain customary indemnity clauses whereby OHL is responsible for meeting any liabilities and obligations arising from events prior to the agreement that may be settled in the future.

As provided for in Article 160 f) of the Spanish Limited Liability Companies Law, an Extraordinary General Meeting was called for 9 January 2018, at which the transaction was approved.

The transaction is conditional upon, among other factors, the obtainment of the required authorisation from the competent Mexican authorities, the obtainment of a waiver from certain financial creditors, and the approval and launch of a tender offer by IFM Investors or a subsidiary for the share capital of OHL México, S.A.B. de C.V. not owned by IFM Investors at the transaction completion date.

On the basis of the foregoing, and pursuant to IFRS 5, in 2017 the assets and liabilities of the discontinued Concessions line of business were recognised under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations".

The discontinuation of the Concessions line of business meant that:

- In the consolidated balance sheet as at 31 December 2017 all OHL Concesiones, S.A.U.'s assets were presented as a single line item under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and all its liabilities 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 2017 and 2016, 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 2017 and 2016 were obtained after adjusting the 2016 and 2015 balances in line with 2017.

The balance sheet of the Concessions business for 2017, broken down by the main items, and a detail of the items in its statements of profit or loss for 2017 and 2016 that make up "Profit for the Year from Discontinued Operations Net of Tax" are shown in Note 3.8.

Also, the disclosures on "Employees" and "Backlog" do not include data for the discontinued Concessions line of business and, therefore, the information relating to 2016 was restated.

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 2017 attributable to the Parent amounted to EUR (12,076) thousand, representing -0.4% of revenue.

	Thousands of euros		
	2017	2016 (*)	% change
Revenue	3,216,351	3,342,369	-3.8
EBITDA(**)	(56,539)	(576,311)	90.2
EBIT	(132,737)	(706,017)	81.2
Financial and other results	(92,078)	(183,652)	49.9
Loss before tax	(224,815)	(889,669)	74.7
Income tax	7,288	32,055	-77.3
Loss for the year from continuing operations	(217,527)	(857,614)	74.6
Profit for the year from discontinued operations	497,583	622,298	-20.0
Profit attributable to non-controlling interests	(292,132)	(197,022)	48.3
Loss attributable to the Parent	(12,076)	(432,338)	97.2

(*) 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 2017 and 2016 were as follows:

	Thousands of euros
Balance at 1 January 2016	3,046,956
2016 loss attributable to the Parent	(432,338)
Valuation adjustments relating to hedges	146,370
Translation differences	(272,513)
Adjustments due to changes in available-for-sale financial assets	(15,011)
Dividend paid out of 2015 profit	(13,719)
Treasury shares	(42,237)
Treasury share transactions	(418)
Other changes	22,830
Capital increase	(231)
Balance at 31 December 2016	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

Changes in cash flows

The cash flows in 2017 compared with those of 2016, classified on the basis of whether they arose from operating, investing or financing activities, are summarised as follows:

Cash flows	Thousands of euros		
	2017	2016 (*)	Difference
Operating activities	(158,343)	(384,303)	225,960
Investing activities	41,519	83,069	(41,550)
Financing activities	(58,464)	158,803	(217,267)
Effect of exchange rate changes on cash and cash equivalents	(21,293)	4,694	(25,987)
Net increase (decrease) in cash and cash equivalents	(196,581)	(137,737)	(58,844)
Cash and cash equivalents at beginning of year	630,791	768,528	(137,737)
Cash and cash equivalents at end of year	434,210	630,791	(196,581)

(*) Restated.

1.5.- Proposed allocation of loss and dividend

The allocation of the loss for 2017 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
2017 loss	(61,780)
Allocation:	
To prior years' losses	(61,780)

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 2017 and 2016 there were no differences between the basic earnings per share and diluted earnings per share.

	Thousands of euros	
	2017	2016
Weighted average number of shares outstanding	286,194,034	293,341,703
Consolidated loss for the year attributable to the Parent	(12,076)	(432,338)
Basic loss per share = diluted loss per share	(0.04)	(1.47)
Profit for the year from discontinued operations	205,070	421,809
Basic earnings per share = diluted earnings per share from discontinued operations	0.72	1.44

2.- BASIS OF PRESENTATION AND BASIS OF CONSOLIDATION

2.1.- Basis of presentation

The consolidated financial statements for 2017 of the Obrascón Huarte Lain Group were formally prepared:

- By the Parent's directors, at the Board of Directors Meeting held on 28 February 2018.
- 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 2017 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 2017, and the consolidated results of its operations, the consolidated comprehensive income, the changes in consolidated equity and the consolidated cash flows in 2017.
- 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 2017 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 2016 were approved by the shareholders at the Annual General Meeting of the Parent held on 9 May 2017.

The 2017 consolidated financial statements of the Group and the 2017 financial statements of the Parent and of 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 2016, except for the following standards and interpretations which came into force in 2017:

Entry into force of new accounting standards

In 2017 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:
Amendments to IAS 7, Disclosure Initiative	Introduce additional disclosure requirements relating to the reconciliation of the changes in financial liabilities to the cash flows from financing activities	1 January 2017
Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses	Clarification of the principles established in relation to the recognition of deferred tax assets for unrealised losses	

Neither of these standards affected the consolidated financial statements for 2017.

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 15, Revenue from Contracts with Customers and the related clarifications	New revenue recognition standard (supersedes IAS 18, 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 4, Insurance Contracts	Provide entities within the scope of IFRS 4 with the option of applying IFRS 9 (overlay approach) or the temporary exemption therefrom	
Improvements to IFRSs, 2014-2016 cycle	Minor amendments to a series of standards	
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

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Not yet approved for use in the European Union		
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	1 January 2018
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	
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	
IFRIC 23, Uncertainty Over Income Tax Treatments	This interpretation 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	1 January 2019
Amendments to IFRS 9, Prepayment Features with Negative Compensation	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	
Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures	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	In accordance with the proposed amendments, when a change in a defined benefit plan occurs (due to an amendment, curtailment or settlement), the entity shall use updated assumptions when determining the service cost and the net interest for the period after the change in the plan	
IFRS 17, Insurance Contracts	Will supersede IFRS 4. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts 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
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Highly significant clarification in relation to the gain or loss resulting from such transactions involving a business or assets.	No set date

Following the Group's assessment, set forth below is the possible impact on the consolidated financial statements of the entry into force on 1 January 2018 of the following International Financial Reporting Standards.

IFRS 15, Revenue from Contracts with Customers

The Group carries on its construction and engineering activities in geographical locations that are subject to varying legal and contractual frameworks. Accordingly, the Group has performed an exhaustive analysis, in coordination with each of its business divisions, aimed at assessing the impacts of the new standard on the Group's financial statements. In order to determine the impact, certain judgements and estimates were taken into consideration, relating mainly to the probability of customers approving changes in the scope of contracts and accepting claims.



The contractual terms and the way in which the Group manages its construction contracts give rise mainly to projects that are subject to a single performance obligation. Although revenue from contracts will continue to be recognised over time, the new standard includes new requirements relating to variable consideration and the accounting for claims and changes such as contract modifications, all of which requires the use of a higher probability threshold in revenue recognition. Currently, revenue is recognised when it is probable that the construction work performed will give rise to revenue, 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 as a result of such modifications. In this connection, based on the assessment performed, at 1 January 2018 an adjustment will be recognised to the opening balance of reserves attributable to the shareholders of OHL, currently estimated at around EUR 455,000 thousand, relating to both trade receivables and other financial assets.

This impact is due mainly to certain projects that are involved in court and arbitration proceedings, of whose future success the Group remains firmly convinced, although it is not possible to obtain formal evidence that would guarantee a high probability that the relevant decisions will be in the Group's favour.

Bid costs and costs of obtaining contracts

Currently, in accordance with IAS 11, Construction Contracts, the costs incurred during the tender process are capitalised to "Inventories", provided that it is considered probable that the contract will be won. In accordance with the new standard, these costs may only be capitalised if they are expected to be recovered and they would not have been incurred had the contract not been obtained, or if they are inherent to the delivery of a project. Therefore, the impact of the new standard is not significant for the Group.

Tax effect

Adjustments made in conformity with the new standard are susceptible to the recognition of the related tax effect, although the Group, in accordance with the accounting principle of prudence, will not recognise the associated tax assets.

IFRS 9, Financial Instruments

This standard supersedes IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidelines on the classification and measurement of financial instruments, including a new expected credit loss-based model for the calculation of impairment of financial assets, as well as new general requirements relating to hedge accounting. Also, the standard carries forward unchanged the guidance in IAS 39 for the recognition and derecognition of financial instruments.

In this connection, in the Group's current environment, with the Concessions division in the process of being divested (a division with respect to which a significant impact might have been identified), an assessment was made of the repercussions of the new standard on classification and measurement, concluding that it will foreseeably not have a significant impact either on the classification or measurement of the Group's financial assets and liabilities or on its hedge accounting. However, the Group is currently assessing the standard's impact in relation to the recognition of future losses in terms of customers and trade receivables, and it considers that this impact will not be significant.

IFRS 16, Leases

The possible impact of applying this standard, which will not occur until 1 January 2019, is currently being analysed, and the Group considers that it will not be significant.

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 2017 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., 3.2., 3.5. and 3.22.).
- 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 3.22.).
- The amount of certain provisions (see Notes 2.6.14. and 3.19.).
- 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 and tax risks (see Notes 3.19. and 3.21.).
- Financial risk management (see Note 4.2.1.).

Although these estimates were made on the basis of the best information available at 31 December 2017, 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 2016 is presented, for comparison purposes, with the information relating to 2017 and, accordingly, it does not constitute the Group's complete consolidated financial statements for 2017.

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 has 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 those returns.

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.).

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 2017 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 Appendices II and III.

Changes in the scope of consolidation

The changes in the scope of consolidation in 2017 were as follows:

Inclusions	No. of companies
Full consolidation	6
Equity method	24
Total inclusions	30

Exclusions	
Full consolidation	22
Equity method	2
Total exclusions	24

The most significant changes were the following:

- The transfer from full consolidation to equity-method accounting of: Lagunas de Mayakoba, S.A. de C.V., Operadora Mayakoba, S.A. de C.V., Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V., Servicios Hoteleros del Corredor de Mayakoba, S.A. de C.V., Islas de Mayakoba, S.A. de C.V., Islas de Mayakoba Servicios, S.A. de C.V., Desarrollos RBK en la Riviera, S.A. de C.V., Aqua Mayakoba, S.A. de C.V., Lote 3 Servicios, S.A. de C.V., Mayakoba Thai, S.A. de C.V., Controladora Hoyo 1, S.A. de C.V., Hotel Hoyo Uno, S. de R.L.

de C.V., HH1 Servicios, S. de R.L. de C.V., Golf de Mayakoba, S.A. de C.V. and Golf Mayakoba Servicios, S.A. de C.V. At 31 December 2016, these companies were in the process of being divested, and were classified as held for sale, and in 2017, following the sale of majority ownership interests therein, they started to be accounted for using the equity method (see Note 3.7).

- The exclusion of Cercanías Móstones Navalcarnero, S.A. from the scope of consolidation following this company's entry into liquidation and the removal of OHL's representatives from the managing body of this concession operator (see Note 3.6). This change did not have an effect on equity for the Group.

All of the inclusions in the scope of consolidation relate to companies incorporated by the Group and, therefore, did not have an impact on the consolidated financial statements.

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 2017 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 2017-year end were discounted at a rate of 8.4%.

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 classified as 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

Arrangements under the financial asset model

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.

Arrangements with a guaranteed minimum revenue clause

In the case of certain Mexican concessions in which the Group holds interests, the concession arrangements grant the operator an unconditional right to recover, as appropriate, either the equity invested or the total investment made, plus an annual guaranteed internal rate of return (IRR), expressed in real terms and net of tax ("guaranteed minimum revenue"), which would give rise to an unconditional right to receive cash if, at the end of the concession term, the guaranteed minimum revenue had not been obtained.

The difference between the actual revenue, net of tax, obtained from operating these concessions and the guaranteed minimum revenue is also recognised as a financial asset, with a balancing entry under "Other Operating Income" in the consolidated statement of profit or loss.

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 2.6.18.

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:

	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 taken into consideration are as follows:

Revenue

Revenue to be earned over the concession term is estimated on the basis of the combination of various elements:

- Firstly, a traffic study is conducted based on actual verification of the traffic, with a distinction made between categories of vehicles (cars, lorries, etc.). These studies are either conducted internally (by specialist Group staff) or through specialist external companies.
- The second phase consists of applying the estimated annual percentage of growth over the term of the concession to the traffic study. To this end, a forecast of expected growth in gross domestic product (GDP) for each country, estimated by non-Group sources, is commonly used.
- The third phase consists of applying the rates for each vehicle type and updating them over the term of the concession. For this purpose, the agreed-upon rates in the concession arrangement are initially applied and for subsequent years the consumer price index (CPI) for each country is generally used. In certain cases, an additional percentage is applied depending on whether covenants exist that are conditional upon the achievement of certain volumes of traffic, the opening of new sections, etc.

Costs

- Internal studies are conducted to determine/estimate the operating, maintenance and repair costs to be incurred over the term of the concession.

The period used for discounting the cash flows is the number of years of remaining life of each concession.

For those concession operators with a guaranteed minimum revenue clause, investment recovery relies mainly on the guaranteed minimum revenue clause which is included in the concession arrangement.

When, due to the particular circumstances of a concession, the concession grantor is requested to restore the economic feasibility of the concession, the Group considers the value of the cash flows discounted over the concession term on the basis of the economic and financial model, as well as the minimum recoverable amount calculated as the contractual amount that would be received by the Group in the event of liquidation or termination.

When annulment of the concession arrangement has been requested, with the reimbursement of the amounts claimed from the public sector entity, the Group considers that the solution lies in the restoration of the economic feasibility of the concession or the early termination of the concession arrangement and, accordingly, used the early termination value, the formula for which is contractually defined in the administrative specifications of each concession.

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.
- Discount rate of approximately 8% in Spain, since substantially all of the goodwill is allocated to Spanish companies.

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, and consist of:

Investment securities

These are financial assets represented by securities that can be classified as:

- Held-to-maturity investments: securities with fixed or determinable payments and fixed maturity. The Group has the positive intention to hold these securities from the date of purchase to the date of maturity.

These securities are recognised at acquisition cost, including transaction costs.

Any deficiency of the acquisition cost below the fair value of these assets at the end of the reporting period is taken to profit or loss.

- Available-for-sale financial assets: investments in financial assets from which the Group does not expect to obtain a significant gain.

If the fair value of these investments exceeds their carrying amounts, the value of the asset is increased and the increase is recognised in equity. On disposal, this amount is transferred to the consolidated statement of profit or loss.

In the event of impairment, the amount credited to equity is reduced and, if the amount of the impairment loss exceeds the amount previously credited to equity, the excess is charged to the consolidated statement of profit or loss.

Other receivables

These are loans and receivables originated in exchange for supplying cash, goods or services directly to a debtor. They are measured at the principal amount plus the accrued interest receivable.

Deposits and guarantees given

These are cash amounts securing project bids or contracts of another kind. These amounts are restricted as to their use while the specific terms and conditions of each project bid or contract continue to exist. Deposits and guarantees expiring within twelve months are classified as current items and those expiring within more than twelve months are classified as non-current items.

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 currency forwards, 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 costs and losses on construction projects. 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

Following is a detail of the main revenue recognition methods used for each of the segments in which the Group operates.

2.6.15.1. Concessions

Intangible asset model

Revenue is recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting collections and payments are made.

Revenue from services concessions is recognised on an accrual basis, regardless of whether or not a portion of the arrangement has been collected in advance.

In accordance with IFRIC 12, the concession operators recognise sales relating to construction performed by parties outside the Group. In relation to infrastructure construction, the concession operators subcontract work to related parties or independent construction companies. The construction subcontracting arrangements do not exempt the concession operator from the obligations acquired by it in relation to the concession and therefore, it is responsible for the performance, completion and quality of the construction work. The concession operator does not recognise any margin in its statement of profit or loss on the performance of the aforementioned construction work.

Financial asset model

Arrangements under the financial asset model

Interest income relating to concessions to which the financial asset model applies is recognised as "Other Operating Income", since it is considered that this income relates to the operating activities of the concessions.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's carrying amount.

Operation and maintenance revenue is recognised on an accrual basis by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Arrangements with a guaranteed minimum revenue clause


Toll revenue is recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting collections and payments are made.

Additionally, the Group recognises under "Other Operating Income" the collection rights recognised in the year relating to the guaranteed minimum revenue yet to be collected under the terms of the concession arrangement. This revenue is recognised because it relates to a service already provided and can be measured reliably, all the associated costs have been incurred and the economic benefits associated with the transaction will flow to the Group.

These rights are recognised and documented as follows:

- In the case of Concesionaria Mexiquense, S.A. de C.V. (Conmex) and Viaducto Bicentenario, S.A. de C.V., the right is calculated, externally reviewed, certified and periodically recognised by the Government of the State of Mexico, through the Mexican System of Highways, Airports, Related and Auxiliary Services (SAASCAEM), by means of a procedure that is documented as "total investment yet to be recovered", and is approved and signed by SAASCAEM itself and the legal representatives of the concession operators.

The Group considers that, based on these concession arrangements and the applicable legislation, the "total investment yet to be recovered", certified and recognised by SAASCAEM, is approximately equal to the adjusted carrying amount of the concession. In the case of Autopista Urbana Norte, S.A. de C.V. and Controladora Vía Rápida Poetas, S.A.P.I. de C.V. (associate), the Group follows a similar procedure to the foregoing but, in this case, with the Subsecretariat of Financial Planning of the Secretariat of Finance of the Government of Mexico City as the competent body.



Based on estimated annual returns calculated by the public sector entities for each concession operator, it is estimated that the guaranteed minimum revenue recognised will be recovered, in the most likely scenario, through the collection of tolls over the normal concession term.

2.6.15.2. Engineering and construction

Since the recognition of revenue from all engineering and construction contracts is subject to judgements and estimates, the Group relies on the project execution managers and each Division's organisational leaders in recognising such revenue, and has established internal controls to ensure the reasonableness of the criteria applied.

2.6.15.2.1. Construction

Revenue is calculated in accordance with IAS 11, Construction Contracts, using the percentage of completion method, whereby, in construction contracts from which a final profit is expected, the profit is calculated by applying to the expected profit the percentage resulting from comparison of the actual costs incurred with the projected total costs to be incurred. An expected loss on a construction contract is recognised as an expense immediately.

In accordance with standard practice, the estimates used to calculate the stage of completion include the possible effect of the margin of certain variations, change orders, addenda and settlements which are being processed, and which at the time of calculation the Group considers to be reasonably realisable.


Variations in construction contract work correspond to instructions received from the customer relating normally to additional work or changes to the original units of work and which are provided for in the contract in force. Claims relate to amounts which the Group expects to collect from the customer for construction work performed and arise for various reasons; the measurement of the related revenue is initially estimated on the basis of the terms of the construction contract entered into, although the determination of the final amount depends on the negotiations with the customer.

Additionally, as indicated in paragraph 14 (a) of IAS 11, variations are included in contract revenue only when it is probable that the customer will approve the variation, since negotiations have begun and are amicable, and, in addition, there are favourable technical and legal reports that make it possible to measure the fair value of the amounts to be recovered in the negotiations.

If litigation is initiated in relation to the claims, no additional revenue is recognised until the claims are settled. In these situations, and as general practice, once the relevant proceedings are identified as relating to claims, the Group adjusts the recoverable amount of the claim and recognises, if appropriate, the necessary provisions.

In any case, the recognition of revenue from the aforementioned claims involves a series of common estimates, including those relating to:

- the status of the negotiations with each customer and their credit position.
- 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 on the project.
- 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 stage of the claim proceedings; the status is updated on the basis of any new milestone or change.
- in-depth knowledge of the terms established in the contract entered into with the customer.



"Trade Receivables for Sales and Services – Trade Receivables for Amounts to Be Billed for Work or Services Performed" on the asset side of the consolidated balance sheet represents the difference between the amount of the completed work recognised, including the adjustment to the margin recognised by application of the percentage of completion method, and the amount of billed completed work up to the reporting date.

If the amount of production from inception is lower than the amount billed, the difference is recognised under "Customer Advances" on the liability side of the consolidated balance sheet.

Any late-payment interest which, pursuant to the contracts, might accrue due to delays in the collection of progress billings or invoices is recognised when it is probable that it will be received and when its amount can be measured reliably, and is recognised as finance income.

2.6.15.2.2. Industrial

Revenue from turnkey (EPC) contracts and in fixed-price service contracts is recognised based on the percentage of completion method, in accordance with IAS 11.

Revenue from administration and operation and maintenance (O&M) contracts is recognised on an accrual basis based on the service provided.

2.6.15.2.3. Services

In the business of servicing properties and infrastructure maintenance of all types of housing and offices, revenue is recognised by reference to the stage of completion of the transaction, provided the outcome of the transaction can be estimated reliably.

Revenue in the case of infrastructure and urban equipment services is determined by measuring the completed units at the contract price, per the main contract with the owners or per approved addenda or amendments thereto. If such addenda or amendments have not been contractually approved, because they are currently being drawn up, the related revenue will only be recognised if technical approval has been secured.

2.6.15.2.4. Development

Revenue in the hotel complex business is recognised on an accrual basis based on the service provided.

If real estate products are sold, revenue is recognised when the properties are handed over and when the ownership thereof has been transferred.

Land sales are recognised when the risks and rewards of ownership are transferred, which usually occurs when the deed of sale is executed.

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 2017, 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 2017, the reverse factoring balance under "Trade and Other Payables" was EUR 142,715 thousand (31 December 2016: EUR 163,293 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 4 May 2017, OHL, S.A., OHL Industrial, S.L. and the workers' representatives ratified a collective redundancy procedure involving the termination of 457 jobs (335 at OHL, S.A. and 122 at OHL Industrial, S.L.), to be implemented by 31 December 2017 and 31 December 2018, respectively (see Note 3.22).

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 2017 and 2016 were as follows:

	Thousands of euros
Cost	
Balances at 1 January 2016	468,986
Additions and disposals due to changes in the scope of consolidation	-
Additions	8,168
Disposals	(828)
Transfers and other	(27)
Exchange differences	9,863
Balances at 31 December 2016	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)
Balances at 31 December 2017	449,460
Accumulated amortisation	
Balances at 1 January 2016	178,955
Additions and disposals due to changes in the scope of consolidation	-
Additions	30,245
Disposals	(409)
Transfers and other	3
Exchange differences	2,854
Balances at 31 December 2016	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)
Balances at 31 December 2017	218,012
Net balances at 31 December 2016	274,514
Net balances at 31 December 2017	231,448

“Intangible Assets” includes mainly the values assigned on consolidation to the customer portfolio and backlog of the acquirees, which at 31 December 2017 amounted to EUR 204,012 thousand (net).

No indications of impairment on the customer portfolio or backlog of the acquirees had been identified and no impairment losses had been recognised at 31 December 2017 or 2016.

Intangible assets with a gross cost of EUR 43,393 thousand had been fully amortised and were still in use at 31 December 2017 (31 December 2016: EUR 35,791 thousand).

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.

Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself. The prices for providing the service are usually regulated by the 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.

Concession infrastructure is accounted for using either the intangible asset model or the financial asset model.

Intangible asset model

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.

Financial asset model

In arrangements accounted for using the financial asset model, the assets recognised by the various concession operators 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 concession operators Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V. hold concessions with guaranteed minimum revenue whereby the concession operator has an unconditional right to recover, as the case may be, either the equity invested or the total investment made, plus an annual guaranteed internal rate of return (IRR), expressed in real terms and net of tax ("guaranteed minimum revenue"), which would give rise to an unconditional right to receive cash if, at the end of the concession term, the guaranteed minimum revenue had not been obtained. These concessions were reclassified to discontinued operations (see Note 3.8) following the agreement entered into with IFM Investors for the sale of all the shares of OHL Concesiones, S.A.U. (see Note 1.3).

The changes in “Concession Infrastructure” in the consolidated balance sheets in 2017 and 2016 were as follows:

	Thousands of euros		
	Intangible asset model	Financial asset model	Total
Cost			
Balances at 1 January 2016	1,328,897	5,357,600	6,686,497
Additions and disposals due to changes in the scope of consolidation	-	-	-
Additions	84,026	575,512	659,538
Disposals	(7,399)	-	(7,399)
Transfers and other	(1,635)	(1,464)	(3,099)
Exchange differences	(5,874)	(691,068)	(696,942)
Balances at 31 December 2016	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
Accumulated amortisation			
Balances at 1 January 2016	170,932	-	170,932
Additions and disposals due to changes in the scope of consolidation	-	-	-
Additions	29,571	-	29,571
Disposals	-	-	-
Transfers and other	906	-	906
Exchange differences	(2,448)	-	(2,448)
Balances at 31 December 2016	198,961	-	198,961
Additions and disposals due to changes in the scope of consolidation	(71,459)	-	(71,459)
Additions	14,425	-	14,425
Disposals	-	-	-
Transfers and other	(136,673)	-	(136,673)
Exchange differences	(2,493)	-	(2,493)
Balances at 31 December 2017	2,761	-	2,761
Impairment losses			
Balance at 1 January 2016	-	-	-
Balance at 31 December 2016	-	-	-
Balance at 31 December 2017	-	-	-
Net balances at 31 December 2016	1,199,054	5,240,580	6,439,634
Net balances at 31 December 2017	12,356	54,417	66,773

The additions and disposals due to changes in the scope of consolidation relate mainly to Autovía de Aragón Tramo 1, S.A., which is currently accounted for using the equity method, and Cercanías Móstoles Navalcarnero, S.A., which was deconsolidated.

Substantially all the transfers relate to the transfer of the concession infrastructure of OHL Concesiones, S.A.U. to “Assets Classified as Held for Sale and Discontinued Operations”.

The Group's fully consolidated concession operators at 31 December 2017 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	10
Sociedad Concesionaria Aguas de Navarra, S.A.	Navarra canal	Spain	65.00	89,475	27
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Law courts	Chile	100.00	35	8

Under the concession arrangements, the concession operators are obliged to make investments totalling EUR 35,093 thousand, which must be made within a five-year period.

At 31 December 2017, "Concession Infrastructure" included EUR 1,100 thousand relating to borrowing costs capitalised during the construction period (31 December 2016: EUR 86,737 thousand).

The detail of the changes in borrowing costs capitalised at 31 December 2017 and 2016 is as follows:

	Thousands of euros
Balances at 1 January 2016	77,639
Additions and disposals due to changes in the scope of consolidation	9,472
Exchange differences	(374)
Balances at 31 December 2016	86,737
Additions and disposals due to changes in the scope of consolidation	(42,844)
Additions	608
Transfers	(43,401)
Balances at 31 December 2017	1,100

The breakdown, by company, of the carrying amount of "Concession Infrastructure" at 31 December 2017 is as follows:

	Thousands of euros
Intangible asset model	
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	11,838
Marina Urola, S.A.	480
Other	38
Total intangible asset model	12,356
Financial asset model	
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	54,382
Sociedad Concesionaria Centro de Justicia Santiago, S.A.	35
Total financial asset model	54,417
Total	66,773

(1) Under construction.

The breakdown, by company, of the carrying amount of “Concession Infrastructure” at 31 December 2016 is as follows:

	Thousands of euros
Intangible asset model	
Autopista del Norte, S.A.C.	290,420
Autovía de Aragón-Tramo 1, S.A.	147,182
Cercanías Móstoles Navalcarnero, S.A.	266,017
Concesionaria AT - AT, S.A. de C.V.	97,042
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	48,396
Grupo Autopistas Nacionales, S.A.	66,462
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A.	463
Terminal Cerros de Valparaíso, S.A.	59,472
Terminal de Contenedores de Tenerife, S.A.	105,569
Terminales Marítimas del Sureste, S.A.	117,390
Other	641
Total intangible asset model	1,199,054
Financial asset model	
Autopista Río Magdalena, S.A.S.	51,229
Autopista Urbana Norte, S.A. de C.V.	1,136,687
Concesionaria Mexiquense, S.A. de C.V.	2,897,225
Sociedad Concesionaria Aguas de Navarra, S.A.	52,589
Sociedad Concesionaria Centro de Justicia Santiago, S.A.	36
Sociedad Concesionaria Puente Industrial, S.A.	21,665
Viaducto Bicentenario, S.A. de C.V.	1,081,149
Total financial asset model	5,240,580
Total	6,439,634

The breakdown, by country, of the carrying amount of “Concession Infrastructure” at 31 December 2017 is as follows:

Country and company	Thousands of euros		
	Intangible asset model	Financial asset model	Total
Chile			
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	35	35
Total Chile	-	35	35
Spain			
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	11,838	54,382	66,220
Marina Urola, S.A.	480	-	480
Other	38	-	38
Total Spain	12,356	54,417	66,738
Total	12,356	54,417	66,773

(1) Under construction.

The breakdown, by country, of the carrying amount of "Concession Infrastructure" at 31 December 2016 is as follows:

Country and company	Thousands of euros		
	Intangible asset model	Financial asset model	Total
Chile			
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	36	36
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A. (2)	463	-	463
Sociedad Concesionaria Puente Industrial, S.A. (2)	-	21,665	21,665
Terminal Cerros de Valparaíso, S.A. (2)	59,472	-	59,472
Total Chile	59,935	21,701	81,636
Colombia			
Autopista Río Magdalena, S.A.S. (2)	-	51,229	51,229
Total Colombia	-	51,229	51,229
Spain			
Autovía de Aragón - Tramo 1, S.A.	147,182	-	147,182
Cercanías Móstoles Navalcarnero, S.A. (3)	266,017	-	266,017
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	48,396	-	48,396
Sociedad Concesionaria Aguas de Navarra, S.A. (3)	-	52,589	52,589
Terminal de Contenedores de Tenerife, S.A.	105,569	-	105,569
Terminales Marítimas del Sureste, S.A.	117,390	-	117,390
Other	641	-	641
Total Spain	685,195	52,589	737,784
Mexico			
Autopista Urbana Norte, S.A. de C.V. (1)	-	1,136,687	1,136,687
Concesionaria AT - AT, S.A. de C.V. (2)	97,042	-	97,042
Concesionaria Mexiquense, S.A. de C.V. (1)	-	2,897,225	2,897,225
Grupo Autopistas Nacionales, S.A.	66,462	-	66,462
Viaducto Bicentenario, S.A. de C.V. (1)	-	1,081,149	1,081,149
Total Mexico	163,504	5,115,061	5,278,565
Peru			
Autopista del Norte, S.A.C.	290,420	-	290,420
Total Peru	290,420	-	290,420
Total	1,199,054	5,240,580	6,439,634

(1) Concessions with guaranteed minimum revenue.

(2) Under construction.

(3) Involved in insolvency proceedings at 31 December 2016.

Impairment losses on concession infrastructure

Although substantially all of the concession infrastructure has been transferred to “Assets Classified as Held for Sale” (see Notes 1.3 and 3.8), 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 2017.

Generally, in order to calculate any possible impairment, the projected cash flows to be generated by the concessions are discounted. The main variables used for each concession are: the remaining term of each concession, forecast growth in traffic, CPI growth and the tax rates of each country.

The financial information on the companies for 2017 does not differ significantly from that considered in the projections and tests of 2016.

Based on the current information of the models, there are no indications of impairment and the investment will be recovered.

3.3.- Property, plant and equipment

The changes in “Property, Plant and Equipment” in the consolidated balance sheets in 2017 and 2016 were as follows:

	Thousands of euros					
	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 2016	462,115	479,202	150,508	44,733	106,462	1,243,020
Additions and disposals due to changes in the scope of consolidation	46,257	-	25	569	66	46,917
Additions	7,335	13,436	14,412	39,074	7,764	82,021
Disposals	(38,636)	(44,642)	(14,454)	(4,380)	(10,970)	(113,082)
Transfers and other	(354,771)	(20,631)	(36,755)	(68,634)	(29,452)	(510,243)
Exchange differences	8,032	10,206	2,851	(5,125)	265	16,229
Balances at 31 December 2016	130,332	437,571	116,587	6,237	74,135	764,862
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
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
Accumulated depreciation						
Balances at 1 January 2016	111,914	326,724	110,293	-	58,060	606,991
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	10	10
Additions	7,924	47,698	10,721	-	8,744	75,087
Disposals	(10,107)	(38,396)	(13,295)	-	(5,056)	(66,854)
Transfers and other	(75,768)	(8,739)	(18,568)	-	(15,426)	(118,501)
Exchange differences	1,895	6,419	1,845	-	959	11,118
Balances at 31 December 2016	35,858	333,706	90,996	-	47,291	507,851
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
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
Net balances at 31 December 2016	94,474	103,865	25,591	6,237	26,844	257,011
Net balances at 31 December 2017	81,812	80,733	17,607	13,261	18,646	212,059

The net balance at 31 December 2017 in the table above includes most notably the following items:

- Items of property, plant and equipment with a carrying amount of EUR 396 thousand (31 December 2016: EUR 402 thousand) mortgaged as security for loans against which EUR 161 thousand had been drawn down (31 December 2016: EUR 185 thousand) (see Note 3.17.1.).

At 31 December 2017 and 2016, 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 217,484 thousand had been fully depreciated and were still in use at 31 December 2017 (31 December 2016: EUR 198,895 thousand).

At 31 December 2017, no amount was recognised under “Property, Plant and Equipment” relating to borrowing costs capitalised during the construction period (31 December 2016: EUR 2,204 thousand).

The detail of the changes in borrowing costs capitalised at 31 December 2017 and 2016 is as follows:

	Thousands of euros
Balances at 1 January 2016	13,790
Additions	446
Transfers	(12,180)
Exchange differences	148
Balances at 31 December 2016	2,204
Disposals	(2,204)
Balances at 31 December 2017	-

3.4.- Investment property

The changes in “Investment Property” in the consolidated balance sheets in 2017 and 2016 were as follows:

	Thousands of euros
Balances at 1 January 2016	61,921
Additions and disposals due to changes in the scope of consolidation	10,739
Additions	7,243
Disposals	(3,401)
Exchange differences	(7,342)
Transfers	(2,323)
Balances at 31 December 2016	66,837
Additions	30,138
Disposals	(18,673)
Exchange differences	(4,458)
Transfers	(560)
Balances at 31 December 2017	73,284

At 31 December 2017, certain items of investment property with a carrying amount of EUR 3,218 thousand (31 December 2016: EUR 175 thousand) had been mortgaged as security for loans against which EUR 5,212 thousand had been drawn down (31 December 2016: EUR 119 thousand) (see Note 3.17.1.).

At 31 December 2017, the main investment property was the Mayakoba tourism development in the Riviera Maya area of Mexico, amounting to EUR 61,994 thousand (31 December 2016: EUR 56,789 thousand).

The tourism development in Mayakoba includes land awaiting development, and the relevant "Investment Property" line item includes only the land awaiting development, including most notably one plot of land with beach access which has licences to develop up to a maximum of 10,000 housing units.

The fair value of the Group's investment property at 31 December 2017, calculated mainly by reference to third-party appraisals and in-house estimates, amounted to EUR 106,665 thousand (31 December 2016: EUR 103,457 thousand).

3.5.- Goodwill

The detail, by company, of "Goodwill" in the consolidated balance sheets as at 31 December 2017 and 2016 is as follows:

Companies giving rise to goodwill	Thousands of euros	
	2017	2016
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Avalora Tecnologías de la Información, S.A.	4,918	4,918
Construcciones Adolfo Sobrino, S.A.	3,408	3,408
Constructora Mayalum, S.A. de C.V.	350	350
Constructora TP, S.A.C.	849	849
EyM Instalaciones, S.A.	99	99
OHL Servicios - Ingesan, S.A.U.	399	399
Total	12,515	12,515

In 2017 the Group analysed the recoverability of this goodwill based on the estimates and projections available by applying the discounted cash flow method. In this connection, it was concluded that there was no indication of impairment.

3.6.- Financial assets

Investment securities

The detail of "Investment Securities" at 31 December 2017 and 2016 is as follows:

	Thousands of euros			
	2017		2016	
	Non-current	Current	Non-current	Current
Held-to-maturity securities	1,143	46,657	1,443	56,988
Available-for-sale securities	207,970	3	112,421	339,180
Subtotal	209,113	46,660	113,864	396,168
Impairment losses	(148,049)	-	(112,549)	(3,673)
Total	61,064	46,660	1,315	392,495

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.

At 31 December 2017, "Investment Securities" included:

- 1) "Available-for-Sale Securities" amounting to EUR 108,480 thousand relating to the ownership interests in Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A. These ownership interests have been written down in full.
- 2) "Available-for-Sale Securities" amounting to EUR 95,549 thousand relating to the ownership interest in Cercanías Móstoles Navalcarnero, S.A. This ownership interest has been partially written down -EUR (35,638) thousand-, and, therefore, the carrying amount of the ownership interest totals EUR 59,911 thousand, which the Group considers it will recover based on the measurement set forth below in this note.

Other receivables and deposits and guarantees given

The detail is as follows:

	Thousands of euros			
	2017		2016	
	Non-current	Current	Non-current	Current
Other receivables	450,037	100,762	378,300	271,412
Deposits and guarantees given	123,798	6,106	157,039	12,950
Impairment losses and write-downs	(133,908)	(13,409)	(133,823)	(13,409)
Total, net	439,927	93,459	401,516	270,953

If the loans granted to other companies pose any collection risk an impairment loss is recognised.

All the initial amounts are increased by accrued interest receivable.

At 31 December 2017, "Other Receivables" and "Deposits and Guarantees Given" included:

- 1) EUR 97,596 thousand (31 December 2016: EUR 111,835 thousand) (QAR 432.0 million) corresponding to guarantees unduly enforced by Qatar Foundation arising from the lawsuit with this customer in connection with the contract for the design and construction of the Sidra Medical Research Centre (Doha, Qatar), which the Group considers, based on the opinion of its legal advisers, to be recoverable in full.
- 2) 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 (see Note 4.6.2.5).
- 3) A participating loan of EUR 148,241 thousand relating to Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A. An impairment loss of EUR (129,654) thousand was recognised on this loan and, therefore, it has a carrying amount of EUR 18,587 thousand (see Note 4.6.2.5).
- 4) EUR 125,879 thousand classified as loans and receivables relating to a participating loan of Cercanías Móstoles Navalcarnero, S.A., which previously was fully consolidated and is now recognised under this heading since it is in liquidation (see Note 4.6.2.5).
- 5) EUR 79,676 thousand relating to an account receivable from Grupo Villar Mir, S.A.U. as a result of the rescission of the agreement to purchase all of the share capital of Pacadar, S.A. The refund of the price paid is secured by the pledge of all the shares of Pacadar, S.A., and bears annual interest of 5.0% (see Note 4.4).
- 6) An impairment loss of EUR 9,999 thousand recognised on the Banco Popular, S.A. shares in 2017.
- 7) Loans to associates amounting to EUR 67,580 thousand (31 December 2016: EUR 102,121 thousand).

Impairment of Cercanías Móstoles Navalcarnero, S.A.

In view of the fact that Cercanías Móstoles Navalcarnero, S.A. 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 185,790 million recognised by the Group (an ownership interest of EUR 59,911 thousand and a participating loan of EUR 125,879 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 2017 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 2017 and 2016 were as follows:

Companies	Thousands of euros	
	2017	2016
Joint ventures		
Altos de Ciudad de Mayakoba, S.A. de C.V.	1,359	-
Consortio Conpax OHL Valko, S.A.	2,494	346
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	-	6,467
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	-	90,470
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	-	754
FHP Villas Lote 2, S.A. de C.V.	1,741	1,238
Fideicomiso Desarrollo OV CIB/2185	2,133	2,568
Health Montreal Collective CJV, L.P.	60,372	-
Libramiento Elevado de Puebla, S.A. de C.V.	-	44,098
Nova Dársena Esportiva de Bara, S.A.	14,369	14,461
Novaterra Caribe, S.A.P.I. de C.V.	4,445	2,354
OHL Construction Canada and FCC Canada Limited Partnership	-	7,244
OHL FCC North Tunnels Canada, Inc.	8,494	9,013
Proyecto CCC Empalme I, S.A.P.I. de C.V.	2,011	6,513
Rhatigan OHL Limited	1,066	-
Sociedad Concesionaria Vespucio Oriente, S.A.	-	25,780
Other	836	806
Associates		
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	-	43,209
Alse Park, S.L.	4,831	5,638
Arenales Solar PS, S.L.	19,400	18,546
Desarrollos RBK en la Riviera, S.A. de C.V.	2,460	-
E.M.V. Alcalá de Henares, S.A.	1,975	1,975
Golf de Mayakoba, S.A. de C.V.	5,535	-
Health Montreal Collective Limited Partnership	7,039	6,974
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	-
Metro Liger Oeste, S.A.	-	84,879
Nuevo Hospital de Toledo, S.A.	915	2,040
Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V.	8,705	-
Proyecto Canalejas Group, S.L.	46,221	79,590
57 Whitehall Holdings S.A.R.L.	69,808	57,113
Other	2,177	1,535
Total	303,127	513,611

The changes in "Investments Accounted for Using the Equity Method" in the consolidated balance sheets in 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Beginning balance	513,611	1,668,246
Increases	140,511	280,545
Share of loss for the year from continuing operations	(45,452)	(35,255)
Share of profit for the year from discontinued operations	36,517	-
Decreases	(56,743)	(27,240)
Additions and disposals due to changes in the scope of consolidation	73,303	(1,372,685)
Transfers to non-current assets classified as held for sale	(358,620)	-
Ending balance	303,127	513,611

The additions and disposals due to changes in the scope of consolidation in 2017 relate mainly to companies that in 2016 were classified as held for sale and which in 2017 were accounted for using the equity method.

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 2017, in proportion to the percentage of ownership:

	Thousands of euros
Loss for the year from continuing operations	(28,761)
Profit after tax from discontinued operations	27,324
Total comprehensive income	(1,437)

Following are the main aggregates at 31 December 2017 of the other associates, in proportion to the percentage of ownership:

	Thousands of euros
Loss for the year from continuing operations	(16,691)
Profit after tax from discontinued operations	9,193
Other comprehensive income	2,685
Total comprehensive income	(4,813)

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 2017 of the joint operations, in proportion to the percentage of ownership, which the Group considers not to be material taken individually:

	Thousands of euros
Non-current assets	120,431
Current assets	952,417
Non-current liabilities	4,383
Current liabilities	1,023,987
Revenue	676,204
Profit from operations	60,181
Profit before tax	63,987

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 2017 OHL Concesiones, S.A.U.'s operations were discontinued.

The discontinuation of the Concessions line of business meant that:

- In the consolidated balance sheet as at 31 December 2017 all OHL Concesiones, S.A.U.'s assets were presented as a single line item under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and all its liabilities 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 2017 and 2016, 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 2017 and 2016 were obtained after adjusting the 2016 and 2015 balances in line with 2017.

Set forth below is an illustration of the effect in 2017, 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 Concessions line of business.

	Thousands of euros
ASSETS	31/12/17
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	(7,036,061)
Total assets	-
LIABILITIES	31/12/17
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	(3,369,951)
Total liabilities	-

	Thousands of euros	
STATEMENT OF PROFIT OR LOSS	2017	2016
Revenue	439,963	520,260
Other operating income	838,599	594,691
TOTAL INCOME	1,278,562	1,114,951
Procurements	(62,474)	(144,780)
Staff costs	(61,305)	(72,521)
Other operating expenses	(170,537)	(98,469)
Depreciation and amortisation charge	(26,539)	(37,150)
Changes in provisions and allowances	13	(34,075)
PROFIT FROM OPERATIONS	957,720	727,956
Finance income	43,883	30,812
Finance costs	(313,476)	(369,214)
Exchange differences	(23,155)	(6,747)
Net gains (losses) on remeasurement of financial instruments at fair value	(29,404)	49,718
Results of companies accounted for using the equity method	36,517	113,630
Net gains on disposals of financial instruments	21,778	265,226
PROFIT BEFORE TAX	693,863	811,381
Income tax	(196,280)	(189,083)
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS, NET OF TAX	497,583	622,298

	Thousands of euros	
CASH FLOWS FROM THE DISCONTINUED OPERATIONS	2017	2016
Cash flows from operating activities	364,284	122,710
Cash flows from investing activities	456,424	1,099,822
Cash flows from financing activities	(462,980)	(1,357,933)
CASH FLOWS FROM DISCONTINUED OPERATIONS, NET OF TAX	357,728	(135,401)

In accordance with IFRS 5, in 2016 "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale" included the assets and liabilities of: Lagunas de Mayakoba, S.A. de C.V., Operadora Mayakoba, S.A. de C.V., Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V., Servicios Hoteleros del Corredor de Mayakoba, S.A. de C.V., Islas de Mayakoba, S.A. de C.V., Islas de Mayakoba Servicios, S.A. de C.V., Desarrollos RBK en la Riviera, S.A. de C.V., Aqua Mayakoba, S.A. de C.V., Lote 3 Servicios, S.A. de C.V., Mayakoba Thai, S.A. de C.V., Controladora Hoyo 1, S.A. de C.V., Hotel Hoyo Uno, S. de R.L. de C.V., HH1 Servicios, S. de R.L. de C.V., Golf de Mayakoba, S.A. de C.V. and Golf Mayakoba Servicios, S.A. de C.V., which were in the process of being divested and which were sold in 2017 (see Note 3.22.)

ASSETS	Thousands of euros
Non-current assets	
Property, plant and equipment	384,998
Investment property	13,318
Non-current financial assets	1,332
Deferred tax assets	32,961
Total non-current assets	432,609
Current assets	
Non-current assets classified as held for sale and discontinued operations	(491,963)
Inventories	2,334
Trade and other receivables	20,808
Current financial assets	30,768
Other current assets	1,244
Cash and cash equivalents	4,200
Total current assets	(432,609)
Total assets	-
LIABILITIES	
Non-current liabilities	
Bank borrowings	149,884
Other financial liabilities	1,416
Deferred tax liabilities	8,918
Deferred income	3
Total non-current liabilities	160,221
Current liabilities	
Liabilities associated with non-current assets classified as held for sale and discontinued operations	(220,008)
Bank borrowings	14,594
Other financial liabilities	30
Trade and other payables	31,369
Provisions	1,426
Other current liabilities	12,368
Total current liabilities	(160,221)
Total liabilities	-

3.9.- Trade and other receivables

Trade receivables for sales and services

The detail of "Trade Receivables for Sales and Services" at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Trade receivables for sales and services		
Amounts to be billed for work or services performed	1,039,355	1,031,550
Progress billings receivable	528,268	631,841
Retentions	140,001	134,705
Trade notes receivable	2,783	8,286
Subtotal	1,710,407	1,806,382
Customer advances	(477,757)	(461,614)
Total net of advances	1,232,650	1,344,768
Write-downs and provisions	(299,625)	(313,085)
Total, net	933,025	1,031,683

At 31 December 2017, the balance of "Trade Receivables for Sales and Services" had been reduced by EUR 40,838 thousand (31 December 2016: EUR 53,108 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	
	2017	2016
Spain	391,275	391,293
Public sector	159,705	162,516
Central government	31,939	42,363
Autonomous community governments	41,266	52,647
Local governments	38,429	35,455
Other agencies	48,071	32,051
Private sector	231,570	228,777
Abroad	1,319,132	1,415,089
Total	1,710,407	1,806,382

At 31 December 2017, 55.2 % (EUR 727,900 thousand) of the balance of "Trade Receivables for Sales and Services - Abroad" related to the public sector and 44.8% (EUR 591,232 thousand) to the private sector.

Of the balance of "Progress Billings Receivable" and "Trade Notes Receivable", totalling EUR 531,051 thousand, 62.3% (EUR 330,953 thousand) relate to the public sector and 37.7% (EUR 200,098 thousand) to the private sector.

The detail of the aging of this balance is as follows:

	Thousands of euros		
	Type of customer		
	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

The Group includes 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 it expects will probably be obtained, as indicated in Note 2.6.15.2.1. All the amounts recognised as a result of court claims or requests for arbitration relate mainly to projects that have already been completed.

The Group has lodged claims with customers totalling approximately EUR 739,800 thousand (2016: EUR 693,100 thousand).

The change in claims compared with 2016 is due mainly to the inclusion of the claim relating to the **"Design & Build Package 5 - Major Stations - Doha Metro Project"** contract, as well as the reduced amount of the **"Algiers Southern Bypass"** claim, as a result of the agreement concluded with the customer.

Additionally, and as a result of a reassessment of the situation of all the claims filed, assessing the status of the negotiations with customers and the probability of success of the claims at short term, together with other circumstances, the Group performed new estimates of the revenue from the projects, significantly reducing the amount of the claims recognised with respect to those in the consolidated financial statements for 2016.

Based on the foregoing, the Group recognised under "Trade Receivables for Sales and Services" EUR 402,000 thousand relating to these claims (2016: EUR 425,200 thousand), of which EUR 346,600 thousand were in dispute (either in court or in arbitration), representing 86.2% of the total amount (2016: EUR 355,600 thousand, representing 83.6% of the total amount).

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.

No income was recognised in relation to claims in dispute (either in court or in arbitration) in 2017.

The changes in the related provisions in 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Balance at 1 January	(313,085)	(432,806)
Provisions recognised	(9,607)	(65,825)
Provisions used	4,920	36,528
Provisions reversed	18,483	146,644
Exchange differences	(721)	(4)
Changes in the scope of consolidation	(246)	-
Transfers to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"	631	2,378
Balance at 31 December	(299,625)	(313,085)

Of the total provisions at 31 December 2017, EUR 204,680 thousand covered possible losses arising from the disputed claims recognised and the remaining EUR 94,945 thousand related to doubtful debts associated with other receivables.

In order to determine the amount of the provisions for possible losses arising from claims 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.

For other provisions, mainly for doubtful debts, 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 pursuant to IAS 11 (see Note 2.6.15.2.1.).

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 2017 and 2016 is as follows:

	Thousands of euros			
	2017	2016	Difference	Change %
Amounts to be billed for work performed	1,029,516	1,024,678	4,838	0.5
Customer advances	(469,283)	(442,570)	(26,713)	6.0
Construction contracts, net	560,233	582,108	(21,875)	-3.8
Retentions	140,001	134,705	5,296	3.9
Net amount after advances and retentions	700,234	716,813	(16,579)	-2.3

Other receivables

The detail of the related accounts receivable at 31 December 2017 and 2016 is as follows:

	Thousands of euros					
	2017			2016		
	Gross balance	Write-downs	Net balance	Gross balance	Write-downs	Net balance
Receivable from associates	172,163	(993)	171,170	254,050	(1,195)	252,855
Employee receivables	1,655	-	1,655	2,435	-	2,435
Tax receivables (Note 3.21.)	89,650	-	89,650	204,366	-	204,366
Sundry accounts receivable	68,230	(5,312)	62,918	142,253	(14,988)	127,265
Total	331,698	(6,305)	325,393	603,104	(16,183)	586,921

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 2017 and 2016 is broken down as follows:

	Thousands of euros	
	2017	2016
Provision of services, leases and sale of machinery and materials	62,918	85,335
Amounts receivable for compulsory purchases	-	41,930
Total	62,918	127,265

3.10.- 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.

3.11.- Share capital

The changes in the share capital of the Parent in 2017 and 2016 were as follows:

	Number of shares	Par value (Thousands of euros)
Number of shares and par value of share capital at 31 December 2016	298,758,998	179,255
Number of shares and par value of share capital at 31 December 2017	298,758,998	179,255

The share capital of OHL, S.A. amounts to EUR 179,255,398.80, divided into 298,758,998 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 detail of the companies with a direct or indirect ownership interest of 3% or more in the share capital of the Parent at 31 December 2017 is as follows:

Company	% of ownership
Inmobiliaria Espacio, S.A.	51.124
Société Générale, S.A.	4.285
Deutsche Bank, A.G.	4.243
Hengistbury Investment Partners LLP	3.687
Hengistbury Master Fund Limited	3.391
Santander Asset Management, S.A. SGIIC	3.022

The shareholders at the Extraordinary General Meeting held on 9 January 2018 resolved to reduce the Parent's share capital by EUR 7,326,425.40 by retiring 12,210,709 treasury shares of EUR 0.60 par value each, representing a total of 4.087% of the share capital. Consequently, following the capital reduction the share capital will amount to EUR 171,928,973.40, represented by 286,548,289 shares of EUR 0.60 par value each.

The public deed for the capital reduction approved by the shareholders at the Extraordinary General Meeting was formally registered at the Madrid Mercantile Registry on 6 February 2018.

The capital reduction will be charged to unrestricted reserves and will not give rise to a reimbursement of shareholder contributions. The Company will recognise 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.

3.12.- Share premium

	Thousands of euros
Balance at 1 January 2016	1,265,300
Balance at 31 December 2016	1,265,300
Balance at 31 December 2017	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.

3.13.- Treasury shares

The changes in "Treasury Shares" in 2017 and 2016 were as follows:

	No. of shares	Thousands of euros
Balance at 1 January 2016	256,926	3,908
Purchases	35,103,311	155,566
Sales	(23,398,436)	(113,329)
Balance at 31 December 2016	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

3.14.- Reserves

The detail of the reserves in the consolidated balance sheets in 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Restricted reserves of the Parent		
Legal reserve	11,969	11,969
Reserve for retired capital	3,856	3,856
Subtotal	15,825	15,825
Voluntary and consolidation reserves		
Attributable to the Parent	(707,018)	(189,470)
Attributable to the consolidated companies	2,225,326	2,235,397
Subtotal	1,518,308	2,045,927
Total	1,534,133	2,061,752

Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, a minimum of 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 3,856 thousand at 31 December 2017 (31 December 2016: EUR 3,856 thousand), as a result of the capital reductions performed 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 2017 EUR 6,181 thousand of the Parent's "Share Premium" and "Other Reserves" were restricted.

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 2017 and 2016 is as follows:

Companies	Thousands of euros	
	2017	2016
Autopista del Norte, S.A.C. (*)	43,859	32,954
Autopista Urbana Norte, S.A. de C.V. (*)	248,227	189,770
Community Asphalt Corp.	(42,737)	(30,539)
Concesionaria Mexiquense, S.A. de C.V. (*)	405,871	533,924
Constructora de Proyectos Viales de México, S.A. de C.V.	153,434	148,157
Controladora Vía Rápida Poetas, S.A. de C.V. (*)	74,714	58,441
Health Montreal Collective CJV, L.P.	(159,880)	(12,276)
Huaribe, S.A. de C.V.	(26,387)	(27,524)
Judlau Contracting, Inc.	19,193	18,076
Latina México, S.A. de C.V. (*)	3,053	53,057
Magenta Infraestructura, S.L. (*)	19,180	-
Obrascón Huarte Lain Construcción Internacional, S.L.	(155,151)	(19,119)
Obrascón Huarte Lain, Desarrollos, S.L.	(84,915)	(59,258)
OHL Andina, S.A.	20,991	18,716
OHL Arabia, LLC	29,953	49,719
OHL Central Europe, a.s.	46,315	(29,719)
OHL Concesiones, S.A. (*)	424,351	670,979
OHL Construction Canadá and FCC Canada Limited Partnership	(61,747)	(59,967)
OHL Emisiones, S.A.U. (*)	390,259	154,183
OHL Finance, S.á.r.l.	244,699	28
OHL Industrial, S.L.	944	(61,469)
OHL Investments, S.A. (*)	(342,904)	(343,710)
OHL México, S.A.B. de C.V. (*)	1,016,153	864,901
OHL USA, Inc.	(103,976)	(44,190)
OHL ZS, a.s.	(19,134)	31,874
OHLDM, S.A. de C.V.	(24,437)	7
Operadora Hotelera del Corredor Mayakoba, S.A. de C.V.	-	(33,599)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (*)	(18,011)	(20,629)
Terminales Marítimas del Sureste, S.A. (*)	(26,971)	(23,480)
Viaducto Bicentenario, S.A. de C.V. (*)	222,177	183,852
ZPSV, a.s.	(70,246)	4,650
Other	(1,551)	(12,412)
Total	2,225,326	2,235,397

(*) Companies included in the discontinued line of business.

3.15.- 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 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Beginning balance	(43,207)	(189,577)
Net change in the year at fully consolidated companies	19,854	52,792
Net change in the year at companies accounted for using the equity method	2,685	93,578
Ending balance	(20,668)	(43,207)

Valuation adjustments relating to available-for-sale financial assets

The changes in "Valuation Adjustments Relating to Available-for-Sale Financial Assets" in 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Beginning balance	(15,011)	-
Valuation adjustments relating to available-for-sale financial assets / reclassification to profit or loss	15,011	(15,011)
Ending balance	-	(15,011)

Translation differences

The detail, by country and company, of "Translation Differences" at 31 December 2017 and 2016 is as follows:

Country	Thousands of euros	
	2017	2016
Saudi Arabia	4,411	11,477
Argentina	(1,931)	(1,996)
Canada	8,773	(4,151)
Colombia	(13,397)	(4,058)
Mexico	(726,426)	(577,388)
Chile	273	7,718
Peru	(2,415)	9,886
United Kingdom	(7,055)	(4,952)
Czech Republic	4,096	5,533
US	1,528	29,143
Other countries	1,502	(1,129)
Total	(730,641)	(529,917)

3.16.- 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 for the year.

The detail of "Non-Controlling Interests" in the consolidated balance sheets as at 31 December 2017 and 2016 is as follows:

Companies	Thousands of euros	
	2017	2016
Autopista Urbana Norte, S.A. de C.V. (*)	168,201	130,872
Autovías Concesionadas OHL, S.A. de C.V. (*)	(2,025)	(4,990)
Community Asphalt Corp.	-	5,352
Concesionaria AT - AT, S.A. de C.V. (*)	(21,236)	(12,731)
Concesionaria Mexiquense, S.A. de C.V. (*)	889,880	627,673
Grupo Autopistas Nacionales, S.A. (*)	6,579	4,665
Hotel Hoyo Uno, S. de R.L. de C.V.	-	15,603
Latina México. S.A. de C.V. (*)	2,138	34,700
Magenta Infraestructuras, S.L.U. (*)	815,248	-
Mayakoba Thai, S.A. de C.V.	-	4,786
OHL Industrial and Partners LLC	(5,596)	(3,101)
OHL México, S.A.B. de C.V. (*)	(40,442)	672,923
OHL Toluca, S.A. de C.V. (*)	(47,016)	(47,013)
OPCEM, S.A.P.I. de C.V. (*)	3,123	2,513
Operadora Concesionaria Mexiquense, S.A. de C.V. (*)	6,602	5,139
Operadora Mayakoba, S.A. de C.V.	-	8,492
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (*)	117,900	55,542
Sociedad Concesionaria Aguas de Navarra, S.A.	3,154	2,513
Viaducto Bicentenario, S.A. de C.V. (*)	111,729	98,047
Other	8,324	2,219
Total	2,016,563	1,603,204

(*) Companies included in the discontinued line of business.

The main change in 2017 corresponds to the sale of 24.01% of Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.

The detail of the share of non-controlling interests in the profit or loss for 2017 and 2016 is as follows:

Companies	Thousands of euros	
	2017	2016
Autopista Urbana Norte, S.A. de C.V.	64,215	44,393
Concesionaria Mexiquense, S.A. de C.V.	194,930	130,008
Grupo Autopistas Nacionales, S.A.	3,424	1,793
Hotel Hoyo Uno, S. de R.L. de C.V.	(152)	2,100
Magenta Infraestructuras, S.L.U.	(5,677)	-
Metro Ligero Oeste, S.A.	-	11,290
OHL Industrial and Partners LLC	(3,032)	(2,501)
OHL México, S.A.B. de C.V.	1,806	(11,808)
Operadora Concesionaria Mexiquense, S.A. de C.V.	2,816	1,580
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	(17,312)	(12,170)
Viaducto Bicentenario, S.A. de C.V.	41,654	29,085
Other	9,460	3,252
Total	292,132	197,022

The profit for 2017 attributable to the non-controlling interests of discontinued operations amounts to EUR 292,513 thousand.

The detail of the percentages of ownership and the company name of the non-controlling shareholders at 31 December 2017 of the fully consolidated Group companies is as follows.

Company	% Non-controlling interests	Company name
Autopista Urbana Norte, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Autovías Concesionadas OHL, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	50.00%	Senermex Ingeniería y Sistemas, S.A. de C.V.
Concesionaria AT - AT, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Concesionaria Mexiquense, S.A. de C.V.	63.29%	Woodside Spain, S.L. (through Organización de Proyectos de Infraestructuras, S.A.P.I. de C.V.)
	7.72%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Consortio Aura - OHL, S.A.	35.00%	Aura Ingeniería, S.A.
Construcciones Amozoc Perote, S.A. de C.V.	30.82%	Invex Infraestructura, S.A.P.I. de C.V.
	29.85%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Estación Rebombeo Degollado, S.A.P.I. de C.V.	50.00%	Construcciones Industriales Tapia, S.A. de C.V.
Grupo Autopistas Nacionales, S.A.	30.82%	Invex Infraestructura, S.A.P.I. de C.V.
	29.85%	Mexican Stock Exchange (through OHL México, S.A.B. 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 Wolfsindseder
	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.
Latina Mexico, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Magenta Infraestructuras, S.A.	41.27%	Woodside Spain, S.L.
Marina Urola, S.A.	47.34%	Servicios Náuticos Astilleros Elkano, S.L.
	1.66%	Marinas del Mediterráneo, S.L.
OHL Industrial and Partners, LLC	30.00%	Faisal Hamid Ahmed Ghazali
OHL México, S.A.B. de C.V.	28.01%	Woodside Spain, S.L. (through Magenta Infraestructuras, S.L.)
	15.14%	Mexican Stock Exchange
OHL Toluca, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A. de C.V.)
OHL ZS, a.s.	1.06%	Other
OHL ZS d.o.o. Banja Luka	1.06%	Other (through OHL ZS, a.s.)
OHL ZS MO, S.R.L.	1.06%	Other (through OHL ZS, a.s.)
OHL ZS Polska, S.Z.o.o.	1.06%	Other (through OHL ZS, a.s.)
OPCEM, S.A.P.I. de C.V.	49.00%	Woodside Spain, S.L.
	14.29%	Woodside Spain, S.L. (through OHL México, S.A.B. de C.V.)
	7.72%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)

Companies	% Non-controlling interests	Company name
Operadora Concesionaria Mexiquense, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	49.00%	Woodside Spain, S.L.
	14.29%	Woodside Spain, S.L. (through OHL México, S.A.B. de C.V.)
	7.72%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Seconmex Administración, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
Sociedad Concesionaria Aguas de Navarra, S.A.	35.00%	Sociedad General de Aguas de Barcelona, S.A.
Tomi Remont, a.s.	1.06%	Other (through OHL ZS, a.s.)
Viaducto Bicentenario, S.A. de C.V.	43.15%	Mexican Stock Exchange (through OHL México, S.A.B. de C.V.)
ZPSV, a.s.	3.25%	Other
ZPSV Caña, a.s.	41.06%	ZSR Bratislava
	1.92%	Other (through ZPSV, a.s.)
ZPSV Eood, a.s.	3.25%	Other (through ZPSV, a.s.)
ZS Bratislava, a.s.	1.06%	Other (through OHL ZS, a.s.)

3.17.- Bank borrowings and debt instruments and other marketable securities

At 31 December 2017, the bank borrowings and debt instruments and other marketable securities amounted to EUR 1,574,235 thousand.

The related maturities are as follows:

	Thousands of euros						
	2018	2019	2020	2021	2022	Subsequent years	Total
Bank borrowings	659,338	3,431	1,485	45	5,155	55	669,509
Corporate bond issues	14,646	-	185,983	-	389,660	307,742	898,031
Other marketable securities	6,695	-	-	-	-	-	6,695
Total debt instruments and other marketable securities	21,341	-	185,983	-	389,660	307,742	904,726
Total bank borrowings and debt instruments and other marketable securities	680,679	3,431	187,468	45	394,815	307,797	1,574,235

3.17.1- Bank borrowings

The detail of the bank borrowings at 31 December 2017, by maturity, is as follows:

	Thousands of euros						
	2018	2019	2020	2021	2022	Subsequent years	Total
Mortgage loans	37	39	42	45	5,155	55	5,373
Progress billing and note discounting facilities	3,438	-	-	-	-	-	3,438
Loans and credit facilities	602,636	3,392	1,443	-	-	-	607,471
Total mortgage and other loans	606,111	3,431	1,485	45	5,155	55	616,282
Loans of concession operators	52,058	-	-	-	-	-	52,058
Total loans	658,169	3,431	1,485	45	5,155	55	668,340
Unmatured accrued interest payable	1,168	-	-	-	-	-	1,168
Unmatured accrued interest payable of concession operators	1	-	-	-	-	-	1
Total unmaturred accrued interest payable	1,169	-	-	-	-	-	1,169
Total	659,338	3,431	1,485	45	5,155	55	669,509

At 31 December 2017, the bank borrowings hedged by interest rate derivatives represented 6.6% of the total (31 December 2016: 31.9%).

- Mortgage loans

At 31 December 2017, certain items of property, plant and equipment amounting to EUR 396 thousand (31 December 2016: EUR 402 thousand) had been mortgaged for loans totalling EUR 161 thousand (31 December 2016: EUR 185 thousand) (see Note 3.3.).

At 31 December 2017, certain items of investment property amounting to EUR 3,218 thousand (31 December 2016: EUR 175 thousand) had been mortgaged for loans totalling EUR 5,212 thousand (31 December 2016: EUR 119 thousand) (see Note 3.4.).

These loans bear interest at market rates.

- Progress billing and note discounting facilities

	Thousands of euros	
	2017	2016
Limit	28,445	23,399
Amount drawn down	3,438	3,865
Undrawn balance	25,007	19,534

The average interest rate on the amounts drawn down was 3.20% in 2017 (2016: 1.85%).

- Loans, credit facilities and loans of concession operators

	Thousands of euros	
	2017	2016
Limit	855,798	2,618,760
Amount drawn down	665,800	2,377,088
Undrawn balance	189,998	241,672

The average interest rate on the amounts drawn down was 2.81% in 2017 (2016: 5.63%).

The most noteworthy loan transactions were as follows:

1) Syndicated loan

In June 2015 a long-term syndicated loan of EUR 250,000 thousand was arranged.

At 31 December 2017 and 2016, this loan had been drawn down in full and classified as current, with EUR 41,000 thousand maturing on 28 July 2018 and EUR 209,000 thousand on 28 July 2019.

In relation to this syndicated loan, there is an obligation to achieve a series of financial ratios at the end of each year, which at 31 December 2017 were not being achieved. Accordingly, the Parent transferred the loan to current liabilities and requested a wavier which the banks authorised subsequent to year-end, on the condition that the loan be repaid when the sale of all of the shares of OHL Concesiones is completed.

2) Multi-product syndicated financing

On 30 March 2017, the OHL Group signed a multi-product syndicated financing agreement, secured by the shares of OHL Concesiones, S.A. and Obrascón Huarte Lain, Desarrollos, S.L., which was novated on 29 November 2017, and includes a revolving credit line of EUR 190,000 thousand.

EUR 190,000 thousand had been drawn down against that line of credit at 31 December 2017.

This credit line is subject to an obligation to achieve a series of financial ratios at the end of each year, which at 31 December 2017 were not being achieved. The Parent requested a wavier which the banks authorised subsequent to year-end, on the condition that the loan be repaid in full when the sale of all of the shares of OHL Concesiones is completed.

3) Loans of concession operators

At 31 December 2017, "Loans of Concession Operators" totalled EUR 52,058 thousand and related to the loan of Sociedad Concesionaria Aguas de Navarra, S.A., which bears interest of 3.35% and is classified at short term due to the failure to comply with the clauses of the loan agreement.

3.17.2- Debt instruments and other marketable securities

The detail of "Debt Instruments and Other Marketable Securities" in the consolidated balance sheets as at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Corporate bond issues (long-term)	883,385	1,473,418
Corporate bond issues (short-term)	14,646	21,884
Commercial paper issue (short-term)	6,695	9,448
Bond issues of concession operators (long-term)	-	539,994
Bond issues of concession operators (short-term)	-	6,637
Total	904,726	2,051,381

The detail of the corporate bonds, other marketable securities and bonds of concession operators, by maturity, is as follows:

	Thousands of euros						
	2018	2019	2020	2021	2022	Subsequent years	Total
Corporate bond issues	14,646	-	185,983	-	389,660	307,742	898,031
Other marketable securities	6,695	-	-	-	-	-	6,695
Total	21,341	-	185,983	-	389,660	307,742	904,726

Corporate bond issues

	Issuer	Thousands of euros		Year of final maturity	Issue currency	Market price (31/12/17)
		2017	2016			
2012	Obrascón Huarte Lain, S.A.	190,144	189,695	2020	Euro	101.9%
2014	Obrascón Huarte Lain, S.A.	395,126	394,127	2022	Euro	101.3%
2015	Obrascón Huarte Lain, S.A.	312,761	311,950	2023	Euro	102.8%
2013	OHL Investments, S.A. (*)	-	401,867	2018	Euro	-
2015	Organización de Proyectos de Infraestructuras, S.A.P.I., de C.V. (**)	-	197,663	2035	Mexican investment units (UDIs)	-
Total		898,031	1,495,302			

(*) Redeemed in September 2017.

(**) Classified in 2017 under "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" (see Note 1.3).

"Corporate Bond Issues" includes the principal and the accrued interest payable at 31 December 2017 of the three long-term bond issues carried out by the Parent in Europe. EUR 898,031 thousand had been recognised in this connection at 31 December 2017 (31 December 2016: EUR 1,495,302 thousand).

"Debt Instruments and Other Marketable Securities" includes the principal and the accrued interest payable at 31 December 2017 of the following long-term bond issues carried out in Europe:

- Issue launched in March 2012 for an initial nominal amount of EUR 300,000 thousand, maturing in 2020.

The annual interest rate is 7.625%, payable half-yearly.

In November 2015 EUR 37,583 thousand of this bond issue were repurchased early and the balance at 31 December 2015 was EUR 265,463 thousand.

In March 2016 bonds totalling EUR 32,058 thousand were redeemed early.

In August 2016 bonds totalling EUR 13,780 thousand were redeemed early.

In September 2016 bonds totalling EUR 9,500 thousand were repurchased.

In October 2016 bonds totalling EUR 20,000 thousand were repurchased.

At 31 December 2017, the balance of this issue was EUR 190,144 thousand (31 December 2016: EUR 189,919 thousand).

- Issue launched in March 2014 for an initial nominal amount of EUR 400,000 thousand, maturing in March 2022.

The annual interest rate is 4.75%, payable half-yearly.

In September 2016 bonds totalling EUR 5,500 thousand were repurchased.

At 31 December 2017, the balance of this issue was EUR 395,126 thousand (31 December 2016: EUR 394,127 thousand).

- In March 2015 an issue of nonconvertible bonds maturing in March 2023 amounting to EUR 325,000 thousand was launched.

The annual interest rate is 5.50%, payable half-yearly.

In November 2015 bonds totalling EUR 8,137 thousand were redeemed early.

In September 2016 bonds totalling EUR 4,000 thousand were repurchased.

At 31 December 2017, the balance of this issue was EUR 312,761 thousand (31 December 2016: EUR 311,950 thousand).

The average interest rate on the bond issues was 5.61% in 2017 (2016: 5.79%).

In relation to these corporate bond issues, there is an obligation to achieve certain financial ratios at the end of each year, which were being achieved in full at 31 December 2017.

The bond issue contract clauses classify the sale by OHL, S.A. to IFM of all of OHL Concesiones as a change in control and, accordingly, when this transaction is completed a put event will be triggered for the bond holders, enabling them to, at their discretion, redeem the outstanding bond issues at 101% of their nominal amount. It is the Group's intention, at that point in time, to launch an offer to repurchase those issues, the terms and conditions and scope of which will be determined in due course.

Other marketable securities

The Parent has a commercial paper issue facility of up to EUR 500,000 thousand (2016: EUR 500,000 thousand), the balance of which totalled EUR 6,695 thousand at 31 December 2017 (31 December 2016: EUR 9,448 thousand). The average interest rate on the commercial paper issues was 1.62% in 2017 (2016: 1.62%).

3.18.- Other financial liabilities

Obligations under finance leases

The detail of the Group's obligations under finance leases at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Under non-current liabilities	4,019	2,970
Under current liabilities	2,933	5,877
Total	6,952	8,847

The Group leases certain of its fixtures and equipment under finance leases. The average lease term is 47 months. In the year ended 31 December 2017, the average effective interest rate on the lease obligations was 2.21% (2016: 4.24%). 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 191 thousand (2016: EUR 235 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:

	Thousands of euros
Within one year	14,828
Between one and five years	21,851
After five years	223
Total	36,902


Notable among the operating leases are those relating to the Group's head office and the offices at its other operating centres.

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 2017 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 2017, 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 2017 is as follows:

	Thousands of euros						Foreign currency/ euro	Nominal amount in foreign currency
	Nominal amount	Maturity		Fair values included in:			Range of exchange rates	
		Within three months	After three months	Other financial assets	Other financial liabilities	Impact on profit or loss		
Derivatives not considered as hedges for accounting purposes at the Group's discretion								
Future US dollar purchases against euros	49,001	49,001	-	-	(221)	(166)	1.1952-1.1965	58,596
Future US dollar sales against euros	11,044	11,044	-	-	(48)	(36)	1.2095	13,358
Future Norwegian krone purchases against euros	2,520	2,520	-	21	-	16	9.9215	25,000,000
Future Mexican peso sales against euros	801,088	801,088	-	38,351	-	28,763	22.0525-23.1955	18,468,618
Future Peruvian sol sales against euros	416,000	416,000	-	1,411	-	1,058	3.8986-3.9315	1,631,838
Future Czech koruna purchases against euros	3,323	3,323	-	6				
Total	1,282,976	1,282,976	-	39,789	(269)	29,639		

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 in the consolidated statement of profit or loss since they do not qualify for hedge accounting.

The detail of the currency forwards arranged at 31 December 2016 is as follows:

	Thousands of euros						Foreign currency/ euro	Nominal amount in foreign currency
	Nominal amount	Maturity		Fair values included in:				
		Within three months	After three months	Other financial assets	Other financial liabilities	Impact on profit or loss	Range of exchange rates	
Derivatives not considered as hedges for accounting purposes at the Group's discretion								
Future US dollar purchases against euros	18,051	18,051	-	12	(145)	(100)	1.047-1.1702	18,899
Future US dollar sales against euros	65,410	64,933	477	227	(668)	(329)	1.0446-1.127	69,505
Future Mexican peso purchases against US dollars	461	461	-	-	(5)	(4)	21.682	10,000
Future Norwegian krone purchases against euros	2,203	2,203	-	-	(2)	(1)	9.0774	20,000
Future Mexican peso sales against euros	17,089	1,094	15,995	1,450	(1)	1,013	19.7925-22.54	348,122
Future Norwegian krone sales against euros	6,775	6,775	-	65	-	49	9.0034	61,000
Future Turkish lira purchases against euros	389	389	-	-	(22)	(16)	3.5037-3.5357	1,370,846
Future Saudi riyal purchases against euros	4,962	4,962	-	93	-	70	4.0305	20,000
Total	115,340	98,868	16,472	1,847	(843)	682		

The changes in foreign currency derivatives in 2017 and 2016 were as follows:

	Thousands of euros	
	Balance sheet	Statement of profit or loss
Total - 2015	(4,414)	(4,781)
Changes in value in 2016	5,418	5,418
Fair value at 31/12/16	1,004	-
In other financial assets	1,847	-
In other financial liabilities	(843)	-
2016 derecognitions/cancellations	-	(2,720)
Total - 2016	1,004	2,698
Changes in value in 2017	39,612	39,612
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

The impact recognised in profit or loss as a result of the recognition of foreign currency derivatives, amounting to EUR 33,964 thousand in 2017 (31 December 2016: EUR 2,698 thousand), is included under “Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value” in the consolidated statement of profit or loss, the detail being as follows:

	Thousands of euros	
	2017	2016
Changes in value	39,612	5,418
Derecognitions and cancellations	(5,648)	(2,720)
Total	33,964	2,698

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 2017, 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.

Settlement currency	Thousands of euros								Range of annual interest rates
	Notional amount	Final expiry date of the derivatives				Fair values included in:		Impact on equity	
		Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial liabilities		
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	70,730	-	-	70,730	-	-	(1,565)	(1,127)	1.32%
Czech koruna	19,454	-	-	19,454	-	-	(414)	(335)	2.14%
Subtotal	90,184	-	-	90,184	-	-	(1,979)	(1,462)	

In 2017 EUR (389) 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 (280) 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 2017, by settlement currency, is as follows:

Settlement currency	Thousands of euros						
	2018	2019	2020	2021	2022	Subsequent years	Total
Euro	-	1,197	1,494	1,701	1,893	64,445	70,730
Czech koruna	2,460	2,683	2,683	2,683	2,683	6,262	19,454
Total	2,460	3,880	4,177	4,384	4,576	70,707	90,184

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.

Settlement currency	Thousands of euros			
	Within one year	One to five years	After five years	Total
Euro	(1,193)	(2,500)	2,846	(847)
Czech koruna	(164)	(159)	(12)	(335)
Total	(1,357)	(2,659)	2,834	(1,182)

The detail of the interest rate derivatives of the fully consolidated companies arranged at 31 December 2016 is as follows:

Settlement currency	Thousands of euros								Range of annual interest rates
	Notional amount	Final expiry date of the derivatives				Fair values included in:		Impact on equity	
		Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial liabilities		
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	285,480	-	80,606	141,860	63,014	-	(45,014)	(33,928)	0.339-6.2 %
Mexican peso	396,527	-	47,246	349,281	-	14,629	-	10,240	4.45-11.75 %
Chilean peso	5,220	5,220	-	-	-	-	(335)	(255)	5.45%
US dollar	52,755	-	-	52,755	-	-	(3,659)	(2,580)	2.47-3.865 %
Czech koruna	20,920	-	-	20,920	-	-	(1,400)	(1,134)	2.14%
Subtotal	760,902	5,220	127,852	564,816	63,014	14,629	(50,408)	(27,657)	
Derivatives not qualifying for hedge accounting									
Mexican peso	47,246	-	47,246	-	-	841	-	(500)	9.00%
Subtotal	47,246	-	47,246	-	-	841	-	(500)	
Total	808,148	5,220	175,098	564,816	63,014	15,470	(50,408)	(28,157)	

The column "Impact on Equity" shows the valuation of the derivatives of the fully consolidated companies outstanding at 31 December 2017 and 2016. This column shows the gains or losses and valuation adjustments attributable to the OHL Group and the impact on non-controlling interests.

In addition, at 31 December 2017 there were interest rate derivatives the value of which is recognised under "Non-Current Assets Classified as Held for Sale" for EUR 14,538 thousand and under "Liabilities Associated with Non-Current Assets Classified as Held for Sale" for EUR (21,249) thousand, and whose impact on equity at 31 December 2017 was EUR (6,949) thousand (see Note 3.8.).

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 2017 amounted to EUR (8,950) thousand (31 December 2016: EUR (11,635) 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:

	Thousands of euros
Accumulated impact on equity at 1 January 2016	(116,990)
Income and expense recognised directly in equity in 2016	40,108
Transfers to the consolidated statement of profit or loss in 2016	26,314
Accumulated impact on equity at 31 December 2016	(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)

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 2017, the impact recognised in the consolidated statement of profit or loss as a result of the recognition of the interest rate options, for a gross amount of EUR (561) thousand (2016: EUR 570 thousand), was included under "Profit for the Year from Discontinued Operations, Net of Taxes".

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:

	Thousands of euros
Changes in value in 2016	-
Derecognitions and cancellations in 2016	(5,795)
Total - 2016	(5,795)
Changes in value in 2017	-
Derecognitions and cancellations in 2017	(389)
Total - 2017	(389)

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 2017 and 2016. The result of this analysis is as follows:

	Thousands of euros			
	2017		2016	
	Fair value	Impact on equity	Fair value	Impact on equity
Mexican peso	106,354	74,448	2,796	1,957
US dollar	(4,651)	(3,255)	3,782	2,647
Peruvian sol	38,715	29,423	-	-
Norwegian krone	(210)	(147)	473	355
Saudi riyal	-	-	(367)	(275)
Turkish lira	-	-	(64)	(48)
Total	140,208	100,469	6,620	4,636

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 2017 and 2016, the impact would be as follows:

	Thousands of euros			
	2017		2016	
	Fair value	Impact on equity	Fair value	Impact on equity
Mexican peso	(43,879)	(30,715)	(206)	(144)
US dollar	5,194	3,636	(5,897)	(4,128)
Peruvian sol	(43,790)	(33,280)	-	-
Norwegian krone	303	212	(437)	(328)
Saudi riyal	-	-	654	491
Turkish lira	-	-	21	16
Total	(82,172)	(60,147)	(5,865)	(4,093)

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 2017 and 2016.

	Thousands of euros			
	2017		2016	
	Fair value	Impact on equity	Fair value	Impact on equity
Euro	1,295	933	1,411	1,016
Czech koruna	151	122	195	158
Total	1,446	1,055	1,606	1,174

3.19.- Provisions

Long-term provisions

The changes in "Long-Term Provisions" in 2017 were as follows:

	Balance at 31 December 2016	Charge for the year	Amounts used	Exchange differences and interest cost	Transfers (*)	Balance at 31 December 2017
Provisions for the major maintenance, retirement or refurbishment of non-current assets	121,495	31,645	(18,172)	(4,131)	(130,837)	-
Provisions for taxes	9,312	351	-	-	-	9,663
Provisions for litigation and third-party liability	63,888	6,632	(29,341)	(965)	-	40,214
Other provisions	4,657	1,542	(2,517)	(210)	(3,227)	245
Total	199,352	40,170	(50,030)	(5,306)	(134,064)	50,122

(*) The transfers relate to long-term provisions of the companies in the discontinued Concessions business line.

The provisions for the major maintenance, retirement or refurbishment of non-current assets correspond to the concession operators and, in accordance with IFRIC 12, they cover 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 service arrangement. Accordingly, provisions are set up for major maintenance work on the stretches of road, based on the estimates of the cost thereof, on a straight-line basis from when the last maintenance work was carried out. These provisions were transferred to "Liabilities Associated with Assets Classified as Held for Sale" since they corresponded in full to companies in the discontinued Concessions business line (see Note 1.3).

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 2017 is as follows:

	Thousands of euros					
	2019	2020	2021	2022	Subsequent years	Total
Provisions for taxes	8,063	1,600	-	-	-	9,663
Provisions for litigation and third-party liability	22,316	3,740	1,305	3,166	9,687	40,214
Other provisions	245	-	-	-	-	245
Total	30,624	5,340	1,305	3,166	9,687	50,122

Both the provisions and the schedule are reviewed at the end of each reporting period, as required by IAS 37.59, with particular attention paid to the provisions for litigation and third-party liability in relation to which both the related risks and uncertainties are analysed.

Short-term provisions

The detail of "Short-Term Provisions" at 31 December 2017 is as follows:

	Thousands of euros						
	Balance at 31 December 2016	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 2017
Provisions for the major maintenance, retirement or refurbishment of non-current assets	3,345	-	3,311	(2,827)	(2)	(3,827)	-
Provisions for project completion	57,116	-	33,470	(32,965)	(41)	(3,131)	54,449
Provisions for management and other fees	54,041	-	4,514	(2,705)	(5,226)	-	50,624
Provisions for other transactions	183,728	(34,084)	101,717	(117,276)	(3,257)	(10,527)	120,301
Total	298,230	(34,084)	143,012	(155,773)	(8,526)	(17,485)	225,374

"Provisions for Other Transactions", which correspond primarily to the Group's construction companies, includes deferrals of expenses and costs and losses on construction projects. These amounts considered individually are of scant significance and correspond to numerous contracts.

3.20.- Other liabilities

The detail of "Other Non-Current Liabilities" and "Other Current Liabilities" in the consolidated balance sheets as at 31 December 2017 and 2016 is as follows:

	Thousands of euros			
	2017		2016	
	Non-current	Current	Non-current	Current
Payable to associates	-	88,998	-	97,511
Remuneration payable	-	30,283	-	25,940
Tax payables (Note 3.21.)	-	88,762	-	137,106
Other non-trade payables	15,853	22,717	165,905	101,841
Guarantees and deposits received	14	2,610	8	1,489
Other	-	321	-	3,746
Total	15,867	233,691	165,913	367,633

The detail of "Other Non-Trade Payables" at 31 December 2017 and 2016 is as follows:

	Thousands of euros			
	2017		2016	
	Non-current	Current	Non-current	Current
Payable for property, plant and equipment purchases	4,752	8,826	24,831	17,180
Payable for financial instrument purchases	1,500	-	8,677	64,000
Other	9,601	13,891	132,397	20,661
Total	15,853	22,717	165,905	101,841

The main change in the current payables for financial instrument purchases relates to the transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale" of the balances relating to the companies in the discontinued Concessions business line.

3.21.- 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	
	2017	2016
Consolidated loss for the year from continuing operations before tax	(224,815)	(889,669)
Profit for the year from discontinued operations	693,863	811,381
Permanent differences	169,687	(313,915)
Temporary differences	(697,534)	(584,152)
Offset of prior years' tax losses	(211,668)	(44,347)
Tax loss	(270,467)	(1,020,702)

The reconciliation of the accounting loss from continuing operations to the income tax benefit for 2017 is as follows:

	2017
Consolidated loss for the year from continuing operations before tax	(224,815)
Result of companies accounted for using the equity method, net of tax	45,452
Other permanent differences	5,095
Unrecognised tax losses offset in the year	(5,565)
Tax losses not recognised in the year as tax assets	180,774
Base for calculating period income tax expense	941
Current income tax benefit	(1,066)
Tax credits and tax relief	-
Prior years' adjustments and other adjustments	(6,222)
Income tax benefit relating to continuing operations	(7,288)

The permanent differences relate mainly to the result of companies accounted for using the equity method -EUR 45,452 thousand- and the remainder -EUR 5,095 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 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	2017	2016
Spain	25.0%	25.0%
Saudi Arabia	20.0%	20.0%
Australia	30.0%	30.0%
Algeria	23.0%	23.0%
Argentina	35.0%	35.0%
Bulgaria	10.0%	10.0%
Canada	26.5%	26.5%
Chile	25.5%	24.0%
Colombia	34.0%	34.0%
US	38.6%	38.6%
Jordan	14.0%	14.0%
Kuwait	15.0%	15.0%
Mexico	30.0%	30.0%
Peru	29.5%	28.0%
Poland	19.0%	19.0%
Qatar	10.0%	10.0%
Czech Republic	19.0%	19.0%
Slovakia	21.0%	22.0%
Turkey	20.0%	20.0%
Vietnam	20.0%	20.0%

The income tax benefit of EUR 7,288 thousand comprises:

- EUR 14,884 thousand relating to the tax income recognised by the companies forming part of the Spanish tax group; the amount recognised in 2017 includes the amount corresponding to their branches abroad.
- EUR (37,351) thousand relating to the expense recognised by the Spanish and foreign companies that do not form part of the Spanish tax group.
- EUR 29,755 thousand relating to the income arising from consolidation adjustments, due mainly to the sale of investments without the loss of control.

In addition to the income tax benefit for 2017, EUR (2,240) 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:

	Thousands of euros
Balance at 1 January 2016	624,062
Increases	83,503
Decreases	(52,490)
Transfers (*)	(32,961)
Balance at 31 December 2016	622,114
Increases	36,275
Decreases	(74,470)
Transfers (*)	(318,863)
Balance at 31 December 2017	265,056

(*) Corresponds to transfers to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"

The detail of the changes in deferred tax assets is as follows:

	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

	Thousands of euros						
	2016						
	Balance at 31/12/15	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 31/12/16
Tax assets	396,224	9,041	56,240	-	(31,906)	(25,777)	403,822
Tax loss carryforwards	393,574	9,041	55,595	-	(31,906)	(25,777)	400,527
Tax credits	2,650	-	645	-	-	-	3,295
Temporary differences	227,838	319	21,952	(14,932)	(9,701)	(7,184)	218,292
Total deferred tax assets	624,062	9,360	78,192	(14,932)	(41,607)	(32,961)	622,114

The deductible temporary differences recognised at 2017 year-end, amounting to EUR 129,087 thousand, are due mainly to:

- The recognition and use of provisions, amounting to EUR 35,236 thousand.
- The difference in the timing of recognition of revenue relating to customer advances, amounting to EUR 23,348 thousand.

- The difference in the timing of recognition of construction costs, amounting to EUR 27,201 thousand.

In 2017 the Parent evaluated the recoverability of the deferred tax assets recognised within the Spanish tax group. In particular, the key hypotheses used for testing the recoverability of the tax assets assume the generation of margins in accordance with the current situation of the industry in Spain, in a financing environment similar to that currently prevailing. Based on the foregoing, no risk of recoverability of the Spanish tax group's tax assets was identified.

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 2017 and 2016 were as follows:

	Thousands of euros
Balance at 1 January 2016	1,211,376
Increases	83,137
Decreases	(39,261)
Transfers (*)	(8,918)
Balance at 31 December 2016	1,246,334
Increases	173,137
Decreases	(98,409)
Transfers (*)	(1,181,569)
Balance at 31 December 2017	139,493

(*) 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:

	Thousands of euros						
	2017						
	Balance at 31/12/16	Changes in the scope of consolidation	Charge/credit to equity 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

	Thousands of euros						
	2016						
	Balance at 31/12/15	Changes in the scope of consolidation	Charge/credit to equity Hedging instruments	Charge/credit to profit or loss	Exchange rate effect	Transfers and other	Balance at 31/12/16
Temporary differences	1,211,376	7,656	-	166,177	(129,957)	(8,918)	1,246,334
Total deferred tax liabilities	1,211,376	7,656	-	166,177	(129,957)	(8,918)	1,246,334

The taxable temporary differences recognised at 2017 year-end, amounting to EUR 139,493 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 49,404 thousand on performance of the business combinations.
- The recognition and use of provisions, amounting to EUR 5,448 thousand.
- The difference in the timing of the depreciation and amortisation of non-current assets, amounting to EUR 15,667 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 29,070 thousand.

The change in the US tax rate planned for 2018 did not have a significant effect on deferred taxes at 31 December 2017.

The Group companies' tax losses available for offset in future tax returns amount to EUR 1,580,438 thousand, the detail of which, by last year for offset, is as follows:

Year	Thousands of euros
2018	17,756
2019	19,947
2020	28,903
2021	51,942
2022	54,157
2023	38,743
2024	7,112
2025	16,076
2026	13,885
2027	308,486
2028	462
2029	-
2030	919
2031	901
2032	52
Unlimited	1,021,098
Total	1,580,438

In addition to these tax losses, at 31 December 2017 there were EUR 1,267,242 thousand of tax losses relating to companies belonging to the discontinued operations of the Concessions business line.

The Group companies have unused double taxation tax credits amounting to EUR 8,649 thousand, and tax credits for investment (reinvestment, R&D+i and other) amounting to EUR 26,550 thousand.

In addition to these tax credits, at 31 December 2017 there were EUR 23,141 thousand of tax credits relating to companies belonging to the discontinued operations of the Concessions business line.

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 general tax audits for 2011 to 2013 at the Parent and at OHL Concesiones, S.A. Since then these companies have furnished all the information

requested of them, but no proposed regularisation had been formalised at the end of the year.

These audits are at a very preliminary stage, and all the required documentation has been produced.

Both the aforementioned audits and the tax audits of the years open for review that might be conducted 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 2017 and 2016 is as follows:

	Thousands of euros			
	Current assets		Current liabilities	
	2017	2016	2017	2016
VAT	64,277	160,909	36,288	78,179
Other taxes	24,687	42,598	41,175	46,674
Social security taxes	686	859	11,299	12,253
Total	89,650	204,366	88,762	137,106

3.22.- Income and expenses

Revenue

The Group's revenue in 2017 amounted to EUR 3,216,351 thousand (2016: EUR 3,342,369 thousand). The detail, by business activity, geographical market and type of customer, is as follows:

Business activity	Thousands of euros		
	2017	2016	% change
Engineering and Construction	3,168,168	3,211,610	-1.4
Construction	2,660,695	2,773,571	-4.1
Industrial	269,788	243,629	10.7
Services	237,685	194,410	22.3
Development	48,183	130,759	-63.2
Total revenue	3,216,351	3,342,369	-3.8

Business activity, geographical market and customer	Thousands of euros					
	2017					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sector	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
Development	-	3,946	-	44,237	-	48,183
Total revenue	418,452	310,742	1,916,118	571,039	2,334,570	881,781

Business activity, geographical market and customer	Thousands of euros					
	2016					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Engineering and Construction	386,656	323,621	2,081,229	420,104	2,467,885	743,725
Construction	223,088	229,835	1,988,647	332,001	2,211,735	561,836
Industrial	1,312	61,963	92,493	87,861	93,805	149,824
Services	162,256	31,823	89	242	162,345	32,065
Development	-	3,781	-	126,978	-	130,759
Total revenue	386,656	327,402	2,081,229	547,082	2,467,885	874,484

Geographical market	Thousands of euros	
	2017	2016
US and Canada	1,116,528	1,304,156
Mexico	266,176	422,059
Chile	149,776	132,388
Peru	113,833	66,852
Colombia	93,786	63,189
Spain	729,193	720,795
Central and Eastern Europe	270,212	283,286
Other countries	476,847	349,644
Total revenue	3,216,351	3,342,369

Staff costs

The staff costs in 2017 amounted to EUR 839,321 thousand (2016: EUR 854,777 thousand).

"Staff Costs" includes EUR 32,172 thousand that correspond to the collective redundancy procedure, which gave rise to the termination of 381 job positions (see Note 2.6.21) at 31 December 2017. The collective redundancy procedure of OHL Industrial, S.L., which expires on 31 December 2018, has yet to be concluded.

Other operating expenses

The detail of "Other Operating Expenses" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2017	2016
Outside services	376,965	304,251
Taxes other than income tax	18,799	25,531
Other current operating expenses	86,397	315,531
Total	482,161	645,313

Finance income

The detail of "Finance Income" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2017	2016
Interest income from other companies	35,527	24,705
Income from equity investments	4	4
Total	35,531	24,709

Finance costs

The detail of "Finance Costs" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2017	2016
On the financing of current transactions	86,317	92,471
On finance leases and deferred price non-current asset purchases	135	601
Total	86,452	93,072

Main disposals of investments in companies

The most significant disposals of ownership interests in companies in 2017 were:

- The sale of 17.5% of Centro Canalejas Madrid, S.A. on 7 April 2017.
- The sale of 51% of the Mayakoba hotel companies and golf course on 24 April 2017 and the sale of a further 29% of two of the hotel companies (Fairmont and Rosewood) on 18 May 2017.

The following table details the amount recognised in each of the relevant headings in the consolidated statement of profit or loss as a result of these transactions in 2017.

	Centro Canalejas Madrid, S.A.	Mayakoba hotel companies and golf course	TOTAL
Sale price	78,750	186,973	265,723
<u>Impact on profit or loss</u>			
Exchange differences	-	38,255	38,255
Net gains (losses) on remeasurement of financial instruments at fair value	(1,799)	776	(1,023)
Result of companies accounted for using the equity method (remeasured)	-	(11,627)	(11,627)
Impairment and gains or losses on disposals of financial instruments	33,429	(24,660)	8,769
Total impact on profit or loss	31,630	2,744	34,374

The following table details the amount recognised in each of the relevant headings in the consolidated statement of profit or loss as a result of the main transactions in 2016.

	Construction concession operators	TOTAL
Sale price	142,000	142,000
<u>Impact on profit or loss</u>		
Net losses on remeasurement of financial instruments at fair value	(77,930)	(77,930)
Impairment and gains or losses on disposals of financial instruments	90,912	90,912
Total impact on profit or loss	12,982	12,982

Net gains (losses) on remeasurement of financial instruments at fair value

The detail of "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2017	2016
Sale of hotel companies and golf course in Mayakoba	776	-
Sale of Centro Canalejas Madrid, S.A.	(1,799)	-
Interest rate derivatives	(389)	(5,795)
Treasury share derivatives	-	1,295
Derivatives associated with construction concession operators sold and previously accounted for using the equity method	-	(72,135)
Foreign currency derivatives	33,964	2,698
Total	32,552	(73,937)

Impairment and gains or losses on disposals of financial instruments

The detail of "Impairment and Gains or Losses on Disposals of Financial Instruments" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2017	2016
Sale of hotel companies and golf course in Mayakoba	(24,660)	-
Sale of Centro Canalejas Madrid, S.A.	33,429	-
Impairment of Banco Popular, S.A. shares	(9,999)	-
Sale of the construction concession operators	-	90,911
Other	(247)	8,204
Total	(1,477)	99,115

Transactions and balances in currencies other than the euro

The detail of the transactions performed by the Group companies in 2017 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:

Currency	Thousands of euros			
	Sales	Other income	Procurements	Other operating expenses
Czech koruna	177,117	417	170,256	20,542
Algerian dinar	21,510	788	6,486	7,268
Kuwaiti dinar	22,230	387	-	7,325
Canadian dollar	9,315	662	-	8,017
US dollar	1,283,205	15,889	927,532	93,572
Chilean peso	149,165	6,902	101,106	31,985
Colombian peso	89,727	3,407	56,496	16,280
Mexican peso	185,871	52,021	128,219	55,322
Saudi riyal	40,862	10,226	24,942	34,916
Qatari riyal	-	-	-	4,051
Peruvian sol	43,772	1,518	20,262	12,468
Polish zloty	13,545	937	3,705	1,345
Other currencies	189,245	5,709	201,115	26,338
Total	2,225,564	98,863	1,640,119	319,429

The detail of the balances receivable in currencies other than the euro at 31 December 2017 and 2016, 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:

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

Currency	Thousands of euros		
	2016		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	9,641	-	36,373
Algerian dinar	-	-	51,460
Kuwaiti dinar	-	-	45,642
Canadian dollar	30,170	105	20,649
US dollar	1,861	44,502	382,315
Chilean peso	21,701	5,808	137,504
Colombian peso	51,229	1	18,234
Mexican peso	5,190,680	180,892	187,922
Saudi riyal	2,686	26,825	107,518
Qatari riyal	137,365	-	483,833
Peruvian sol	96	13,379	44,915
Polish zloty	-	-	4,155
Other currencies	182	816	70,763
Total	5,445,611	272,328	1,591,283

The detail of the balances payable in currencies other than the euro at 31 December 2017 and 2016, 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				
	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	-	-	-	51,629	28
Peruvian sol	-	-	-	29,708	2,141
Polish zloty	-	-	-	2,021	43
Other currencies	1	-	-	97,062	24,050
Total	63,543	-	2,830	977,940	102,387

Currency	Thousands of euros				
	2016				
	Bank borrowings	Debt instruments and other marketable securities	Other financial liabilities	Trade and other payables	Other current and non-current liabilities
Czech koruna	5,551	-	2,645	40,345	14,630
Algerian dinar	-	-	-	15,841	5,148
Kuwaiti dinar	-	-	-	91,042	-
Canadian dollar	-	-	-	7,791	160
US dollar	118,404	-	120	469,995	29,839
Chilean peso	59,290	-	4,653	73,411	26,748
Colombian peso	37,920	-	-	65,124	4,034
Mexican peso	798,396	744,294	-	193,804	102,965
Saudi riyal	-	-	-	41,593	1,858
Qatari riyal	18,293	-	-	65,616	390
Peruvian sol	2,205	-	3,659	51,567	1,623
Polish zloty	-	-	4	5,286	128
Other currencies	-	-	-	137,275	5,449
Total	1,040,060	744,294	11,081	1,258,690	192,972

Consolidated loss attributable to the Parent

The detail of the contribution of each subsidiary to the consolidated loss attributable to the Parent for 2017 and 2016 is as follows:

Companies	Thousands of euros	
	2017	2016
Obrascón Huarte Lain, S.A.	(127,918)	(497,740)
Abertis Infraestructuras, S.A.	-	47,187
Autopista Urbana Norte, S.A. de C.V.	84,604	58,487
Cercanías Móstoles Navalcarnero, S.A.	-	(34,240)
Concesionaria Mexiquense, S.A. de C.V.	112,049	96,645
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	24,748	16,253
Health Montreal Collective CJV, L.P.	(2,481)	(149,383)
Metro Ligero Oeste, S.A.	-	49,568
Obrascón Huarte Lain Construcción Internacional, S.L.	(14,500)	(12,940)
Obrascón Huarte Lain, Desarrollos, S.L.	(20,762)	(11,562)
OHL Arabia, LLC	(8,261)	(9,178)
OHL Concesiones, S.A.	(30,498)	(85,578)
OHL Construction Canada and FCC Canada Limited Partnership	(26,741)	(1,780)
OHL Construction Canada, Inc.	(28,998)	(8,069)
OHL Emisiones, S.A.U.	(18,537)	274,385
OHL Industrial, S.L.	(29,475)	(50,253)
OHL USA, Inc.	(6,879)	(66,864)
OHL ZS, a.s.	(17,692)	(43,527)
OHLDM, S.A. de C.V.	41,390	-
Viaducto Bicentenario, S.A. de C.V.	54,878	38,320
Other	2,997	(42,069)
Total	(12,076)	(432,338)

3.23.- Consolidated statement of cash flows

The consolidated statement of cash flows was prepared in accordance with IAS 7.

One of the most noteworthy aspects is that it is unaffected by changes in the exchange rates against the euro 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

"Cash Flows from Operating Activities" amounted to EUR (158,343) thousand in 2017, and it should be noted that:

The consolidated loss before tax for 2017 amounted to EUR (224,815) thousand.

The detail of "Other Adjustments to Loss" is as follows:

	Thousands of euros	
	2017	2016
Changes in provisions and allowances	2,803	29,436
Financial loss	46,626	34,757
Result of companies accounted for using the equity method	45,452	148,885
Total	94,881	213,088

The changes in working capital amounting to EUR (185,851) thousand relate mainly to the changes in "Trade and Other Payables".

Cash flows from investing activities

"Cash Flows from Investing Activities" amounted to EUR 41,519 thousand in 2017.

Payments due to investment amounted to EUR (189,787) thousand.

Notable among the proceeds from disposal, which amounted to EUR 279,379 thousand, are those from the partial sale of the hotel companies and golf course in Mayakoba.

Cash flows from financing activities

"Cash Flows from Financing Activities", amounting to EUR (58,464) thousand in 2017, include most notably:

Following the aforementioned transactions, and taking into consideration the impact of exchange rates, cash and cash equivalents at the end of the year amounted to EUR 434,210 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:

- Concessions (discontinued operation (see Note 1.3.))
- Engineering and Construction
 - Construction
 - Industrial
 - Services
- Development

Basic information about these segments in 2017 and 2016 is presented below.


	Thousands of euros						
	2017						
	Concessions	Engineering and Construction				Development	Total Group
		Construction	Industrial	Services	Total Engineering and Construction		
Revenue	-	2,660,695	269,788	237,685	3,168,168	48,183	3,216,351
Inter-segment revenue	-	85,157	2,682	-	87,839	-	87,839
EBITDA	-	54,896	(40,530)	3,644	18,010	1,980	(56,539)
As a percentage of revenue	-	1.1%	-15.0%	1.5%	0.6%	4.1%	-1.8%
Depreciation and amortisation charge	-	(65,767)	(4,062)	(2,742)	(72,571)	(3,627)	(76,198)
EBIT	-	(10,871)	(44,592)	902	(54,561)	(1,647)	(132,737)
As a percentage of revenue	-	-0.4%	-16.5%	0.4%	-1.7%	-3.4%	-4.1%
Concession infrastructure	-	66,294	-	-	66,773	-	66,773
Current assets	-	2,252,143	286,227	78,715	2,416,881	51,387	10,543,232
Current liabilities	-	2,646,722	342,856	74,159	2,853,292	239,152	6,901,135
Total assets	-	3,093,694	323,026	89,673	3,442,845	454,461	12,208,485
Total liabilities	-	2,828,671	350,700	77,312	3,941,807	274,759	8,025,257
Cash flows from operating activities ^(*)	-	(11,341)	(104,752)	8,479	(217,951)	(10,359)	(228,310)
Changes in net borrowings ^(*)	108,224	79,546	98,351	(3,485)	272,216	(170,543)	209,897
Cash flows from investing activities ^(*)	(108,224)	(68,205)	6,401	(4,994)	(54,265)	180,902	18,413

^(*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.

The Concessions business was discontinued in 2017 and does not contribute the profit and loss and balance sheet figures which appear in this table.

	Thousands of euros						
	2016						
	Concessions	Engineering and Construction				Development	Total Group
		Construction	Industrial	Services	Total Engineering and Construction		
Revenue	-	2,773,571	243,629	194,410	3,211,610	130,759	3,342,369
Inter-segment revenue	-	58,409	4,911	-	63,320	-	63,320
EBITDA	-	(43,739)	(43,288)	2,513	(84,513)	28,402	(576,311)
As a percentage of revenue	-	-1.6%	-17.8%	1.3%	-2.6%	21.7%	-17.2%
Depreciation and amortisation charge	-	(98,102)	(18,585)	(654)	(117,340)	(12,366)	(129,706)
EBIT	-	(141,841)	(61,872)	1,859	(201,854)	16,037	(706,017)
As a percentage of revenue	-	-5.1%	-25.4%	1.0%	-6.3%	12.3%	-21.1%
Concession infrastructure	-	52,664	-	-	53,266	-	6,439,634
Current assets	-	2,460,651	266,524	75,399	2,768,375	519,357	4,331,279
Current liabilities	-	2,858,856	362,147	66,914	2,851,927	634,037	3,423,547
Total assets	-	3,395,189	311,388	79,787	3,881,851	889,006	12,920,346
Total liabilities	-	3,161,273	382,890	67,248	4,252,385	669,677	8,877,453
Cash flows from operating activities ^(*)	-	(102,655)	(29,802)	(6,943)	(315,697)	(5,792)	(183,411)
Changes in net borrowings ^(*)	(322,422)	248,052	24,451	5,355	577,654	38,230	299,494
Cash flows from investing activities ^(*)	322,422	(145,397)	5,351	1,588	(261,957)	(32,438)	(116,083)

^(*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.
The Concessions business was discontinued in 2017, and the related figures for 2016 were restated. Accordingly, it does not contribute the profit and loss and balance sheet figures which appear in this table.



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".

	Thousands of euros								
	2017								
	US and Canada	Mexico	Chile	Peru	Colombia	Spain	Central and Eastern Europe	Other countries	Total Group
Revenue	1,116,528	266,176	149,776	113,833	93,786	729,193	270,212	476,847	3,216,351
EBITDA	33,977	43,084	(35,084)	11,886	5,167	(121,969)	(1,730)	8,130	(56,539)
As a percentage of revenue	3.0%	16.2%	-23.4%	10.4%	5.5%	-16.7%	-0.6%	1.7%	-1.8%
EBIT	4,319	37,349	(37,428)	7,129	3,694	(137,171)	(12,119)	1,490	(132,737)
As a percentage of revenue	0.4%	14.0%	-25.0%	6.3%	3.9%	-18.8%	-4.5%	0.3%	-4.1%
Profit (Loss) after tax (attributable to the Parent)	(61,768)	314,160	(19,663)	22,937	5,738	(188,860)	(12,121)	(72,499)	(12,076)
As a percentage of revenue	-5.5%	118.0%	-13.1%	20.1%	6.1%	-25.9%	-4.5%	-15.2%	-0.4%
Concession infrastructure	-	-	35	-	-	66,738	-	-	66,773
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

	Thousands of euros								
	2016								
	US and Canada	Mexico	Chile	Peru	Colombia	Spain	Central and Eastern Europe	Other countries	Total Group
Revenue	1,304,156	422,059	132,388	66,852	63,189	720,795	283,286	349,644	3,342,369
EBITDA	(39,932)	43,612	(49,684)	(3,178)	6,937	(127,822)	(27,142)	(379,102)	(576,311)
As a percentage of revenue	-3.1%	10.3%	-37.5%	-4.8%	11.0%	-17.7%	-9.6%	-108.4%	-17.2%
EBIT	(88,002)	31,189	(74,917)	(4,553)	8,221	208,667	(137,510)	(649,112)	(706,017)
As a percentage of revenue	-6.7%	7.4%	-56.6%	-6.8%	13.0%	28.9%	-48.5%	-185.6%	-21.1%
Profit (Loss) after tax (attributable to the Parent)	(227,388)	223,982	(58,932)	11,180	(788)	333,732	(128,081)	(586,043)	(432,338)
As a percentage of revenue	-17.4%	53.1%	-44.5%	16.7%	-1.2%	46.3%	-45.2%	-167.6%	-12.9%
Concession infrastructure	-	5,278,565	81,636	290,420	51,229	737,784	-	-	6,439,634
Year-end headcount	2,374	3,079	2,623	1,516	311	8,657	2,263	1,217	22,040
Short-term backlog	1,691,379	600,045	1,125,205	247,583	624,435	1,400,922	190,906	794,421	6,674,896
Long-term backlog	-	-	88,524	-	-	136,872	-	-	225,396
Total backlog	1,691,379	600,045	1,213,729	247,583	624,435	1,537,794	190,906	794,421	6,900,292

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, Compliance and Corporate Social Responsibility Committee has the ultimate responsibility for ensuring that the commitments included 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 risk.
- Foreign currency risk.
- Credit risk.
- Liquidity risk.
- Risk relating to financial instruments associated with the Parent's shares.

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 2017, 3.1% had been hedged while 58.9% 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 2,232 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.

In October 2017 Obrascón Huarte Lain, S.A. announced that it had entered into an agreement to sell its Concessions division to IFM Investors. The amount receivable for the sale is affected, among other adjustments, by fluctuations in the EUR/MXN and EUR/PEN exchange rates. In this connection, a series of currency forwards were arranged in December 2017. These derivatives do not qualify for hedge accounting and the impact of changes therein is recognised in profit or loss.

EUR (730,641) thousand were recognised in this connection under "Valuation Adjustments - Translation Differences" in the consolidated balance sheet as at 31 December 2017 (31 December 2016: EUR (529,917) thousand).

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 2017 and 2016, the possible impact of which was as follows:

Currency	Thousands of euros				
	2017				
	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

Currency	Thousands of euros				
	2016				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
Czech koruna	-	4,463	4,463	138	4,601
Algerian dinar	3,859	-	3,859	-	3,859
Kuwaiti dinar	3,423	-	3,423	-	3,423
Canadian dollar	-	5,092	5,092	-	5,092
US dollar	7,869	32,376	40,245	-	40,245
Chilean peso	7,290	6,781	14,071	-	14,071
Colombian peso	769	5,921	6,690	-	6,690
Mexican peso	340	315,799	316,139	239,697	555,836
Saudi Arabian riyal	-	13,703	13,703	-	13,703
Qatari riyal	46,590	-	46,590	-	46,590
Peruvian sol	1,430	3,932	5,362	-	5,362
Total	71,570	388,067	459,637	239,835	699,472

If a sensitivity analysis were performed using the assumption of a 10% decrease in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2017 and 2016, the impact would be as follows:

Currency	Thousands of euros				
	2017				
	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)

Currency	Thousands of euros				
	2016				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
Czech koruna	-	(4,058)	(4,058)	(125)	(4,183)
Algerian dinar	(3,508)	-	(3,508)	-	(3,508)
Kuwaiti dinar	(3,112)	-	(3,112)	-	(3,112)
Canadian dollar	-	(4,629)	(4,629)	-	(4,629)
US dollar	(7,153)	(29,432)	(36,585)	-	(36,585)
Chilean peso	(6,627)	(6,165)	(12,792)	-	(12,792)
Colombian peso	(699)	(5,383)	(6,082)	-	(6,082)
Mexican peso	(309)	(287,090)	(287,399)	(217,906)	(505,305)
Saudi Arabian riyal	-	(12,457)	(12,457)	-	(12,457)
Qatari riyal	(42,355)	-	(42,355)	-	(42,355)
Peruvian sol	(1,300)	(3,575)	(4,875)	-	(4,875)
Total	(65,063)	(352,789)	(417,852)	(218,031)	(635,883)

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 2017, the net balances of the Group's financial assets exposed to credit risk are:

	Thousands of euros
Non-current financial assets	500,991
Trade and other receivables	1,736,175
Current financial assets	100,330
Current hedging instruments	39,789
Cash and cash equivalents	434,210

Non-current financial assets

Non-current financial assets include loans to associates totalling EUR 67,580 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 2017.

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 1,710,407 thousand, of which 51.9% 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 48.1% 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.

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 2017, of which EUR 680,679 thousand mature in 2018 (see Note 3.17.).

The Group's liquidity position at 31 December 2017 comprises the following:

- Current financial assets amounting to EUR 140,119 thousand.
- Cash and cash equivalents amounting to EUR 434,210 thousand.
- Drawable credit lines and discount facilities amounting to EUR 215,005 thousand.

In 2016 there were four reductions in the Group's credit rating by rating agencies, three levels in the case of Moody's and one level in the case of Fitch, ultimately leaving it at Caa1 and B+ (in both cases with a negative outlook), respectively.

In order to avoid a potential adverse impact on its liquidity profile, the OHL Group initiated a process of dialogue and joint negotiation with its eight main relationship entities (the "Group of Entities"), with a twofold objective: (i) to ensure the maintenance of their support for the Group by signing a formal standstill agreement to maintain the terms and conditions, drawability and limits of the existing financing from that Group of Entities; and (ii) to negotiate a new financing package that would allow the OHL Group to ensure the coverage of its future working capital needs arising from the implementation of its Business Plan.

The renewal of the multi-product syndicated financing agreement (novated on 29 November 2017) was formalised on 30 March 2017 for an aggregate amount of EUR 684 million, for the issue of guarantees (EUR 402 million) and reverse factoring (EUR 92 million), which also includes a revolving credit line of EUR 190 million.

All maturing at 18 months, thereby extending the standstill period until that date, and secured by the shares of OHL Concesiones and OHL Desarrollos.

This financing package, together with the debt reduction measures implemented in 2017 aimed at carrying out a divestment plan and taking decisive actions to generate cash flows/control projects, strengthened the Group's liquidity profile at 31 December 2017.

Note should also be made of the agreement entered into on 30 November 2017 by OHL and IFM Investors for the sale of all the Group's ownership interest in OHL Concesiones. This transaction should be completed in the first quarter of 2018 and will represent a significant cash inflow for the Group, which will substantially reduce its gross recourse borrowings and improve its available recourse liquidity.

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.

The capital structure is controlled through the leverage ratio (calculated as the ratio of net financial debt to equity).

These ratios at 31 December 2017 and 2016 are as follows:

	Thousands of euros				
	2017	%	2016	%	Change %
Equity	4,183,330		4,042,893		3.5
Total financial debt					
Non-current	893,556	56.8	3,777,065	86.0	-76.3
Current	680,679	43.2	615,201	14.0	10.6
Total gross financial debt	1,574,235	100.0	4,392,266	100.0	-64.2
Total net financial debt	999,906		2,910,946		-65.7
Total net financial debt including that of discontinued operations	2,243,332		2,910,946		-1.5%
Total net debt including discontinued operations/Equity	0.54		0.72		

Total net financial debt decreased in 2017 due mainly to the discontinuation of the Concessions business (see Note 1.3.).

4.3.- Number of employees

The average number of employees in 2017 and 2016, by professional category, was as follows:

Professional category	Average number of employees	
	2017	2016
Management and university graduates	481	594
Further education college graduates	1,799	1,821
Non-graduate line personnel	2,918	2,925
Clerical staff	1,379	1,631
Other employees	14,991	15,179
Total	21,568	22,150
Permanent employees	12,971	13,945
Temporary employees	8,597	8,205
Total	21,568	22,150

The average number of employees at the Group with a disability equal to or greater than 33% in 2017 was 521 (2016: 393).

Of the average number of employees in 2017, 7,997 were women and 13,571 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 2017 and 2016:

	Thousands of euros			
	2017	% of total	2016	% of total
Income and expenses				
Revenue	33,139	1.03	27,148	0.81
Other operating income	1,359	0.81	1,251	0.69
Finance income	5,382	15.15	3,538	14.32
Procurements	4,568	0.22	9,916	0.38
Other operating expenses	5,409	1.12	6,474	1.00
Other transactions				
Acquisitions of intangible assets	711	-	819	-
Acquisitions of property, plant and equipment	-	-	29	-
Acquisitions of financial assets	8,470	-	49,282	-
Financing agreements: loans granted	-	-	180,209	-
Financing agreements: repayment of loans granted	926	-	103,000	-
Dividends paid	1	-	5,003	-

The following transactions were performed with the related companies of the discontinued Concessions business in 2017 and 2016:

	Thousands of euros			
	2017	% of total	2016	% of total
Income and expenses				
Revenue	-	-	669	2.17
Procurements	-	-	417	0.29
Other operating expenses	551	0.32	593	0.60
Finance costs	-	-	-	-
Other transactions				
Acquisitions of intangible assets	-	-	90	-
Financing agreements: loans granted	-	-	30,000	-
Financing agreements: repayment of loans granted	-	-	63,000	-
Financing agreements: advances to suppliers	-	-	20,553	-

The detail of the related party transactions in 2017 is as follows:

Employer identification number	Related company		Group company	Thousands of euros
PT502473525	ADP-Fertilizantes, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	10
B22279087	Agralia Fertilizantes, S.L.	Revenue	Avalora Tecnologías de la Información, S.A.	1
B86092145	Centro Canalejas Madrid, S.L.U.	Revenue	Obrascon Huarte Lain, Desarrollos, S.L.	1,920
B86092145	Centro Canalejas Madrid, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	22,593
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	50
B86413846	Espacio Arpada Desarrollos, S.L.	Revenue	Obrascon Huarte Lain, S.A.	33
A87287223	Espacio Caleido, S.A.	Revenue	Obrascon Huarte Lain, S.A.	4,896
A80400351	Espacio Information Technology, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	166
A80420516	Ferroatlántica, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	60
FR33642005177	FerroPem, SAS	Revenue	Avalora Tecnologías de la Información, S.A.	2
A28165298	Fertiberia, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	97
A28165298	Fertiberia, S.A.	Revenue	Chemtrol Proyectos y Sistemas, S.L.	4
A28165298	Fertiberia, S.A.	Revenue	Comercial de Materiales de Incendio, S.L.	28
A28165298	Fertiberia, S.A.	Revenue	OHL Industrial Mining & Cement, S.A.	4
A28165298	Fertiberia, S.A.	Revenue	S.A. Trabajos y Obras	260
A82500257	Grupo Villar Mir, S.A.U.	Revenue	Obrascon Huarte Lain, Desarrollos, S.L.	1,000
A28027399	Inmobiliaria Colonial, S.A.	Revenue	Obrascon Huarte Lain, S.A.	1,203

Employer identification number	Related company		Group company	Thousands of euros
A28027399	Inmobiliaria Colonial, S.A.	Revenue	OHL Servicios - Ingesan, S.A.U.	125
A28294718	Inmobiliaria Espacio, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	47
A28294718	Inmobiliaria Espacio, S.A.	Revenue	OHL Servicios - Ingesan, S.A.U.	2
A28661262	Intergal Española, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	2
A28032829	Padacar, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	6
A28032829	Padacar, S.A.U.	Revenue	OHL Servicios - Ingesan, S.A.U.	84
B82607839	Promociones y Propiedades Inmobiliaria Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	10
B82607839	Promociones y Propiedades Inmobiliaria Espacio, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	104
B84996362	Torre Espacio Gestión, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	35
B84996362	Torre Espacio Gestión, S.L.U.	Revenue	OHL Servicios - Ingesan, S.A.U.	360
B86727500	Torre Espacio Restauración, S.L.U.	Revenue	OHL Servicios - Ingesan, S.A.U.	7
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
B86092145	Centro Canalejas Madrid, S.L.U.	Other operating income	Obrascon Huarte Lain, S.A.	42
A80400351	Espacio Information Technology, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	69
B87238689	Espacio-OHLD Proyectos Singulares, S.L.	Other operating income	Obrascon Huarte Lain, S.A.	1
A28165298	Fertiberia, S.A.	Other operating income	Obrascon Huarte Lain, S.A.	1
A80420516	Ferroatlántica, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	5

Employer identification number	Related company		Group company	Thousands of euros
A82500257	Grupo Villar Mir, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	1,218
A28294718	Inmobiliaria Espacio, S.A.	Other operating income	Obrascon Huarte Lain, S.A.	6
B87801668	Proyecto Canalejas Group, S.L.	Other operating income	Obrascon Huarte Lain, Desarrollos, S.L.	8
B84996362	Torre Espacio Gestión, S.L.U.	Other operating income	Obrascon Huarte Lain, S.A.	9
B86830536	Alse Park, S.L.	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	41
B86092145	Centro Canalejas Madrid, S.L.U.	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	986
A82500257	Grupo Villar Mir, S.A.U.	Finance income	Obrascon Huarte Lain, S.A.	4,158
A28294718	Inmobiliaria Espacio, S.A.	Finance income	Avalora Tecnologías de la Información, S.A.	110
A28032829	Pacadar, S.A.U.	Finance income	Obrascon Huarte Lain, S.A.	87
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Procurements	Avalora Tecnologías de la Información, S.A.	1
A80400351	Espacio Information Technology, S.A.U.	Procurements	Avalora Tecnologías de la Información, S.A.	2,708
B85253888	Pacadar, S.A.U.	Procurements	Obrascon Huarte Lain, S.A.	394
B85253888	Padacar, S.A.U.	Procurements	Construcciones Adolfo Sobrino, S.A.	1,465
B86830536	Alse Park, S.L.	Other operating expenses	Obrascon Huarte Lain, S.A.	29
B86830536	Alse Park, S.L.	Other operating expenses	OHL Servicios - Ingesan, S.A.U.	2
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	10
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	13

Employer identification number	Related company		Group company	Thousands of euros
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	3
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	356
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios	107
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	87
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Catalana de Seguretat i Comunicacions, S.L.	15
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.	28
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Constructora de Proyectos Viales de México, S.A. de C.V.	161
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	EyM Instalaciones, S.A.	45
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	10
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	2,973
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Arabia, LLC	26
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHLDM, S.A. de C.V.	14
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.	29
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Servicios - Ingesan, S.A.U.	20
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	S.A. Trabajos y Obras	60
A28165298	Fertiberia, S.A.	Other operating expenses	S.A. Trabajos y Obras	1

Employer identification number	Related company		Group company	Thousands of euros
B82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	1,200
B82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	135
B84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	36
B84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	S.A. Trabajos y Obras	1
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	1
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	28
B86092145	Centro Canalejas Madrid, S.L.U.	Sales of property, plant and equipment	Obrascon Huarte Lain, S.A.	1
A80400351	Espacio Information Technology, S.A.U.	Acquisitions of intangible assets	Obrascon Huarte Lain, S.A.	711
A82500257	Grupo Villar Mir, S.A.U.	Acquisitions of financial assets	Obrascon Huarte Lain, Desarrollos, S.L.	8,470
B86830536	Alse Park, S.L.	Financing agreement: repayment of loan granted	Obrascon Huarte Lain, Desarrollos, S.L.	926
B86092145	Centro Canalejas Madrid, S.L.U.	Guarantees for construction work	Obrascon Huarte Lain, S.A.	4,387
B86092145	Centro Canalejas Madrid, S.L.U.	Financial guarantees	Obrascon Huarte Lain, S.A.	21,395

The detail of the transactions performed in 2017 by companies belonging to the discontinued Concessions business is as follows:

Employer identification	Related company		Group company	Thousands of euros
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Terminales Marítimas del Sureste, S.A.	250
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Concesiones, S.A.	295
B84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	OHL Concesiones, S.A.	2
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	OHL Concesiones, S.A.	4

These transactions, which are performed under a contractual relationship, were carried out on an arm's length basis.

At 31 December 2017 and 2016, the balances with related companies were as follows:

	Thousands of euros			
	2017	% of total	2016	% of total
Non-current assets				
Other receivables	101,524	22.56	96,578	25.53
Current assets				
Advances to suppliers and subcontractors	-	-	37,087	31.48
Trade receivables for sales and services	10,744	0.63	5,266	0.29
Sundry accounts receivable	1,613	2.36	490	0.34
Investment securities	-	-	6,326	1.60
Other receivables	7,000	6.95	7,909	2.91
Non-current liabilities				
Other non-current liabilities	1,500	9.45	-	-
Current liabilities				
Customer advances	4,587	0.96	5,280	1.14
Accounts payable for purchases and services	841	0.08	896	0.06
Notes payable	-	-	2,118	11.00
Other non-trade payables	212	0.93	199	0.20

The balances with related companies associated with discontinued operations at 31 December 2017 are as follows:

	Thousands of euros	
	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

In addition, at 31 December 2017 the Group had provided guarantees for related entities amounting to EUR 57,570 thousand.

4.5 Backlog

At 31 December 2017, the Group's backlog amounted to EUR 6,460,737 thousand (31 December 2016: EUR 6,900,292 thousand).

The breakdown of the Group's backlog, by activity and geographical market, is as follows:

Business activity	Thousands of euros					
	2017			2016		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Construction	5,568,294	224,487	5,792,781	5,880,909	225,396	6,106,305
Industrial	312,107	-	312,107	437,256	-	437,256
Services	355,849	-	355,849	356,731	-	356,731
Total backlog	6,236,250	224,487	6,460,737	6,674,896	225,396	6,900,292

The long-term backlog includes an estimate of the future net sales of Construction concession operators over the entire term of the concession based on the economic and financial plan of each concession.

Of the total short-term backlog at 31 December 2017, EUR 4,976,279 thousand related to public sector customers and EUR 1,259,971 thousand to private sector customers (2016: EUR 4,514,772 thousand and EUR 2,385,520 thousand, respectively).

Geographical market	Thousands of euros					
	2017			2016		
	Short-term	Long-term	Total	Short-term	Long-term	Total
US and Canada	2,079,173	-	2,079,173	1,691,379	-	1,691,379
Mexico	387,963	-	387,963	600,045	-	600,045
Chile	999,455	87,615	1,087,070	1,125,205	88,524	1,213,729
Peru	224,297	-	224,297	247,583	-	247,583
Colombia	374,011	-	374,011	624,435	-	624,435
Spain	1,407,092	136,872	1,543,964	1,400,922	136,872	1,537,794
Central and Eastern Europe	214,666	-	214,666	190,906	-	190,906
Other countries	549,593	-	549,593	794,421	-	794,421
Total backlog	6,236,250	224,487	6,460,737	6,674,896	225,396	6,900,292

At 31 December 2017, the backlog abroad represented 76.1% of the total backlog (31 December 2016: 77.7%).

4.6.- Contingent assets and contingent liabilities

4.6.1.- Contingent assets

There were no material contingent assets at 31 December 2017.

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 2017, the Group companies had provided EUR 3,672,965 thousand of guarantees to third parties (31 December 2016: EUR 3,922,822 thousand), of which, in accordance with standard practice in the industry, EUR 3,550,465 thousand (31 December 2016: EUR 3,759,089 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.

Of the total EUR 3,672,965 thousand of guarantees to third parties, EUR 348,846 thousand relate to companies belonging to the discontinued Concessions business. Also, of the total EUR 3,550,867 thousand of guarantees deposited with public authorities and private sector customers to guarantee proper performance of the project contracts, EUR 288,718 thousand relate to companies belonging to the discontinued Concessions business.

4.6.2.2.- 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 50,493 thousand at 31 December 2017 (31 December 2016: EUR 26,435 thousand).

The Parent's directors do not expect any additional liabilities to arise in connection with these guarantees that might affect the 2017 consolidated financial statements.

4.6.2.3.- Guarantees for financial instruments

The Group has loans secured by shares of its investees (see Notes 3.17.1. and 4.2.).

Certain Group companies have provided guarantees to various entities to secure derivatives granted to other associates, the amount of which at 31 December 2017 was EUR 6,095 thousand (31 December 2016: EUR 4,199 thousand).

The Parent's directors do not expect the collateral guarantees to pose a significant risk for the Group's liquidity.

4.6.2.4.- Investment commitments

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 is not certain.

4.6.2.5.- Litigation

At the end of 2017 certain lawsuits were in process involving the Parent and/or its subsidiaries as a result of the ordinary course of their operations.

The Group's most significant lawsuits, by operating segment, are as follows:

Concessions

- In June 2008 and 2009 the concession operator **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** filed two claims (the latter refiled on 31 July 2013) against the Ministry 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.

At the date of these consolidated financial statements, the authorities had not handed down any decision on these requests.

In order to compensate for the shortfall in traffic, in 2012, 2013, 2014, 2015, 2016 and 2017 the company claimed from the Ministry of Public Works 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. All the requests were rejected in the administrative jurisdiction, and a decision has yet to be handed down by the Supreme Court on those relating to 2013, 2014 and 2015.

The total requested in relation to amounts earmarked in the aforementioned years is EUR 25.7 million, and that requested in relation to participating loans is EUR 116.0 million.

Pursuant to Additional Provision 41 of Law 26/2009, the concession operator filed 14 participating loan applications with the Ministry of Public Works for the payment of compulsory purchases made in 2012, 2013, 2014, 2015 and 2016. The total amount claimed through these applications is EUR 111.7 million. The request for payment of these loans was dismissed in a final judgment by the Supreme Court in appeal 397/2014 claiming the restoration of the economic feasibility of

the concession for compulsory purchase cost overruns. At the reporting date, and with respect to compulsory purchase proceedings, reappraisals and related proceedings (*voie de fait* (an administrative proceeding performed outside its jurisdiction or dispensing with the established procedure) and request for compensation), one court proceeding and two administrative proceedings are in progress. 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 legally involved in an insolvency proceeding together with its sole shareholder, Aeropistas, S.L.U. in the court order of 12 December 2013 of the Madrid Commercial Court No. 2, which gave rise to the orders of Voluntary Insolvency Proceeding 863/13.

b) The common phase of the insolvency proceeding

On 19 May 2015, the insolvency manager submitted the final reports, introducing amendments to the list of creditors of Autopistas Eje Aeropuerto Concesionaria Española, S.A.U, due to: (i) the definitive nature of the majority of judicial decisions in matters of compulsory purchases; (ii) the inclusion of the decision handed down on insolvency event 588/2014; and (iii) the recognition of debts not included due to error.

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.

In the case of Aeropistas, S.L.U. no amendments were made to the list of creditors in the final reports or the inventory of assets and rights, 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 opening of the liquidation phase, with the legal effects that this entails. Furthermore, the insolvency manager was requested to submit a liquidation plan in 15 days, although it requested an extension to that period (at the date of these consolidated financial statements that request has not been answered).

Also, on 23 October 2015 the insolvency manager requested that the Spanish Ministry of Public Works terminate and liquidate the concession arrangement, to which the Spanish Ministry of Public Works responded, in the notification of 9 February 2016, that "the requested termination of the concession arrangement shall only be carried out when the liquidation [in the insolvency proceeding of the concession operator Autopista Eje Aeropuerto] becomes final, if the decision handed down on the appeal filed by the Spanish government lawyers on behalf of SEITTSA orders this to happen".

SEITTSA filed an appeal against the order initiating the liquidation phase, requesting, furthermore, the stay of the liquidation proceedings until that court order becomes final. Subsequently, SEITTSA and the Spanish Ministry of Public Works withdrew this appeal. As a result of the foregoing, on 19 December 2017 the Spanish Ministry of Public Works declared the termination of the concession arrangement and ordered the procedure to liquidate the concession arrangement to be processed.

The insolvency manager and AEA submitted pleadings against this decision of the Spanish Ministry of Public Works in which they requested the dismissal of the initiated

proceeding, since it was not taken into account that the concession arrangement had already been terminated, by operation of Law, on 13 October 2015 (date of the opening of the liquidation phase) and, accordingly, the Governmental Liability ("Responsabilidad Patrimonial de la Administración -RPA-") should be calculated as of that date.

The above in consonance with the information presented previously, which was fully aligned with the decision of the Chamber for Jurisdictional Conflicts of the Supreme Court in relation to the insolvency proceedings of another toll road concession operator, i.e. the decision of 15 December 2016 of the Chamber for Jurisdictional Conflicts of the Supreme Court (which resolved the conflict of jurisdiction raised between the Spanish Ministry of Public Works and Madrid Commercial Court No. 6, in relation to who was the competent authority to terminate and liquidate a toll road concession arrangement involved in insolvency proceedings), which establishes, inter alia, that the opening of the liquidation phase ordered by the judge overseeing the insolvency proceedings produces by operation of Law the termination of the concession arrangement and, therefore, the public authorities cease to have the power to declare the concession terminated, without prejudice to continuing to maintain the power to liquidate the concession arrangement once it is indeed terminated.

The opening of the liquidation phase at the two companies led to the exclusion from consolidation thereof from October 2015 onwards.

In this context, and with respect to the termination of the liquidation process of the investees, the Group's directors consider that in a base-case resolution scenario, which is inferior to the scenario requested by the companies' liquidator, both the net investments recognised (EUR 19 million) and the balance receivable associated with the construction of the infrastructure (EUR 43 million) would be recovered.

- In accordance with the provisions of Article 2 of Insolvency Law 22/2003, of 9 July, and following an agreement dated 19 May 2016 of its Board of Directors, on 24 May 2016 the concession operator **Cercanías Móstoles Navacarnero, S.A.** filed a petition for voluntary insolvency proceedings to be initiated since it met the objective prerequisite of insolvency referred to in the aforementioned Article of the Insolvency Law.

On 12 July 2016, Madrid Commercial Court no. 1 issued an order admitting the aforementioned petition for insolvency and declared the initiation of ordinary voluntary insolvency proceedings in relation to the company.

This order designated an insolvency manager and established that the company's situation of insolvency arose from:

- a) The Grantor's refusal to amend the concession arrangement and restore its economic feasibility.
- b) The breaches of the concession arrangement by the Grantor.
- c) The imposition by the Grantor of an unjustified penalty amounting to EUR 34,080,687 pursuant to the resolution of 12 February 2016.

The declaration of insolvency entailed the interruption of the principal activity that the company had been carrying on until that time (the construction of infrastructure). Currently, the company only takes actions that are strictly necessary to defend its rights against third parties in relation to the claims filed and to continue with the normal development of the insolvency proceedings.

On 16 August 2016, the initiation of the ordinary voluntary insolvency proceedings of Cercanías Móstoles Navacarnero, 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 Navacarnero, S.A., opening the liquidation phase, declaring the dissolution of the company, the removal of its directors and their substitution by the insolvency managers.

On 20 June 2017, as a result of the aforementioned imposition of the penalty on the company, 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 filing an appeal for judicial review, the High Court of Madrid resolved to stay the court proceeding due to a preliminary point of law until a decision had been 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 adversary process. 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. The complete administrative dossier, which is required to submit this appeal, has not yet been received.

Lastly, on 2 November 2017 Madrid Commercial Court No. 1 approved the company's liquidation plan as part of the aforementioned insolvency proceedings.

In line with the situation described above, the Group 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.

Construction

- In 2014 the Parent 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.

At the end of 2015 a partial award was handed down on the existence or otherwise of an agreement to novate the construction contract, in relation to which the company reached the conclusion that although there was an agreement, it lacked certain formalities required under Qatari legislation for it to be considered legally enforceable by the parties.

Subsequent to the aforementioned partial award, the arbitration process continued to consider the legality or illegality of the termination of the contract and the economic and financial consequences thereof. The amount of the claim is estimated to stand within a range of between EUR 270 million and EUR 376 million, with the inclusion of EUR 98 million relating to the incorrect enforcement of guarantees in both cases.

At the reporting date, the proceeding was ongoing and no developments worthy of note had occurred.

- **OHL Construction Canada and Fomento de Construcciones y Contratas Canada Limited Partnership (owned 50% by OHL Canada and 50% by FCC Canada Limited Partnership), (OHL - FCC LLP)**, filed a court claim against the customer -the Toronto Transit Commission (TTC)- at the Ontario courts on 5 May 2014. OHL - FCC LLP claimed an amount estimated at CAD 205.0 million (EUR 138,654 thousand) in this proceeding, which may be modified in the course of the proceeding. TTC filed a defence and counterclaim for CAD 40.7 million (EUR 27,528 thousand). The proceeding is stayed by court order and will resume once OHL - FCC LLP issues to the customer the last invoice arising from the arrangement.

At the date of these consolidated financial statements, the proceeding is still stayed.

- 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. A request for compensation for the losses caused by the State of Kuwait has been submitted to the tribunal.

A group of external consultants has been engaged to assess the economic compensation to which the claimants are entitled. The definitive outcome of this assessment will become known in the phase to submit and take evidence of the arbitration. The tribunal rejected the injunctive measures requested by the parties.

- On 12 May 2017, **Judlau Contracting Inc.** (a US company fully 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 132^a 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).
- 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 341.0 million).

Industrial

- **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. Once the respective lists of claims had been submitted by the two parties, the amounts claimed were specified. SAPI specified its initial application, requesting confirmation of the legality of the termination of the construction contract and the payment of USD 6.6 million (EUR 5.36 million) for invoices not paid by CYDSA. The latter submitted a counterclaim against SAPI, claiming a total amount of approximately USD 162 million (EUR 130.5 million) for various items.

These arbitration proceedings are expected to conclude in 2019.

- **OHL Industrial, S.L.U.** filed a claim at the International Chamber of Commerce (ICC) of New York against **Energía Limpia de Guatemala, S.A. (ELGUA)** for a final total of USD 19.8 million (EUR 10.5 million) for costs incurred and a 455-day overrun of the deadline in the **Xacbal Delta Hydroelectric Facility** project, arising from access being blocked by indigenous communities and problems caused by the geological conditions of the land and changes in the location of certain key construction items.

Also, ELGUA submitted a counterclaim for USD 27.0 million in connection with penalties (EUR 23.7 million).

The resolution of the arbitration proceedings is expected in 2018.

In addition to the aforementioned litigation in which each division is involved, 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.

The Group has recognised sufficient provisions for the purpose of meeting any adverse economic effects that might arise.

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 2017.

4.6.2.6 OHL México - Investigations

The current status of the various litigation and investigations initiated concerning OHL México, S.A.B de C.V. ("OHL México") and its subsidiaries can be summarised as follows:

- 1) **Litigation relating to Concesionaria Mexiquense, S.A. de C.V. ("ConMex"):** on 20 November 2015, ConMex, as an interested third party, was informed of a claim for protection brought by Tecnología Aplicada Infraiber, S.A. ("Infraiber") against Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México (SAASCAEM), claiming the invalidity of the Sixth Amendment to the Concession Arrangement and the effectiveness of the provision in Infraiber's favour in the Fifth Amendment thereto.

Although at the date of these consolidated financial statements no ruling has been handed down in relation to the matters at issue, based on the actions taken in the court proceeding and the legal opinions of its external advisers, the Group considers that no significant effects should arise as a result of the final decision handed down in relation to the litigation initiated, in which the OHL México Group companies are not involved.

Official internal investigations launched by the Mexican Government (State Comptroller): The State Comptroller is conducting an internal investigation into the activities of SAASCAEM in relation to the awards of certain concessions. Neither OHL México nor its subsidiaries are the subject of the investigation. At the reporting date, the Parent is not aware of whether the aforementioned investigation has officially come to an end. Although the Group cannot foresee the final outcome of this investigation, in which none of the companies that form part of the OHL México Group are involved, it considers that the final outcome thereof should not give rise to adverse economic effects.

- 2) **Official internal investigations opened by the Secretariat of the Civil Service of the Government of the Republic of Mexico:** the Secretariat of the Mexican Civil Service is conducting an investigation into the Secretariat of Communications and Transport (SCT) in relation to the award procedure and execution of the concession arrangement for the Amozoc-Perote toll road and the Atizapán-Atlacomulco toll road. Neither OHL México nor its subsidiaries are the subject of the investigation.

Although the Group cannot foresee the final outcome of these investigations, it considers that the final outcome thereof, in which the OHL México Group companies are not involved, should not give rise to adverse economic effects.

- 3) **Official investigations initiated by the Mexican National Banking and Securities Commission (CNBV):** on 23 October 2015 various official letters were received notifying OHL México, S.A.B de C.V., Organización de Proyectos de Infraestructuras, S.A.P.I. de C.V. (OPI), Concesionaria Mexiquense, S.A. de C.V. and certain employees and former employees thereof of the possible commission of various violations relating mainly to:

- The accounting treatment under IFRSs of guaranteed minimum revenue concession arrangements.
- The lack of information disclosed to the market on the existence of certain deviations in toll road traffic.
- The recognition of certain transactions without adequate supporting information.
- Related party transactions.

As a result of these investigations, the CNBV declared the inexistence of any prosecutable actions pursuant to criminal law, but, since it also declared the existence of certain administrative inaccuracies, imposed penalties of MXN 71.7 million (EUR 3.7 million) on various Mexican subsidiaries in 2016.

On 17 February 2017, a document was submitted to the CNBV informing it of the manner in which the investment in concessions and the return on them would be recognised, taking into account the economic nature thereof and the terms and conditions established in the concession arrangements and the laws applicable thereto, pursuant to IFRIC 12.

On 21 February 2017, the Commission acknowledged receipt of the monitoring document; however, at the reporting date, no additional communication had been issued by the CNBV on this matter.

With respect to the recognition of the guaranteed minimum revenue in the consolidated financial statements of the OHL Group, taking into account all the aforementioned matters (i.e. unqualified auditor's reports by Deloitte, specific reports from the other leading global audit firms concurring with OHL's interpretation, and the response to the CNMV's request), the OHL Group continues to apply the same accounting treatment used in the consolidated financial statements for 2016. This investment forms part of the Group's discontinued operations, which must be taken into consideration when reading the consolidated financial statements.


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 2017 and 2016 are as follows:

	Days	
	2017	2016
Average period of payment to suppliers	60	58
Ratio of transactions settled	59	56
Ratio of transactions not yet settled	65	64

	Thousands of euros	
	2017	2016
Total payments made	526,145	608,571
Total payments outstanding	166,117	198,254



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, slightly 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

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 9 May 2017, for 2017 and the following three years and which established annual fixed remuneration for the directors, in their capacity as directors, for attendance at meetings of SIX HUNDRED THOUSAND EUROS (EUR 600,000), with the distribution criteria that the Board of Directors itself approved and which it set for distribution among the independent non-executive directors. In 2017, as in prior years, the non-executive directors did not receive any kind of variable remuneration or 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 2017 by each director. Following is an individualised detail of the remuneration earned by each director in his or her capacity as such in 2017, excluding the remuneration earned for executive functions subsequently disclosed:

	Individual remuneration of the directors in their capacity as directors (in euros)
Juan Villar-Mir de Fuentes (Non-Executive Proprietary)	-
Silvia Villar-Mir de Fuentes (Non-Executive Proprietary)	-
Juan Luis Osuna Gómez (1) (Executive)	-
José Luis Díez García (Non-Executive Independent)	129,000
Mónica de Oriol e Icaza (Non-Executive Independent)	123,000
Reyes Calderón Cuadrado (Non-Executive Independent)	132,000
Manuel Garrido Ruano (Non-Executive Independent)	-
Juan José Nieto Bueso (Non-Executive Independent)	123,000
Juan Antonio Santamera Sánchez (Non-Executive Proprietary)	-
Ignacio Moreno Sánchez (Non-Executive Independent)	93,000
Álvaro Villar-Mir de Fuentes (Non-Executive Proprietary)	-
Javier Goñi del Cacho (Non-Executive Proprietary)	-
Tomás García Madrid (2) (Executive)	-
TOTAL	600,000

(1) Appointed 25 October 2017

(2) Resigned 25 October 2017

In 2017 the executive directors earned total remuneration of EUR 12,365 thousand for the performance of their executive duties (2016: EUR 6,263 thousand), including the amount earned by the then CEO of the Parent until 25 October 2017, Tomás García Madrid, as express economic compensation for post-contractual non-competition amounting to EUR 6,022 thousand, EUR 11 thousand (2016: EUR 12 thousand) for other benefits relating to life insurance policies and EUR 283 thousand in employee welfare plan contributions (2016: EUR 132 thousand).

No advances or loans have been granted to the Board members.

Remuneration of senior executives

The remuneration earned by the Company's senior executives in 2017 -excluding those who are also members of the Board of Directors (whose remuneration is detailed above)- amounted to EUR 8,208 thousand (2016: EUR 4,239 thousand), of which EUR 1,904 thousand correspond to variable remuneration (2016: EUR 1,575 thousand).

No advances or loans have been granted to the Parent's senior executives.

Conflicts of interest

At 31 December 2017, 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 2017.

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 2017 and 2016 is as follows:

	Thousands of euros					
	Principal auditor		Other auditors		Total	
	2017	2016	2017	2016	2017	2016
Financial audit services	1,336	1,604	640	1,001	1,976	2,605
Other attest services	222	83	9	18	231	101
Total audit and related services	1,558	1,687	649	1,019	2,207	2,706
Tax counselling services	124	314	43	147	167	461
Other services	656	460	34	32	690	492
Total professional services	780	774	77	179	857	953
Total	2,338	2,461	726	1,198	3,064	3,659

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 in 2017 and 2016 is as follows:

	Thousands of euros					
	Principal auditor		Other auditors		Total	
	2017	2016	2017	2016	2017	2016
Financial audit services	690	603	49	30	739	633
Other attest services	109	207	1	-	110	207
Total audit and related services	799	810	50	30	849	840
Tax counselling services	84	122	6	-	90	122
Other services	26	11	-	4	26	15
Total professional services	110	133	6	4	116	137
Total	909	943	56	34	965	977

"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

The shareholders at the Extraordinary General Meeting Held on 9 January 2018 resolved to reduce the Parent's share capital by EUR 7,326,425.40 by retiring 12,210,709 treasury shares of EUR 0.60 par value each, representing a total of 4.087% of the share capital. Consequently, following the capital reduction the share capital shall amount to EUR 171,928,973.40, represented by 286,548,289 shares of EUR 0.60 par value each.

The capital reduction approved by the shareholders at the Extraordinary General Meeting was recorded in a public deed and filed at the Madrid Mercantile Registry on 6 February 2018.

The shareholders at the aforementioned Extraordinary General Meeting also resolved to approve the transfer of shares representing all the share capital of OHL Concesiones, S.A.U. to Global Infracor Spain, S.L.U. (a company controlled by IFM Investors Pty Ltd.) in connection with the sale agreement entered into by Obrascón Huarte Lain, S.A., OHL Concesiones, S.A.U. and Global Infracor Spain, S.L.U. on 30 November 2017.

The shareholders also resolved to modify the Parent's Directors' Remuneration Policy in force, bringing it in line with the provisions of Article 529 novodecies of the Spanish Limited Liability Companies Law, and to grant extraordinary remuneration of EUR 18 million to the CEO Juan Osuna Gómez for his work and leadership in the process of selling OHL Concesiones, S.A.U.

6.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2.1.). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation at 31 December 2017

Subsidiaries (fully consolidated)

COMPANIES WITH REGISTERED OFFICE IN SPAIN

Concessions (*)

- (1) Euroconcesiones, S.L.
- (1) Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.
- (1) Magenta Infraestructuras, S.L.U.
- (1) OHL Concesiones, S.A.
- (1) OHL Emisiones, S.A.U.
- (1) Pachira, S.L.
- (1) Terminal de Contenedores de Tenerife, S.A.
- (1) Terminal Polivalente Sureste, S.L.
- (1) Terminales Marítimas del Sureste, S.A.
- (1) Tráfico y Transporte Sistemas, S.A.U.

COMPANIES WITH REGISTERED OFFICE ABROAD

Concessions (*)

- (1) 0606 Investments S.a r.l.
- (1) Autopista del Norte, S.A.C.
- (2) Autopista Río Magdalena, S.A.S.
- (1) Autopista Urbana Norte, S.A. de C.V.
- (1) Autovías Concesionadas OHL, S.A. de C.V.
- (1) Concesionaria AT - AT, S.A. de C.V.
- (1) Concesionaria Mexiquense, S.A. de C.V.
- (1) Construcciones Amozoc Perote, S.A. de C.V.
- (1) Grupo Autopistas Nacionales, S.A.
- (1) Latina México, S.A. de C.V.
- (2) OHL Concesiones Argentina, S.A.
- (1) OHL Concesiones Chile, S.A.
- (2) OHL Concesiones Colombia, S.A.S.
- (1) OHL Concesiones Perú, S.A.
- n/a OHL Concessoes Brasil Ltda.
- n/a OHL Infrastructures. Inc.
- (1) OHL Investments, S.A.
- (1) OHL México, S.A.B. de C.V.
- (1) OHL Toluca, S.A. de C.V.
- (1) OPCEM, S.A.P.I. de C.V.
- (1) Operaciones Cerro Valparaíso, SpA
- (1) Operaciones Portuarias Valparaíso, SpA
- (1) Operadora Concesionaria Mexiquense, S.A. de C.V.
- (1) Operadora de Carreteras, S.A.C.
- (1) Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.
- (1) Seconmex Administración, S.A. de C.V.
- (2) Sociedad Concesionaria Nuevo Camino Nogales - Puchuncavi, S.A.
- (1) Sociedad Concesionaria Puente Industrial, S.A.
- (1) Terminal Cerros de Valparaíso, S.A.
- n/a Tráfico y Transporte Sistemas México, S.A. de C.V.
- (1) Viaducto Bicentenario, S.A. de C.V.

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.

Construction

- n/a BNS International, Inc.
- n/a CAC Vero I, LLC
- (2) Community Asphalt Corp.
- (2) Construcciones Colombianas OHL, S.A.S.
- (1) 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.
- (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.
- (2) 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
- (2) OHL Sverige AB
- n/a OHL Uruguay, S.A.
- (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 SK
- (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.
- (2) ZPSV Caña, a.s.
- (2) ZPSV Eood, a.s.
- (1) ZPSV, a.s.
- (1) ZS Bratislava, a.s.

(1) Audited by the principal auditor

(2) Audited by other auditors

n/a Unaudited company

(*) Discontinued operations

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation at 31 December 2017

Subsidiaries (fully consolidated)

COMPANIES WITH REGISTERED OFFICE IN SPAIN	COMPANIES WITH REGISTERED OFFICE ABROAD
Industrial	Industrial
(1) Catalana de Seguretat i Comunicacions, S.L. (1) Chemtrol Proyectos y Sistemas, S.L. n/a Comercial de Materiales de Incendios, S.L. (1) Ecolaire España, S.A. (1) OHL Industrial Mining & Cement, S.A. (1) OHL Industrial, S.L.	(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 n/a OHL Industrial Brasil, Ltda. (1) OHL Industrial Chile, S.A. n/a 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. (1) Sthim Maquinaria de México, S.A. de C.V.
Services	Services
n/a Gizatzen, S.A. (1) OHL Servicios-Ingesan, S.A.U.	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	Other
(1) Avalora Tecnologías de la Información, S.A. (2) Marina Urola, S.A. n/a Tenedora de Participaciones Tecnológicas, S.A.	n/a Elsengrund Bau, GmbH
Development	Development
n/a Obrascon Huarte Lain, Desarrollos, S.L.	(1) Constructora Mayalum Servicios, S.A. de C.V. (1) Constructora Mayalum, S.A. de C.V. (1) Controladora L 4 - 5 Mayakoba, S.A. de C.V. (1) Desarrollo Vivienda MK1, S.A.P.I. de C.V. (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) La Ceiba en Ciudad de Mayakoba, S.A.P.I. de C.V. (1) L 6 Hotel Mayakoba, S. de R.L. de C.V. (1) Lotes 4-5 Hotel Mayakoba, S.A. de C.V. (1) Marina Mayakoba, S.A. de C.V. (1) MKB Real Estate, S.A. de C.V. (1) OHLDLM, S.A. de C.V. (1) Playa 4 - 5 Mayakoba, S.A. de C.V. (1) Villas de Mayakoba, S.A. de C.V. (1) Viveros de Mayakoba, S.A. de C.V.

(1) Audited by the principal auditor

(2) Audited by other auditors

n/a Unaudited company

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation at 31 December 2017

Joint ventures and associates (accounted for using the equity method)

COMPANIES WITH REGISTERED OFFICE IN SPAIN	COMPANIES WITH REGISTERED OFFICE ABROAD
Concessions (*)	Concessions (*)
(1) Sestibalsa Alicante, S.A., de Gestión de Estibadores Portuarios	(1) Admra. Mexiquense del Aeropuerto Intl. de Toluca, S.A. de C.V. (1) Constructora Libramiento Elevado de Puebla, S.A. de C.V. (1) Controladora Vía Rápida Poetas, S.A.P.I. de C.V. (1) Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V. (1) Libramiento Elevado de Puebla, S.A. de C.V. (2) Operadora AVO, S.A. (1) Operadora Libramiento Elevado Puebla, S.A. de C.V. (1) Operadora Vía Rápida Poetas, S.A.P.I. de C.V. (1) Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. (1) Servicios Administrativos Mexiquenses del Aeropuerto Internacional de (2) Sociedad Concesionaria Vespucio Oriente, S.A.
Construction	Construction
n/a Navarra Gestión del Agua, S.A. (1) Nuevo Hospital de Burgos, S.A. n/a Nuevo Hospital de Toledo, S.A.	(2) Health Montreal Collective CJV L.P. (1) Health Montreal Collective Limited Partnership (2) Obalovna Boskovic, 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	Industrial
(1) Arenales Solar PS, S.L.	(1) Proyecto CCC Empalme I, S.A.P.I. de C.V. (2) Refinería Madero Tamaulipas, S.A.P.I. de C.V.
Other	Other
(2) Nova Dársena Esportiva de Bara, S.A.	
Development	Development
n/a Alse Park, S.L. n/a Espacio-OHLD Proyectos Singulares, S.L. (1) Proyecto Canalejas Group, S.L.	n/a 57 Whitehall Holdings Limited n/a 57 Whitehall Holdings S.A.R.L. (1) FHP Villas Lote 2, 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

APPENDIX II OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2017

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Concessions (*)		
0606 Investments S.a.r.l. Admra. Mexiquense del Aeropuerto Intl. de Toluca, S.A. de C.V. Autopista del Norte, S.A.C. Autopista Rio Magdalena, S.A.S. Autopista Urbana Norte, S.A. de C.V. Autovías Concesionadas OHL, S.A. de C.V.	15, Rue Edward Steichen, L-2540, Luxembourg Aeropuerto Internacional Ciudad de Toluca, C.P. 50226 San Pedro Totoltepec, Estado de México, Mexico Avda. 28 de Julio. no. 150 (Piso 4 oficina 401) Lima- Lima, Miraflores C/CR17 93 09 OF 703 704, Bogotá D.C. Colombia Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Issue of shares and of debt instruments of any kind Construction and operation of Toluca Airport (Mexico) Road construction and operation Toll road concession, Magdalena River, Colombia Road construction and operation Road construction and operation
Concesionaria AT - AT, S.A. de C.V. Concesionaria Mexiquense, S.A. de C.V. Construcciones Amozoc Perote, S.A. de C.V. Constructora Libramiento Elevado de Puebla, S.A. de C.V. Controladora Vía Rápida Poetas, S.A.P.I. de C.V. Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V. Euroconcesiones, S.L. Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A. Grupo Autopistas Nacionales, S.A. Latina México S.A. de C.V. Libramiento Elevado de Puebla, S.A. de C.V. Magenta Infraestructura, S.L. OHL Concesiones Argentina, S.A. OHL Concesiones Chile, S.A. OHL Concesiones Colombia, S.A.S. OHL Concesiones Perú, S.A. OHL Concesiones, S.A. OHL Concessoes Brasil Ltda OHL Emisiones, S.A. OHL Infraestructures. Inc. OHL Investments, S.A. OHL México, S.A.B. de C.V. OHL Toluca, S.A. de C.V. OPCEM, S.A.P.I. de C.V. Operaciones Cerro Valparaíso, SpA Operaciones Portuarias Valparaíso, SpA Operadora AVO, S.A. Operadora Concesionaria Mexiquense, S.A. de C.V. Operadora de Carreteras, S.A.C. Operadora Libramiento Elevado Puebla, S.A. de C.V. Operadora Vía Rápida Poetas, S.A.P.I. de C.V. Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. Pachira, S.L. Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. Seconmex Administración, S.A. de C.V. Sestibalsa Alicante, S.A., de Gestión de Estibadores Portuarios Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A. Sociedad Concesionaria Puente Industrial, S.A. Sociedad Concesionaria Vespucio Oriente, S.A. Terminal Cerros de Valparaíso, S.A. Terminal de Contenedores de Tenerife, S.A. Terminal Polivalente Sureste, S.L. Terminales Marítimas del Sureste, S.A. Tráfico y Transporte Sistemas, S.A.U. Viaducto Bicentenario, S.A. de C.V.	Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Autopista Circuito Exterior Mexiquense Km 39 Caseta T-2, Col. San Cristóbal, 55024 Ecatepec de Morelos, Mexico. Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Lateral de la autopista México-Toluca no. 1235, Piso 3, oficina 302, Colonia Santa Fe Cuajimalpa, Delegación Cuajimalpa, Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City 05349 Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City 05349 Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Lateral de la autopista México-Toluca no. 1235, Piso 3, oficina 302, Colonia Santa Fe Cuajimalpa, Delegación Cuajimalpa, Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) CL/ Avenida Córdoba 632 - Piso 7, C1054AA5, Ciudad Autónoma Buenos Aires C/ Cerro El Plomo, no. 5855 Piso 16. Las Condes Oficina 1607 y 1608 (Santiago de Chile) C/CR17 93 09 OF 703 704, Bogotá D.C. Colombia Avda. 28 de Julio. no. 150 (Piso 4 oficina 401) Lima- Lima, Miraflores Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) Avda. Angélica 2,491, Planta 19, Conj. 192.01227-200 São Paulo Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) 555 Theodore Fremd Ave, Suite B 201 RYE. 10580 New York 15, Rue Edward Steichen, L-2540, Luxembourg Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 CL/ Avenida Errazuriz 755 Oficina 708-B, Valparaíso. Chile Avda. Errazuriz 755 Oficina 708-B. Valparaíso. Chile C/ Presidente Riesco no. 5711, OF. 802, Las Condes, 001 Santiago de Chile Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. del Pacífico no. 360 Urb. Buenos Aires Ancash - Santa - Nuevo Chimbote, Peru Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City 05349 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City 05349 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 C/ Muelle de Poniente, 11. 03003 Alicante C/ Cerro El Plomo, no. 5855 Oficina 1607.001. Las Condes (Santiago de Chile) C/ Cerro El Plomo, no. 5855 Piso 16. Las Condes Oficina 1607 y 1608 (Santiago de Chile) C/ Presidente Riesco no. 5711, OF. 802, Las Condes, 001 Santiago de Chile Avda. Errazuriz 755 Oficina 708-B. Valparaíso. Chile Nueva Terminal del Dique del Este Vía de Servicio, s/n 38180. S.C.T. Av/ Prolongación Sur Puerto de Alicante, muelle 23 (Buzón 41) 03008 Alicante Av/ Prolongación Sur Puerto de Alicante, muelle 23 (Buzón 41) 03008 Alicante Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) C/ 4 no. 25, Local 2 and C. Col Industrial Alce Blanco Municipio Naucalpan de Juárez, 53370	Road construction, operation and maintenance in Mexico Concession and operation of the Mexico City outer ring road Road construction, operation and maintenance in Mexico Road maintenance and repair Road construction and operation Road maintenance and repair Operation of concessions Concession and operation of M-45 road (Madrid) Road construction, operation and maintenance in Mexico Road maintenance and repair Road construction, operation and maintenance in Mexico Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Issue of shares and of debt instruments of any kind Financial studies Issue of shares and of debt instruments of any kind Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Construction and operation of toll road in Chile Operation of concessions Operation of concessions Loading and unloading of vessels Port terminal operation Port terminal operation Research and development of new technologies Road construction and operation

(*) Discontinued Operations

APPENDIX II
OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2017

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
BNS International, Inc.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 US	Construction
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 Conpax OHL-VALKO, S.A.	Palacio Riesco No. 4583, Comuna De Huechuraba, Santiago de Chile	Construction
Construcciones Adolfo Sobrino, S.A.	Gran Vía de Don Diego López de Haro, 33 - 4º 48009 Bilbao	Construction
Construcciones Colombianas OHL, S.A.S.	Cra. 17 No. 93-09 Piso 8 Edificio Ecotower (Colombia)	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	Sultan Road (North) // Ahmed Al-Hamoodi St (Al Naeem District 4) - Building 8, 4th floor - Jeddah. Saudi Arabia	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 México Instalaciones, S.A. de C.V.	Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	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
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.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	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 (Saudi Arabia)	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 Partnership	5945 Airport Road, N.144, Mississagua. Ontario. L4V1R9	Construction
OHL Construction Canada, Inc.	1440 Ste Catherine Quest, Suite 410, Montreal, Quebec H3G1RS	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	Level 21, 110 Mary Street - Brisbane QLD 4000, Australia	Construction
OHL Finance, S.à.r.l.	14 rue Edward Steichen, L - 2540, Luxembourg	Management
OHL Health Montreal (Holding) Inc.	1440 St Catherine West, Suite 500 Montreal, Quebec H3G1R8	Construction
OHL Health Montreal (Partner) Inc.	1440 St Catherine West, Suite 500 Montreal, Quebec H3G1R8	Construction
OHL Ireland Construction and Engineering Limited	88 Harcourt Street, Dublin 2, D02 DK18. Ireland	Construction
OHL Sverige AB	C/O Baker & Mckenzie Advokatbyrå KB BOX 180 101 23. Stockholm. Sweden	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	Construction
OHL ZS, a.s.	Burešova 938/17, Veveří, 602 00, Brno	Construction
OHL-FCC North Tunnels Canada INC	5945 Airport Road, N.144, Mississagua. Ontario. 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

APPENDIX II OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2017

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Sawgrass Rock Quarry, Inc. Servicios Administrativos TMT, S.A. de C.V. Sociedad Concesionaria Aguas de Navarra, S.A. Sociedad Concesionaria Centro de Justicia de Santiago, S.A. Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V. Tomi Remont, a.s. ZPSV Caňa, a.s. ZPSV Eood, a.s. ZPSV, a.s. ZS Bratislava, a.s.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 US Avda. Paseo de la Reforma, no. 383, Piso 8, Colonia Cuauhtemoc, Delegación Cuauhtemoc, Mexico City 06500 Camino Labiano, no. 45, 1ª derecha (31.192 - Mutilva) Navarre Av Manuel Rodríguez Sur 2281, Santiago de Chile Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 C/ Premyslovka c.p. 2514/4, PSC 796 01 (Prostejov - Czech Republic) C/ Osloboditeľov 127, 044 14 (Caňa - Slovak Republic) 9000 Varna, 45 "Al.Dyakovich" Str. Office No 40. Bulgaria C/ Trebizskeho 207, 687 24 (Uhersky Ostroh - Czech Republic) Tuhovska 29 (Bratislava - Slovak Republic)	Construction Construction Operation of concessions Construction Construction Construction Construction Construction Construction
Industrial		
Arenales Solar PS, S.L. Catalana de Seguretat i Comunicacions, S.L. Chemtrol Proyectos y Sistemas, S.L. Cogeneración Complejo Pajaritos, S.A.P.I. de C.V. Comercial de Materiales de Incendios, S.L. Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA Ecolaire España, S.A. Estación Rebombeo Degollado, S.A.P.I. de C.V. Hidro Parsifal, S.A. de C.V. Hidrógeno Cadereyta, S.A.P.I. de C.V. IEPI México, S.A. de C.V. OHL Industrial and Partners, LLC OHL Industrial Brasil, Ltda. OHL Industrial Chile, S.A. OHL Industrial Colombia, S.A.S. OHL Industrial Delegación Guatemala, S.A. OHL Industrial Mining & Cement, S.A. OHL Industrial Perú, S.A.C. OHL Industrial, S.L. Proyecto CCC Empalme I, S.A.P.I. de C.V. Refinería Madero Tamaulipas, S.A.P.I. de C.V. Sthim Maquinaria de México, S.A. de C.V.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) C/ Laurea Miro 401, nave 8, Sant Feliu de Llobregat C/ Arturo Soria 343 (28033 Madrid) Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Pg. EL Rincón Nave 44-45, 21007 Huelva Los Militares 6191, Piso 8. Las Condes. Santiago de Chile. Chile C/ Arturo Soria 343 (28033 Madrid) Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Muscat, Governorate Muscat 112 Rua Joel Jorge de Melo, 713 - Sala 4 Itaim Bibi, CEP 04128-081, São Paulo, SP, Brazil Los Militares 6191, Piso 8. Las Condes. Santiago de Chile. Chile Cra 17 No. 93-09 Oficina 702. Edificio Ecotower 13 Calle 3-40 zona 10 Edificio Atlantis nivel 13, oficina 1304 C/ Arturo Soria 343 (28033 Madrid) Av. 28 de Julio, no. 150, piso 8, Miraflores - Lima, Peru Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid) Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600 Juan Racine No. 112, Piso 10. Colonia Los Morales. Delegación Miguel Hidalgo. Mexico City C.P. 11510 Hamburgo 213, Piso 7, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06600	Construction and operation of a fossil-fuel power plant Installation and maintenance of security and fire safety systems Installation and maintenance of security and fire safety systems Industrial engineering and maintenance at industrial plants Installation and maintenance of security and fire safety systems Execution of HVAC projects Design and performance of industrial engineering projects Industrial engineering for a repumping station Civil engineering construction Civil engineering construction Industrial engineering and maintenance at industrial plants Industrial engineering and maintenance at industrial plants Industrial engineering and maintenance at industrial plants Engineering works, technical advisory services, water treatment and Industrial engineering and maintenance at industrial plants Industrial engineering and maintenance at industrial plants Industrial engineering and maintenance at industrial plants Construction of industrial plants in the mining and cement, oil and Industrial engineering and maintenance at industrial plants Development of a fossil-fuel power plant Industrial engineering for a refinery Administration consultancy services
Services		
Gizatzen, S.A. Ingesan Chile, SpA Ingesan Servicios México S.A. de C.V. OHL Servicios-Ingesan, S.A.U.	C/Gran Vía Don Diego López de Haro, no. 33 5º 48009 Bilbao (Bizkaia) C/ Rosario Norte no. 100 Dpto. 804 - Las Condes. Santiago de Chile. Chile Hamburgo 213, Piso 9, Colonia Juárez, Delegación Cuauhtemoc, Mexico City 06601 Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Building maintenance and upkeep Building maintenance and upkeep Building maintenance and upkeep Building maintenance and upkeep

APPENDIX II
OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2017

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Other		
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
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
Altos de Ciudad 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
Constructora Mayalum, 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
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
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 - OHL D 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
FHP Villas Lote 2, 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
Fideicomiso Desarrollo OV CIB/2185	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77710	Construction of housing
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
L6 Hotel Mayakoba, S.R.L. de C.V.	Carretera Federal Chetumal-Puerto Juárez KM 298 Ent. Hotel Capitán Lafitte Playa del Carmen Solidaridad CP 77712	Operation of hotels and leisure centres
La Ceiba DCM, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77711	Real estate project development
La Ceiba en Ciudad de Mayakoba, 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
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
Marina 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
Mayakoba Country Club, S.A. de C.V.	Carretera Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, Mexico C.P. 77712	Real estate project development
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
Obrascón Huarte Lain, Desarrollos, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	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
Proyecto Canalejas Group, S.L.	Torre Espacio, Pº de la Castellana no. 259 D (28046 Madrid)	Operation of hotels and leisure centres
Villas de 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
Viveros de 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
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

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2017

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2017	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												
Fully consolidated companies															
Agrupación Guinovart Obras y Servicios Hispania, S.A.	100.00	-	100.00	30,050	-	72,501	4,225	-	106,776	-	106,776	-	106,776	106,776	69,056
Asfaltos y Construcciones Elsan, S.A.	100.00	-	100.00	7,603	-	(322)	1,265	-	8,546	-	8,546	5,000	13,546	13,546	13,940
Avalora Tecnologías de la Información, S.A.	-	100.00	100.00	455	-	6,312	31	-	6,798	-	6,798	-	6,798	6,798	12,407
BNS International, Inc.	-	100.00	100.00	3	-	(1,070)	(350)	-	(1,417)	-	(1,417)	-	(1,417)	(1,417)	-
CAC Vero I, LLC	-	100.00	100.00	2,918	-	534	64	-	3,516	-	3,516	-	3,516	3,516	2,918
Catalana de Seguretat i Comunicacions, S.L.	-	100.00	100.00	180	-	(7,252)	(6,277)	-	(13,349)	-	(13,349)	14,500	1,151	1,151	721
Chemtrol Proyectos y Sistemas, S.L.	-	100.00	100.00	630	-	(4,359)	(6,718)	-	(10,447)	-	(10,447)	11,000	553	553	180
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	-	50.00	50.00	6	-	(3,439)	4,333	-	900	-	900	-	900	450	4
Comercial de Materiales de Incendios, S.L.	-	100.00	100.00	161	-	(2,406)	(844)	-	(3,089)	-	(3,089)	3,350	261	261	196
Community Asphalt Corp.	6.50	93.50	100.00	2	-	62,341	(2,157)	-	60,186	-	60,186	-	60,186	60,186	154,332
Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA	-	100.00	100.00	1	-	114	(1,440)	-	(1,325)	-	(1,325)	-	(1,325)	(1,325)	1
Construcciones Adolfo Sobrino, S.A.	100.00	-	100.00	1,520	-	11,894	1,819	-	15,233	-	15,233	-	15,233	15,233	18,641
Construcciones Colombianas OHL, S.A.S.	30.00	70.00	100.00	79	-	2,042	4,015	-	6,136	-	6,136	-	6,136	6,136	104
Constructora de Proyectos Viales de México, S.A. de C.V.	-	100.00	100.00	2,115	-	103,487	12,946	-	118,548	-	118,548	-	118,548	118,548	4,453
Constructora e Inmobiliaria Huarte Ltda.	89.90	10.10	100.00	705	-	(173)	(27)	-	505	-	505	-	505	505	999
Constructora Mayalum Servicios, S.A. de C.V.	-	100.00	100.00	2	-	61	(16)	-	47	-	47	-	47	47	15
Constructora Mayalum, S.A. de C.V.	-	100.00	100.00	3,457	-	391	24	-	3,872	-	3,872	-	3,872	3,872	3,050
Constructora TP, S.A.C.	-	100.00	100.00	2,575	-	126	353	-	3,054	-	3,054	-	3,054	3,054	5,359
Controladora L 4 - 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	4,834	-	(28)	(4)	-	4,802	-	4,802	-	4,802	4,802	729
Desarrollo Vivienda MK1, S.A.P.I. de C.V.	-	100.00	100.00	7,195	-	(486)	(863)	-	5,846	-	5,846	-	5,846	5,846	13,017
E y M Arabia, LLC	-	100.00	100.00	111	-	18,006	2,110	-	20,227	-	20,227	-	20,227	20,227	102
Ecolaire España, S.A.	-	100.00	100.00	905	-	(20,296)	(626)	-	(20,017)	-	(20,017)	22,000	1,983	1,983	1,753
Empresa Constructora Huarte San José, Ltda.	95.00	5.00	100.00	18	(17)	217	(1)	-	217	-	217	-	217	217	12
Estación Rebombeco Degollado, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(2,134)	142	-	(1,992)	-	(1,992)	-	(1,992)	(996)	-
EyM Instalaciones, S.A.	-	100.00	100.00	601	-	5,080	(1,604)	-	4,077	-	4,077	-	4,077	4,077	4,490
EYM México Instalaciones, S.A. de C.V.	-	100.00	100.00	13	-	(59)	346	-	300	-	300	-	300	300	14
Gastronómica Santa Fé, S.A. de C.V.	-	100.00	100.00	4,664	-	1,207	(313)	-	5,558	-	5,558	-	5,558	5,558	3,388
Gizatzen, S.A.	-	100.00	100.00	60	(45)	-	-	-	15	-	15	-	15	15	15
Hidro Parsifal, S.A. de C.V.	-	79.66	79.66	33	-	(4,080)	(280)	-	(4,327)	-	(4,327)	-	(4,327)	(3,447)	-
Hidrógeno Cadereyta, S.A.P.I. de C.V.	-	53.90	53.90	-	-	1,645	(344)	-	1,301	-	1,301	-	1,301	701	-
Huanibe, S.A. de C.V.	-	100.00	100.00	63,989	-	(39,412)	(256)	-	24,321	-	24,321	-	24,321	24,321	34,908
Huaribe Servicios, S.A. de C.V.	-	100.00	100.00	2	-	490	585	-	1,077	-	1,077	-	1,077	1,077	854
IEPI México, S.A. de C.V.	-	100.00	100.00	968	-	7,073	(335)	-	7,706	-	7,706	-	7,706	7,706	1,300
Ingesan Servicios México S.A. de C.V.	-	100.00	100.00	120	-	(587)	(800)	-	(1,267)	-	(1,267)	-	(1,267)	(1,267)	132
Josefa Valcárcel 42, S.A.	100.00	-	100.00	69	-	(963)	-	-	(894)	-	(894)	962	68	68	320
Judlau Contracting, Inc.	-	100.00	100.00	22	-	88,060	9,546	-	97,628	-	97,628	-	97,628	97,628	152,109
L 6 Hotel Mayakoba, S. de R.L. de C.V.	30.35	69.65	100.00	25,684	-	(20,984)	(74)	-	4,626	-	4,626	-	4,626	4,626	7,991
Lotes 4-5 Hotel Mayakoba, S.A. de C.V.	-	100.00	100.00	3,005	-	(8,592)	92	-	(5,495)	-	(5,495)	-	(5,495)	(5,495)	3,005
Marina Mayakoba, S.A. de C.V.	-	100.00	100.00	729	-	(133)	65	-	661	-	661	-	661	661	628
Marina Urola, S.A.	25.50	25.50	51.00	503	-	716	(14)	-	1,205	-	1,205	-	1,205	615	460
MKB Real Estate, S.A. de C.V.	-	100.00	100.00	472	-	161	216	-	849	-	849	-	849	849	1,455
Obrascón Huarte Lain, Construcción Internacional, S.L.	100.00	-	100.00	41,830	-	(6,982)	(63,226)	-	(28,378)	-	(28,378)	-	(28,378)	(28,378)	134,895
Obrascón Huarte Lain, Desarrollos, S.L.	100.00	-	100.00	80,334	-	227,980	(45,115)	-	263,199	-	263,199	-	263,199	263,199	379,136
OHL Andina, S.A.	99.00	1.00	100.00	3,153	-	22,040	(1,696)	-	23,497	-	23,497	-	23,497	23,497	3,286
OHL Arabia, LLC	95.00	5.00	100.00	111	-	25,083	(7,817)	-	17,377	-	17,377	-	17,377	17,377	105
OHL Arellano Construction Company	-	100.00	100.00	1	-	10,977	(1,809)	-	9,169	-	9,169	-	9,169	9,169	57,827
OHL Austral, S.A.	-	100.00	100.00	14,018	-	(208)	12,032	-	25,842	-	25,842	-	25,842	25,842	5,450
OHL Brasil, S.A.	1.00	99.00	100.00	325	-	(200)	(8)	-	117	-	117	-	117	117	117
OHL Building, Inc.	-	100.00	100.00	1	-	13,835	(10,549)	-	3,287	-	3,287	-	3,287	3,287	43,988
OHL Central Europe, a.s.	-	100.00	100.00	19,619	-	145,185	(119,455)	-	45,349	-	45,349	-	45,349	45,349	78,602
OHL Colombia, S.A.S.	-	100.00	100.00	104	-	629	(2,217)	-	(1,484)	-	(1,484)	-	(1,484)	(1,484)	10,537
OHL Construction Canada, Inc.	-	100.00	100.00	31,122	-	(17,211)	(28,372)	-	(14,461)	-	(14,461)	-	(14,461)	(14,461)	32,566

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 2017

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2017	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												
OHL Construction India Private Limited	1.00	99.00	100.00	487	-	(79)	(384)	-	24	-	24	-	24	24	24
OHL Construction Pacific Pty. Ltd	100.00	-	100.00	-	-	(7,371)	(2,227)	-	(9,598)	-	(9,598)	-	(9,598)	(9,598)	-
OHL Finance, S.à.r.l.	-	100.00	100.00	2,456	-	29,869	(57)	-	32,268	-	32,268	-	32,268	32,268	(410)
OHL Health Montreal (Holding) Inc.	-	100.00	100.00	-	-	(15)	(3)	-	(18)	-	(18)	-	(18)	(18)	-
OHL Health Montreal (Partner) Inc.	-	100.00	100.00	1,498	-	(15)	(5)	-	1,478	-	1,478	-	1,478	1,478	1,498
OHL Industrial and Partners, LLC	-	70.00	70.00	542	(162)	(9,086)	(9,567)	-	(18,273)	-	(18,273)	-	(18,273)	(12,791)	-
OHL Industrial Brasil, Ltda.	-	100.00	100.00	309	-	(307)	-	-	2	-	2	-	2	2	2
OHL Industrial Chile, S.A.	0.00	100.00	100.00	46,645	-	(42,957)	(2,127)	-	1,561	-	1,561	-	1,561	1,561	235
OHL Industrial Colombia, S.A.S.	-	100.00	100.00	499	-	(462)	(704)	-	(667)	-	(667)	-	(667)	(667)	-
OHL Industrial Delegación Guatemala, S.A.	-	100.00	100.00	1	-	(8,174)	(5,317)	-	(13,490)	-	(13,490)	-	(13,490)	(13,490)	-
OHL Industrial Mining & Cement, S.A.	-	100.00	100.00	1,964	-	(1,867)	890	-	987	-	987	-	987	987	6,983
OHL Industrial Perú, S.A.C.	-	100.00	100.00	4,095	-	(1,828)	70	-	2,337	-	2,337	-	2,337	2,337	2,337
OHL Industrial, S.L.	100.00	-	100.00	47,394	-	(974)	(65,643)	-	(19,223)	-	(19,223)	63,000	43,777	43,777	40,883
OHL Ireland Construction and Engineering Limited	-	100.00	100.00	-	-	-	(58)	-	(58)	-	(58)	-	(58)	(58)	-
OHL Servicios-Ingesan, S.A.U.	100.00	-	100.00	790	-	11,709	412	-	12,911	-	12,911	-	12,911	12,911	1,172
OHL Sverige AB	-	100.00	100.00	5	-	-	(467)	-	(462)	-	(462)	-	(462)	(462)	5
OHL Uruguay, S.A.	100.00	-	100.00	-	-	16	(80)	-	(64)	-	(64)	-	(64)	(64)	-
OHL USA, Inc.	-	100.00	100.00	6,254	-	346,130	3,128	-	355,512	-	355,512	-	355,512	355,512	432,606
OHL ZS MO, S.R.L.	-	98.94	98.94	-	-	(2,146)	2,134	-	(12)	-	(12)	-	(12)	(12)	-
OHL ZS Polska, S.Z.o.o.	-	98.94	98.94	12	-	203	(541)	-	(326)	-	(326)	-	(326)	(323)	-
OHL ZS, a.s.	-	98.94	98.94	33,143	(7)	30,725	(19,828)	-	44,033	(335)	43,698	-	43,698	43,235	498
Playa 4 - 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	1,786	-	(5,448)	15	-	(3,647)	-	(3,647)	-	(3,647)	(3,647)	1,786
Posmar Inversiones 2008, S.L.	-	100.00	100.00	3	-	(1,236)	2	-	(1,231)	-	(1,231)	1,266	35	35	36
Premol, S.A. de C.V.	-	100.00	100.00	44	-	1,608	442	-	2,094	-	2,094	-	2,094	2,094	45
Puerto Logístico Mediterráneo, S.A.	-	100.00	100.00	105	-	(1,335)	7	-	(1,223)	-	(1,223)	1,281	58	58	60
S.A. Trabajos y Obras	100.00	-	100.00	1,854	-	63,937	13,769	-	79,560	-	79,560	-	79,560	79,560	43,347
Sawgrass Rock Quarry, Inc.	-	100.00	100.00	1	-	3,008	84	-	3,093	-	3,093	-	3,093	3,093	9,589
Sociedad Concesionaria Aguas de Navarra, S.A.	65.00	-	65.00	7,370	-	2,765	(273)	-	9,862	(846)	9,016	-	9,016	5,860	4,791
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100.00	-	100.00	14,107	-	7,853	868	-	22,828	-	22,828	-	22,828	22,828	11,245
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	-	100.00	100.00	16,697	-	(16,675)	3,574	-	3,596	-	3,596	-	3,596	3,596	-
OHLDM, S.A. de C.V.	-	100.00	100.00	118,339	-	3	(10,634)	-	107,708	-	107,708	-	107,708	107,708	139,882
Sthim Maquinaria de México, S.A. de C.V.	-	100.00	100.00	2	(2)	(179)	1	-	(178)	-	(178)	-	(178)	(178)	-
Tenedora de Participaciones Tecnológicas, S.A.	100.00	-	100.00	601	-	(34,759)	217	-	(33,941)	-	(33,941)	38,162	4,221	4,221	4,199
Tomi Remont, a.s.	-	98.94	98.94	1,939	-	10,591	322	-	12,852	-	12,852	-	12,852	12,716	7,362
Vacua, S.A.	99.11	0.89	100.00	15,541	-	(14,901)	7	-	647	-	647	-	647	647	604
Villas de Mayakoba, S.A. de C.V.	-	100.00	100.00	2,625	-	(3,655)	3,905	-	2,875	-	2,875	-	2,875	2,875	8,835
Viveros de Mayakoba, S.A. de C.V.	-	100.00	100.00	534	-	(465)	3	-	72	-	72	-	72	72	34
ZPSV Caña, a.s.	-	57.02	57.02	3,564	-	3,450	18	-	7,032	-	7,032	-	7,032	4,010	2,021
ZPSV Eood, a.s.	-	96.75	96.75	1,802	-	(3,356)	(277)	-	(1,831)	-	(1,831)	-	(1,831)	(1,771)	-
ZPSV, a.s.	-	96.75	96.75	23,353	-	20,823	3,219	-	47,395	-	47,395	-	47,395	45,855	17,423
ZS Bratislava, a.s.	-	98.94	98.94	5,398	-	(2,044)	(2,341)	-	1,013	-	1,013	-	1,013	1,002	5,258

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2017

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2017	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												
Companies accounted for using the equity method															
Joint ventures															
Altos de Ciudad Mayakoba, S.A. de C.V.	-	50.00	50.00	2,752	-	-	(33)	-	2,719	-	2,719	-	2,719	1,360	1,376
Consorcio Conpax OHL VALKO, S.A.	-	49.00	49.00	1,355	-	-	3,736	-	5,091	-	5,091	-	5,091	2,495	373
FHP Villas Lote 2, S.A. de C.V.	-	50.00	50.00	5,456	-	(3,177)	1,204	-	3,483	-	3,483	-	3,483	1,742	7,190
Fideicomiso Desarrollo OV CIB/2185	-	50.00	50.00	5,072	-	(345)	(460)	-	4,267	-	4,267	-	4,267	2,134	3,961
Health Montreal Collective CJV L.P.	-	50.00	50.00	1	-	(307,895)	(4,854)	-	(312,748)	-	(312,748)	433,493	120,745	60,373	216,747
La Ceiba DCM, S.A. de C.V.	-	50.00	50.00	1,479	(370)	-	(61)	-	1,048	-	1,048	-	1,048	524	555
Nova Dársena Esportiva de Bara, S.A.	-	50.00	50.00	3,731	-	(6,815)	(183)	-	(3,267)	-	(3,267)	32,006	28,739	14,370	16,003
Novaterra Caribe, S.A.P.I. de C.V.	-	50.00	50.00	5,594	-	(1,263)	4,558	-	8,889	-	8,889	-	8,889	4,445	5,223
OHL Construction Canada and Fomento de Construcciones y Contrat	-	50.00	50.00	1	-	(119,414)	(52,327)	-	(171,740)	-	(171,740)	135,243	(36,497)	(18,249)	67,622
OHL FCC North Tunnels Canadá, Inc.	-	50.00	50.00	-	-	-	(17)	-	(17)	-	(17)	17,006	16,989	8,495	8,503
Proyecto CCC Empalme I, S.A.P.I. de C.V.	-	50.00	50.00	-	-	11,984	(7,963)	-	4,021	-	4,021	-	4,021	2,011	-
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	-	50.00	50.00	-	-	186	(1,857)	-	(1,671)	-	(1,671)	-	(1,671)	(836)	-
Servicios Administrativos TMT, S.A. de C.V.	-	50.00	50.00	-	-	33	43	-	76	-	76	-	76	38	-
Westminster Development Services Limited	-	50.00	50.00	11	-	161	364	-	536	-	536	-	536	268	7
Associates															
57 Whitehall Holdings S.A.R.L.	-	49.00	49.00	28	-	143,658	(224)	-	143,462	-	143,462	-	143,462	70,296	77,512
ALSE Park, S.L.	-	35.00	35.00	4,298	-	9,466	(2,097)	-	11,667	-	11,667	-	11,667	4,083	5,444
Arenales Solar PS, S.L.	-	25.02	25.02	71	-	(44,986)	(11,382)	-	(56,297)	(24,272)	(80,569)	158,110	77,541	19,401	19,401
E.M.V. Alcalá de Henares, S.A.	34.00	-	34.00	1,202	-	4,608	-	-	5,810	-	5,810	-	5,810	1,975	409
Espacio-OHLD Proyectos Singulares, S.L.	-	25.00	25.00	50	-	199	(740)	-	(491)	-	(491)	-	(491)	(123)	12
Health Montreal Collective Limited Partnership	-	25.00	25.00	5,992	-	20,323	1,840	-	28,155	-	28,155	-	28,155	7,039	1,498
Navarra Gestión del Agua, S.A.	30.00	-	30.00	60	-	277	64	-	401	-	401	-	401	120	18
Nuevo Hospital de Burgos, S.A.	20.75	-	20.75	55,033	-	(53,264)	(5,554)	-	(3,785)	-	(3,785)	-	(3,785)	(785)	11,420
Nuevo Hospital de Toledo, S.A.	33.34	-	33.34	23,803	(12,625)	162	26	-	11,366	(8,629)	2,737	-	2,737	913	3,726
Obalovna Boskovice, s.r.o.	-	44.52	44.52	1,492	-	-	218	-	1,710	-	1,710	-	1,710	761	555
Proyecto Canalejas Group, S.L.	-	17.50	17.50	71,670	-	265,825	(11)	-	337,484	-	337,484	-	337,484	59,060	46,655

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2017

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for 2017	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															
0606 Investments S.a r.l.	-	100.00	100.00	150	-	217	(6,515)	-	(6,148)	-	(6,148)	-	(6,148)	(6,148)	150
Autopista del Norte, S.A.C.	-	100.00	100.00	73,153	-	41,728	6,939	-	121,820	(1,451)	120,369	-	120,369	120,369	73,189
Autopista Rio Magdalena, S.A.S.	-	100.00	100.00	703	-	45,558	4,578	-	50,839	-	50,839	-	50,839	50,839	47,277
Autopista Urbana Norte, S.A. de C.V.	-	56.85	56.85	221,245	-	335,417	134,524	-	691,186	2,988	694,174	-	694,174	394,638	125,778
Autovías Concesionadas OHL, S.A. de C.V.	-	56.85	56.85	22,434	-	425	4,774	-	27,633	-	27,633	-	27,633	15,709	12,754
Concesionaria AT - AT, S.A. de C.V.	-	56.85	56.85	192,129	-	-	-	-	192,129	-	192,129	-	192,129	109,225	109,225
* Concesionaria Mexiquense, S.A. de C.V.	-	28.99	28.99	235,798	-	1,116,992	277,492	-	1,630,282	7,002	1,637,284	-	1,637,284	474,649	75,041
* Construcciones Amozoc Perote, S.A. de C.V.	-	39.33	39.33	2	-	530	2,502	-	3,034	-	3,034	-	3,034	1,193	43
Euroconcesiones, S.L.	-	100.00	100.00	3,641	-	366	484	-	4,491	(11,082)	(6,591)	-	(6,591)	(6,591)	3,641
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	-	100.00	100.00	22,697	-	17,388	5,696	-	45,781	-	45,781	-	45,781	45,781	23,075
* Grupo Autopistas Nacionales, S.A.	-	39.33	39.33	14,581	-	7,853	5,100	-	27,534	-	27,534	-	27,534	10,829	9,030
Latina México, S.A. de C.V.	-	56.85	56.85	2	-	4,395	560	-	4,957	-	4,957	-	4,957	2,818	1
Magenta Infraestructura, S.L.	-	58.73	58.73	1,175,782	-	813,374	(13,756)	-	1,975,400	-	1,975,400	-	1,975,400	1,160,152	389,879
OHL Concesiones Argentina, S.A.	10.00	90.00	100.00	403	(375)	(219)	(82)	-	(273)	-	(273)	-	(273)	(273)	-
OHL Concesiones Chile, S.A.	0.00	100.00	100.00	84,266	-	(3,538)	(3,531)	-	77,197	-	77,197	-	77,197	77,197	77,506
OHL Concesiones Colombia, S.A.S.	-	100.00	100.00	337	-	65,490	(1,673)	-	64,154	-	64,154	-	64,154	64,154	79,643
OHL Concesiones Perú, S.A.	-	100.00	100.00	7,868	-	(2,145)	(1,344)	-	4,379	-	4,379	-	4,379	4,379	4,380
OHL Concesiones, S.A.	100.00	-	100.00	167,455	-	1,663,507	330,082	-	2,161,044	-	2,161,044	-	2,161,044	2,161,044	600,078
OHL Concessoes Brasil Ltda.	-	100.00	100.00	5,489	-	(1,965)	(3,289)	-	235	-	235	-	235	235	235
OHL Emisiones, S.A.U.	-	100.00	100.00	60	-	10,743	82,983	(79,513)	14,273	-	14,273	-	14,273	14,273	60
OHL Infrastructures, Inc.	-	100.00	100.00	24,509	-	(23,846)	(2,211)	-	(1,548)	-	(1,548)	-	(1,548)	(1,548)	-
OHL Investments, S.A.	-	100.00	100.00	208,320	-	73,681	128,843	-	410,844	-	410,844	-	410,844	410,844	181,095
OHL México, S.A.B. de C.V.	-	56.85	56.85	648,080	-	637,266	220,602	-	1,505,948	-	1,505,948	-	1,505,948	856,131	321,990
OHL Toluca, S.A. de C.V.	-	56.85	56.85	69,823	(17)	(3,009)	(5)	-	66,792	-	66,792	-	66,792	37,971	43,197
* OPCEM, S.A.P.I. de C.V.	-	28.99	28.99	-	-	1,025	2,645	-	3,670	-	3,670	-	3,670	1,064	-
Operaciones Cerro Valparaíso, SpA	-	100.00	100.00	68	(68)	(4)	(6)	-	(10)	-	(10)	-	(10)	(10)	-
Operaciones Portuarias Valparaíso, SpA	-	100.00	100.00	68	-	(193)	118	-	(7)	-	(7)	-	(7)	(7)	68
Operadora Concesionaria Mexiquense, S.A. de C.V.	-	56.85	56.85	2	-	5,691	5,898	-	11,591	-	11,591	-	11,591	6,589	1
Operadora de Carreteras, S.A.C.	-	100.00	100.00	1,456	-	15	198	(358)	1,311	-	1,311	-	1,311	1,311	1,454
* Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	-	28.99	28.99	224,541	-	(59,128)	(24,800)	-	140,613	-	140,613	-	140,613	40,764	64,011
Pachira, S.L.	-	100.00	100.00	4	-	(628)	(352)	-	(976)	-	(976)	4,866	3,890	3,890	4,866
Secomex Administración, S.A. de C.V.	-	56.85	56.85	2	-	1,996	791	-	2,789	-	2,789	-	2,789	1,586	7
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A.	-	100.00	100.00	34,959	(11,217)	885	2,470	-	27,097	-	27,097	-	27,097	27,097	23,742
Sociedad Concesionaria Puente Industrial, S.A.	-	100.00	100.00	27,958	-	1,097	1,046	-	30,101	-	30,101	-	30,101	30,101	27,959
Terminal Cerros de Valparaíso, S.A.	-	100.00	100.00	37,266	-	4,150	7,043	-	48,459	-	48,459	-	48,459	48,459	37,270
Terminal de Contenedores de Tenerife, S.A.	-	100.00	100.00	22,606	-	(6,187)	444	-	16,863	(926)	15,937	-	15,937	15,937	23,470
Terminal Polivalente Sureste, S.L.	-	100.00	100.00	48	-	(28)	-	-	20	-	20	15	35	35	63
Terminales Marítimas del Sureste, S.A.	-	100.00	100.00	17,820	-	(22,699)	(1,299)	-	(6,178)	(1,110)	(7,288)	40,400	33,112	33,112	62,720
Tráfico y Transporte Sistemas, S.A.U.	-	100.00	100.00	1,350	-	(438)	(476)	-	436	-	436	100	536	536	508
Viaducto Bicentenario, S.A. de C.V.	-	56.85	56.85	344,032	(4,541)	296,125	87,259	-	722,875	-	722,875	-	722,875	410,954	193,001

Companies accounted for using the equity method**Joint ventures**

Constructora Libramiento Elevado de Puebla, S.A. de C.V.	-	28.99	28.99	2	-	20,525	(3,135)	-	17,392	-	17,392	-	17,392	5,042	1
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	-	28.43	28.43	91,713	-	201,055	78,787	-	371,555	-	371,555	-	371,555	105,633	25,744
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	-	28.43	28.43	2	-	3,834	(306)	-	3,530	-	3,530	-	3,530	1,004	1
Libramiento Elevado de Puebla, S.A. de C.V.	-	28.99	28.99	144,527	-	(4,561)	4,805	-	144,771	-	144,771	-	144,771	41,969	41,380
Operadora AVO, S.A.	-	50.00	50.00	27	-	1	-	-	28	-	28	-	28	14	14
Operadora Libramiento Elevado Puebla, S.A. de C.V.	-	28.99	28.99	2	-	(101)	229	-	130	-	130	-	130	38	1
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.	-	28.43	28.43	2	-	1,807	674	-	2,483	-	2,483	-	2,483	706	1
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V.	-	28.43	28.43	2	-	163	34	-	199	-	199	-	199	57	1
Sociedad Concesionaria Vespucio Oriente, S.A.	-	50.00	50.00	121,953	(71,332)	2,981	3,670	-	57,272	-	57,272	-	57,272	28,636	61,783

Associates

Administradora Mexiquense del Aeropuerto Internacional de Toluca, S	-	27.86	27.86	92,150	-	32,187	11,373	-	135,710	-	135,710	-	135,710	37,809	37,497
Sestibalsa Alicante, S.A., de Gestión de Estibadores Portuarios	-	44.88	44.88	87	-	-	-	-	87	-	87	-	87	39	39

* Controlled through OHL México, S.A.B. de C.V.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the changes in the scope of consolidation at 31 December 2017

Subsidiaries (fully consolidated)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
Avalora Chile SpA	Incorporation	Cercanías Móstoles Navacarnero, S.A.	Investment Securities
EYM Norway, AS	Incorporation	OHL Industrial Power, S.A.	Merger
Gizatzen, S.A.	Incorporation	OHL Industrial USA, Inc.	Liquidation
Ingesan Chile, SpA	Incorporation	OHL ZS SK, a.s.	Merger
OHL Ireland Construction and Engineering Limited	Incorporation		
OHL Sverige AB	Incorporation		

Joint ventures and associates (accounted for using the equity method)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
Altos de Ciudad de Mayakoba, S.A. de C.V.	Incorporation	Concepteur-Constructeur St-Charles SEC	Liquidation
La Ceiba DCM, S.A. de C.V.	Incorporation	Gestión PCC SC INC	Liquidation
Mayakoba Country Club, S.A. de C.V.	Incorporation	Port Torredembarra, S.A.	Sale
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	Acquisition		
OWO Residence Limited	Incorporation		
Proyecto Canalejas Group, S.L.	Incorporation		
Rhatigan OHL Limited	Incorporation		
Tenedora de Hoteles y Golf MKB, S.A. de C.V.	Incorporation		
Whitehall Residences Limited	Incorporation		

Companies included in the scope of consolidation in 2016 whose situation changed in 2017

COMPANY	SCOPE OF CONSOLIDATION IN	COMPANY	SCOPE OF CONSOLIDATION IN 2017
Activos Hoteleros de Lujo MKB, S.A. de C.V.	Fully consolidated	Activos Hoteleros de Lujo MKB, S.A. de C.V.	Accounted for using the equity method
Aqua Mayakoba, S.A. de C.V.	Fully consolidated	Aqua Mayakoba, S.A. de C.V.	Accounted for using the equity method
Autovía de Aragón-Tramo 1, S.A.	Fully consolidated	Autovía de Aragón-Tramo 1, S.A.	Accounted for using the equity method
Controladora Hoyo 1, S.A. de C.V.	Fully consolidated	Controladora Hoyo 1, S.A. de C.V.	Accounted for using the equity method
Desarrollos RBK en la Riviera, S.A. de C.V.	Fully consolidated	Desarrollos RBK en la Riviera, S.A. de C.V.	Accounted for using the equity method
Golf de Mayakoba Servicios, S.A. de C.V.	Fully consolidated	Golf de Mayakoba Servicios, S.A. de C.V.	Accounted for using the equity method
Golf de Mayakoba, S.A. de C.V.	Fully consolidated	Golf de Mayakoba, S.A. de C.V.	Accounted for using the equity method
HH1 Servicios S de R.L. de C.V.	Fully consolidated	HH1 Servicios S de R.L. de C.V.	Accounted for using the equity method
Hotel Hoyo Uno, S. de R.L. de C.V.	Fully consolidated	Hotel Hoyo Uno, S. de R.L. de C.V.	Accounted for using the equity method
Islas de Mayakoba Servicios, S.A. de C.V.	Fully consolidated	Islas de Mayakoba Servicios, S.A. de C.V.	Accounted for using the equity method
Islas de Mayakoba, S.A. de C.V.	Fully consolidated	Islas de Mayakoba, S.A. de C.V.	Accounted for using the equity method
Lagunas de Mayakoba, S.A. de C.V.	Fully consolidated	Lagunas de Mayakoba, S.A. de C.V.	Accounted for using the equity method
Lotes 3 Servicios, S.A. de C.V.	Fully consolidated	Lotes 3 Servicios, S.A. de C.V.	Accounted for using the equity method
Mayakoba Thai, S.A. de C.V.	Fully consolidated	Mayakoba Thai, S.A. de C.V.	Accounted for using the equity method
Operadora Hotelera del Corredor Mayakoba, S.A. de C.V.	Fully consolidated	Operadora Hotelera del Corredor Mayakoba, S.A. de C.V.	Accounted for using the equity method
Operadora Mayakoba, S.A. de C.V.	Fully consolidated	Operadora Mayakoba, S.A. de C.V.	Accounted for using the equity method
Servicios Hoteleros del Corredor Mayakoba, S.A. de C.V.	Fully consolidated	Servicios Hoteleros del Corredor Mayakoba, S.A. de C.V.	Accounted for using the equity method

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

2017 Consolidated Directors' Report

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Chapter I.- OHL in a click

a) Group profile

I.- Presentation

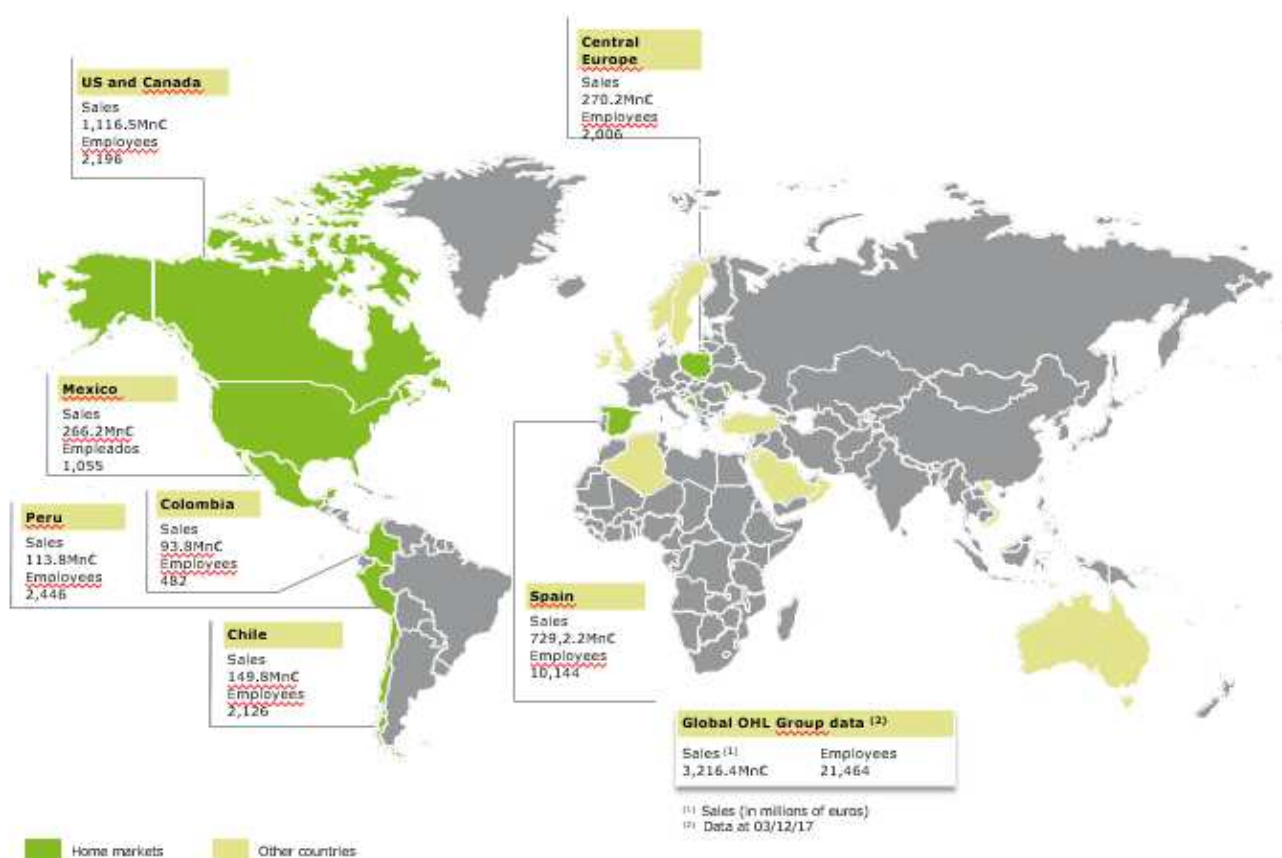
Obrascón Huarte Lain (OHL), an international concessions and construction group, carries on its activity primarily in the US, Canada, Mexico, Colombia, Peru, Chile, Spain and Central Europe.

- A strategic promotor of public-private partnerships.
- The thirty-seventh largest international contractor, tenth in the US and fourth in Latin America¹.
- A benchmark in hospital and railway construction.
- A member of the FTSE4Good IBEX sustainability stock market index.
- A reference in the low-carbon economy: Leader in CDP Climate Change (A List) and in water resource management (A List Water).

In the framework of a responsible performance of its activity, OHL is committed to the main initiatives and guidelines led by international organisations such as the United Nations - Global Compact, Guiding Principles for Business and Human Rights and Sustainable Development Goals (SDGs), the Organisation for Economic Cooperation and Development (OECD) and the Tripartite Declaration of the International Labour Organization (ILO).

¹ ENR 2017.

II.- Worldwide presence



b) Group performance and main milestones in 2017

2017 represents a year of transition for the OHL Group, marked by the signing of an agreement (Share Purchase Agreement) for the sale of all the share capital of OHL Concesiones, S.A.U. (OHL Concesiones) to the fund IFM Investors (IFM).

As a result of this transaction, the Concessions business was classified as a discontinued operation in the consolidated financial statements, the profit or loss from these operations was included separately in the statement of profit or loss, along with that corresponding to non-controlling interests and the figures for 2016 were restated. Both the non-current assets and liabilities of this activity are classified as held for sale in the consolidated balance sheet.

The enterprise value of the transaction was EUR 2,775.0 million (net of project finance), which will be paid on completion of the transaction, subject to the usual price adjustments in transactions of this nature (net debt, exchange rate, and cash contributed from greenfield projects). The Group estimates that after these adjustments the net price paid will be approximately EUR 2,235.0 million.

The transaction was approved by the shareholders at an Annual General Meeting of OHL held on 9 January 2018, and is conditional upon, inter alia, the obtainment of the required authorisation from the competent Mexican authorities, the obtainment of a waiver from certain financial creditors, and the approval and launch of a tender offer by IFM Investors or a subsidiary for the share capital of OHL México, S.A.B. de C.V. not owned by IFM at the transaction closing date. The process of obtaining the authorisation is in progress and the transaction will foreseeably be completed in the first quarter of 2018.

This is an exceptional transaction for the OHL Group, as it makes it possible to repay gross recourse borrowings and leave an excellent cash position. From this sound financial position, the Group is embarking on a new era that will be focused on its Construction business, strengthening its capacity in this area in the regions in which it is currently present, concentrating its efforts on generating sustainable cash flow and prioritising profitability over growth.

The execution of the transaction led to a rise in the rating from the Moody's rating agency, which on 1 December 2017 improved OHL's rating to B3 from Caa1, and keeps it under review to assess possible further increases, which represents the endorsement by a third party of the Group's successful divestment policy.

At the operating level, the Group's main aggregates show a change of scale when the Concessions business was eliminated, showing signs of recovery in terms of the EBITDA margin and cash generation in the Construction business:

	2017	2016*	Change (%)
Revenue	3,216.4	3,342.4	-3.8%
EBITDA	-56.5	-576.3	-90.2%
% of sales	-1.8%	-17.2%	
Net attributable loss	-12.1	-432.3	-97.2%
% of sales	-0.4%	-12.9%	

Millions of euros

(*) Restated.

Revenue amounted to EUR 3,216.4 million, a slight decrease compared to 2016, due mainly to lower construction activity in the US as a result of the end of contracts during the period which was not offset by the production under new contracts that are in their initial phase. The delays in the commencement of the construction phase of certain concession projects in Latin America also contributed to this fall.

EBITDA in 2017 amounted to EUR -56.5 million, -1.8% as a percentage of sales, affected primarily by:

- I. A lower than expected contribution in terms of production and EBITDA by start-up projects in the US and Latin America (construction work for concessions in Chile and Colombia) that will bring higher margins in the future and that did not offset the lower contribution from projects completed in the period.
- II. Losses recognised on projects in the Industrial business.
- III. The extraordinary recognition of losses at the Gustavo Fricke Hospital (Chile), a legacy project awarded in 2013.

IV. The cost of the collective redundancy procedures (CRP) at OHL, S.A., OHL Industrial, S.L. and other factors.

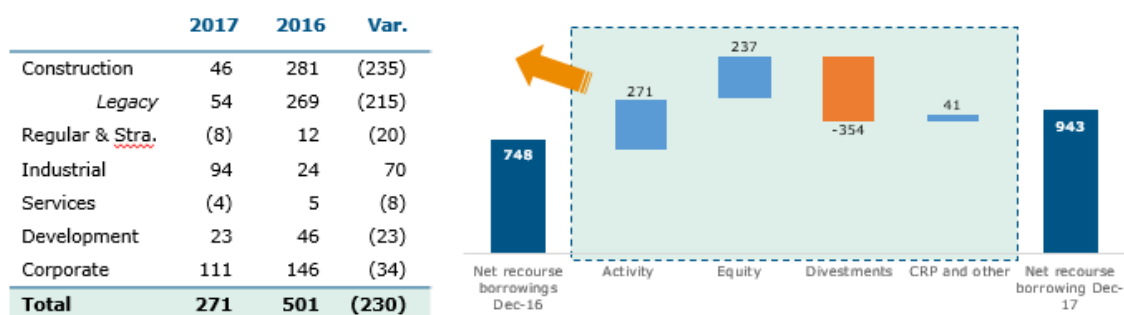
The aggregate of the latter two one-off impacts on EBITDA, relating to the losses recognised at Gustavo Fricke Hospital (Chile) and the cost of the CRP and other, was EUR -76.5 million. Excluding this effect, EBITDA would stand at EUR +20.0 million.

It is worth recalling that the EBITDA for 2016 was EUR -576.3 million, affected mainly by the reorganisation process, which included EUR -520.2 million of one-off losses on legacy projects, due to the re-estimation of objectives carried out. In comparable terms, eliminating one-off effects, EBITDA in 2017 improved by EUR 76.1 million compared to 2016, marking a turning point for the Company this year, with a healthy backlog that aims to obtain higher margins in the coming years. The attributable net loss was EUR -12.1 million, affected by the aforementioned impacts. Excluding one-off impacts, there would be a net attributable profit of EUR 64.4 million.

In the financial area, the following matters should be noted:

Changes in net recourse borrowings

The changes in the net recourse borrowings in 2017 were as follows:



At 31 December 2017, net recourse borrowings amounted to EUR 943.5 million, representing an increase of EUR 195.1 million in 2017, a significant improvement on the EUR 369.0 million increase seen in 2016, due primarily to the worsening of cash due to the legacy projects.

Of particular note was the sound performance of the net recourse borrowings in the Construction business, which in 2017 used only EUR 46.4 million of cash in comparison with the EUR 281.4 million used in 2016, demonstrating the effort made to contain the deterioration in cash flow and opening a new stage towards the generation of sustainable cash flow at project level. In turn, the legacy projects used less cash than expected. In the fourth quarter of 2017 the Construction business performed excellently, generating cash amounting to EUR 172.3 million.

Of particular note is the reduction in net cash outflows in the Corporate area, showing the first effects of the cost reduction initiatives implemented.

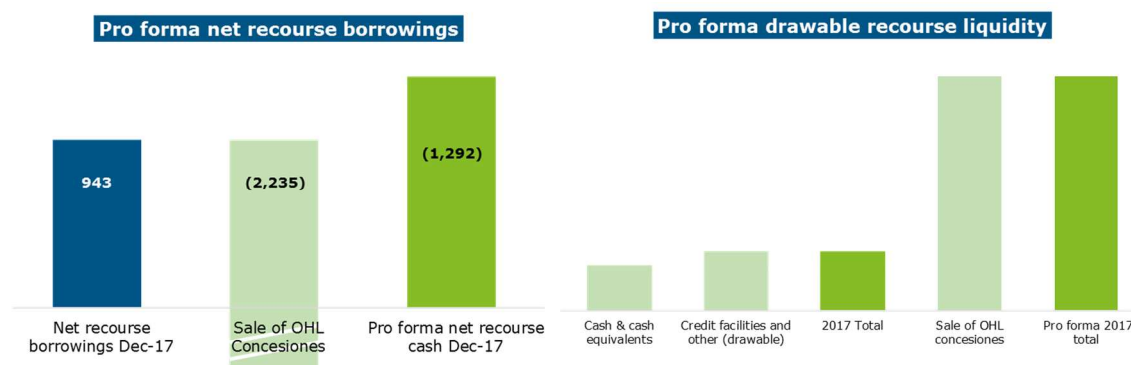
The execution of the asset rotation plan contributed funds amounting to EUR 355.0 million and the new equity investments resulted in a cash outflow of EUR 236.8 million, with Concessions being the main investor division, with expenditure of EUR 164.6 million.

Drawable recourse liquidity

The Company continues to enjoy financial flexibility thanks to a drawable recourse liquidity position of EUR 748.4 million at the end of December 2017, measured as cash and cash equivalents plus the available recourse financing, which ensure that the working capital needs are covered for being able to carry on the business activities in 2018.

In this connection, mention should be made of the support received by the OHL Group from the main banks with which it works with the signature, on 30 March 2017, of the multi-product syndicated financing agreement (novated on 29 November 2017) for an aggregate amount of EUR 684 million, for the issue of guarantees (EUR 402 million) and reverse factoring (EUR 92 million), which also includes a revolving credit line of EUR 190 million.

Additionally, the execution of the sale of 100% of OHL Concesiones will enable the Group to simplify and significantly reduce its structure of total gross recourse borrowings, thereby giving a positive cash position and an excellent drawable recourse liquidity position.



- As regards the asset rotation process, various divestments were made during 2017:

Asset	Ownership interest	Net funds (millions of euros)	Status	Collection date
abertis	2.50%	57	Cobrado	January 2017
mayakoba	80% - 51%	179.1 + 7.9*	Cobrado	April 2017
Canalejas	17.50%	68.1m + 3.5*	Cobrado	April 2017
Autovía Aragón	75%	c. 51	Cobrado	June 2017

* Collection pending per contract.

Negotiations are ongoing for the possible sale of the Czech sleeper factory ŽPSV and other assets in Mayakoba, which could be completed in the first half of 2018.

c) 2017 in figures

I.- Main aggregates

	Millions of euros		
	2017	2016*	% change 2017-2016
STATEMENT OF PROFIT OR LOSS			
Revenue	3,216.4	3,342.4	-3.8%
EBITDA	-56.5	-576.3	-90.2%
% EBITDA/Sales	-1.8%	-17.2%	
EBIT	-132.7	-706.0	-81.2%
% EBITDA/Sales	-4.1%	-21.1%	
Attributable net loss	-12.1	-432.3	-97.2%
% Attributable net loss/Sales	-0.4%	-12.9%	
REVENUE BY LINE OF BUSINESS			
Engineering and Construction	3,168.2	3,211.6	-1.4%
% of total sales	98.5%	96.1%	
Development	48.2	130.8	-63.1%
% of total sales	1.5%	3.9%	
Total revenue	3,216.4	3,342.4	-3.8%
% of total sales	100.0%	100.0%	
EBITDA BY LINE OF BUSINESS			
Engineering and Construction	18.0	-84.5	-121.3%
% EBITDA/Sales	0.6%	-2.6%	
Development	2.0	28.4	-93.0%
% EBITDA/Sales	4.1%	21.7%	
EBITDA	20.0	-56.1	-135.7%
% EBITDA/Sales	0.6%	-1.7%	
CRP and other	-76.5	-520.2	
Total EBITDA	-56.5	-576.3	-90.2%
% EBITDA/Sales	-1.8%	-17.2%	
EQUITY			
Equity attributable to the Parent	2,166.7	2,439.7	-11.2%
Non-controlling interests	2,016.6	1,603.2	25.8%
NET BORROWINGS			
Net recourse borrowings	943.5	748.4	26.1%
Net non-recourse borrowings	56.4	2,162.5	-97.4%
Total net borrowings	999.9	2,910.9	-65.6%
BACKLOG			
Short-term backlog	6,236.2	6,674.9	-6.6%
Long-term backlog	224.5	225.4	-0.4%
Total backlog	6,460.7	6,900.3	-6.4%
EMPLOYEES			
Permanent employees	12,910	13,741	-6.0%
Temporary employees	8,554	8,299	3.1%
Total headcount	21,464	22,040	-2.6%
MARKET CAPITALISATION			
	1,488.1	984.4	51.2%
Recourse EBITDA (LTM)**			
	203.1	204.2	

Millions of euros

*Restated.

** Calculated based on the contractual definitions, including EUR 165 million of dividends of OHL Concesiones in 2017 (2016: EUR 250.0 million) and excluding EUR 76.5 million of losses due to the CRP, other and legacy projects in 2017 (EUR 520.2 million in 2016 due to the legacy projects).

II.- Profit/loss by division

OHL CONCESIONES

In view of the process underway to sell all of the shares of OHL Concesiones, S.A.U., this business is carried as a discontinued operation in the consolidated financial statements.

The agreed-upon transaction excludes the sale of the two OHL concessions in liquidation, Cercanías Móstoles Navalcarnero S.A. (CEMONASA) and Autopista Eje Aeropuerto, for which OHL will be entitled to future collection of all compensation received arising from these liquidation processes.

For information purposes, please find attached as an Appendix in Chapter V the main operating aggregates of this business.

OHL ENGINEERING AND CONSTRUCTION

Main aggregates	2017	2016	Var. (%)
Sales	3,168.2	3,211.6	-1.4%
EBITDA	18.0	-84.5	121.3%
% of Sales	0.6%	-2.6%	
EBIT	-54.6	-201.8	72.9%
% of Sales	-1.7%	-6.3%	

Millions of euros.

With the sale of OHL Concesiones, the Engineering and Construction division accounts for 98.5% of the Group's sales, with sales of EUR 3,168.2 million, slightly lower than in 2016. EBITDA for the year was EUR +18.0 million, compared to -84.5 million euros in 2016, after eliminating the one-off recognition of losses in legacy projects. Performance, by activity segment, is as follows:

CONSTRUCTION

Main aggregates	2017	2016	Var. (%)
Sales	2,660.7	2,773.6	-4.1%
EBITDA	54.9	-43.7	225.6%
% of Sales	2.1%	-1.6%	
EBIT	-10.9	-141.8	92.3%
% of Sales	-0.4%	-5.1%	

Millions of euros.

Construction, with sales amounting to EUR 2,660.7 million, accounts for 84.0% of Engineering and Construction sales and 82.7% of the Group's total sales.

The volume of activity decreased by -4.1% compared to 2016. This decrease is due mainly to the recent commencement of production in the new North American projects that will bring more activity in the near future (expansion of the I-405, Canarsie tunnel and others) and that have not offset the decrease in sales due to the completion of other projects between both periods. The decrease was exacerbated by the delay in starting work on the concessions in Latin America, due to causes not attributable to OHL, which led to a reduction in the sales in 2017.

Legacy projects represented sales of EUR 265.7 million, 10.0% of the total.

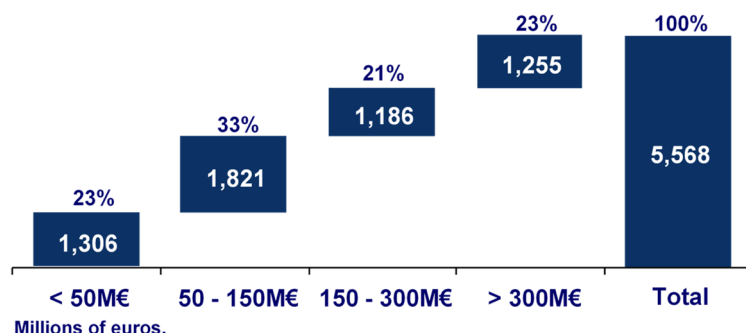
EBITDA amounted to EUR 54.9 million, 2.1% of sales (compared to -1.6% in 2016), affected mainly by the negative results of certain projects and the completion of projects in the period, not offset by the margin on new contracts in the initial phase in North America and concessions in Latin America that will provide higher margins in the future. The improvement in the EBITDA margin reinforces the viability and sustainability of the regular Construction business.

Operating cash flow used by legacy projects in 2017 totalled EUR -26.0 million (EUR -53.9 million, including Gustavo Fricke Hospital), improving the initial forecast for the year of EUR -64.0 million. The short-term backlog at 31 December 2017, EUR 5,568.3 million, represents 25.2 months of sales, which guarantees the future growth of this activity. The backlog has a balanced profile both geographically and in terms of the size of the construction projects, with 91.4% coming from the home markets (including most notably 37.3% from the US and 32.4% from Latin America), and with only 22.5% of the projects of more than EUR 300 million.

The geographical distribution of the short-term construction backlog is as follows:

	31/12/2017
Home Markets	91.4%
Latin America	32.4%
US	37.3%
Spain	17.8%
Czech Rep. & Eastern Europe	3.9%
Other	8.6%

Based on the size of the construction project, the distribution of the backlog is as follows:



Of the total construction backlog, 25.6% corresponds to construction projects to be performed for concessions. The current backlog of the ten principal contracts¹ at 31 December 2017 is as follows:

	Country	2017
Project I-405	US	605.0
Vespucio Oriente toll road*	Chile	315.4
New York Canarsie tunnel rehabilitation	US	284.4
Atizapán-atlacomulco toll road*	Mexico	271.2
Curicó Hospital	Chile	219.0
Valparaiso Port*	Chile	176.3
Río Magdalena toll road*	Colombia	151.2
LAV Oslo-Ski (Follo Line Project)	Norway	133.8
Camino Nogales Puchuncaví*	Chile	118.8
Chimbote bypass*	Peru	113.9
10 main projects in portfolio		2,389.0

Millions of euros.

* Construction projects for OHL Concesiones.

¹Excluding Marmaray Railway Project (EUR 372.0 million) in relation to which a subcontracting agreement was reached for near to 75%.

The diversification of the backlog by type of project should be noted, where 44.3% corresponds to roads, 21.8% to railways, 18.3% to building and 15.6% to other activities. Contracts in 2017 amounted to EUR 2,342.3 million, 64.2% of the projects in the US, compared to EUR 2,310.0 million of contracts in 2016. The book-to-bill ratio stands at 0.9 times.

The new awards obtained in 2017 include most notably:

	Country	2017
Project I-405	US	679.0
New York Canarsie tunnel rehabilitation	US	312.1
NY Outfall replacement contract 1	US	66.5
Moquegua Omate Arequipa road	Peru	47.7
Mecca workshop	Saudi Arabia	43.3
Illinois O'Hare International Airport	US	42.8
Florida Medical Campus Centre	US	39.8
Quellaveco project	Peru	33.4
Total main awards		1,264.6
Other awards		1,077.7
Total awards		2,342.3

Millions of euros.

In addition to the foregoing, OHL won two significant contracts as part of a joint venture without effective control and, therefore, they are accounted for using the equity method: the extension of the track on the Lund-Arlov railroad, in Sweden (EUR 106.3 million), and the National Forensic Mental Health Service Hospital, in Ireland (EUR 62.0 million). These amounts are not included in the data furnished on contracts and the backlog.

INDUSTRIAL

Main aggregates	2017	2016	Var. (%)
Sales	269.8	243.6	10.8%
EBITDA	-40.5	-43.3	-6.5%
% of Sales	-15.0%	-17.8%	
EBIT	-44.6	-61.9	-27.9%
% of Sales	-16.5%	-25.4%	

Millions of euros.

The Industrial business recorded sales of EUR 269.8 million, which represents an increase of 10.8%% with respect to 2016.

The main activity is located in the new EPC mining and cement projects, mainly Cementos Molins, as well as the renewable energy projects at the solar PV plants in Jordan (Al Mafrag and Empire) and the condensate recovery and cycle unit project in Oman (Saih Rawl). The falloff in activity in the oil and gas EPCs continued, following the division's decision not to enter this market segment. EBITDA stood at EUR -40.5 million, -15.0% of sales, up 6.5% on the same period in 2016. The improved margins on the new projects are contributing to this, partially offsetting the adverse margins on certain oil and gas EPC projects and other services, as well as a structure of fixed costs that are not yet being absorbed, although they are in the process of being reduced.

Industrial's backlog at 31 December 2017 stands at EUR 312.1 million, with the main project being Cementos Molins (EUR 132.0 million), scheduled for completion period in the second half of 2019.

SERVICES

Main aggregates	2017	2016	Var. (%)
Sales	237.7	194.4	22.3%
EBITDA	3.6	2.5	44.0%
% of Sales	1.5%	1.3%	
EBIT	0.9	1.9	-52.6%
% of Sales	0.4%	1.0%	

Millions of euros.

Sales of this division amounted to EUR 237.7 million, with growth of +22.3%, due mainly to the positive performance of facility management activities (cleaning, maintenance, energy efficiency and urban services) at the national level. The latter urban services segment, which the division is introducing, enables higher returns to be obtained which compensate for the lower margins in the other segments, all of which are affected by increased competition.

EBITDA totalled EUR 3.6 million, 1.5% of sales, slightly higher than in 2016 (1.3%), reflecting the strong competitive environment of a very mature sector.

The backlog at 31 December 2017 totalled EUR 355.8 million, having contracted EUR 236.8 million in 2017, the most important contracts being the maintenance of court buildings in Galicia, the urban waste collection service (Lot 2) in Madrid, the cleaning and maintenance contract for

Benidorm Municipal Council, the stations and trains in the Barcelona metro network, and the integral cleaning of Spanish Government buildings and offices.

OHL DEVELOPMENT

Main aggregates	2017	2016	Var. (%)
Sales	48.2	130.8	-63.1%
EBITDA	2.0	28.4	-93.0%
% of Sales	4.1%	21.7%	
EBIT	-1.6	16.0	-110.0%
% of Sales	-3.3%	12.2%	

Millions of euros.

The economic aggregates of this division underwent a significant change in scale following the asset rotation transactions at Mayakoba, which means that most of its assets are accounted for using the equity method as a result of the loss of control. Thus it posted sales of EUR 48.2 million that, in comparable terms and adjusting the recent transactions, would be similar to those of 2016. EBITDA totalled EUR +2.0 million, compared to EUR +28.4 million in 2016, which included that generated by the divested Mayakoba companies. In comparable terms, it is approximately 12% higher due to increased real estate sales.

The assets of this division include:

Mayakoba tourism development

On 21 December 2016, OHL Desarrollos and RLH Properties S.A.B. de C.V. entered into an agreement for the partial sale of the Group's interest in the main hotel subsidiaries of Mayakoba. The sale agreement includes a percentage of up to 80% of Fairmont and Rosewood (guaranteed minimum of 51%) and 51% of Banyan Tree, Andaz and Golf. On 24 April 2017, the sale was completed on 51% of these assets and on 18 May 2017 the sale was increased to 80% of the more mature assets (Fairmont and Rosewood).

The cash inflow at the end of June 2017 amounted to EUR 179.1 million -not yet collected- subject to the achievement of certain milestones, EUR 7.9 million. The gain obtained on this transaction, excluding the revaluation gain on the interest retained, was EUR 2.7 million.

The hotel subsidiaries in which the development business holds ownership interests include: 49.0% of the El Camaleón golf club; 43.3% of Banyan Tree; 9.0% of Andaz; 9.8% of Fairmont and 20.0% of Rosewood.

Ciudad Mayakoba

Worthy of note is the sound evolution of the projects being carried out in Ciudad Mayakoba, which have continued to advance with an excellent pace of sales and development, reaching between 90%-95% of inventory sales up for sale, as well as the international recognition and awards received (the project has been presented as a development model at the Habitat III congress, organised by the UN).

Centro Canalejas, Madrid

On 9 February 2017, OHL entered into an agreement to sell 17.5% of Centro Canalejas Madrid for EUR 78.8 million. The division continues to hold an ownership interest of 17.5%.

The transaction was completed on 7 April, EUR 68.1 million having been collected in 2017 net of expenses. The other EUR 3.5 million will be received when the project enters into operation. The gain obtained on this transaction was EUR 31.6 million. The project is currently at the construction phase and certain areas of the complex began to be marketed towards the end of 2017.

Old War Office

The emblematic Old War Office project, in which Development holds a 49% ownership interest, has successfully completed the licensing phase. Preliminary work has recently begun.

The assets of this division had a total carrying amount of EUR 369.7 million at 31 December 2017, as detailed below:

Asset	Ownership interest	Carrying amount millions of euros
Mayakobá	≤ 49% ¹	53.8
Ciudad Mayakobá	100%	165.4
Canalejas	17.50%	71.4
Old War Office	49%	79.1
		369.7

¹- Interests in subsidiaries of Mayakoba: 49.0% Golf, 43.3% Banyan Tree, 9.0% Andaz, 9.8% Fairmont and 20.0% in Rosewood.

III.- Main significant events after 2017 year-end

- On 9 January 2018, the shareholders at the Annual General Meeting approved the following resolutions:
 - i. The transfer of 100% of OHL Concesiones, S.A.U. to Global Infracor Spain, S.L.U., under the terms and conditions of the report of the Board of Directors and the information communicated to the market, per the relevant event communications published on 16 and 17 October 2017.
 - ii. Ratification of the appointment of Juan Luis Osuna Gómez as the Company's CEO.
 - iii. Ratification of the appointment of Javier Goñi de Cacho as a proprietary director of the Company.
 - iv. Reduction of share capital by EUR 7,326,425.4 through the retirement of 12,210,709 treasury shares, with a charge to unrestricted reserves.
 - v. Amendment to the directors' remuneration policy, following a favourable report from the Nomination and Remuneration Committee.

vi. Approval of extraordinary remuneration of EUR 18 million to the CEO Juan Osuna Gómez, for his work and leadership in the process to sell the shares of OHL Concesiones, S.A.U.

- The public deed for the capital reduction approved by the shareholders at the Extraordinary General Meeting was filed at the Madrid Mercantile Registry on 6 February 2018.

d) Outlook for the near future

After the sale of OHL Concesiones, the Group is facing a new stage focused on its main businesses (Construction, Industrial, Services and Development), being eminently a construction company focused on achieving priority objectives such as:

- Prioritising profitability over growth.
- Ensuring sustainable cash flow generation in projects by strengthening the application of risk control mechanisms.
- Continuing with the rotation of mature assets to maximise their value.
- Simplifying the capital structure and reduce corporate debt, strengthening the Group's balance sheet.
- Recovering the trust of rating agencies and other stakeholders.

To this end, the Group has a solid portfolio of Engineering and Construction (E&C) projects, comprising the Construction, Industrial and Services businesses. Of particular note is the diversification of the backlog, both geographically and by project size, encompassing the majority of its business in three main geographical areas: The US, Latin America and Europe.

The Group has extensive past experience in these geographical areas, recurring business and the human and technical resources necessary to undertake the construction projects in compliance with the established risk control parameters. In the future, the Group will value new opportunities to invest in concession projects.

As regards Industrial's business, the company is continuing with the process of restructuring and integrating this activity into the Construction business and focuses on cement, mining and renewable EPC projects, operation and maintenance and fire protection, while withdrawing from EPC oil and gas and power projects. Synergies and a more efficient cost structure are expected as a result of this integration.

With respect to the Services business, this is a very mature business in a competitive environment and the Group must therefore be highly selective in the projects and markets in which it operates in the future, with priority being given to profitability.

In addition, the Group has a number of unique and diversified assets in the Developments division, which are in the development or construction phase and whose value has been recognised by leading investors. The Company has the opportunity to rotate these assets once they are mature and maximise their value, which can be an additional source of income.

Chapter II.- Strategy

a) Business model

I.- Strategic Plan

With the focus of its business on its areas of action, the OHL Group strengthened its leadership position in 2017, reaffirming itself as a Company that stands out for its experience in executing high value-added projects in the transport infrastructure and singular building sectors.

US

Following President Trump's announcement in August 2017 of an ambitious infrastructure plan, the US is committed to this industry as an engine for boosting the economy. This plan envisages accumulated investments until 2027 of up to USD 1.5 trillion. However, the construction market is expected to be affected to some extent by the introduction of a restrictive migration policy, as well as by the high budget deficit.


Currently, the US market represents more than a third of the total Construction backlog and is currently the Group's reference market. In 2017 it continued to strengthen its presence with more than EUR 1,500 million of contract orders. Notable among the most significant awards was the refurbishment of the Canarsie tunnel in New York for EUR 312 million (69.7% for the Group), the main communication link between Brooklyn and Manhattan, damaged after Hurricane Sandy.

LATIN AMERICA

The OHL Group's activity in Latin America was affected by the political and economic situation of the countries in the region. Worthy of note was the change of political cycle in Chile, with elections at the end of 2017; and in Mexico and Colombia, with general elections in 2018. Additionally, the impact of the Odebrecht case and the uncertainty created by the arrival of Donald Trump slowed down activity in the industry. However, from 2018 onwards macroeconomic indicators are expected to improve, with average GDP growth projected at around 2% per annum, according to International Monetary Fund forecasts.

Chile's construction industry is expected to be revitalised with the arrival of the new president, Sebastián Piñera, who will continue to drive the country's economic development through the promotion of public infrastructure with a programme that foresees the construction of an extensive road and motorway network, the expansion of the underground and the construction of a new international airport in Concepción or Antofagasta.

Also, in Peru, after the first year of the presidential term, infrastructure activity will focus on the recovery of the mining sector and the implementation of the Integral Reconstruction Plan, arising from the damage caused by the heavy flooding inflicted by the El Niño meteorological phenomenon, with planned investments of EUR 6,500 million over four years.



In Mexico, projects continue to be developed through the National Infrastructure Programme, with a percentage of completion of nearly 80%. In this Plan, valued at more than EUR 43,000 million, the construction of Mexico City's New International Airport stands out.

Also, in Colombia the Infrastructure Plan that began with the fourth generation of road concessions (4G) in the road sector, is expected to be consolidated.

In this context, the OHL Group has continued to strengthen its leading position in the region, through the various contracts awarded during 2017. Highlights include the improvement of the Moquegua Omate Arequipa road in Peru and the recent award of a contract at the world's largest underground copper deposit, the El Teniente mine in Chile. In addition, Codelco has awarded the contract for the Tranque Talabre expansion project in the Chilean city of Calama.

EUROPE

In Eastern Europe, of particular note is the positive forecast for the construction industry in the Czech Republic and Slovakia, the main countries for the OHL Group in the region, thanks to the support of the European Union through funds for infrastructure projects. The recovery of consumer and investor confidence in this market is evident in the consumer confidence index, which has been increasing progressively since 2012 and is expected to lead to a greater increase in investment in the country.

In Western Europe, the Nordic countries, especially Norway and Sweden, are consolidating their position as the main growth drivers for the Group in the coming years, thanks to the host of opportunities for contracts that are expected to be tendered in the coming years. These countries stand out for their political stability and the expected growth in the infrastructure market, with important state plans including the Norwegian government's National Transport Plan and Sweden's High-Speed Infrastructure Development Plan.


Thus, one of the OHL Group's achievements in 2017 was its entry into the Swedish market, thanks to the award of the project to improve the railway line between Lund and Arlöv (Malmö) amounting to EUR 106 million (49.3% of the joint venture), which is one of the most important railway projects in the country in the coming years.

In Spain, the Extraordinary Road Investment Plan (PIC), presented by the Prime Minister, Mariano Rajoy, in July 2017, and the recovery of GDP augur an improvement in the construction industry. The PIC envisages construction and maintenance works for approximately 2,000 kilometres of dual carriageways, with a total planned investment of EUR 5,000 million.

In 2017 several railway infrastructure maintenance contracts were awarded for ADIF.

THE COMPANY'S STRATEGIC PLAN

2017 was marked by significant changes in the Group's scope: the sale of the Concessions division to the fund Australian IFM was agreed on, for an estimated net price of EUR 2,235.0 million, a transformational transaction for the Company; and the divestment of other non-strategic



assets continued. The sale of Concessions leaves OHL with an important cash position, allowing the Group to continue its activity with an enhanced strategic position in the future.

Thus, OHL will begin a new phase in which the construction business, the most experienced in the Company, will be the mainstay of the Group's activity in those countries with the greatest competitive advantage and where growth prospects are more favourable.

In this context, a number of strategic priorities have been established to help the OHL Group consolidate its leading position in the markets in which it operates:

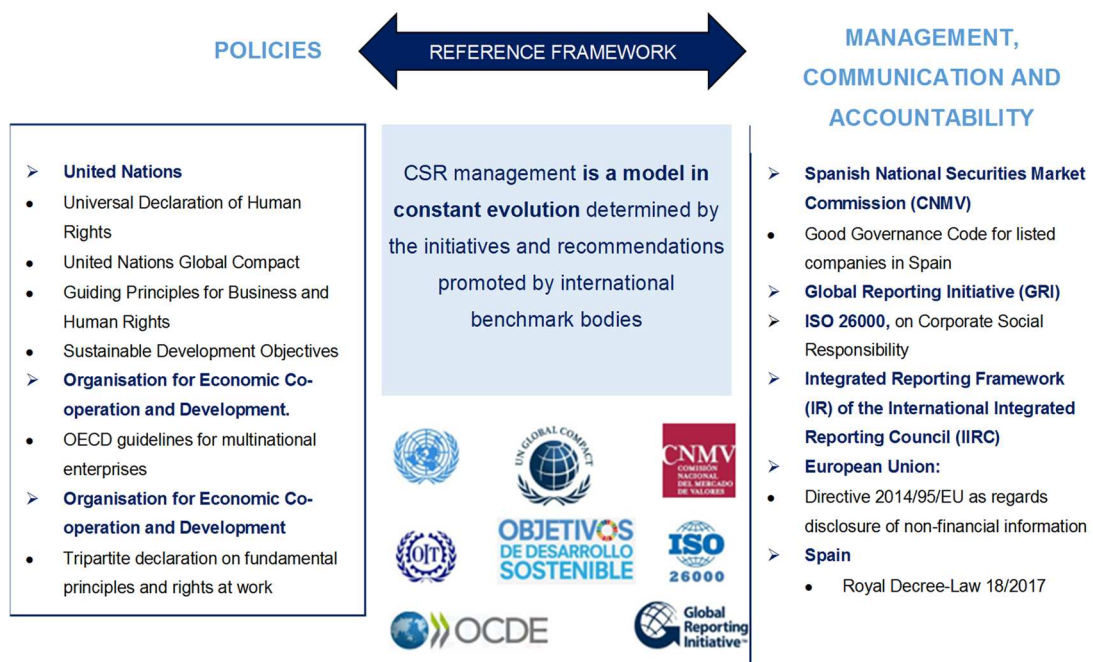
1. Promote the Group's construction business, focusing on those countries and regions where the Company has the most experience and minimising exposure to risk.
2. Maximise profitability and cash flow generation of projects in progress.
3. Guarantee a portfolio of profitable projects, with a commitment to a balanced mix of contracts in terms of size.
4. Continue the process of disinvestment of non-strategic assets.
5. Integrate the Industrial and Construction businesses.
6. Adapt the cost structure to the new size of the Company.
7. Strengthen recruitment and talent management policies.
8. Digital transformation: digitisation of production processes.

II.- CSR management

The OHL Group is aware that the new challenges presented at global scale require sustainable and responsible business management, committed to the development and well-being of society. Meeting these demands requires taking on challenges and integrating the sustainability strategy along the entire production chain of the business, with a long-term perspective of value creation and meeting the needs of its stakeholders.

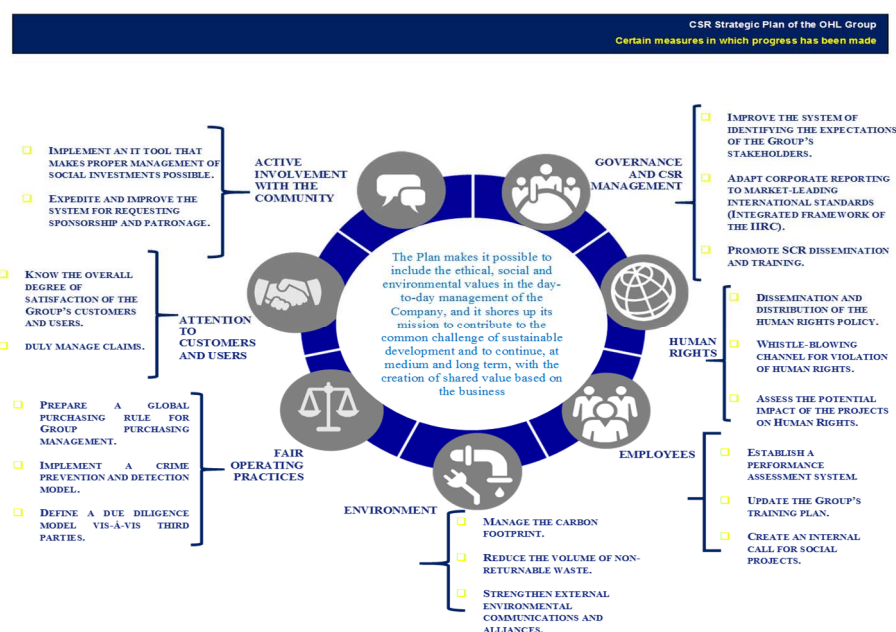
This approach has meant that the voluntary commitments made since 2003 by the OHL Group in the areas of human and labour rights, environmental protection, business ethics and transparency in the dissemination of information have led to the drafting of a total of ten corporate policies that apply across the entire OHL Group and, in addition to internal regulations, make up OHL's particular framework of action.

Further information: <http://www.ohlcompromiso.com/presentacion/responsabilidad-corporativa/politicas/>



As a signatory of the United Nations Global Compact, the Group works to disseminate and promote the Ten Principles.

CSR, as a strategic tool for the OHL Group's sustainability management, is implemented through action plans. The 2015-2020 CSR Strategic Plan, articulated around the seven fundamental areas of ISO 26000, aims to act as a guide for the fulfilment of CSR commitments and unite efforts within the Group. The important changes that took place in 2017 in the business model, structure and organisation have led to the need to adapt the Plan to the new reality of the Group. This exercise was at the planning stage at the time of writing this report.



The Group-wide management of CSR is conducted through the highest governing body, the Nomination and Remuneration Committee of OHL's Board of Directors, which is responsible for promoting and monitoring the CSR policy, and the Sustainability Committee, chaired by the CEO and made up of the senior management of the OHL Group as the delegated body to coordinate and supervise CSR management.

SDGS AS A GUIDE TO FOCUS EFFORTS ON SUSTAINABILITY

In 2017 the OHL Group reaffirmed its commitment to meeting the 2030 Agenda, an action plan for people, the planet and prosperity. A total of 17 Sustainable Development Goals (SDGs) and 169 targets to end poverty, fight inequality and injustice and tackle climate change. The OHL Group assumes this role and contributes to tackling the collective challenge of sustainable development when carrying out its business activity. It therefore strives to integrate SDGs in its internal management.



The activities described in each chapter of this Report are associated with the SDGs on which they have an impact (see logos at the beginning of each section)

Further Information: GRI Tables.

HOW WE CONVEY CSR

In 2017 the Group promoted internal communication of CSR through the training of all its employees. In this way, a new call to complete the CSR course has been designed and launched through the new training platform for obligatory online courses.

This has made it possible to strengthen employees' knowledge in this area and to consolidate its value as a transversal pillar of the Group.

2017 CSR training data

Through this course, in 2017 a total of 2,586 people in the Group received CSR training, totalling 10,344 hours of training.

In addition, the half-yearly CSR Newsletter disseminates relevant news and events, including interviews with Company executives that include the experience of integrating CSR in the development of the business.

In this regard, the OHL and Sustainable Development brochure gives visibility to the creation of value from the business activity itself. It includes successful CSR initiatives implemented in corporate services or in the business lines themselves.

Externally, OHL pays attention to requests for information from industry watchers and CSR-linked international organisations; it prepares documentation on its management in this area in business presentations and tenders, as well as for the working groups, meetings and specific conferences in which it participates.

The Group has been included in the FTSE4Good IBEX index since its launch in 2008. Featuring in this index distinguishes the Company as a committed value of special interest to investors who add to their profitability objectives their concern for ethical, social, environmental and good governance issues in business management.



Further Information:

Appendix 1 Relationship with analysts and international CSR bodies

III.- Directors' report by division

OHL CONCESIONES


In view of the process underway to sell all of the shares of OHL Concesiones, S.A.U., this business is carried as a discontinued operation in the consolidated financial statements.

The agreed-upon transaction excludes the sale of the two OHL concessions in liquidation, Cercanías Móstoles Navacarnero S.A. (CEMONASA) and Autopista Eje Aeropuerto, for which OHL will be entitled to future collection of all compensation received arising from these liquidation processes.

For information purposes, please find attached as an Appendix in Chapter V information on the Corporate Social Responsibility of this business line.

OHL CONSTRUCCIÓN

The OHL Group's construction activity in 2017 was shaped by the development of projects in the fields of transport infrastructure and non-residential building construction. This activity focuses on eight markets: The US, Canada, Mexico, Chile, Colombia, Colombia, Peru, Spain and Central



Europe -as defined in the Group's Strategic Plan. Added to this was OHL's incursion into Norway, Sweden and Ireland.

ACTIVITY BY GEOGRAPHICAL AREA

North America

This is one of the Company's main markets, with total sales of EUR 1,126.3 million, 42% of the total for Construction and 35% of the Group's total. OHL continued to operate in key US states: Primarily, New York, California, Florida and Texas.

This fact is reflected in the achievement of outstanding projects such as the upgrade of the I-405 in California, the most important project in OHL's history in the country. Awarded by the Orange County Transportation Authority (OCTA) for an amount of close to EUR 679.0 million (56.5% of the joint venture), it represented for the Group a volume of work executed in 2017 of EUR 41.6 million. The construction work covers a 27.4 km stretch of the I-405 and consists of adding an additional lane in each direction and improving the slip roads, exits and bridges from State Road 73 to Interstate 605. This project consolidates OHL's presence in the State of California, where OHL currently has more than twelve ongoing projects with a value of EUR 1,300 million.

In New York, OHL is carrying out, through its subsidiary Judlau, the refurbishment of the Canarsie tunnel, damaged by Hurricane Sandy. Awarded by the New York Metropolitan Transportation Authority (MTA), for EUR 312.1 million, it includes the refurbishment and upgrade of infrastructure considered to be the main connection between Brooklyn and Manhattan, which also provides service to subway line L.

Other projects won in the USA in 2017 include:

- New York Outfall Replacement Project, for EUR 66.5 million.
- Illinois O' Hare International Airport Chicago, for EUR 42.8 million.
- Florida Medical Campus Center, for EUR 39.8 million.

Pacific Alliance

The Group's activities are focused on the markets that form part of the Pacific Alliance - Mexico, Peru, Colombia and Chile. Its joint activity translates into revenue that represents 19.2% of the total for Construction.

In Mexico, the construction of the first section of the Mexico-Toluca intercity train is noteworthy, with revenue of EUR 84 million. The project includes the construction of 36.15-km section.

In Chile, the Company is carrying out actions on Route 60 (Section 2, Sector 1, Variante Panquehue), on which the work performed totals EUR 80 million.

In Peru, OHL is upgrading the Moquegua-Omate-Arequipa road, in a 118-kilometre section of the Moquegua-Sierra Sur in Peru, between the departments of Arequipa and Moquegua; and is working on cleaning and eliminating material from the Piura river (Peru) in the 14-kilometre section that runs from Laguna San Ramón to the Cordillera sector, within the framework of the Amended

Reconstruction Plan(*Plan de Reconstrucción con Cambios*) of the Peruvian Government to reconstruct the areas of the country most affected by the 2016–17 South America floods (*El Niño Costero*).

Europe

The Company's activity in Europe (Spain, Czech Republic and Slovakia and the Nordic countries) represents 32% of Construction revenue. It should be noted that projects in this area are of lower volume and the revenue is more fragmented among a greater number of initiatives.

After OHL's entry into Norway in 2016, thanks to winning the EUR 67.4 million EPC Ski project, OHL made its way into another Nordic country, Sweden, in 2017, where it will improve the railway line between Lund and Arlöv stations in Malmö, one of the country's busiest rail routes. The contract, awarded by Trafikverket (Swedish Transport Administration), for EUR 106 million (49.3% of the joint venture), will cover the construction of the first 8 km section between the Swedish cities of Arlöv-Flackarp, as well as the construction of three new stations, four overpasses and two underpasses.

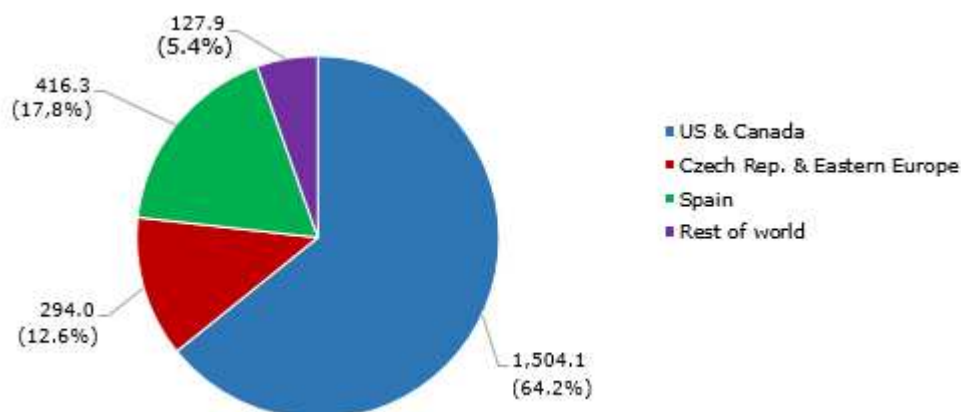
In Ireland, the Company is carrying out its first hospital contract in Ireland, the construction of the National Forensic Mental Health Hospital (NFMHS) in Portrane, north of Dublin, for more than EUR 120 million (50% of the UTE). The project was awarded by the Health Service Executive and includes the construction of a forensic hospital for the mentally ill within the St. Ita's Hospital complex. It will have an area of 24,000 m² distributed among 170 rooms; a 30-bed intensive care rehabilitation unit, 13 hospital wards and a primary health care centre.

Other European projects

- Marmaray CR3 Project (Turkey), with work performed in the year of EUR 122.3 million.
- Expansion of the port of Bilbao (Spain), with more than EUR 34.3 million of production in the year.

MAIN CONTRACTS AWARDED IN 2017

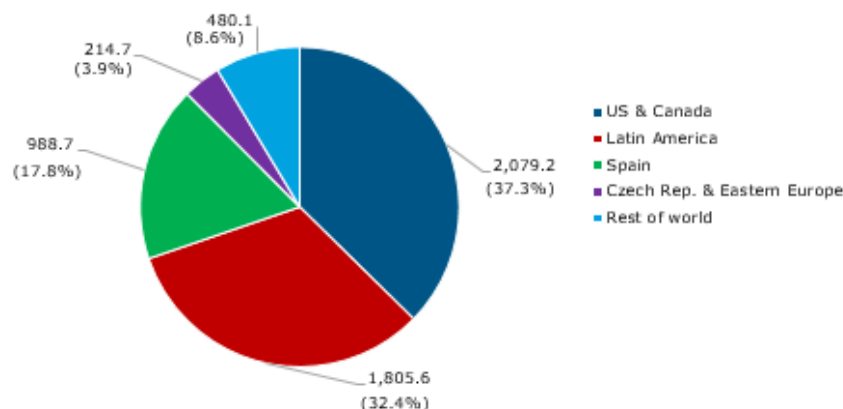
In 2017 Construction won contracts amounting to EUR 2,342.3 million, broken down as follows:



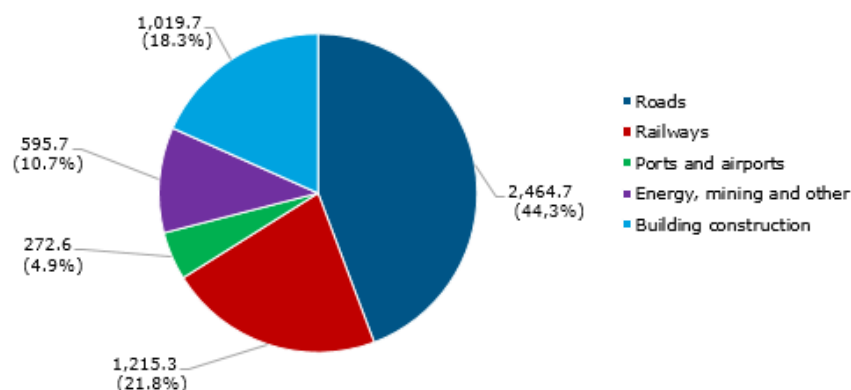
These results reinforce the OHL Group's commitment to its home markets, where contracting represents 93.8% of the total number of new contracts.

CONSTRUCTION DIVISION BACKLOG AT 2017 YEAR-END

2017 ended with a backlog of EUR 5,568.3 million, the distribution of which by market and type of project is as follows:



Distribution of the backlog by type of project (millions of euros):



According to these data, 83% of the backlog is oriented towards civil engineering work and building construction, with the backlog of building construction being practically all non-residential building construction.

In relation to the size of the projects, within the Strategic Plan, it was decided to diversify risk through the distribution of the backlog into smaller projects. Currently, 77.5% of the total amount of projects in the backlog corresponds to projects with a size of less than EUR 300 million.

Success stories



Second Avenue Subway. New York, USA

Innovation, sustainability and accessibility are three of the features on which the construction project for stations 72 and 63 is based, integrated into the new subway line on Second Avenue, which extends the services of the Q and F lines of the New York subway. The project, awarded

by the Metropolitan Transport Authority (MTA) to Judlau, the Group's New York subsidiary, is the first major expansion of the city's subway system in the last six decades.

The project includes the use of the BIM (Building Information Modelling) methodology in the construction of station 72. This is an innovative platform that incorporates collaborative modelling techniques in multiple dimensions; they cover the entire project life cycle and make it possible to visualise changes in each of the dimensions and areas simultaneously and dynamically.

From the accessibility standpoint, the new infrastructure has a design that conforms to the standards of the Americans with Disabilities Act (ADA) and its image responds to the cultural diversity that characterises New York, thanks to decoration by artists from several countries, within the framework of the Arts for Transit program promoted by the MTA.

In addition, Judlau received a commemorative award by Friends of the New York Transit Museum in November 2017, which recognises the benefit of its construction for the more than 200,000 users who use it every day.



EPC SKI. Ski, Norway

The Group is carrying out the EPC Ski contract in Norway as part of the Follo Line high-speed railway project, one of the leading transport initiatives in Norway. The work covers a 3.5 km-long stretch of track, which will enable trains to reach 250 km/h, and includes the reconstruction of the Ski city railway station, the redevelopment of its surroundings and all railway facilities related to the reconstruction of the existing line and the new line.

The project will lead to an improvement in the quality of life of the inhabitants and the commercial development of the area where the infrastructure is located, by reducing the travel time of the Oslo-Ski route by 50% (11 minutes compared to the 22 minutes in which the journey was being made). It will also reduce CO₂ emissions through reduced use of private transport while decongesting traffic in southern Oslo at peak times of day. In addition, the use of this new infrastructure will make it possible to increase the capacity of rail traffic arriving to and departing from Oslo.

OHL INDUSTRIAL

In 2017 Industrial continued with the process of its integration with the Construction division, with which it has significant synergies (e.g. mining sector), with a view to training in Engineering and Construction.

COMPLETION AND OPTIMISATION OF EPC PROJECTS ALREADY CONTRACTED

In Mexico, where, in recent years Industrial has carried on most of its activity, the completion of the Cydsa II 60-MW cogeneration plant in Coatzacoalcos is noteworthy. To this are added the two completed project management contracts for the gas pipelines of the Ramones north and south segments.

Also in Mexico and for Pemex, the Company completed, from a mechanical standpoint, a sulphur solidification plant; and by the end of 2017, it had practically completed (99.4%) of the 30-MW cogeneration plant at the Madero refinery, for which early completion was requested.

In addition, the Degollado pumping station and the Cadereyta hydrogen generation plant are also in the final mechanical phase. In addition, the Empalme I 770-MW combined cycle plant in Sonora, which Industrial executed for CFE during 2017, is scheduled to be provisionally accepted in 2018.

In Guatemala, Industrial brought the 55-MW Xacbal hydroelectric plant into service in the fourth quarter of 2017. In Colombia, the construction of the cement plant for the company Ecocemento, in which the Molins Group holds a stake, is proceeding, with an estimated production of 3,150 tonnes of cement per day.

In Jordan, Industrial is constructing a storage terminal for oil-based products, which is scheduled to be completed in 2018. In addition to this initiative, there are two solar PV projects in the country for Al Mafrq Empire; and in Oman, the Group is carrying out the condensate recovery unit for the state-owned company PDO, which will be completed at the beginning of 2018, as well as performing the cycle closure of Saih Rawl.

OUTLOOK

Mining and cement

The worldwide recovery of the raw materials sector is making it possible to redirect part of Industrial's commercial objective towards mining projects in international markets. This triggered, in 2017, commercial activities with the large mining undertakings from Chile (Codelco) and Peru (CB Holdings or Brocal).

Renewable energies

The Middle East and Latin America are becoming target markets for the development of renewable energy projects (mainly solar PV and wind power). In this regard, of particular note is the obtainment, at the beginning of 2017, of the renewable energy projects in Jordan for Fotowatio, a recurring customer of Industrial.

Operation and Maintenance

The aforementioned activities will be complemented by the opportunities identified in the areas of O&M, as well as those of industrial services, in the home markets in which the Company operates.

Fire safety systems

In 2017 reduced activity was maintained in the adaptation of the nuclear sector in Spain. However, greater activity was detected in the field of fire safety systems inspection,

which would make it possible to increase the commercial demand for these services and comply with market requirements and the legislation in force in this area.

MOST SIGNIFICANT AWARDS

The main contracts in Industrial amounted to EUR 150 million in 2017 and reflect the new approach described above.

To the two solar PV projects in Jordan for Fotowatio, amounting to EUR 68.3 million, are added the Shauhindo mining crushing project (Peru) totalling EUR 17 million and the transport and crushing machinery for Power Machines (Vietnam) amounting to EUR 15.6 million. To this must be added the EUR 23 million derived from fire safety business in Spain and Mexico, and EUR 27 million achieved through the activity of O&M and industrial engineering carried out in habitual industrial markets in Latin America, especially in Chile.

Success stories



Valiente wind farm. Gurrea de Gállego, Huesca, Spain

The Group will be responsible for the engineering, civil engineering works and power evacuation infrastructure of the Valiente wind farm. The facility will be fitted with ten 2.0-MW G114 WTGs and has a total rated capacity of 20 MW.

In its construction and design, measures will be applied to minimise the environmental impact, resulting in significant savings in emissions compared to other technologies, which will in turn have an effect on the protection of native species and respect and guarantee the continuity of agricultural activity in the area. In addition, the project will encourage local employment during its construction and operation phases. This is the first project of its kind to be built in this area, after the energy reform, and it will be the first of several projects planned for construction in the region next year.


OHL SERVICES

In 2017 Services followed a recovery trend in the Spanish market while continuing to make progress in its internationalisation in countries such as Mexico and Chile.

As regards the division's activity, the year was used to consolidate the activities in the urban services area, thanks to the incorporation of new contracts in cities where no such work was being carried out: Huelva, Granollers and Bilbao, which exceed EUR 25 million.

On the other hand, the cleaning sector, with EUR 9,970 million managed in Spain, experienced growth of 1.8% compared to 2016; and for 2018 and 2019 growth is expected to be slightly below 2%.

The building maintenance sector generated revenue of EUR 8,170 million, and registered an increase of 1.7% with forecast growth of 1.7% and 1.6% for 2018 and 2019, respectively.



The urban services market in 2017 confirmed the slight increase experienced in 2016, after five consecutive years of declines. It generated revenue of EUR 5,475 million, 2% up on 2016, when the change was 1.4%. Growth is expected to be around 2.5% in 2018.

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

Despite this incipient improvement in the markets in which Services operates, profitability in these sectors has fallen. Particularly significant was the loss of profitability due to the political instability in Catalonia. Even so, the Company's billings were higher than those of the leaders in the sector, rising 13% from EUR 175 million in facilities management to EUR 198 million. Billings in urban services (EUR 39 million) also grew by 56% compared to 2016, consolidating the strong growth in this activity that generates a higher operating margin.

OHL Services maintained its EBITDA in 2017 in Spain, rising from 1.3% to 1.5%, despite the reduction in profitability experienced by leading companies in the sector, thanks to the division's significant effort in terms of reducing structural costs.

CONTRACTS AND BACKLOG

In terms of contracts, Services achieved revenue of EUR 237.7 million in 2017, consisting of a backlog of EUR 355.8 million, equal to 18 months, well above the average for comparable companies in the sector.

NEW CONTRACTS AWARDED IN 2017

With a backlog of more than 500 contracts in force, of particular note in the various business lines are the following:

Cleaning

- Cleaning service for Metro de Madrid stations. Lot 4 (lines 8 and 10) for EUR 26.0 million (48-month period).
- General cleaning services and related services at the Ministry of Defence facilities (includes all offices in Extremadura, Andalusia and Murcia) for EUR 21.4 million (24-month period).
- Comprehensive cleaning service for local buildings and offices of the Spanish Government, located in the Community of Madrid, for EUR 15.6 million (30-month period).

Social and health care sector

- Management and administration of the Fortpienc municipal assisted residence and day centre. Barcelona City Council for EUR 8.7 million (24-month period).
- Management under a concession arrangement of the "Mossen Vidal i Aunos" residence and day care centre, Department of Welfare and Family, Barcelona. Catalonia Autonomous Community Government, for EUR 4.0 million (24-month period).

Maintenance

- Maintenance, repair and conservation contracts in several districts of the Madrid City Council, for EUR 11.5 million (period between 12 and 24 months).
- Maintenance service of the administrative buildings of the Galicia Autonomous Community Government and the energy supply of the administrative complex of San Caetano, for EUR 6.7 million (28-month period).

Urban services

- Street and beach cleaning service in the municipalities of Isla Cristina and Cartaya, Huelva, for EUR 10.4 million (48-month period).
- Service for the conservation of green and wooded areas in several districts of Torrejón de Ardoz, Madrid, for EUR 8.7 million (48-month period).

OUTLOOK

Cleaning

The sector has shown moderate growth in Spain, thanks to the increase in GDP. Services has consolidated itself in the public sector and is beginning its expansion in the private sector with an extension to more specialised sectors, such as industrial, transport, hospitality, retail or food.

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 a marked improvement in this market in terms of investment. It is expected that the brand will be consolidated in this sector 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 the industrial environment.

Energy efficiency

Worthy of note are 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.

OHL Services will continue to back:

- Efficiency in buildings and facilities.
- 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.

One of the main challenges for this year is the entry into the activity of waste treatment that closes the urban management cycle.

Management improvements

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

- Improvement of processes in the commercial area, introducing the use of a CRM (Customer Relationship Management) in the commercial process of planning the sales process, preparation of the offer, follow-up of the commercial action and analysis of results.
- Strengthening of risk management with the implementation of the due diligence review process and analysis of relations with third parties, and the implementation of actions to reduce accidents at work and absenteeism, among others.

Success stories



Responsible residence management **Residència i Centre de Dia Fort Pienc. Barcelona, Spain**

The OHL Group's commitment to the well-being of society is evident, among other aspects, in its management of homes for the elderly, distinguished with the Joint Commission International (JCI) accreditation, awarded to UTE OHL Servicios-Ingosan and Mensajeros de la Paz, responsible for the Fort Pienc Residence and Day Care Centre of the Barcelona City Council. It acknowledges compliance with the requirements of quality of care, safety in high-risk medication, reducing the risk of infections associated with health care or reducing the risk of injury to residents caused by falls.

Complementarily, the centre carried out projects aimed at making the elderly socially visible and promoting intergenerational exchange. The *Viure millor a casa (Living better at home)* programme is of particular note, as it provides professional advice at home to users of day centres in order to inform them about mobility techniques, patterns of stimulation in daily life, the elimination of architectural barriers and the day-to-day life of people in a situation of dependency and their families. Also, in order to promote generational exchange, residents and users of the day centre share weekly leisure time with students from the children's education centre and the El Tren de Fort Pienc municipal nursery school.

Furthermore, the *Bici sense edat (Cycling without age)* activity has also been carried out at the centre, organised by the Barcelona City Council and has been used to promote the ability of older people to ride a bicycle, thanks to the use of electric tricycles.

OHL DEVELOPMENT

In 2017 the division continued to develop its activity with the aim of entering into preliminary phase projects and, at the same time, disinvesting in those projects that have reached a sufficient degree of maturity to capitalise on value creation.

SIGNIFICANT ACTIVITIES IN 2017

Inclusion of an investor in the Mayakoba tourism development hotel projects

Located 10 km from Playa del Carmen, in an area of approximately 240 hectares, stands Mayakoba, a tourism development that boasts four hotels in operation, operated by some of the most prestigious international hotel chains, all of them in the 5 star luxury category: Fairmont (401 rooms), Rosewood (128 rooms), Banyan Tree (132 rooms) and Andaz (213 rooms), as well as the El Camaleón golf course, designed by Greg Norman and the only one to host, until 2017, an official tournament of the prestigious circuit PGA outside the USA and Canada.

In September 2016, a market survey process began that culminated in the first quarter of 2017, after completing the transaction with the Mexican investment group RLH Properties, S.A.B. de C.V. (RLH).

The transaction consisted of the acquisition by RLH of an 80% stake in the share capital of the companies owning the Rosewood Mayakoba and Fairmont Mayakoba hotels, as well as 51% of the share capital of the companies owning the Banyan Tree Mayakoba, Andaz Mayakoba and the El Camaleón golf course. This heterogeneity in the divestment of investments is due to the different levels of maturity achieved, with greater divestment in the more mature assets.

Celebration of the 11th Anniversary of the OHL Classic at Mayakoba

In November 2017, the 11th OHL Classic at Mayakoba, the only PGA Tour sponsored and named by the Group, was hosted by the El Camaleón Golf Course. The tournament featured a field of 132 players and was won by the American Patton Kizzire.

Progress of the Ciudad Mayakoba projects

In 2017 Ciudad Mayakoba continued to make progress in its consolidation in the Playa del Carmen real estate market, in its different projects -Mayakoba Trails, Lagunas de Ciudad Mayakoba and Jardines de Ciudad Mayakoba-.

In addition, agreements were reached in 2017 to launch additional projects for the global development and consolidation of Ciudad Mayakoba: La Ceiba de Ciudad Mayakoba, houses of innovative design that will begin to be marketed in February 2018; Altos de Ciudad Mayakoba, characterised by having 100% vertical, medium-high level housing, which will foreseeably be launched commercially in February 2018; and Mayakoba Country Club, the most relevant and largest project in all of Ciudad Mayakoba, with more than 500,000 m² of single-family and multi-family lots for sale. This large medium-high and high housing project will begin to be sold commercially in 2018.

Awards and prizes In 2017 Ciudad Mayakoba participated again in the Habitat III congress, organised by the UN, an event of the utmost importance that takes place every 20 years and is a meeting point and discussion point for determining urban development policies for the next two decades. Ciudad Mayakoba was invited as a model of planned community development in tourism development centres, and as an example of joint participation between business, government and UN-Habitat in the generation and management of public spaces that integrate the community.

Progress at Centro Canalejas, Madrid

Throughout 2017 and after the inclusion of Mohari Ltd as a new shareholder in the capital of the project in March, the progress of Centro Canalejas, Madrid continued in accordance with the action plan, with the aim of opening to the public in mid-2019.

The project has all the necessary permits for the completion of the works, and the City Council approved the Special Plan for Underground Transport Infrastructure of Sevilla-Canalejas, which provides a solution to the entrances and exits, both for parking and loading and unloading of Centro Canalejas, Madrid.

At the end of 2017 sales of the Canalejas Commercial Gallery and the residences started, and has been warmly received.

Progress on the Old War Office project

There were many and very important achievements in 2017 in the Old War Office project that Development is carrying out in London, together with the Hinduja Group.

First of all, there is a binding proposal for the financing of the project, in addition to the design and urban procedures with the incorporation of two interior design firms of the highest international prestige.

In February 2017 the City Council approved the project and in July the final agreement was signed with it and the Directorate General of Historical Heritage, which consolidated all approvals in addition to the changes of use and all the necessary urban planning requirements. Worthy of note is the substantial increase in built surface area, which improves the economic viability of the project.

2017 was also very important in terms of defining the various businesses to be developed in the building. The first major milestone was the selection and signing of contracts with the hotel operator Raffles. Once the partner had been selected, every effort was made to define the best strategy for the residential component.

Construction work has now commenced. Certain preliminary tasks (soft strip) were started in December 2016 and in July 2017 the contractor was selected to execute the first work package (demolition, excavation and structure). Work commenced in October and, in parallel, the selection process for the general contractor was initiated, which is expected to end in 2018.

Success stories



Jardines de Ciudad Mayakoba. Ciudad Mayakoba. Playa del Carmen, Mexico.

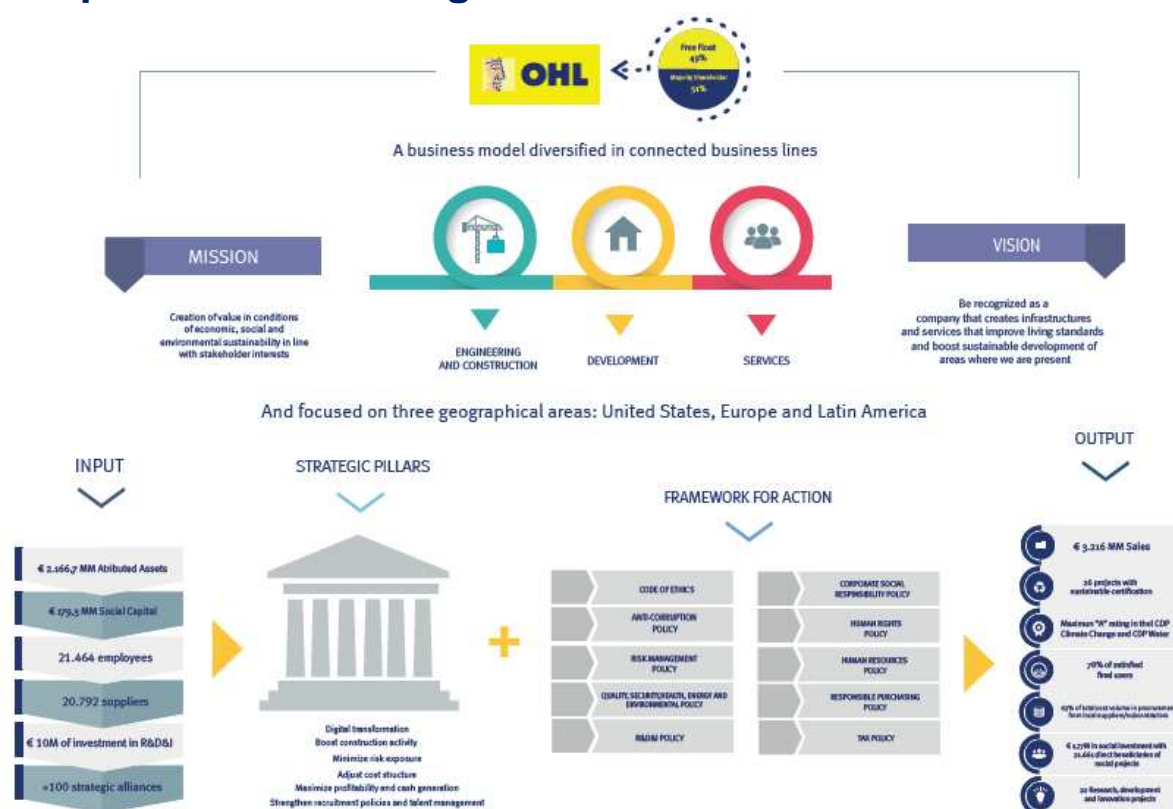
In the vicinity of Playa del Carmen, in the Riviera Maya, lies Jardines de Ciudad Mayakoba, an innovative residential project of affordable and protected housing located in a natural environment of 38.7 ha. Its use is intended for personnel who work in

hotels at the Mayakoba complex, with the aim of helping to reconcile work and personal life, and to prevent them from travelling for up to three and four hours a day.

Jardines de Ciudad Mayakoba is part of the Ciudad Mayakoba development, an initiative managed by the Group through Development. It will house residences and educational, hospital, commercial, cultural, and sports services, extensive green areas, biological corridors and pedestrian and bicycle paths. It will also have a golf course and a large 10 ha metropolitan park.

The first phase, currently under development, includes the construction of 3,576 dwellings that correspond to five models of houses and flats, with an extension that ranges from 45 m² to 98 m², distributed in two, three and four heights. Its surroundings are characterised by a neighbourhood park of 11,459 m², a basic commercial area and 5.36 hectares of green areas.

Chapter III.- Generating value



a) Financial value



As a result of the decision to sell all the shares of OHL Concesiones, this business is presented as a discontinued operation, and the profit or loss of this operation and that corresponding to non-controlling interests are presented separately in the consolidated statement of profit or loss, with the adjustment of the figures for 2016. Also, in the consolidated balance sheet the non-current assets and liabilities of this operation are presented as discontinued operations.


I.- Statement of profit or loss

	2017	2016*	Var. (%)
Revenue	3,216.4	3,342.4	-3.8%
Other operating income	166.8	181.5	-8.1%
Total operating income	3,383.2	3,523.9	-4.0%
% of sales	105.2%	105.4%	
Operating expenses	-2,600.4	-3,245.4	-19.9%
Staff costs	-839.3	-854.8	-1.8%
Gross loss from operations	-56.5	-576.3	-90.2%
% of sales	-1.8%	-17.2%	
Depreciation and amortisation charge	-73.4	-100.3	-26.8%
Period provisions	-2.8	-29.4	-90.5%
Loss from operations	-132.7	-706.0	-81.2%
% of sales	-4.1%	-21.1%	
Finance income	35.5	24.7	43.7%
Finance costs	-86.4	-93.1	-7.2%
Changes in fair value of financial instruments	32.6	-74.0	-144.1%
Exchange differences	-26.8	8.4	-419.0%
Impairment and gains or losses on disposals of financial instruments	-1.5	99.1	-101.5%
Financial loss	-46.6	-34.9	33.5%
Result of companies accounted for using the equity method	-45.5	-148.9	-69.4%
Loss before tax	-224.8	-889.8	-74.7%
% of sales	-7.0%	-26.6%	
Income tax	7.3	32.1	-77.3%
Loss for the year from continuing operation	-217.5	-857.7	-74.6%
% of sales	-6.8%	-25.7%	
Profit for the year from discontinued operations net of tax	497.6	622.3	-20.0%
Consolidated profit/loss for the year	280.1	-235.4	-219.0%
% of sales	8.7%	-7.0%	
Profit attributable to non-controlling interests	-292.2	-197.0	48.3%
Loss attributable to the Parent	-12.1	-432.4	-97.2%
% of sales	-0.4%	-12.9%	

Millions of euros.

* Restated.

The Group's revenue in 2017 amounted to EUR 3,216.4 million, down 3.8% from 2016, due largely to the decrease in Construction activity.



The Engineering and Construction Division obtained revenue of EUR 3,168.2 million in 2017, which represents a decrease of 1.4% and accounts for 98.5% of the Group's total revenue.

OHL's main line of business after the discontinuation of the Concessions business is that relating to the Construction division, whose sales of EUR 2,660.7 million represent 82.7% of total sales and a drop of 4.1% with respect to 2016, due mainly to the fall in activity in the US and the delay in the commencement of concession projects in Latin America.

The revenue of the Development Division, which accounts for a comparatively much smaller 1.5% of total sales, decreased by 63.2% with respect to 2016, principally as a result of the sale in April and May 2017 of the hotel companies and the El Camaleón golf course in Mayakoba (Riviera Maya, Mexico). In like-for-like terms, sales would be virtually unchanged between periods.

In 2017 77.3% of revenue was generated outside Spain, as compared with 78.4% in 2016.

As regards the distribution of sales by geographical area, the US and Canada represent 34.7% of the total, Spain 22.7%, Central and Eastern Europe 8.4% and Mexico 8.3%.

Total operating income amounted to EUR 3,383.2 million in 2017, a drop of 4.0% with respect to 2016.

EBITDA totalled EUR -56.5 million in 2017, -1.8% of revenue.

May 2017 saw the ratification of the collective redundancy agreement between OHL, S.A. and OHL Industrial, S.L. and the workers' representatives that led to the elimination of 457 jobs. The estimated expenses associated with this and other similar collective redundancy procedures, amounting to EUR 40.1 million, and the loss of EUR 36.4 million on the Gustavo Fricke Hospital project in Chile were deducted from EBITDA. Disregarding these two effects, EBITDA totalled EUR +20.0 million.

Substantially all of the Group's positive EBITDA was generated outside Spain, primarily in Mexico and the US.

EBIT amounted to EUR -132.7 million, although without the effect of the collective redundancy procedure mentioned above and other similar procedures it would have totalled EUR -56.2 million.

Finance income minus finance costs totalled EUR -50.9 million in 2017, the improvement with respect to the EUR -68.4 million recorded in 2016 being due to lower average interest rates in 2017.

The gross recourse borrowings amount to EUR 68.0 million.

Main disposals of investments in companies

The most significant disposals of ownership interests in companies in 2017 were:

- On 7 April 2017, 17.5% of the shares of Centro Canalejas Madrid, S.A. were sold.

- On 28 April 2017, a 51% ownership interest in the hotel companies and El Camaleón golf course in Mayakoba was sold, and on 18 May an additional interest of 29% in two of the hotel companies (Fairmont and Rosewood), also in Mayakoba, was sold.

The following table details the impact on each statement of profit or loss line item:

2017	Canalejas	Mayakobá	Total
Selling price	78.8	186.9	265.7
Impact on profit or loss			
Exchange differences	-	38.3	38.3
Changes in fair value of financial instruments	-1.8	0.8	-1.1
Result of companies accounted for using the equity method	-	-11.6	-11.6
Impairment and gains or losses on disposals of financial instruments	33.4	-24.7	8.7
Total impact on profit or loss	31.6	2.7	34.3

Millions of euros.

2016	Construction concession operators
Selling price	142.0
Impact on profit or loss	
Exchange differences	-
Changes in fair value of financial instruments	-77.9
Result of companies accounted for using the equity method	-
Impairment and gains or losses on disposals of financial instruments	90.9
Total impact on profit or loss	13.0

Millions of euros.

The **changes in fair value of financial instruments** amounted to EUR 32.6 million due to the effect of the increase in the value of the foreign currency derivatives. In 2016 EUR -74.0 million were recorded, due mainly to the sale of Construction concession operators that incurred losses as a result of the revaluation of derivatives associated with those assets.


Exchange differences amounted to EUR -26.8 million in 2017, a negative change with respect to the EUR 8.4 million recognised in 2016.

In addition, in 2017 the exchange differences included EUR +38.3 million as a result of the sale of the Mayakoba companies, which partially offset the negative effect of the transactions mainly in Qatari reals, Canadian dollars and Algerian dinars.

The **impairment and gains or losses on disposals of financial instruments** amounted to EUR -1.5 million and include mainly EUR +8.7 million relating to the principal divestments indicated above, plus an impairment loss of EUR -10.0 million on the shares of Banco Popular, S.A. owned by the Group.

The figure in 2016 included the gain of EUR +90.9 million on the sale of the construction concession operators.

The **result of companies accounted for using the equity method** totalled EUR -45.5 million in 2017 and includes most notably the loss arising from the revaluation of the ownership interest retained in Mayakoba, amounting to EUR -11.6 million, and the loss of EUR -26.7 million of the



consortium carrying out the Toronto subway project. It should be noted that in 2016 a loss of EUR 149.4 million was recognised in relation to the Centre Hospitalier de l'Université de Montréal (CHUM) construction project.

The **loss before tax** amounted to EUR -224.8 million in 2017.

Income tax totalled EUR 7.3 million in 2017, reflecting an effective tax rate of 27.7%, as compared with 27.9% in 2016.

This rate was calculated by eliminating the results of companies accounted for using the equity method and other items without any tax effect, and it must be taken into consideration that the Group does not recognise tax assets if it is not certain that they will be recovered. The change in tax rates in the US had practically no effect on the Group.

The **profit for the year from discontinued operations net of tax** relates to the Concessions activity and amounted to EUR 497.6 million in 2017, as compared with EUR 622.3 million in 2016. The detail of the main aggregates is shown in the Appendices.

The **profit attributed to non-controlling interests** amounted to EUR 292.2 million, of which EUR -0.4 million relate to **continuing operations** and EUR 292.5 million to **discontinued operations**. The loss attributable to the Parent totalled EUR -12.1 million in 2017. Disregarding the impact of the collective redundancy procedure, legacy projects and other effects, totalling EUR -76.5 million, plus other impairment losses on financial assets, amounting to EUR -10.0 million, it would totalled EUR 74.4 million, 2.3% of revenue.

II.- Balance sheet

	31/12/2017	31/12/2016	Var. (%)
Non-current assets	1,665.3	8,589.0	-80.6%
Intangible assets	243.9	287.0	-15.0%
Concession infrastructure	66.8	6,439.6	-99.0%
Property, plant and equipment	212.1	257.0	-17.5%
Investment property	73.3	66.8	9.7%
Investments accounted for using the equity method	303.1	513.6	-41.0%
Non-current financial assets	501.0	402.9	24.3%
Deferred tax assets	265.1	622.1	-57.4%
Current assets	10,543.2	4,331.3	143.4%
Non-current assets classified as held for sale and discontinued operations	8,023.6	492.0	1530.8%
Inventories	152.4	211.9	-28.1%
Trade and other receivables	1,753.5	2,103.2	-16.6%
Other current financial assets	140.1	663.5	-78.9%
Other current assets	39.4	42.8	-7.9%
Cash and cash equivalents	434.2	817.9	-46.9%
Total assets	12,208.5	12,920.3	-5.5%
Equity	4,183.3	4,042.9	3.5%
Shareholders' equity	2,918.0	3,027.9	-3.6%
Share capital	179.3	179.3	0.0%
Share premium	1,265.3	1,265.3	0.0%
Reserves	1,485.5	2,015.6	-26.3%
Loss for the year attributable to the Parent	-12.1	-432.3	-97.2%
Valuation adjustments	-751.3	-588.2	27.7%
Equity attributable to the Parent	2,166.7	2,439.7	-11.2%
Non-controlling interests	2,016.6	1,603.2	25.8%
Non-current liabilities	1,124.1	5,453.9	-79.4%
Government grants	2.2	2.1	4.8%
Long-term provisions	50.1	199.4	-74.9%
Non-current bank borrowings*	893.5	3,777.1	-76.3%
Other non-current financial liabilities	4.4	53.0	-91.7%
Deferred tax liabilities	139.5	1,246.3	-88.8%
Other non-current liabilities	34.4	176.0	-80.5%
Current liabilities	6,901.1	3,423.5	101.6%
Liabilities associated with non-current assets classified as held for sale and discontinued operations	4,141.7	220.0	1782.6%
Short-term provisions	225.4	298.2	-24.4%
Current bank borrowings*	680.7	615.2	10.6%
Other current financial liabilities	4.7	7.1	-33.8%
Trade and other payables	1,614.9	1,915.4	-15.7%
Other current liabilities	233.7	367.6	-36.4%
Total equity and liabilities	12,208.5	12,920.3	-5.5%

* Including bank borrowings and bond issues.

Millions of euros.

The detail of the main headings in the consolidated balance sheet as at 31 December 2017 and of the changes therein with respect to 31 December 2016 is as follows:

Concession infrastructure: this line item includes all of the Group's concession infrastructure. The balance of EUR 66.8 million at 2017 year-end represents a decrease of EUR 6,372.8 million with respect to 31 December 2016, due largely to the transfer to "Non-Current Assets Classified as Held for Sale and Discontinued Operations" of the assets of the Concessions Division, which at 31 December 2016 amounted to EUR 6,386.3 million.

At 31 December 2017, the main concession operator was Sociedad Concesionaria Aguas de Navarra, S.A., contributing a balance of EUR 66.2 million to this line item.

Investments accounted for using the equity method: the balance of EUR 303.1 million at 2017 year-end represents a decrease of EUR 210.5 million with respect to 31 December 2016, due largely to the transfer to "Non-Current Assets Classified as Held for Sale and Discontinued Operations" of the companies in the Concessions Division, which at 31 December 2016 amounted to EUR 296.4 million.

Non-current assets and liabilities classified as held for sale and discontinued operations: At 31 December 2017, these line items related to the assets and liabilities of the companies in the Concessions Division in the process of being sold.

At 31 December 2016, these line items related to the assets and liabilities of the hotel companies and the El Camaleón golf course in Mayakoba that were in the process of being sold, with the sale ultimately taking place in April and May 2017.

Trade and other receivables: at 31 December 2017, the balance of this line item amounted to EUR 1,753.5 million, accounting for 13.9% of total assets.

Progress billings receivable and amounts to be billed for work performed represented 80.4% of the total "Trade and Other Receivables" balance and amounted to EUR 1,410.8 million (5.4 months of sales).

The balance relating to the projects the revenue from which was re-estimated in 2016 (legacy projects) accounted for 14.0% of the balance at 31 December 2017 (31 December 2016: 14.7%). The balance of "Trade and Other Receivables" was reduced by EUR 40.8 million (31 December 2016: EUR 53.3 million) in relation to trade receivables factored without recourse (which is why they were deducted from the balance).

The **Equity attributable to the Parent** amounted to EUR 2,166.7 million at 31 December 2017, which represents 17.2% of total assets and a decrease of EUR 273.0 million with respect to 31 December 2016, due to the net effect of:

- The decrease in the attributable profit for 2017, which amounted to EUR -12.1 million.
- The decrease in reserves of EUR 200.7 million arising from the translation of the financial statements in foreign currency, mainly of the Mexican companies.
- The increase of EUR 15.1 million in reserves due to the effect of the net fair value of the financial instruments transferred to profit or loss.
- The drop of EUR 2.5 million relating to treasury shares. At 31 December 2017, 12,531,939 treasury shares with a value of EUR 48.6 million were held.

- The decrease of EUR 72.2 million relating to other changes in reserves, due mainly to changes in the scope of consolidation.

Non-controlling interests: at 31 December 2017, this item amounted to EUR 2,016.6 million, relating substantially in full to the non-controlling interests of the discontinued Concessions business.

The balance was EUR 413.4 million higher than at 31 December 2016 due to the net effect of:

- The increase of EUR 292.1 million as a result of the profit for 2017 attributable to non-controlling interests.
- The decrease of EUR 233.9 million arising from the translation of the financial statements in foreign currency.
- The increase of EUR 2.0 million due to the effect of the remeasurement of financial instruments.
- The increase of EUR 399.4 million as a result of the sale of 24.01% of Concesionaria Mexiquense.
- The decrease of EUR 31.0 million relating to the Mayakoba hotel companies, which started to be accounted for using the equity method in 2017.
- The drop of EUR 15.2 million relating to other changes in the scope of consolidation.

Long-term provisions: the balance of EUR 50.1 million at 2017 year-end represents a decrease of EUR 149.3 million with respect to 31 December 2016, due largely to the transfer to “Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations” of the companies in the Concessions Division. At 31 December 2016, the balance amounted to EUR 199.4 million, of which EUR 134.1 million related to Concessions.

Bank borrowings: the comparison of the bank borrowings at 31 December 2017 compared with those at 31 December 2016 is as follows:

Gross borrowings ⁽¹⁾	31/12/2017	%	31/12/2016	%	Var. (%)
Recourse borrowings	1,517.0	96.4%	1,519.9	34.6%	-0.2%
Non-recourse borrowings	57.2	3.6%	2,872.4	65.4%	-98.0%
Total	1,574.2		4,392.3		-64.2%

Millions of euros.

(1) The gross borrowings group together non-current and current bank borrowings, which include bank borrowings and bond issues.

Net borrowings ⁽²⁾	31/12/2017	%	31/12/2016	%	Var. (%)
Recourse borrowings	943.5	94.4%	748.4	25.7%	26.1%
Non-recourse borrowings	56.4	5.6%	2,162.5	74.3%	-97.4%
Total	999.9		2,910.9		-65.6%

Millions of euros.

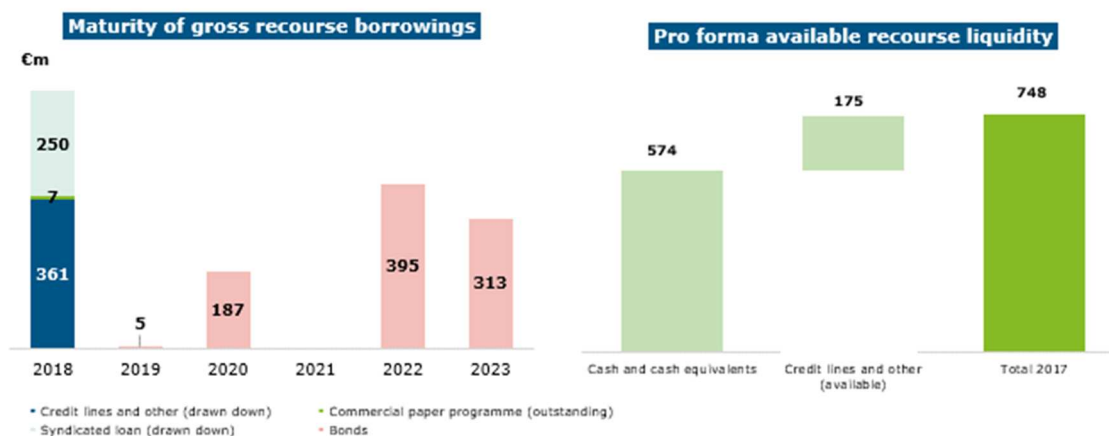
(2) The net borrowings comprise gross borrowings less other financial assets and cash and cash equivalents.

The gross recourse borrowings amounted to EUR 1,517.0 million at 31 December 2017, similar to the balance at 2016 year-end.

The net recourse borrowings amounted to EUR 943.5 million in 2017, up EUR 195.1 million on 2016. Worthy of mention is the significant inflow of cash

arising from the implementation of the Group's divestment plan, which partially offset the investments made and the operating needs of the various businesses.

The detail of the maturities of the Group's gross recourse borrowings and available recourse liquidity:



Recourse liquidity	31/12/17	31/12/16
Bonds	894.5	894.5
Commercial paper	6.7	9.4
Syndicated loan	250.0	250.0
Credit lines and other*	540.7	491.5
Recourse liquidity	1,691.9	1,645.4
Gross recourse borrowings	1,517.1	1,519.9
Available recourse financing	174.8	125.5
Cash and current financial assets	573.6	771.5
Net recourse liquidity	748.4	897.0

Millions of euros.

* Including EUR 190.0 million relating to the revolving credit line of the multiproduct syndicated financing.

The Group's drawable recourse funds amounted to EUR 1,691.9 million.

The Group's recourse liquidity, measured as cash and cash equivalents and available recourse financing, amounted to EUR 748.4 million.

56.8% of the total gross bank borrowings falls due at long term and the remaining 43.2% matures at short term.

Following the transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" of the gross borrowings relating to the Concessions Division, the gross non-recourse bank borrowings amounted to EUR 57.2 million, only 3.6% of the total gross borrowings.

The Group's financial risk management is explained in Note 4.2.1. to the consolidated financial statements.

III. Shareholder and investor relations in 2017

STOCK MARKET INFORMATION

OHL's share performance was positively affected in 2017 by the asset rotation carried out, by the launch and settlement of the OHL México IPO and by the signing of an agreement with IFM for the sale of all the shares of OHL Concesiones.

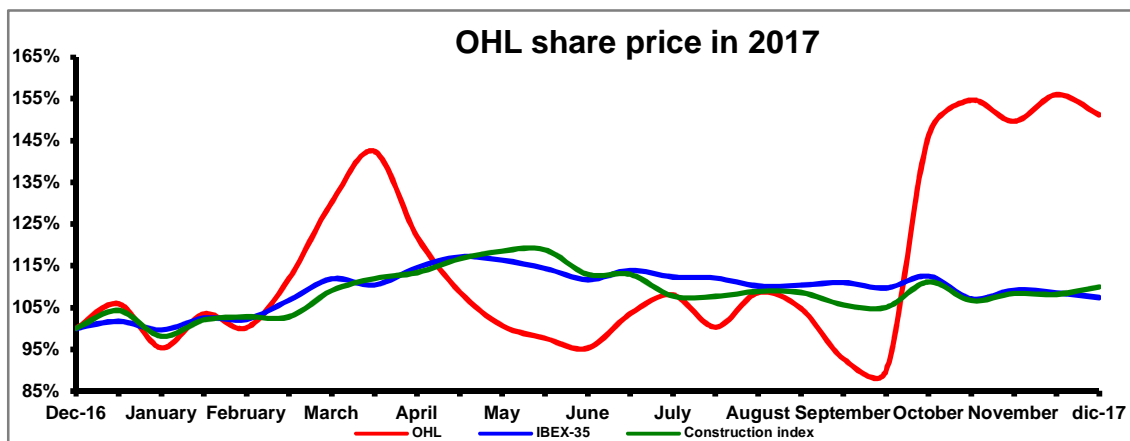
OHL on the Spanish Stock Market Interconnection System:

OHL on the stock market

OHL stock market indicators in 2017:

OHL, S.A.	31/12/2017
OHL closing Price	4.981
YtD performance of OHL share price	51.168%
High	5.455
Low	2.300
Average price	3.935
Treasury shares	12,531,234
Value of treasury shares	62,418,077
Treasury shares as % of OHL share capital	4.194%
Total number of OHL shares	298,758,998
Par value of OHL share capital	179,255,399
Par value per share	0.60
Market capitalisation (Millions of euros)	1,488
Number of shares traded in the year	643,366,934
Number of shares traded daily in the year	2,523,008
Shares traded as a % of total shares	215.3%
Annual turnover	2,531,582,262
Average daily turnover	9,927,774
Total days traded	255
Ibex – 35 index	10,043.9
YtD performance of Ibex 35 index	7.4%
Spanish construction index	1,443.4%
YtD performance of construction index	9.9%
Gross dividend paid in the year	-
Net dividend paid in the year	-

Source: Bolsas y Mercados Españoles and Bloomberg.



- Price (2017 closing price and change with respect to 2016: high, low and average), shares traded, turnover, days traded and average daily turnover.
- Share capital of the Company and number of ordinary shares.
- Treasury shares at year-end and par value.
- Share performance of OHL and of the construction industry in 2017.

At 31 December 2017, the share capital of OHL, S.A. amounted to EUR 179,255,398.8, represented by 298,758,998 shares of EUR 0.6 par value each, all of the same class and series. The share price of OHL S.A. was EUR 3.295 per share at the beginning of 2017. The share price increased by +51.2% over the year, closing at EUR 4.981 per share.

In 2017 the share price reached a high of EUR 5.455 per share, a low of EUR 2.300 per share, and the average price for the period being EUR 3.935 per share.

At 31 December 2017, OHL S.A. held 12,531,234 treasury shares, i.e., 4.194% of the Company's current share capital, which at the closing market price amounted to EUR 62.4 million. In 2016 a total of 643,366,934 shares were traded on the stock market (215.3% of the total shares admitted for trading) with an average daily volume of 2,523,008 shares.

The performance of the Ibex-35 and construction indexes in Spain was more modest during the period, with increases of +7.4% and +9.9%, respectively.

Historically, until 2016 OHL had a pay-out of 25% of the recurring net profit. In 2016 the Group, due to the re-estimation of the final objectives of several Construction projects due to the negative evolution of the situation of various claims and of the Industrial Division, incurred a significant loss, as a result of which no dividend was distributed.

At 31 December 2017, OHL S.A. owned 12,531,939 treasury shares, i.e., 4.195% of the Company's share capital (see Note 3.13 to the consolidated financial statements).

Although the activity of the Concessions Division is presented as a discontinued operation in the Group's consolidated financial statements, we detail in this section the information relating to the stock market performance of OHL México S.A.B. de C.V., a subsidiary of OHL Concesiones, S.A.U.

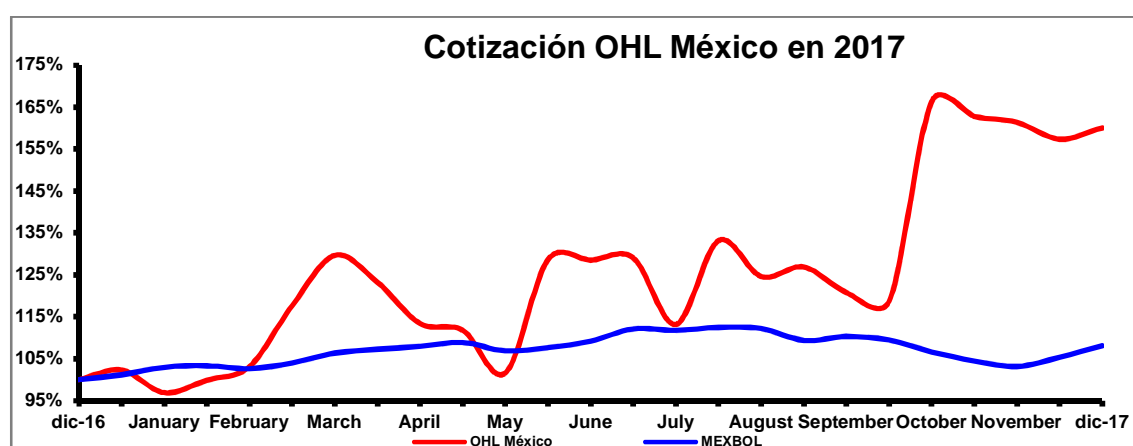
OHL México on the stock market

OHL México stock market indicators in 2017:

	31/12/2017
Closing price (Mexican pesos)	32.63
YtD performance	60.0%
Number of shares	1,732,185,269
Market capitalisation (Millions of Mexican pesos)	56,521.2
Value of 56.85% of OHL (Millions of euros)*	1,358.1

*EUR/MXN exchange rate 23.6612

Source: Bloomberg



- Share performance in 2017.
- OHL México share and S&P/BMV IPC market prices in 2017.
- Number of shares and par value.
- Market price at 31/12/17, market capitalisation in Mexican pesos at 2017 year-end.

The OHL Group, through its Concessions Division has a 56.85% stake in OHL México S.A.B. de C.V., which is listed on the stock market in Mexico and whose share price increased by +60.0% from the share price of MXN 20.39 at the beginning of 2017 to MXN 32.63 per share. The performance of the OHL Mexico share price was positive for most of 2017, thanks in part to the takeover bid launched jointly by OHL Concesiones and IFM.

It was in the last quarter of the year when the bid launched by the Australian fund IFM for OHL Concessions (the parent of OHL Mexico S.A.B. de C.V.) was made public that the share was at its strongest, close to MXN 35 per share in November 2017 (the low of around MXN 19 per share was seen at the beginning of February). The market capitalisation of OHL México at 2017 year-end was MXN 56,521,205,327.5.

At 31 December 2017, the share capital of OHL México S.A.B. de C.V. amounted to MXN 15,334,502 thousand, represented by 1,732,185,269 ordinary shares, all of the same class and series.

OHL bond issues currently outstanding in the market

OHL, S.A. currently has outstanding in the market three bond issues listed in London, the most relevant data at the end of the year being as follows:

Issuer	Maturity	Coupon	Outstanding balance	Price	YtM
OHL S.A.	March 2020	7.625%	187	101.855%	6.695%
OHL S.A.	March 2022	4.750%	395	101.263%	4.415%
OHL S.A.	March 2023	5.500%	313	102.834%	4.874%

Communication with shareholders, investors and analysts

- Main channels of communication and dialogue with shareholders, investors and analysts.
- New developments in 2017, if any.
- Most important communications in 2017.

The OHL Group has an Investor Relations Department at the corporate headquarters of the Group -Paseo de la Castellana 259-D, Torre Espacio, 28046 Madrid-, and at its subsidiary OHL México. These teams manage communication with shareholders, investors and analysts with a clear objective: maximum transparency with the dissemination of relevant information for these stakeholders.

To this end, the Group promotes various on-site meetings during the year (meetings with analysts, national and international roadshows, Investor Day and ad-hoc informative meetings) and offers several communication channels (e.g. the email account: relación.accionistas@ohl.es).

In 2017 several national and international roadshows were held (London, Paris and New York), and the Group also participated in various forums and seminars (e.g. Spain Investors Day 2017), and organised the traditional annual presentation of the Group's results for the year, together with the Annual General Meeting and Investor Day. These presentations, due to their importance, are always broadcast on the website so that they can be followed by the Group's various stakeholders.

Currently, around 15 financial analysts on the equities side and about 10 analysts on the fixed-income side (bonds) from various banks regularly monitor the OHL Group and the Investor Relations Department maintains ongoing communications with them in response to market needs.

Since 2011 OHL has made quarterly results presentations through conference calls in English, in which the Group's executive team answers the questions of the participants and establishes direct communication with the financial community, without vetoing questions of any kind.

Over the rest of the year communication with analysts, shareholders and investors is guaranteed through the email address: relacion.accionistas@ohl.es and the shareholder hotline +34 91 348 41 57.

b) Value for the customer

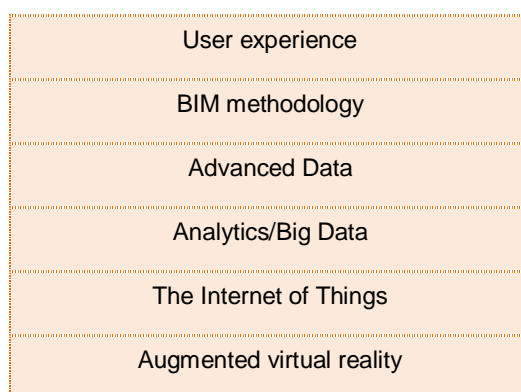


I.- Digital transformation

The infrastructure industry has been slower than others in adapting to new technologies and for many years has undergone few significant transformation processes. In today's global environment companies in the industry have to face bigger and more complex challenges and, therefore, technological and digital innovation are considered to be strategic pillars in the infrastructure field.

The OHL Group is prepared for this transformational process since innovation and technology have always been part of its culture, and the Group has been a pioneer for more than 20 years in the development of proprietary information technologies aimed at optimising its processes and giving it a competitive edge over its competitors.

OHL Group digitisation strategy



In this context, one of the main projects initiated in 2016 consists of implementing BIM methodology in the Company's construction processes. With this objective, a total of 27 pilot projects have been designed which started to be implemented in 2017 and from which it is expected that the first results will be obtained in 2018.

In 2017 these pilot projects focused on:

- Improving and completing the foundations for the Construction value chain, adapting OHL's operating processes and developing the appropriate technological platform to improve process efficiency and competitiveness in the various different phases of the project life cycle.
- Obtaining predictive and analytical capacity from the projects implemented by the Group in the past so that knowledge remains within a homogeneous platform that in turn allows the results of the experiences to be extrapolated to future projects.

Also, in 2017 work continued in the field of information security and privacy, with the adoption of various initiatives aimed at adapting the systems and processes to current and future legislation.

The following initiatives are particularly worthy of mention:

- Adaptation to the new European General Data Protection Regulation (GDPR), with the aim of complying with this legislation and increasing the privacy of the Group's data.
- Implementation of the Information Security Risk Management processes, which facilitate better monitoring and treatment of the cybersecurity risks in the face of external threats and potential technological vulnerabilities.

II.- Innovative culture and R&D+i

The OHL Group embraces research, development and innovation as fundamental pillars of its strategy, aware of their importance in long-term value creation.

2017
Start-up of 22 R&D+i projects
Investment of EUR 10.2 million

2017 saw the continuation of the implementation of the 2016-2020 Strategic Innovation Plan. In addition, this plan covers both the technology and management fields.

PRIORITY R&D+I ACTIVITIES

In the civil engineering area, work was performed on the development of new construction solutions, especially for railways and maritime works.

Work in the emblematic building construction sphere focused mainly on development work and experimentation in the energy efficiency field.

In the industrial area, R&D focused on the development and validation of Fresnel-type thermosolar technology and on innovation in industrial system design.

Results that create value

12 patent families in 26 countries

Cubipod was distinguished with the Quality Award (QIA)

Signing of a new agreement for the construction of a Port in Denmark using Cubipod technology

INNOVATION MANAGEMENT MODEL

The implementation of a common innovation management model for the entire Company and the promotion of the culture of innovation among its employees have been basic principles of the OHL Group in its R&D+i activities.

In the promotion of intrapreneurship, innovative proposals have been gathered from all the lines of activity. Worthy of particular mention are those received through the programmes to facilitate the generation of innovative ideas:

- VI award for the + Innovative idea. Organised by the Group.
- V LIDERA! programme, organised by the Construction Division.

In addition, the Construction Division promoted the following models: open innovation, flexible development, collaborative intelligence, incubation of new businesses and improvement to intangible asset management.

Renewal of certification under the UNE 166 002 standard at the six companies.

Partnerships

+ 40 research centres and universities

14 countries

INDUSTRY BENCHMARKS IN R&D+i

In the commitment to play a leading role in identifying challenges and defining innovation policies, the OHL Group actively participates in various international groupings, including:

European Network of Construction Companies for Research and Development (ENCORD), the Spanish Technological Construction Platform (PTEC) and the SEOPAN R&D+i Commission, in the construction area.

II.- Quality management

OHL offers the best designs and services to respond to customers' needs.

Quality management at the OHL Group is based on processes and on managing risks and opportunities. It is implemented through a management system integrated with other areas and meets the requirements of the ISO 9001 international standard. Additionally, it has external quality standard certification for 75% of Sales.

Quality plans include control and specific assurance of the activity and location, as well as communication with customers and users, continuous improvement and innovation.

Particularly important factors in contract quality are the supervision of critical activities by specialised personnel, document management to guarantee fast and secure access to documentation and adequate coordination with suppliers.

2016-2020 Strategic Quality Lines

- Treatment of non-quality, as a tool for controlling and improving efficiency.
- Claims management, as an indicator of the degree of compliance.
- Customer satisfaction, as an indicator of excellence in the performance of projects and the provision of services.

Furthermore, OHL maintains dialogue with its customers and users and provides them with assistance through periodic meetings, the management of their claims and consultations regarding their degree of satisfaction. Other stakeholders such as government, analysts and investment groups are served through the website, periodic reports, email and telephone hotlines. All complaints from clients 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 Group maintains a firm commitment to ongoing information on the progress made.

Also, when assessing satisfaction, various resources are used, such as: interviews, questionnaires, market analysis, extension of contracts and services and new awards.

All employees and outside collaborators assume the quality of their activities as a working principle, as set forth in the Code of Ethics and corporate policies. The Group facilitates training, resources and technology to offer the best possible service.

Results in 2017

- The quality management systems are certified by 8 external entities such as: SGS, TUV Rheinland, BV, BSI, Aenor and JCI.
- 75% of sales certified, corresponding to markets and customers.
- Almost 400 days of quality audit without any serious breaches.

Customer satisfaction rate: 7.9/10 78% of end users consider themselves satisfied and 73% would recommend working with the OHL Group.

0.54 claims per million euros of Construction sales. The average response period is 4 days and the average resolution period is 17 days.

Satisfaction was measured on the basis of the result obtained from quality surveys for certain customers of the Construction, Industrial and Development Divisions. The figures were not weighted on the basis of the sales of each company.

The customer satisfaction measurement figure for the Construction Spain Division relates to 2016.

IV.- Supply chain

Key purchasing indicators of the OHL Group

	Number of suppliers	Total volume of the expense (M EUR) relating to purchases from suppliers/subcontractors made in the year	Total volume of the expense (M EUR) relating to purchases from local (same country) suppliers/subcontractors
US and Canada	3,280	1,338.5	521.4
Spain	4,958	231.6	204.2
Europe	6,657	407.3	302.0
Latam	5,231	596.0	595.2
Other countries	666	140.7	93.5
Total	20,792	2,714.2	1,716.4

Responsible supply chain management

The quest for global synergies in hiring and the establishment of a collaborative network among projects that allows information to be shared on suppliers and subcontractors are fundamental aspects for OHL. To this end, framework agreements of a global nature are being prepared in the Construction Division with a view to achieving economies of scale at Group level.

In this scenario, the Code of Ethics, the Anti-corruption Policy, the Responsible Purchasing Policy and the internal Purchasing regulations continue to be the main pillars of supply chain management at the OHL Group.

All contracts include a clause on compliance with the Code of Ethics, and knowledge and compliance with the ten Principles of the Global Compact. Also, under the supplier accreditation requirements, suppliers must not have been adjudged in a final decision to have breached of any of these Principles during the last three years.

These policies governing the supply chain are part of the clauses and general purchasing conditions for the supply of general services, while the signature of the supplier, which infers its knowledge and compliance, is an essential requirement to be able to work with the OHL Group. As a common requirement for all Group 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.

Purchasing management tools

The Computerised Purchasing System (*SIC*) permits the automated registration of the entire purchasing process and guarantees the transparency of the process and equal opportunities for all OHL suppliers.

2017 saw the launch of Ariba, a purchasing management system that will foreseeably replace, in the medium term, the system that has been used until now. Ariba will streamline and optimise processes, increase control and provide more value and traceability to the business. Moreover, it will produce time and cost savings in the processes involved in documentation analysis and validation, will increase legal security and will provide a centralised database for all the OHL Group companies.

During the year Ariba was implemented in some of the corporate divisions, and is at the trial phase at the Hospital de Fuenlabrada (Madrid, Spain).

Green purchases

The standard purchasing terms of the General Services Division place special emphasis on environmental criteria and incorporate, in their records, environmental management factors and even certifications of their suppliers, aligning them with the objectives of accessibility, sustainability and security of the Group's work spaces.

95%

Purchases of stationery and consumables at the OHL head offices are environmentally friendly.

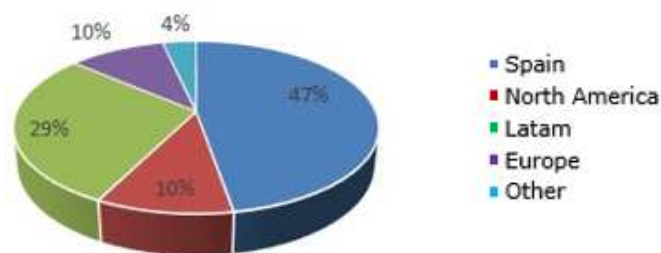
c) The value of people



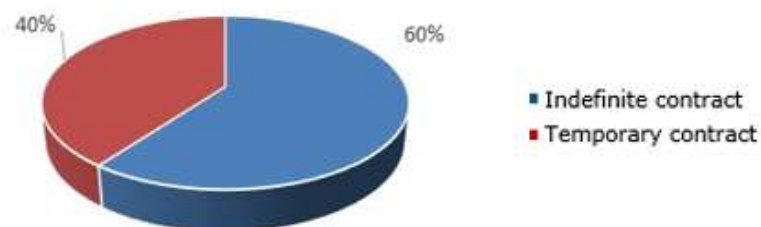
In a year of significant changes in structure and internal organisation, the OHL Group continued with talent management materialised in opportunities for professional development and mobility in a global environment, promoting ethics, diversity and equal opportunities.

At 31 December 2017, the OHL Group had 21,464 employees, 2.6% fewer than in 2016. 53% of the total workforce is outside Spain.

**Distribution of the employees of the OHL Group
By geographical area**



By type of contract



Directly employed by the OHL Group

	Subcontractors		Directly created induced jobs	
	2017	2016	2017	2016
OHL	772	841	4,126	4,759
Subsidiaries				
Construction	694	1,065	6,861	8,827
Industrial	54	122	1,415	9,364
Services	674	167	1,527	334
Total	2,194	2,195	13,929	23,284

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 the OHL Group.

In 2017, and in response to the OHL Group's need to adapt to the new business and economic context, Obrascón Huarte Lain, S.A. and OHL Industrial, S.L. each implemented a collective redundancy procedure for economic, production and organisational reasons, framed within cost reduction measures aimed at ensuring the sustainability of the companies and guaranteeing their future viability.

Both procedures were concluded with an agreement with the respective workers' representatives, with a total of 381 employees affected at the end of the year.

Although these collective redundancy procedures involved the adoption of restructuring measures, both companies implemented social support measures in order to minimise the social impact of the redundancies. Thus, it should be highlighted that in both cases an outplacement and professional support programme was set up for the affected employees in order to minimise their unemployment time.

In the case of Obrascón Huarte Lain, S.A., thanks to this outplacement programme, up to the end of 2017 43% of those included in it had found work; at OHL Industrial, S.L. this percentage was 29%. This programme is still up and running today with a view to increasing the percentage of employees affected by the collective redundancy procedures.

I.- Diversity

OHL understands diversity as an enriching element that increases and augments the company's capacity to meet the expectations of stakeholders and adapt to the different scenarios in which it operates.

Breakdown of employees by professional category, age and gender

Professional category	TOTAL	Total		Under 30		30-45		46-55		Over 56	
		M	W	M	W	M	W	M	W	M	W
Senior executives	7	7	0	0	0	1	0	4	0	2	0
Senior managers	121	111	10	0	0	31	6	56	4	24	0
Managers	333	293	40	1	1	131	27	116	11	45	1
Middle managers	1,670	1,403	265	57	21	693	156	444	66	209	22
Other line personnel	3,042	2,268	776	365	134	1,119	355	567	216	217	71
Clerical staff	1,286	620	666	167	152	225	311	145	162	83	41
Manual workers	15,005	8,465	6,540	1,451	310	3,632	1,695	2,350	2,729	1,032	1,806
TOTAL	21,464	13,167	8,297	2,041	618	5,832	2,550	3,682	3,188	1,612	1,941

With regard to gender equality, the **II Equality Plan** is in force, which underlines the Company's commitment to the promotion of professional development and the enhancement of skills and competencies, without any gender distinction. In 2017 work was carried out on the preparation of these training materials to sensitise the Group's employees.

The **Equality Committee** is responsible for monitoring the plan and the various projects that arise in this area.

EMPLOYMENT INTEGRATION PLAN FOR VULNERABLE GROUPS

The Group has a firm commitment to the inclusion of people in situations of social vulnerability. The Services Division is the most active in this connection. In 2017 the Company generated 80 job opportunities for these groups, especially people with disabilities, at risk of social exclusion and victims of gender violence.

In addition to the generation of job opportunities, the Group participates in other initiatives to promote the employability of these groups, such as the development of professional volunteering in HR or through calls for the presentation of social projects by employees.

OHL Servicios-Ingesan was awarded the **2017 Estela Prize**, the **2017 Integra Prize** and a distinction awarded by **Obra Social La Caixa** for its commitment to society and its most vulnerable groups.

II.- Remuneration and benefit systems

The purpose of the remuneration system is to define, implement and execute the remuneration policies and practices of the OHL Group in accordance with its business strategy, based on a total compensation approach that guarantees internal fairness and external competitiveness, as well as its capacity to attract, retain and obtain the commitment of executives and employees, based on criteria of objectivity and equality.

In this regard, the Group has carried out a job analysis and description process, assessing and classifying it into organisational levels, defining a salary structure by division and geographical area for these levels, with a specific positioning with respect to the market, based on the level of competitiveness required by the business in each case.

The remuneration policy of the OHL Group is based on criteria of fairness, competitiveness, objectivity and equality.

Further information:

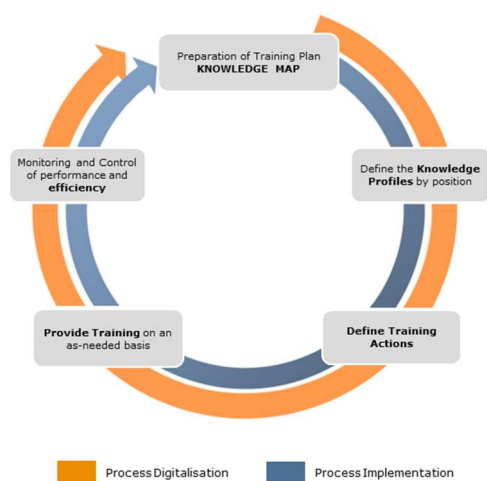
Appendices:

- Appendix 2. OHL Group employee benefits.
- Appendix 3. Information on freedom of association and collective bargaining.

III.- Training and development

Within the framework of the Training Plan, a new training model has been implemented (Knowledge Map), aimed at continuous professional development and adaptation to technological, organisational and market changes, to achieve maximum training and excellent performance.

Training Model Process



In 2017 work was also performed on the digitisation of the Group's processes and training management data through the implementation of both the knowledge profiles of the job positions and of the training associated with these positions and their internal management.

Training in 2017 (data in Spain)

Type of training	Gender		Hours		Number of courses	Hours
	Men	Women	Classroom-based	Online		
Knowledge map	216	114	9,970	-	33	9,970
e-Learning	125	59	-	7,913	73	7,913
Corporate	808	296	-	4,416	3	4,416
Unplanned	1,095	583	25,778	8,616	197	34,394
Total	2,244	1,052	35,748	20,945	306	56,693

Training by professional category

	OHL (*)		Industrial		Services		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior executives	78	0	0	0	96	0	174	0
Senior managers	570	85	248	0	241	119	1,059	204
Managers	1,664	987	392	7	57	53	2,113	1,047
Middle managers	7,774	2,106	2,068	408	176	272	10,018	2,786
Other line personnel	10,450	6,542	4,239	2,376	1,263	1,149	15,952	10,067
Clerical staff	1,052	2,779	24	622	358	673	1,434	4,074
Manual workers	1,611	55	194	0	5,504	3,224	7,309	3,279
Total	23,199	12,554	7,165	3,413	7,695	5,490	38,059	21,457

(*) Data relating to Construction, Development and corporate areas in Spain.

KNOWLEDGE PROFILES AND ASSOCIATED TRAINING

In 2017 the Group developed, with internal experts from all areas, knowledge profiles in order to tailor them -as well as the associated training- to the specific needs of the job positions.

Job positions by knowledge profile

Construction	Industrial	Services	Corporate
105	46	41	30

ESCUELA OHL (OHL SCHOOL)

2017 saw the creation of the OHL Group School, a platform that responds to the international growth being experienced by the Company and where employees with technological means can access online training. In this area, specific actions linked to the business model and the legal changes affecting the Company have been promoted, including the Fundamentals of Information Security course.

OTHER INITIATIVES

Also in 2017, the EPI programme (individual protection equipment) was launched, in conjunction with the Group's Occupational Risk Prevention team, from which 556 students have now benefitted.

PERFORMANCE EVALUATION

In 2017 the Performance Evaluation Model was consolidated for management positions, service heads and middle management, and was extended to technical positions.

PERSONAL DEVELOPMENT

In 2017 the first competency development programme was launched, which is carried out in three phases:

- **Phase 1. Identification** of people with initial capacity to assume greater responsibilities within the organisation.
- **Phase 2. Proposal of individual measures** for the development of the people identified with indications of potential (knowledge, skills and assumption of greater responsibilities).
- **Phase 3. Group succession map.** Identification of risks due to lack of succession and inclusion of the key positions for which a successor is needed.

INDIVIDUAL DEVELOPMENT PLANS		
Strengthening of specific technical knowledge	Example: Languages	Executive Master's Degree in English
External analysis of competencies	Identification of strengths and areas for improvement	External Competency Interview
Assignment of Individual Development Plans to develop the most critical skills identified	Management Programmes (EPD/GMP/Similar)	Business School Programmes
	Competencies Programmes designed on an ad hoc basis for OHL	
	Leadership	
	Communication and influence	
	Collaboration	
Individual strengthening	Analysis and resolution of problems	External Development Professional
	Achievement	
	Guidance	
	Tutoring	Internal mentor
	Mentoring	

IV.- Communication

2017 saw the first anniversary of the launch of the Group's new intranet, OHL Link. A tool designed to promote the corporate culture and the participation and collaboration of the Company's employees. The intranet currently has more than 9,500 users in 20 countries.

In 2017 the number of followers of the OHL Group LinkedIn account passed 70,000, thereby strengthening its reputation. In addition, the 100th and 200th editions of the corporate publications Tecno and Mosaico, respectively, were published.

V.- Health and safety

The internal and external audit process continued in 2017. In the external certification process all the certificates obtained in 2016 were retained and the scope thereof was extended to Ireland. It should be noted that that no "non-compliance" classifications were received in the year in the Construction and Industrial areas, demonstrating their commitment to safety.

21 countries certified under the OHSAS 18001 standard.

36.3 days of external audit in Occupational Risk Prevention (ORP). 19.8 in Construction, 5 in Industrial, 6.5 in Services and 5 in General Services

Also, the internal audit process initiated in 2016 continued, constituting the best tool for self-control and self-assessment in the safety area.

OHL GROUP ACCIDENT RATES

DIVISION	F.I.			S.I.			I.R.		
	2016	2017	CHANGE	2016	2017	CHANGE	2016	2017	CHANGE
CONSTRUCTION	11.0	9.7	-12.4%	0.4	0.4	6.2%	2,457.0	2,149.0	-12.5%
INDUSTRIAL	3.5	3.7	6.0%	0.2	0.03	-88.7%	676.0	1,182.0	74.7%
SERVICES*	53.6	40.9	-23.6%	1.4	4.8	239.5%	6,919.0	6,974.0	0.8%
DEVELOPMENT**		164.4			1.1			787.0	
TOTAL GROUP	19.1	14.9	-21.5%	0.6	1.3	119.4%	3,667.0	3,368.0	-8.1%

*The headcount and number of hours worked at Servicios-Ingesan increased in 2017. Occupational accidents in this area also increased.

** The 2016 information corresponding to OHL Desarrollos not available (NA).

Calculations obtained from the following formulas:

$$\text{FREQUENCY RATE (FR)} = \frac{\text{NO. OF ACCIDENTS}}{\text{NO. OF HOURS WORKED}} \times 10^6$$

$$\text{SEVERITY RATE (SR)} = \frac{\text{NO. OF WORKING DAYS LOST}}{\text{NO. OF HOURS WORKED}} \times 10^3$$

$$\text{INCIDENT RATE (IR)} = \frac{\text{NO. OF ACCIDENTS}}{\text{NO. OF EMPLOYEES}} \times 10^5$$

STANDARDS MANUAL AND IPP

At the end of 2016 the standards manual was finalised to standardise OHL's preventative criteria worldwide. In 2017 its implementation commenced.

Similarly, the Inspection Point Programme (PPI) was developed to import concepts from the quality assurance world into the preventive management field. The Programme was developed jointly with the School of Civil Engineering of the Universidad Politécnica de Madrid through the Agustín de Betancourt Foundation.

TRAINING

Safety training is a fundamental tool for the Group. In 2017 training continued in the various business areas. 2,823 hours of ORP training were taught in the corporate areas in Spain. Also, the following training was provided at construction sites:

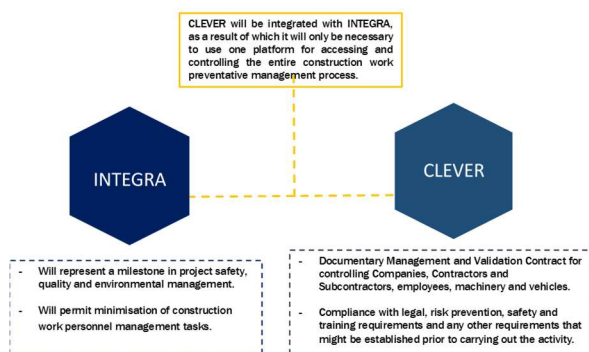
	No. of hours		
	INITIAL TRAINING	PERIODIC TRAINING	SPECIFIC TRAINING
Spain	4,105	546	3,907
Abroad	112,003	188,171	142,419
TOTAL	116,108	188,717	146,326

In 2017 21 ORP courses were given consisting of 2,823 hours of training.

	No. of hours
	TOOL BOX Meeting*
Spain	14,713
Abroad	93,788
TOTAL	108,501

*Preventative ORP training at construction sites.

	No. of hours
	Emergency/ First aid
Spain	215
Abroad	3,405
TOTAL	3,620



At the end of 2017 work commenced on the integration of the Construction Division's prevention management system with those of the Industrial and Services Divisions. This integration will simplify the audit processes and make it possible to achieve a worldwide multi-site certificate.

PARTICIPATION IN FORUMS

- Fundación Prevent: to promote and contribute to the social and occupational inclusion of people with disabilities, and to promote a preventative culture at the Company, through greater social awareness that guarantees safer work environments and more responsible companies.
- Conference on Health and Safety in the Workplace and Environmental Protection in Gulf Cooperation Council (GCC) states. Madrid, Spain
- Florida State Associated General Contractors, US.

VI.- Human rights

The OHL Group's commitment to the protection of Human Rights (HR) materialised with the approval in February 2017 of the Group's Human Rights Policy, through which it reaffirms its commitment to respecting and protecting the human rights of the people at the Company, those in its supply chain and those in the communities affected by the activity of OHL.

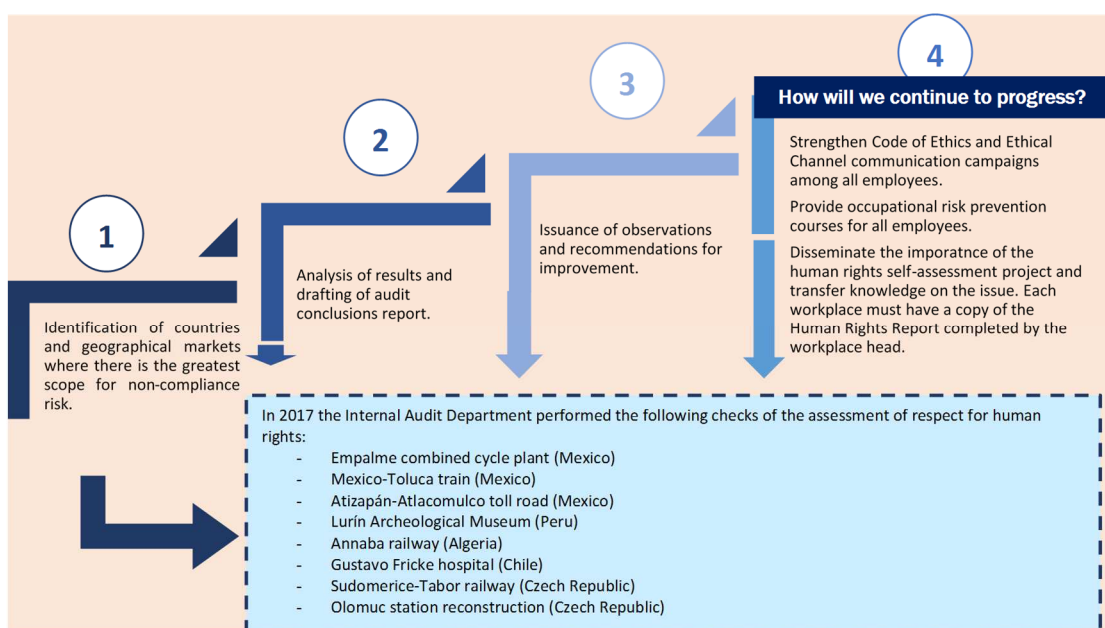


This commitment is reinforced by the adhesion of OHL to the main international HR initiatives and guidelines.

1. UN Universal Declaration of Human Rights.
2. UN Global Compact (Member and founding partner of its Spanish network).
3. International Labour Organization (ILO) Tripartite Declaration on fundamental principles and rights at work.
4. OECD guidelines for multinational enterprises.
5. UN guiding principles on business and human rights.

The Audit and Compliance Committee is ultimately responsible for ensuring compliance in the HR area at the OHL Group and it performs the associated monitoring and control functions through the Group's Internal Audit Department.

In 2017 the Internal Audit Department verified compliance with procedures relating to human rights in projects in Mexico, Peru, Algeria, Chile and the Czech Republic.



d) Environmental value



The OHL Group, through its activities, promotes the consolidation of a circular and low-carbon economy, aligning itself with the main global initiatives focused on procuring the progress and welfare of society under conditions of sustainability such as Caring for Climate, the Nazca platform, Neutral Climate Now and CDP.

To this end, it incorporates into its strategy the responsible use of natural resources and practices aimed at reducing the carbon footprint, water footprint and waste. It also strives towards the conservation of biodiversity and heritage and works in favour of resilience.

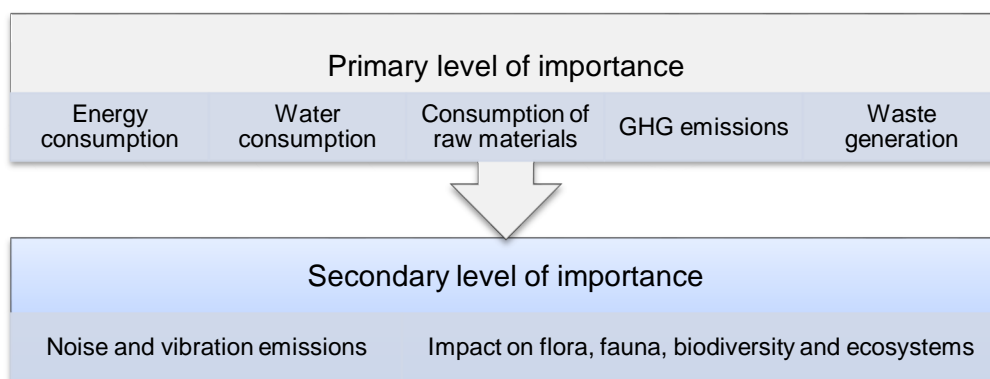
Strategic environmental lines of the 2015-2020 CSR Strategic Plan



I.- Environmental risk management

The Group's environmental management establishes the resources for controlling risks, compliance with regulations and performance improvement.

Environmental highlights of 2017



In 2017 the significant environmental issues were energy consumption, water consumption, consumption of raw materials, greenhouse gas emissions and waste generation. The Group identified as being of secondary importance noise and vibration emissions, the impact on flora, fauna, biodiversity and ecosystems. A life cycle analysis perspective was used in the identification and evaluation process, taking into account the main activities and assessing, inter alia, origin, destination and use by third parties

The activities that so require adjust their management to benchmark international standards such as: ISO 14001, EMAS Registers, ISO 50001, ISO 14064-1 and ISO 14046. In 2017 a total of six external entities, including most notably SGS, TUV Rheinland and Bureau Veritas, certified the Group's environmental management in response to customers' requirements. The volume of business certified was 61% and highlights the successful conclusion, in all business lines and locations, of the process to renew the 2015 ISO 14001 certification one year before the 2018 deadline.

Internally, the best environmental practices are encouraged through the Environment Prize, which is awarded annually and is aimed at all employees. This initiative acknowledges the most significant actions and promotes replication at the Group.



INTERNATIONAL CLIMATE CHANGE CREDENTIALS

The OHL Group has been working for some years now on transparency through its participation in various initiatives:



In the communication field, OHL participated in the 2017 European Mobility Week with a campaign to raise awareness in social networks and a selfie competition for employees. In addition, the Group was invited to participate in various workshops such as TRAFFIC, Basque Ecodesign Meeting IV Jornada IAHR - Spain Water.

	Regulatory risk	Operational risk	Other risks
Climate change	Carbon markets. Emissions limits and reporting. Taxes on fossil fuels. Energy efficiency and product labelling.	Extreme climates. Changes in precipitation regimes.	Non-compliance with climate change commitments. Late adaptation to industry 4.0
Water	Water-use restrictions.	Extreme climates. Changes in precipitation regimes. Poor water quality.	Limitations on resource to the community. Impact on biodiversity.

SUSTAINABLE CONSTRUCTION

OHL has a firm commitment to sustainable construction and to this end it harnesses the experience of renowned professionals to carry out projects subject to the LEED (Leadership in Energy & Environmental Design), BREEAM (Building Research Establishment Environmental Assessment Methodology) or CES (Certificación Edificio Sustentable) reference guides in Chile.

To date OHL has built 26 projects that have been certified as sustainable.

ENVIRONMENTAL PERFORMANCE AND INNOVATION

The OHL Group evaluates its environmental performance through economic indicators (expenditure, investment and penalties), environmental indicators (number of protected natural areas, restored surface area and affected animal and plant species) and socio-environmental indicators (consumption of natural resources, waste generation and land occupation, among others).

It is important to note that the Construction activity is characterised by taking on projects that vary widely in economic and time horizon terms. Development activities are more homogeneous, but their maturation period and asset rotation period makes it difficult to make year-on-year comparisons.

The Group places particular importance on production process and support activity improvement initiatives. Some outstanding examples are the purchase of energy with certificates of origin; investment in energy efficiency improvements in headquarters and offices; the re-use of construction waste or sustainable office and sustainable mobility plans in Spain.

II.- Climate change and energy

For a decade now OHL has been a leader in the transition towards an energy efficient economy and in the improvement of air quality in cities.

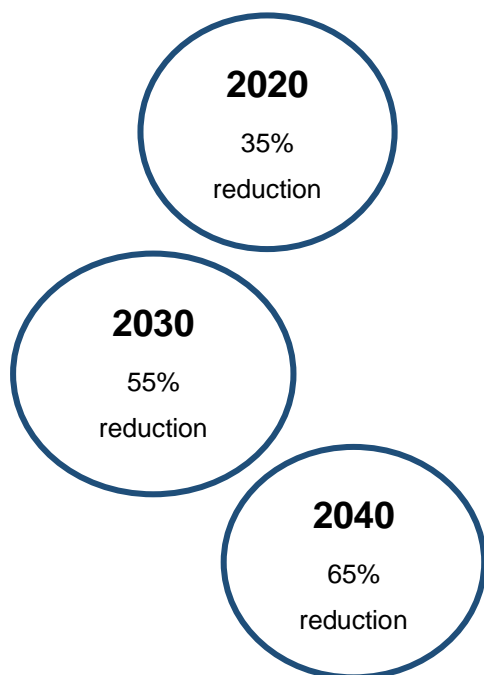
The scope 1 (fuels) and scope 2 (electricity) GHG reduction objectives, updated in 2017, use Science-Based Target methodology and aim to reduce 1+2 emissions by 35% in 2020, by 55% in 2030 and by 65 % in 2040. In the case of scope 3 (indirect emissions), the objective is to reduce emissions in 2030 by 10% with respect to 2015.

In its analysis of risks and opportunities linked to climate change, the Group uses carbon pricing estimated on the basis of the cost of the offsetting plan. In 2017 3,050 t CO₂e were offset in Chile, Mexico, Peru, Colombia, Canada and the US.

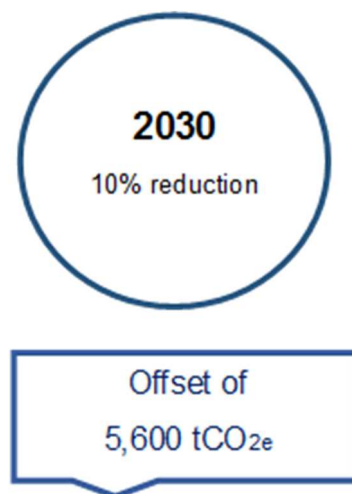
705 GJ of electricity with 100% renewable source guarantee

119,084.18 tCO₂e of scope 1+2 emissions are produced by Construction

Scope 1 (fuel) GHG reduction



scopes 3* and 2 (electricity)* GHG reduction



* Updated in 2017 using Science-Based Target methodology.

** Canada, Chile, Mexico, Peru and Colombia.

III.- Circular economy and water management

The OHL Group promotes the responsible consumption of resources and the minimisation of waste generation as measures for economic and production efficiency. These principles are the pillars of the circular economy, whose objective is to achieve a low carbon and competitive economy that makes efficient use of resources.

In line with its strategy, OHL works to promote the consumption of responsible products from source, promoting recycling and their reincorporation into the waste production cycle. The main types of materials consumed are concrete and cement, and earth, rocks and aggregates, with 27% of the latter obtained from recycling and re-use activities.

The waste generated relates to earth and aggregates (99.6% of the total), with a high percentage of recycling (41%) vs. dumping. This percentage cannot readily be improved due to the difficulty involved in locating profitable alternative uses in the vicinity of the construction sites. Most of the rest of the non-hazardous waste is managed by recycling and re-use as a result of the development of a by-product market.

In the Development activities, the waste generated is mostly urban and organic sent to specialist recycling managers.

In 2017 OHL formalised its adhesion to the Pact for a Circular Economy promoted by the Spanish Ministry of Agriculture and Fisheries, Food and the Environment, and collaborated

in the process of drafting the Spanish Circular Economy Strategy with the Government.

In water management priority is given to locations where it is a scarce resource, is difficult to access or is a key factor for the ecosystem. OHL uses an innovative scarce water footprint calculation protocol, based on the main international standards of reference, namely ISO 14046, WFN and CEO Water Mandate, as a result of which OHL intends to publish a Scarce Water Footprint report.

IV.- Biodiversity

Lastly, as regards biodiversity and ecosystem conservation, it should be noted that the OHL Group's impact on protected natural spaces (or unprotected but high-biodiversity value natural spaces) arises from projects on which it works as a partner or contractor.

In 2017 OHL worked in protected areas or areas of high biodiversity that are not protected. The impacts are controlled through measurement plans and with offsetting actions included in the corresponding Environmental Impact Assessment.

Further information: Other supporting and supplementary documents (available on the website):

- Appendix 4. GRI Table - Environmental performance indicators.
- Appendix 5. Methodologies, assumptions and sources used in the environmental indicators.

e) Social and relationship value



The OHL Group is aware of the role it plays as an engine of economic and social development and an agent that transforms environments; consequently, it implements a social management policy that covers the entire life cycle of the projects, from their initial stages right up to their completion, defining appropriate means of dialogue with the communities in which it works, as well as with society in general.

Also, it adopts specific measures to prevent and minimise the possible adverse effects, and to amplify the positive effects, that may arise from its activities, promoting the creation of shared values in all the countries in which it operates.

I.- Distribution of generated and distributed value*

(Amounts in thousands of euros)		
	2017	2016
GENERATED ECONOMIC VALUE		
a) Income		
Revenue	3,216,351	3,342,369
Other operating income	166,842	181,483
Finance and other income	68,083	132,242
	3,451,276	3,656,094
DISTRIBUTED ECONOMIC VALUE		
b) Operating costs		
Procurements	2,118,250	2,600,073
Other operating expenses	480,726	643,083
c) Employee salaries and benefits		
Staff costs	839,321	854,777
d) Payments to capital providers		
Dividends	-	-
Finance costs and exchange differences	114,709	167,009
e) Taxes		
Income tax	-7,288	-32,055
f) Resources allocated to Society		
Resources allocated to the Community**	1,435	2,230
	3,547,153	4,235,117
Difference between generated and distributed value	-95,877	-579,023

*In the calculation of the distribution of the generated and distributed value the value of the discontinued operations was not taken into account. Also, the information corresponding to 2016 was restated in order to make its presentation consistent with that of 2017.

** Resources allocated to the community pursuant to LBG methodology.

II.- Tax contribution

TAX TRANSPARENCY

The non-delegable powers of the Board of Directors of OHL, S.A. established by Article 249 bis of the Spanish Limited Liability Companies Law includes "The determination of the general policies and strategies of the company".

Similarly, under Article 529 ter of the aforementioned Law, it may not specifically delegate, among others, the following decision-making powers:

- The determination of the risk control and management policy, including tax risks, and the supervision of the internal reporting and control systems.
- The approval of investments or other transaction that, due to their high amount or special characteristics, are of a strategic nature or involve a particularly significant tax risk, unless their approval corresponds to the shareholders at a General Meeting.
- Approval of the creation or acquisition of equity interests in special-purpose entities or entities domiciled in countries or territories classified as tax havens or territories with low

or no taxation, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the company and its group. To comply with the foregoing, the Board of Directors updated and approved on 29 March 2017 a tax policy (see www.ohl.es) the main objectives of which are as follows:

- To publicise the OHL Group's commitment to observing and fully complying with all laws and regulations applicable to it in the scope of its activity and, in particular, those of a tax nature in all the territories in which it operates.
- The reputation of the OHL Group is based, inter alia, on promoting the actions of all the people who represent it in accordance with the highest ethical standards, which includes strict compliance with the tax legislation applicable to the Group.
- One of the basic pillars of the OHL Group's contribution to society is that of returning to it, through taxes, a portion of the wealth generated and, therefore, it must take active measures to guarantee responsible behaviour in this connection.

This tax policy of the OHL Group is applicable to all its subsidiaries and permanent establishments in all the countries in which it operates, and compliance with it is also encouraged at those entities in which the Group has non-controlling interests.

The points contained in the tax policy include most notably the requirement that the Group include among its customary practices all those that reduce significant tax risks and prevent behaviour likely to generate such risks, with a transfer pricing policy that faithfully respects the legislation applicable in each country, as well as the principles established by the OECD in its transfer pricing guidelines.

Moreover, in its relations with the tax authorities, the OHL Group *promotes a relationship based on the principle of transparency and mutual trust*, which gives rise to a relationship in accordance with the principle of good faith and loyalty between the parties, and this is promoted in all jurisdictions in which it has adhered to any cooperation agreement with the tax authorities, in order to establish a collaborative relationship with society, as represented by those institutions.

To further its achievement of this commitment to tax transparency, the OHL Group is actively working to be able to make voluntary disclosures of tax contributions in the countries in which it has a permanent presence; however, the corporate transactions carried out in 2017 (disinvestments of significant subsidiaries or highly significant divestments of other subsidiaries in progress) made it advisable to postpone this process in order to obtain a better understanding of the Group's tax contribution.

In 2018 the methodology to be used will be defined and the reporting procedures of all the subsidiaries will be established for the purpose of report on own and third-party taxes, detailing the total tax contribution of the OHL Group.

III.- Social investment

The priority objective of OHL's social investment is to foster economic and social progress and improve the quality of life of people, through the promotion of social action, patronage and sponsorship activities. To these initiatives was added, exceptionally, the support that the Group has lent to countries such as Peru, Mexico and the US, as a result of the natural disasters that occurred in 2017.

In Peru, employees of the Group participated in the *Una sola fuerza*, (A single force) campaign, aimed at the population affected by the floods that ravaged the country in March 2017. Worthy of particular mention in this connection were the primary care, road assistance and the distribution of essential goods among the population affected.

The humanitarian aid provided by the Group in Mexico in September 2017 as a result of the earthquake that took place there took the form of Company employees working alongside the Red Cross. The implementation of safety and civil protection protocols is one example of the work carried out. In addition, the Group is a member of the *Fuerza México* Trust set up to mitigate the effects of earthquakes.

In the US, following the passage of Hurricanes Harvey and Irma, a damage assessment protocol was implemented at the Houston (Texas) and Fort Meyers (Florida) work centres, and assistance was provided to Group employees and their families as well as to other affected groups. The Group also participated in cleaning tasks in the area hit by the earthquake.

OHL's contribution in emergency situations and humanitarian aid

EUR 315,819 invested

8,200 direct beneficiaries

OTHER INITIATIVES

In 2017 the Company promoted initiatives aimed at giving several groups of people access to an inclusive, fair and quality education. To this end, educational scholarship programmes were launched from which disadvantaged families have benefited; and the Group worked with schools and universities to achieve social integration through education.

Social integration through education

+ EUR 320,470 invested

+ 1,600 beneficiaries in Spain, Mexico and Colombia

13 educational projects

SOCIAL INVESTMENT IN 2017

The Group's total social investment in 2017 amounted to EUR 1.8 million and took the form of **134** social actions. To measure this investment, the Group applies the **London Benchmarking Group (LBG)** methodology, which makes it possible to determine its social impact. 81% of the investment made meets the requirements established by that methodology.



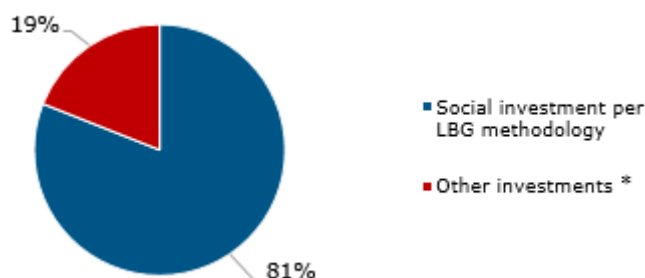
Investment in 2017

EUR 1.8 million invested

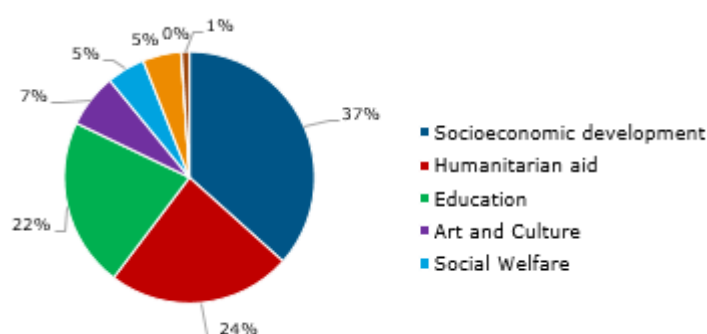
21,661 beneficiaries

679 cooperating and beneficiary organisation

Investment that meets LBG requirements

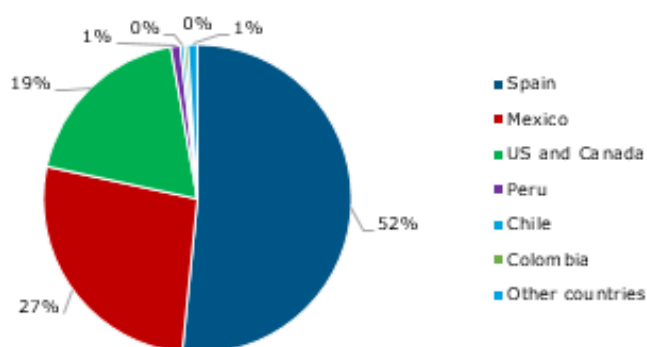


Investment by area of activity



*In addition, there are other social investments that do not comply with the requirements established in the LBG methodology, since they are contractual, legally binding or restricted to employees and family members.

Investment by geographical area



Main axes of social investment by geographical area

Latin America	Projects in the social welfare, education, and healthcare areas. These include most notably initiatives targeted at vulnerable groups, with special attention paid to women, children, people with disabilities and indigenous populations, as well as support in emergency situations in countries such as Peru and Mexico.
US	Projects with entities specialised in education and healthcare, as well as other sponsorship and patronage projects that promote local socioeconomic and cultural development.
Europe	Projects to help people with disabilities and those at risk of social exclusion to find work. Sponsorship and patronage actions in the areas of socioeconomic development, social welfare and education.

Further information:

- Appendix 6. Social investment report pursuant to LBG methodology

IV.- Corporate volunteering

The Group promotes social initiatives in collaboration with its employees, thus strengthening corporate volunteering and, through it, the commitment of its employees to society.

Noteworthy in this context is the OHL Volunteers programme which in 2017, celebrated its tenth anniversary. Currently, OHL Volunteers is made up of more than 400 employees from Spain and Mexico. In addition, the Group engages in volunteering, on a more sporadic basis, in the US, Canada, Chile, Peru and Colombia.

10 years of OHL Volunteers in figures

- + 6,500 participating employees
- + 150 initiatives
- +20,000 beneficiaries

In 2017 more than 10,000 people benefitted from 32 social initiatives carried out by the Group. More than 500 employees assisted the Group in promoting this work.

Further information:

- Appendix 7. Corporate volunteering actions in the framework of the 10th Anniversary of OHL Volunteers. OHL Volunteers website: www.voluntariosohl.com

V.- Relationship with stakeholders and alliances

The OHL Group values its reputation as a fundamental intangible asset, since it evidences the trust that its stakeholders place in the Company. The OHL Group's stakeholders are: customers, shareholders, the financial community, the media, employees, suppliers, local communities, R&D partners, industry associations, government agencies, employer branding influencers, trade unions, consulting firms, NGOs and Foundations and the general public. In order to promote active management of the Company, in 2017 a specific management body was set up, namely, the Reputation Working Group, made up of senior management (CEO, Division General Managers and Corporate General Managers), as well as those responsible for the areas most linked to the relationship with stakeholders, such as the Communication, Compliance, Risks and Internal Control, Investor Relations and CSR.

Through this working group, the reputation management model and a plan that includes specific initiatives focused on improving the perception, at short term, of the Company were defined.

In addition to these management mechanisms, 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; the face-to-face meetings with senior management and other channels of communication with shareholders and investors; the supplier hotlines; the local community interaction projects; and the performance evaluation meetings with employees

Further information:

- Appendix 8. OHL Group alliances

Chapter IV.- Good Governance

a) Good Governance

I. Ownership structure (percentages of ownership). At 31 December 2017

SHAREHOLDER	% OF OWNERSHIP
Inmobiliaria Espacio, S.A.	51.12
Societe Generale, S.A.	4.28
Deutsche Bank, A.G.	4.24
Hengistbury Investment Partners LLP	3.69
Hengistbury Master Fund Limited	3.39
Santander Asset Management, S.A., SGIIC	3.02
Invesco, Ltd	2.54
Other shareholders	30.55

II.- Governing bodies

BOARD OF DIRECTORS

Composition at 31 December 2017:

Chairman

Juan Villar-Mir de Fuentes (proprietary)

First Deputy Chairman

Silvia Villar-Mir de Fuentes (proprietary)

Second Deputy Chairman and CEO

Juan Luis Osuna Gómez (executive)

Directors

Álvaro Villar-Mir de Fuentes (proprietary)

Ignacio Moreno Martínez (independent)

Javier Goñi del Cacho (proprietary)

José Luis Díez García (independent)


Juan Antonio Santamera Sánchez (proprietary)

Juan José Nieto Bueso (independent) (coordinating director)

Manuel Garrido Ruano (proprietary)

Mónica de Oriol Icaza (independent)

Reyes Calderón Cuadrado (independent)



In 2017 the Board approved the appointment through co-optation of two new directors: Ignacio Moreno Martínez, independent director, and Javier Goñi del Cacho, proprietary director, subsequently ratified by the shareholders at a General Meeting.

The appointment of Ignacio Moreno Martínez increased the percentage of independent directors on the Board, the number rising from 4 to 5, representing more than 45% of the non-executive directors, in accordance with the Good Governance recommendations.

Further information in the Annual Corporate Governance Report (ACGR) for 2017.

BOARD COMMITTEES

Audit and Compliance Committee (ACC)

Composition at 31 December 2017:

Chairman

José Luis Díez García (independent)

Directors

Manuel Garrido Ruano (proprietary)

Reyes Calderón Cuadrado (independent)

On 29 March 2017, the Committee appointed José Luis Díez García as its Chairman.

Main business transacted by the ACC in 2017:

- Review of the separate and consolidated financial statements for the year ended 31 December 2016 and periodic, quarterly and half-yearly information, provided to the market, together with information demanded from the Company by the Spanish National Securities Market Commission (CNMV) and the replies thereto.
- Submit to the Board of Directors, for authorisation for issue, the Annual Corporate Governance Report for 2016.
- Sustainability Report for 2016.
- Analysis of internal auditor's reports included in its annual plan and other reviews conducted in the year.
- 2016 tax report.
- Analysis of the independence and proposal for the appointment of the external auditor.
- Proposal for the appointment of the external auditor for 2017.
- Supervision of the risk control systems and actions in relation to the OHL Group's Risk Management Model.
- Supervision of the actions of the Compliance Department in its work in relation to the Code of Ethics, surveillance measures, management model and crime prevention and management of incidents reported through the Ethics Channel.
- Self-assessment of the functioning of the Committee.

For further information please see the Annual Corporate Governance Report (ACGR) for 2017.

Nomination and Remuneration Committee (NRC)

Composition at 31 December 2017:

Chairman

Mónica de Oriol e Icaza (independent)

Directors

Juan Antonio Santamera Sánchez (proprietary)

Juan Villar-Mir de Fuentes (proprietary)

Juan José Nieto Bueso (independent)

Reyes Calderón Cuadrado (independent)

On 29 March 2017, Juan Antonio Santamera Sánchez and Reyes Calderón Cuadrado became members of the Committee.

Main business transacted by the NRC in 2017:

- Evaluate 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 2017.
- Analyse and report on the appointments to the Board of Directors in 2017 as a result of the replacement of the Chief Executive Officer of the Board.
- Report on the director remuneration policy approved at the Annual General Meeting for 2017 and subsequent years pursuant to article 529 novodecies of the Spanish Limited Liability Companies Law.
- Propose to the Board of Directors the remuneration of the executive director and the other contractual terms and conditions.
- Report on the appointment and removal of senior executives and the basic terms and conditions of their contracts.
- Submit to the Board of Directors for authorisation for issue the Board Directors Remuneration Report for 2016.
- Analyse and report on transactions with related parties carried out in 2017 in accordance with Group regulations.
- Actions in relation to the Group's Corporate Social Responsibility Policy.
- Self-assessment of the functioning of the Committee.

Further information in the Annual Corporate Governance Report (ACGR) for 2017.

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

The Regulations of the Board of Directors of the OHL Group 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 companies in its Group 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 of the Group companies.

Neither the directors nor the executives of the Company reported any incompatibility or conflict of interest in 2017. The Company reports in the financial statements and the corporate governance report the significant related party transactions performed by it or by Group companies with significant shareholders, directors, executives or parties related to them.

Further information in the financial statements and Annual Corporate Governance Report (ACGR) for 2017.

MANAGEMENT COMMITTEE

Composition at 31 December 2017:

Chairman

Juan Luís Osuna Gómez

Second Deputy Chairman and CEO of the OHL Group

Directors

❖ Ignacio Botella Rodríguez

General Manager of the Engineering and Construction Division

Jose Antonio de Cachavera Sánchez

General Manager of the Services Division

❖ Alfonso Gordon García

General Manager of Human Resources and Organisation

❖ Alfonso Orantes Casado de Amezúa

General Manager of Strategy, Systems and Innovation

Andrés Pan de Soraluze Muguiro

General Manager of the Development Division

Enrique Weickert Molina

General Economic and Financial Manager of the OHL Group

José María del Cuvillo Pemán*

General Manager of Legal Services of the OHL Group

Gonzalo Targhetta Reina**

Risk and Internal Control Manager of the OHL Group

**Acts as secretary.*

*** Standing invitee.*

❖ Not senior executives at the date of this report.

Diversity Policy Applied in connection with the Board of Directors

In 2017 the Group also approved the Director Selection Policy, which ensures that the proposals for appointment or re-election of these positions are based on a prior analysis of the needs of the Board of Directors and favour the diversity of knowledge, experience and gender.

Specifically, the policy establishes the mechanisms required for the selection procedure not to be afflicted by bias hindering the appointment of women directors and for it to deliberately seek women who could potentially be candidates for the post. This policy also provides for the goal that in 2020 women directors represent at least 30% of the total number of directors.

b) Ethics and compliance

I.- Code of Ethics and Anti-Corruption Policy

Ethics, integrity, honesty, spirit of improvement, continuous improvement and transparency are the corporate values of the OHL Group that guide the conduct of all its directors and employees in the performance of their work.

The Code of Ethics, approved by the Board of Directors in 2010 and revised in 2012 and 2015, is an express and precise indication 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 the OHL Group 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.

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 Group, 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.

All OHL employees must know and sign the Code of Ethics; therefore, since 2012 a clause has been included in the employment contract for new hires and a copy of the document is given to them when they sign it.

The Group 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.


These values constitute the foundations on which the Code of Ethics is based and establish the general action guidelines that must be observed by all OHL Group employees in performing their professional duties. In 2017, although there was no specific training on the Code of Ethics and the Anti-Corruption Policy, e-mails and informative bulletins were sent to the Group's employees. Also, the course on the Code of Ethics and Anti-Corruption Policy was updated by migrating it to an interactive online platform.

II.- Ethical Communications Channel

The Ethical Channel is available to all the people that form part of the OHL Group, as well as 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 Group's internal regulatory system or to law.

The Audit and Compliance Committee guarantees the proper management of the complaints made, which 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.

The Ethics Channel provides, *inter alia*, for the processes for dealing with complaints to ensure confidentiality, fair treatment (and the absence of reprisals), notification, analysis, investigation and resolution.



In 2017 a total of 60 complaints were received, 48 of which were made through the Ethical Communications Channel, the other 12 being made through other channels. A total of 29 of the complaints were investigated and 31 were dismissed because they did not represent any violation of the Code of Ethics. In 11 of the cases investigated disciplinary measures were taken.

III.- Crime Prevention Model

OHL has an Organisation and Management Model for the Crime Prevention (CPM) in Spain, which was updated in 2017 to adapt it to the organisational changes at the Group and which has the following characteristics:

- The model is ordered on the basis of the organisational structure of the OHL Group, highlighting, in specific sections, the criminal risks and the corresponding controls, both for the corporation and for each of the divisions.
- Based on this structure, the model identifies the criminal risks to which there is exposure for each activity or support function in Spain.
- Internal controls have been associated with each risk identified that mitigate or decrease the probability of each criminal risk materialising.
- The model documents these internal controls with the attributes that characterise them, including the area or department responsible for implementing them, a specific description of the control activity and the evidence supporting that activity. Also, where applicable, each control is accompanied by the policy, rule, process or procedure setting forth and specifying the criteria followed for adopting decisions relating to the management of the Group's activity.

The CPM includes controls relating to the OHL Group's system of Internal Control over Financial Reporting (ICFR), which also has the capacity to prevent crimes, including most notably those associated with the management of financial resources.

The model is updated on the basis of the organisational and legal changes that take place and will gradually be implemented in the various countries in which it has a presence, adapting it to local legislation.

c) Effective risk management

Risk management is a strategic priority for the OHL Group. Through advanced analysis and control systems, it aims to minimise exposure to such risks, ensure compliance with the profitability targets of each project and that the new contracting is in line with the risk control parameters set by the managing bodies.

In this context, in 2017 progress was made in the following lines of action:

STRONGER AND MORE ORGANISED MANAGEMENT STRUCTURE

The organisational units required for risk management in each division were strengthened and the Risk Monitoring Committee was consolidated as a forum for ensuring the alignment of the initiatives launched in each of them with the strategy

set by the Corporate Risks Department and for sharing good practices among the various divisions.

BUSINESS RISK IDENTIFICATION AND PRIORITISATION PROCESS RISK MAPS

Progress was made in the identification, assessment and prioritisation of business risks by drawing up risk maps with a capillary and bottom-up approach: more than 120 evaluators from all the divisions and corporate departments participated in the evaluation process, assessing the risks of their respective companies and regions and completing the risk materialisation reports for the year.

Once this information had been consolidated, it was used to determine the priority risks for the OHL Group, on which mitigation actions were proposed and approved by the Group's Management Committee and Board of Directors.



RISK EXPOSURE CONTROL SYSTEMS: COUNTRY RISK AND RED LINES

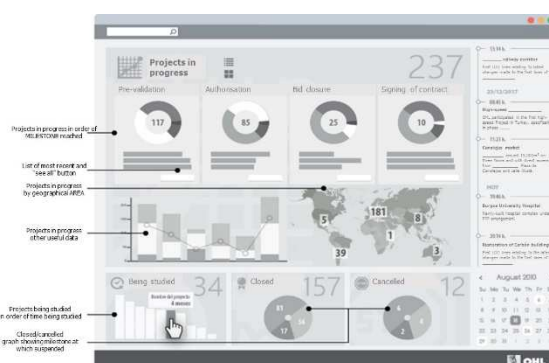
In addition to risk maps, the OHL Group has mechanisms for controlling exposure to key risks. Thus, to manage its expansion in new markets, OHL has defined a Country Risk Model, with the inclusion of two new types of risk (weather risk and cybersecurity risk) which will be consolidated in the risk assessment of each country under study. The results of the model, which is periodically updated, serve to make investment decisions.

In addition, in order to manage the operational performance risks, there is a system of red lines that mark the risk tolerance level of the OHL Group in relation to commercial and contractual issues. In 2017 these red lines were updated for the projects of the Engineering and Construction Division and were approved by the Board of Directors.

PROJECT RISK MANAGEMENT SYSTEM: MANAGING RISKS IN DAY-TO-DAY OPERATIONS

In addition to the tools for managing the aforementioned high-level risks, the OHL Group also has systems for managing the specific risks of the projects carried out by the Company, which cover the entire life cycle of the project, from the bidding phase right through to performance and closing.

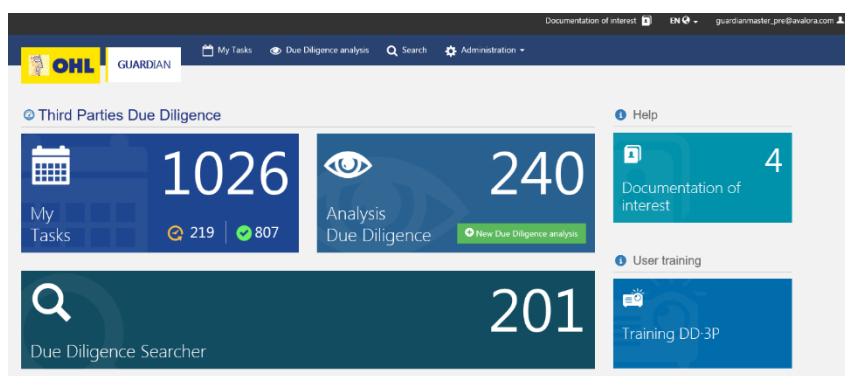
In this regard, in 2017 the Engineering and Construction Division defined a new risk management process for projects at the bidding phase and a specific tool was designed to optimise that management, which is being implemented in various pilot markets. This tool not only makes management more flexible, but it also establishes a homogeneous and coordinated model for action, decision making and control throughout the life of the project.



TECHNOLOGICAL SOLUTIONS: DIGITISING RISK MANAGEMENT

The OHL Group's Risk and Internal Control Department continued to make progress on the digitisation of risk management by designing new tools and updating existing ones.

Worth noting in this connection are the design and implementation of the new tool that supports the third-party due diligence process, an in-house development of the OHL Group to integrate the technical, financial and compliance risk analyses performed before formalising relationships with customers, shareholders and subcontractors/critical suppliers, among other third parties.



In addition, progress continues to be made in the implementation of a risk management tool for projects at the performance phase, which was launched in prior years.

d) Internal audit

The Internal Audit Department is an independent and objective assurance, internal control and consultation service to provide support to the organisation in the effective fulfilment of its responsibilities and objectives. Moreover, it is not an executive body within OHL and operates in accordance with the policies established by the Board of Directors, through its Audit and Compliance Committee.


Its basic functions are:

- 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.
- Specifically, to review the system of Internal Control over Financial Reporting (ICFR).
- To verify the existence and status of assets and their protection.
- To verify the existence of internal rules and procedures that adequately regulate the main activities and that make it possible to correctly measure the economy and effectiveness thereof.
- To evaluate the degree of compliance with internal and external rules and procedures.
- To propose modifications, revisions or adaptations of the set of internal regulations required to enhance operations.
- To monitor investment and divestment transactions.
- To maintain coordinated relationships with the work performed by the external auditor as a complementary activity.
- To make recommendations to help correct the anomalies detected and monitor their implementation.
- To prepare their work plans and keep them updated, including the preparation of the annual activity report, etc.
- 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: Management, Investments, Quality and Environment and Systems Security.

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

In 2017 audits were carried out in all the Group's divisions and in most of the countries in which operates. The scope of those audits encompasses mainly the following:

- Concessions, construction projects and industrial projects and services.
- Regular obtainment of indicators/alerts on specific parameters (preventative audit).
- System of Internal Control over Financial Reporting.
- Economic control and other significant aspects of the implementation of new systems.
- Insurance.
- Variable remuneration.
- Verification that investments approved by the Investments Committee have actually been made.



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.

Chapter V.- About this Report

a) Scope

The scope of this report for the purposes of the Global Reporting Initiative (GRI) is the same as that of the consolidated financial statements, which includes OHL, S.A. and subsidiaries.

In the case of the Concessions business and in view of the decision to sell it, it is included as a discontinued operation and, therefore, the information thereon has been excluded from the Group's indicators. The most significant non-financial information relating to this discontinued operation is presented in Chapter III, CSR in the Concessions Division.

Any difference with respect to the scope described, due to the fact that the information is not available in a given country, has been indicated in each of the corresponding sections and in the table of GRI contents.


US environmental information was not included in 2017 due to the unavailability thereof at the time of preparation of this report. The relative weight of the US in total consolidated employees is 10%.

b) Preparation methodology

The process of preparing the OHL Group's 2017 consolidated directors' report followed the recommendations of the International Integrated Reporting Framework (IR) of the International Integrated Reporting Council (IIRC) and regulatory guidance in this area².

The quality of the information collected at source is a key element in the preparation of the 2017 consolidated directors' report. The collection and consolidation of information at source is done through the Enablon software application.

-
- ² Directive 2014/95/EU of the European Parliament and of the Council amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information.
 - European Commission Guidelines: Methodology for reporting non-financial information.
 - Royal Decree-Law 18/2017, of 24 November, amending the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Royal Legislative Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in the area of non-financial information and diversity.



The principles of inclusiveness, materiality and responsiveness, included in the AA1000 standard, which includes the AA1000APS Accountability Principles, are used in its preparation.

For the first time, this report has been prepared in accordance with the reporting principles in the new version of the GRI-Standards, with regard to determining the content of the report (stakeholder inclusiveness, sustainability context, materiality, completeness) and the quality of the report (balance, comparability, accuracy, timeliness, clarity and accuracy). In cases where some of these principles have not been applied, this is specifically indicated in the content in question.

With this Report, the OHL Group aims to address the demands for information from the Company's stakeholders and demonstrate the relevance of CSR to it.

In order to provide complete, transparent and rigorous communication, the OHL Group submits the contents of its Sustainability Report and its adaptation to GRI-Standards to various internal and external control and audit processes.

The verification of the contents collected and included in this report has been carried out by Deloitte, following the ISAE 3000 standard with a limited assurance scope.

c) Materiality

The OHL Group analyses the most relevant issues for the Company and its stakeholders in order to define the axes of its strategic CSR plan and to prioritise the contents to be reported in this 2017 consolidated directors' report. With this exercise, the Group seeks to enhance its sustainability efforts and respond to the demands for information from its key stakeholders. This ensures that the issues addressed in this report cover the main expectations of the stakeholders identified by OHL, thus following the principle of materiality of international reporting standards such as the Global Reporting Initiative or Integrated Reporting.

In 2017 the materiality analysis used to define the 2015-2020 CSR strategic Plan was updated. For this purpose, external sources were consulted, such as regulations on reporting of non-financial information, international standards, questionnaires from the main sustainability analysts, reports on the sustainability challenges of our industry or monitoring reports on media and social networks. In addition, the materiality matrices published in the integrated reports and CSR reports of the main companies in our industry and other leading companies were exhaustively benchmarked.

Lastly, in order to complete this analysis, a series of internal interviews were conducted with those responsible for key areas of the organisation. Particular emphasis was placed on those that have a direct relationship with the main stakeholders, who also manage and know first-hand their concerns and information requirements (quality, HR, investor relations, CSR, communication and compliance, among others).

As a result of this external and internal analysis, the following list of material matters was updated:

Good governance and CSR	Section of the consolidated directors' report	GRI-Standard indicator	SDG
Risk management	Pages 58-59 Pages 74-78	102-15 102-30	16
Compliance, ethical management and transparent business	Pages 74-78	From 102-16 to 102-29 From 102-31 to 102-34	5,16
Communication and dialogue with stakeholders	Pages 18-19 Page 54 Page 56 Page 69 Page 75 Page 81	102-40 102-42 102-43 102-44	17
Transparent reporting of financial and non-financial information	Pages 16-19 Page 54 Page 56 Pages 64-65 Page 69 Page 75 Pages 80-83	NA	16
Integrated CSR management	Pages 16-19	NA	16
Mechanisms to fight against corruption and the prevention of money laundering	Pages 74-78	From 205-1 to 205-3	16
Conflicts of interest	Pages 74-78	102-25 201-4 415-1	16
Whistle-blowing channel	Page 75	102-17 419-1	16
Strategy			
Strategy	Pages 14-19	102-2 102-6 102-14	16, 17
Offer of sustainable solutions	Pages 44-46 Pages 60-61	103-1, 103-2 and 103-3	9, 11
Financial value			
Economic growth	Pages 12-19 Pages 31-44 Page 64	201-1	2,7,8,9
Solvency and financial management	Pages 12-16 Pages 31-44	201-1	2,7,8,9
Tax	Pages 64-65	201-1	16
The value of people			
Commitment to compliance with human rights	Pages 16-17 Pages 56-57	406-1 407-1 409-1 410-1 412-1 412-2 412-3	5, 8,16
Quality employment	Pages 49-57	102-8 201-3	8
Health and safety	Pages 55-56	From 403-1 to 403-4	3,8
Diversity and integration	Pages 50-51	405-1	5, 8
Equality	Pages 50-51	202-1 401-2 405-2	5,8,10

Talent management (attraction, retention and development)	Pages 52-54	401-1 401-3	5,8
Training	Pages 52-54	401-1 401-2 401-3	4,5,8
Value for the customer			
Management of customer relationships and satisfaction	Pages 46-47		
Quality control and satisfactory performance of projects	Pages 46-47	417-1 417-2	12
Security of facilities, infrastructure and services	Pages 46-47	416-1 416-2	12
Responsible supply chain management	Pages 47-49	102-9 102-10 204-1 308-1 308-2 414-1 414-2	5,8,16
Innovation (R&D+i)	Pages 45-46	417-1	8,9,11,13
Digital transformation	Pages 44-45	417-1	8,9,11,13
Privacy and information security	Page 45	418-1	16
Environmental value			
Fight against and adaptation to climate change	Pages 58-62	201-2 From 302-1 to 302-5 From 305-1 to 305-7 307-1	3,7,8,12,13,14,15
Efficient use of raw materials and the circular economy	Pages 61-63	301-1 301-2 306-2 306-4	3,6,8,12
Water footprint management	Page 63	From 303-1 to 303-3 306-1 306-3 306-5 307-1	3,6,8,12
Management of impact on biodiversity	Page 63	From 304-1 to 304-4 307-1	6,15
Social and relationship value			
Management of the social impact of the Group's projects and its relationships with communities	Pages 63-69	413-1 413-2	1,5,8
Corporate action and voluntary work	Pages 63-69		17

d) Contact details

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

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Corporate Social Responsibility Service

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e) Appendix. OHL Concesiones (discontinued operation)

For information purposes, the main **operating aggregates** of this division are presented.

Main aggregates	2017	2016	Var. (%)
Sales	440.0	520.3	-15.4%
EBITDA	984.3	799.2	23.2%
% of Sales	223.7%	153.6%	
EBIT	957.8	728.0	31.6%
% of Sales	217.7%	139.9%	

Millions of euros.

The changes in sales and EBITDA of Concesiones with respect to the prior period are as follows:

Sales	2017	2016	Var. (%)
Toll revenue	389.5	387.5	0.5%
Own construction business	7.1	6.2	14.5%
IFRIC 12	43.4	126.6	-65.7%
TOTAL sales	440.0	520.3	-15.4%

Millions of euros.

EBITDA	2017	2016	Var. (%)
Toll EBITDA	223.0	256.7	-13.1%
Guaranteed IRR EBITDA	761.3	542.5	40.3%
TOTAL EBITDA	984.3	799.2	23.2%

Millions of euros.

The main factors that influenced the growth in sales and EBITDA were as follows:

Sales and EBITDA in comparable terms (at a constant exchange rate and without the effect of the change in the method used to account for Metro Ligero Oeste and Autovía de Aragón) increased by +8.3% and +17.8%, respectively.

The trend in traffic and tolls in the Group's concessions is shown in the table below:

	Changes in traffic			Toll revisions	
	From 01/01/17 to 31/12/17	From 01/01/16 to 31/12/16	Var. (%)	% Revision ⁽⁵⁾	Last revision
Mexico					
Amozoc-Perote ⁽¹⁾	39,746	37,664	5.5%	9.30%	January 2017
Concesionaria Mexiquense ⁽¹⁾	354,415	337,219	5.1%	4.00%	August 2017
Viaducto Bicentenario ⁽²⁾	32,695	32,764	-0.2%	19.00%	August 2017
Autopista Urbana Norte ⁽²⁾	55,207	53,874	2.5%	5.65% ⁽⁶⁾	April 2017
Spain					
Euroglosa M-45 ⁽²⁾	91,257	86,024	6.1%	2.90%	March 2017
Puerto de Alicante (T.M.S.) ⁽³⁾	84,571	82,056	3.1%	-	-
Terminal de Contenedores de Tenerife ⁽³⁾	139,655	92,652	50.7%	-	-
Chile					
Nuevo camino Nogales-Puchuncaví ⁽¹⁾	5,814	5,727	1.5%	4.00%	January 2017
Terminal Cerros de Valparaíso ⁽⁴⁾	113,371	120,236	-5.7%	1.07%	January 2015
Peru					
Autopista del Norte ⁽¹⁾	34,697	48,643	-28.7%	1.80%	March 2017

(1) Equivalent average paying traffic.

(2) Average daily traffic (ADT): total km travelled by all the users of the toll road, divided by the total km in operation on the road. This measurement represents the number of users that would have travelled the total km in operation along the toll road.

(3) Cumulative number of TEUs shipped.

(4) Average tonnes of general goods.

(5) Average increase in toll applied at each toll plaza, obtained from the toll revision provided for in each concession arrangement.

(6) Average increase in toll revision at off-peak and peak hours.

The 65.7% decrease in sales under IFRIC 12 (construction activity carried out by the concession operators themselves) is due to the reduction in the amounts invested in 2017, mainly in Concesionaria AT-AT, compared to 2016.

The appreciation/depreciation of the average exchange rate of the euro in December 2017 vis-à-vis the Latin American currencies compared to December 2016 was as follows:

	31/12/2017	31/12/2016	Var. (%)
Mexican peso	21.39	20.65	3.6%
Chilean peso	735.84	742.39	-0.9%
Peruvian sol	3.69	3.72	-0.8%

As a result of these factors, the changes in sales and EBITDA of the main concession operators, grouped together by country, were as follows:

Main aggregates	Sales			EBITDA		
	2017	2016	Var. (%)	2017	2016	Var. (%)
Mexico	284.2	261.4	8.7%	958.3	726.6	31.9%
Amozoc-Perote	33.1	29.4	12.6%	18.0	17.5	2.9%
Concesionaria Mexiquense ⁽¹⁾	173.1	163.6	5.8%	540.0	413.8	30.5%
Viaducto Bicentenario ⁽¹⁾	38.3	35.1	9.1%	155.3	119.7	29.7%
Autopista Urbana Norte ⁽¹⁾	39.7	33.3	19.2%	245.0	175.6	39.5%
Spain	57.3	71.0	-19.3%	30.4	88.8	-65.8%
Euroglosa M-45	13.7	13.3	3.0%	11.5	11.2	2.7%
Autovía de Aragón ⁽²⁾	14.1	31.7	-55.5%	11.5	32.0	-64.1%
Puerto de Alicante (T.M.S.)	16.4	16.0	2.5%	3.7	3.9	-5.1%
Terminal de Contenedores de Tenerife	13.1	10.0	31.0%	3.7	2.0	85.0%
Metro Ligerio Oeste ⁽³⁾	0.0	0.0	-	0.0	39.7	n.a.
Chile	25.7	21.6	19.0%	12.0	9.6	25.0%
Nogales-Puchuncaví	4.8	1.5	220.0%	3.3	1.1	200.0%
Terminal Cerros de Valparaíso	20.9	20.1	4.0%	8.7	8.5	2.4%
Peru	22.3	33.5	-33.4%	22.6	23.6	-4.2%
Autopista del Norte	22.3	33.5	-33.4%	22.6	23.6	-4.2%
Total Concessions	389.5	387.5	0.5%	1,023.3	848.6	20.6%
Central and Other	50.5	132.8	-62.0%	-39.0	-49.4	-21.1%
Total	440.0	520.3	-15.4%	984.3	799.2	23.2%

Millions of euros.

(1) Including EBITDA from the guaranteed revenue adjustment pursuant to the concession arrangements, which is classified under "Other Operating Income" and is excluded from "Revenue", as in the case of the other concession operators accounted for using the financial asset model. The detail at 31 December 2017 is as follows: Concesionaria Mexiquense EUR 411.8 million, Viaducto Bicentenario EUR 130.2 million and Autopista Urbana Norte EUR 219.3 million.

(2) In 2017 including sales and EBITDA until May, after having sold 75.0% of the investment in June 2017.

(3) In 2016 including EBITDA until June, after having sold 14.0% of the investment and starting to account for it using the equity method.

f) CSR in the Concessions Division

The detail of the principal CSR parameters of this division is as follows:

I.- Human capital

The human capital of the Concessions Division at 31 December 2017 was made up of 2,229 people compared to 2,211 in 2016.

Changes in direct induced employment				
Division	Subcontractors		Directly created induced jobs	
	2017	2016	2017	2016
Concessions	88	70	4,255	2,557

II.- Health and safety

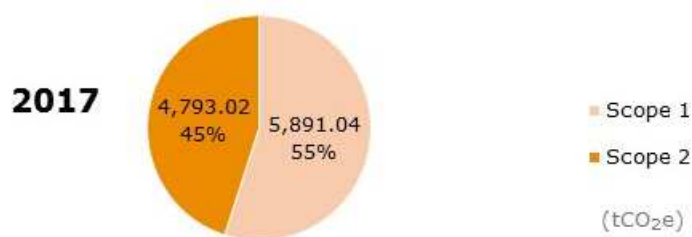
Division	Frequency rate		Seriousness rate		Incidence rate	
	2017	2016	2017	2016	2017	2016
Concessions	7,14	13.97	0.18	0.37	1,884.0	2,857.0

III.- Investment in R&D+i

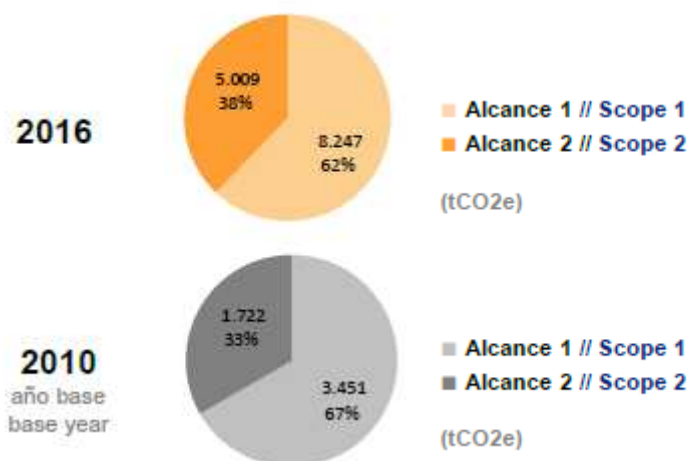
Investment in R&D+i		
Division	2017	2016
Concessions	EUR 1,075.8 thousand	EUR 2,187.5 thousand

V.- Environmental value

Emissions



Scope 3 (2017): 3,164,513.43 t of CO₂e



Alcance 3 por división de negocio (tCO₂e contabilizadas)
Scope 3 by business division (tCO₂e accounted)

Scope 3 (2016): 6,146,001 t of CO₂e

V.- Social and relationship value

Social investment		
Division	2017	2016
Concessions	EUR 2,679.3 thousand*	EUR 734,421.0

*Data distributed between: LBG (EUR 1,816,300) and NO LBG (EUR 863,026.4). In addition, there are other social investments that do not comply with the requirements established in the LBG methodology, since they are contractual, legally binding or restricted to employees and family members.

g) Alternative performance measures

The OHL Group 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: profit from operations before the depreciation and amortisation charge and changes in provisions and allowances, deducting, where appropriate, extraordinary/non-recurring gains or losses with no impact on cash.

Recourse EBITDA: total EBITDA (including interest income and excluding non-recurring extraordinary losses), less the EBITDA of the project companies, and including, where appropriate, dividends paid to the Parent by the project companies.

Project companies: companies for whose debt there is no recourse to the Parent OHL, S.A.

EBIT: calculated on the basis of the following line 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".


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.

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.

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) less non-recourse borrowings (gross or net).

Backlog: short-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 from 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 financial plan of each concession and including assumptions concerning changes in the exchange rates between the euro and other currencies, inflation, prices, tolls and traffic volumes.

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

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

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

Comparable: sometimes adjustments are made to certain figures to make them comparable between years, for example by eliminating extraordinary impairment, significant inclusions in or exclusions from the scope of consolidation that can distort the comparison between years of aggregates such as sales, the exchange rate effect, etc. The adjustments made in each case are detailed in the corresponding heading.



GRI table – Environmental performance indicators

INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
301-1	Materiales utilizados, por peso o volumen // Materials used, by weight or volume						
	Tierras, rocas y áridos de cantera // Quarry-sourced earth and rock (t)	19,436,069.61		-	-	-	19,436,069.61
	Tierras, rocas y áridos subproducto de otras actividades // Earth and rock, byproducts of other activities (t)	6.536.468.01		-	322.00	-	6,536,790.01
	Tierra vegetal // Topsoil (t)	146,290.88	-	-	86.64	-	146,377.52
	Tierra vegetal subproducto de otra actividad // Topsoil, byproduct of another activity (t)	1.756.157.29		-	-	-	1,756,157.29
	Metales // Metals (t)	658,659.98	1,562.23	-	-	-	660,222.21
	Hormigón // Concrete (t)	3,977,217.20	185,472.72	-	-	-	4,162,689.92
	Cemento // Cement (t)	172,037.82		-	-	-	172,037.82
	Mezclas bituminosas // Asphalt mixes (t)	280,911.41	-	-	-	-	280,911.41
	Betunes // Bitumen (t)	15,431.29	-	-	-	-	15,431.29
	Aceites y grasas industriales // Industrial oils and greases (t)	166.12	0.18	-	1,17	-	167.47
	Productos químicos (disolvente) // Chemicals (solvents) (t)	60.99	23.20	13.51	1.51	0,07	99.28
	Fertilizantes // Fertilizers (t)		-	-	-	-	0.00
	Plásticos y derivados // Plastics and derivatives (t)			-	1.83	-	1.83
	Pintura organoclorada // Organochlorine paint (t)	14.79		-	-	-	14.79



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
Pintura no organoclorada // Non-organochlorine paint (t)		111.67		-	-	-	111,67
Gases refrigerantes // Refrigerant gases (t)		0.03	-	0.43	0,01	-	0,47
Productos forestales certificados // Certified forestry products (t)		435.69	-	-	-	-	435,69
Papel (producto forestal no certificado reciclado) // Paper (non-certified recycled forestry products) (t)		14,84	0,00	0,10	0.10	35.18	50.22
Papel (producto forestal no certificado no reciclado) // Paper (non-certified non-recycled forestry products) (t)		129,40	0,00	0,37	4.72	92.06	226.54
Madera (producto forestal no certificado) // Wood (non-certified forestry product) (t)		126,695.85	-	-	-	0,00	126,695,85
Tejidos // Fabrics (t)		-	-	55.39	0,03	-	55,42
TOTAL (t)		33,106,872,86	187,058,33	69,80	418.02	127.30	33,294,546.30
PRODUCTOS COMPRADOS DIRECTOS // PRODUCTS PURCHASED DIRECTLY (t)		33,106,501,51	187,034,95	55,83	410.51	0.00	33,294,002.79
PRODUCTOS-MATERIALES NO RENOVABLES // NON-RENEWABLE PRODUCTS-MATERIALS (t)		31,077,148,91	187,058,33	13,94	326.52	0.07	31,264,547.77
301-2	Porcentaje de los materiales utilizados que son materiales valorizados // Percentage of materials used that are recycled input materials						
TOTAL (t)		8,951,300	1,562	0	322	-	8,953,219,73
PORCENTAJE // PERCENTAGE (%)		27.0%	0,8%	0.1%	77.1%	-	26.9%
301-3	Porcentaje de productos vendidos, y sus materiales de embalaje, que son recuperados al final de su vida útil, por categorías de productos // Percentage of products sold and their packaging materials that are reclaimed by category		La actividad del Grupo OHL no produce bienes con embalajes destinados a la venta // The business activity of the OHL Group does not produce goods with packaging intended for sale				



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
302-1	Consumo energético interno // Energy consumption within the organization						
Consumo de combustible de fuentes no renovables // Consumption of fuels from non-renewable sources							
Gasoil // Gasoil (l)		32,567,543	2,135,029	635,134	16,893	15,044	35,369,642
Gasoil // Gasoil (GJ)		1,238,898	81,218	24,161	643	572	1,345,493
Gasolina // Gasoline (l)		1,681,268	518,575	8,490	69,812	16,041	2,294,185
Gasolina // Gasoline (GJ)		55,518	17,124	280	2,305	530	75,758
Gas natural // Natural gas (m³)		892,339	0	0	0	0	892,339
Gas natural // Natural gas (GJ)		34,810	0	0	0	0	34,810
GLP // LPG (l)		234,299	43,082	0	60,697	0	338,078
GLP // LPG (GJ)		5,510	1,013	0	1,427	0	7,950
Lignito // Lignite (kg)		374,053	0	0	0	0	374,053
Lignito // Lignite (GJ)		9,725	0	0	0	0	9,725
CONSUMO TOTAL DE COMBUSTIBLE DE FUENTES NO RENOVABLES // TOTAL CONSUMPTION OF FUEL FROM NON-RENEWABLE SOURCES (GJ)		1,344.462	99.356	24.441	4,375	1,102	1,473,736
Consumo de combustible de fuentes renovables // Consumption of fuel from renewable sources							
Biodiesel (l)		3,903	695	0	0	0	4,597



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
Biodiesel (GJ)		134	24	0	0	0	157
CONSUMO TOTAL DE COMBUSTIBLE DE FUENTES RENOVABLES // TOTAL CONSUMPTION OF FUEL FROM RENEWABLE SOURCES (GJ)		134	24	0	0	0	157
Energía indirecta adquirida para consumo // Indirect energy purchased for consumption							
ELECTRICIDAD // ELECTRICITY (GJ)		213.900	30.145	982	2,035	1,577	248,640
Energía indirecta autogenerada para consumo // Self-generated indirect energy for consumption							
SOLAR (GJ)		0	101	0	0	0	101
CONSUMO TOTAL DE ENERGIA // TOTAL ENERGY CONSUMPTION (GJ)		1.558.495	129.626	25.423	6,410	2,679	1,722,634
302-2	Consumo energético externo // Energy consumption outside of the organization						
CONSUMO DE ENERGIA FUERA DE LA ORGANIZACIÓN // ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION (GJ)		El consumo energético externo más relevante se produce por parte de los usuarios de las infraestructuras y por los proveedores y subcontratista//The most important external energy consumption is produced by the users of the infrastructures and by the suppliers and subcontractors.					
302-3	Intensidad energética // Energy intensity						
MEDIDA DE LA ORGANIZACIÓN: VENTAS (Millones de euros) // MEASURED BY THE ORGANIZATION: SALES (Millions of euros)		1,533	270	238	48	-	2,088
INTENSIDAD ENERGÉTICA DE LAS VENTAS (GJ/Millones de euros) // ENERGY INTENSITY OF THE SALES (GJ/Millions of euros)		1,017	480	107	133	-	825
302-4	Reducción del consumo energético // Reduction of energy consumption	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
302-5	Reducciones de los requisitos energéticos de los productos y servicios // Reductions in the energy requirements of the products and services	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					
303-1	Captación total de agua por fuentes // Total water withdrawal by source						
	AGUAS SUPERFICIALES // SURFACE WATER (m³)	513,004	199,544	0	0	0	712,547
	AGUAS SUBTERRANEAS // GROUND WATER (m³)	526,203	423,510	0	5,378	0	955,091
	AGUAS PLUVIALES captadas y almacenadas por la organización // RAIN WATER collected and stored by the organization (m3)	0	0	0	0	0	0
	AGUAS RESIDUALES de otra organización // WASTEWATER from another organization (m³)	0	0	0	0	0	0
	AGUAS DE SUMINISTRO PÚBLICO // MUNICIPAL WATER SUPPLIES OR OTHER WATER UTILITIES (m³)	650,823	131,313	178,781	0	9,442	970,359
	TOTAL (m³)	1,690,030	754,366	178,781	5,378	9,442	2,637,997
303-2	Fuentes de agua que han sido afectadas significativamente por la captación de agua // Water sources significantly affected by withdrawal of water	El Grupo OHL no realiza captaciones de agua que afecten significativamente a la biodiversidad y hábitats de los recursos hídricos afectados. Todas las captaciones son actividades autorizadas por la administración, garantizando que la toma de agua no influye en el caudal ecológico ni en las necesidades de consumo de la población. En las zonas de estrés hídrico se toman medidas especiales para reducir al máximo el impacto. // The OHL Group does not make extractions of water that significantly affect the biodiversity and habitats of the water resources affected. All of the collections/uses are activities approved by the authorities, guaranteeing that the intake of water does not influence the ecological abundance or the consumption needs of the population. Special measures are taken in water-stressed areas to reduce the impact as far as possible.					
	Número de fuentes de agua afectadas por la captación (desglosadas por tamaño, por clasificación como área protegida, en términos de biodiversidad y según valor para las comunidades locales) // Number of sources of water affected by extraction (Size of water source; whether or not the source is designated as a protected area Biodiversity value; value or importance of water source to local communities and indigenous peoples)	Descripción recogida en el indicador EN11, EN12, EN13 y EN14 // Description set out in indicators EN11, EN12, EN13 and EN14.					



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
303-3	Porcentaje y volumen total de agua reciclada y reutilizada // Percentage and total volume of water recycled and reused						
VOLUMEN TOTAL DE AGUA RE REICLADA O REUTILIZADA // TOTAL VOLUME OF RECYCLED OR REUSED WATER (m³)		248,515	7,749	0,00	0,00	0,00	256,264
PORCENTAJE DE AGUA REUTILIZADA O REICLADA SOBRE EL TOTAL CONSUMIDO // PERCENTAGE OF REUSED OR RECYCLED WATER ON THE TOTAL CONSUMED (%)		15%	1%	0%	0%	0%	10%
304-1	Instalaciones operativas propias, arrendadas, gestionadas que sean adyacentes o estén ubicadas en áreas protegidas y áreas no protegidas de gran valor para la biodiversidad // Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Con actividades en 27 áreas. Ver más información en anexo sobre Actuaciones de Protección de la Biodiversidad // With activities in 28 areas. See more information in appendix on Biodiversity Protection Measures.	Con actividades en 1 área. Ver más información en anexo sobre Actuaciones de Protección de la Biodiversidad // With activities in 1 area. See more information in appendix on Biodiversity Protection Measures.	Con actividades en 2 áreas. Ver más información en anexo sobre Actuaciones de Protección de la Biodiversidad // With activities in 1 area. See more information in appendix on Biodiversity Protection Measures.	Con actividades en 0 áreas. Ver más información en anexo sobre Actuaciones de Protección de la Biodiversidad // With activities in 0 areas. See more information in appendix on Biodiversity Protection Measures	Sin actividades en áreas protegidas y áreas no protegidas de gran valor para la biodiversidad // No activities in protected and non-protected areas of high biodiversity value	Ver detalle para cada una de las divisiones // See details for each of the divisions
304-2	Descripción de los impactos más significativos en la biodiversidad de áreas protegidas o áreas de alto valor en términos de biodiversidad no protegidas, derivados de las actividades, productos y servicios // Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Con caracter general, la actividad de OHL puede producir algunos impactos sobre las aguas, la atmósfera, el litoral costero, la flora y la fauna. Estos impactos son controlados mediante planes de seguimiento específicos y aplicando las correspondientes medidas preventivas, correctivas y compensatorias incluidas en cada Evaluación de Impacto Ambiental. Ver más información en anexo sobre Actuaciones de Protección de la Biodiversidad // On a general basis, OHL's business activity can bring about some impacts on the water, the air, coastal areas, plant and animal life. These impacts are controlled through specific monitoring plans and by applying appropriate preventive, corrective and compensatory measures included in each Environmental Impact Assessment. More information is available in the appendix on Biodiversity Protection Measures.					
304-3	Hábitats protegidos o restaurados // Habitats protected or restored						



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
AREAS PROTEGIDAS DURANTE LAS OPERACIONES // PROTECTED AREAS DURING OPERATIONS (Ha)		192	0	9		0	201
AREAS RESTAURADAS // RESTORED AREAS (Ha)		51	6	9		0	66
Ubicación, verificación externa y estado al final del periodo de reporte // Location, external verification and status at the end of the reporting period		Ver más información en documento sobre Actuaciones de Protección de la Biodiversidad // See more information in appendix on Biodiversity Protection Measures					
VERIFICACIÓN EXTERNA Y ESTADO AL FINAL DEL PERIODO DE REPORTE // EXTERNAL VERIFICATION AND STATUS AT THE END OF THE REPORTING PERIOD		La verificación o control de habitats se realiza por organismos gubernamentales o por verificadores externos independientes. En el caso particular de OHL Desarrollos se dispone de verificación externa por parte de la autoridad ambiental PROFEPA y otros certificados ambientales voluntarios Rain Forest Alliance y Ecocheck de Cristal. El estado de las áreas protegidas y restauradas al final del periodo de reporte se mantiene conforme con lo planificado // The verification or monitoring of habitats is carried out by government bodies or by external independent verifiers. In the particular case of OHL Desarrollos there is external verification by the environmental authority, PROFEPA, and through other voluntary environmental certificates, such as the Rain Forest Alliance and the Cristal Ecocheck. The status of the protected and restored areas at the end of the reporting period is in consonance with the status planned					
304-4	Número de especies, desglosadas en función de su peligro de extinción, incluidas en la Lista Roja de la IUCN y en listados nacionales y cuyos hábitats se encuentren en áreas afectadas por las operaciones según el grado de amenaza de la especie // Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk						
ESPECIES EN PELIGRO CRÍTICO // CRITICALLY ENDANGERED SPECIES (Nº)		0	2	0	0	0	2
ESPECIES EN PELIGRO // ENDANGERED SPECIES (Nº)		4	0	0	0	0	4
ESPECIES VULNERABLES // VULNERABLE SPECIES (Nº)		6	0	2	0	0	8
ESPECIES CASI AMENAZADAS // NEAR-THREATENED SPECIES (Nº)		5	0	1	0	0	6
ESPECIES DE PREOCUPACIÓN MENOR // LEAST CONCERN SPECIES (Nº)		61	0	20	0	0	81
OTRAS ESPECIES CON DATOS INSUFICIENTES // OTHER DATA DEFICIENT SPECIES (Nº)		55	0	2	0	0	57
OTRAS ESPECIES SIN GRADO DE VULNERABILIDAD DEFINIDO // OTHER SPECIES WITHOUT A DEFINED DEGREE OF VULNERABILITY (Nº)		3	0	0	0	0	3



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
305-1	Emisiones directas de gases de efecto invernadero (Alcance 1) // Direct greenhouse gas emissions (Scope 1)	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					
	EMISIONES DIRECTAS DE ALCANCE 1 // DIRECT SCOPE 1 EMISSIONS (t CO ₂ eq)	100,357.68	7,365.77	2,505.37	304.04	80.63	110,613.50
	OTRAS EMISIONES DIRECTAS BIOGÉNICAS - FUERA DE ALCANCE // OTHER DIRECT BIOGENIC EMISSIONS - OUTSIDE OF SCOPES (t CO ₂ eq)						
305-2	Emisiones indirectas de gases de efecto invernadero (Alcance 2) // Indirect greenhouse gas emissions (Scope 2)	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					
	EMISIONES INDIRECTAS DE ALCANCE 2 // INDIRECT SCOPE 2 EMISSIONS (t CO ₂ eq)	18,726.49	5,402.79	83.84	254.41	79.75	24,547.29
305-3	Otras emisiones indirectas de gases de efecto invernadero (Alcance 3) // Other indirect greenhouse gas emissions (Scope 3)	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					
	EMISIONES INDIRECTAS DE ALCANCE 3 // INDIRECT SCOPE 3 EMISSIONS (t CO ₂ eq)	1,633,277.99	37,485.20	1,798.84	614.87	1,592.44	1,674,769.35
	OTRAS EMISIONES INDIRECTAS BIOGÉNICAS - FUERA DE ALCANCE // OTHER INDIRECT BIOGENIC EMISSIONS - OUTSIDE OF SCOPES (t CO ₂ eq)	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
305-4	Intensidad de las emisiones de gases de efecto invernadero: Alcance 1 + 2 / Ventas (tCO₂e / Millones de euros) // Greenhouse gas (GHG) emissions intensity: Scope 1 + 2 / Sales (t CO₂ e / Millions of euros)	77,69	47,33	10,89	11,59	N.A.	64,72
305-5	Reducción de las emisiones de gases de efecto invernadero // Reduction of the greenhouse gas emissions	Ver Informe de Emisiones de GEI del Grupo OHL // See the GHG Emissions Report of the OHL Group					
305-6	Emisiones de sustancias que agotan el ozono (toneladas CFC-11 equivalente) // Emissions of ozone-depleting substances (ODS) (tons of CFC-11 equivalents)	0,00	0,00	0,00	0,00	0,00	0,00



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
SUSTANCIAS INCLUIDAS EN EL CÁLCULO // SUBSTANCES INCLUDED IN THE CALCULATION		La actividad del Grupo OHL no realiza emisiones significativas de sustancias destructoras de la capa de ozono // The business activity of the OHL Group does not produce significant emissions of substances that deplete the ozone layer					
305-7	NOx, SOx y otras emisiones atmosféricas significativas por tipo y peso // NOX, SOX, and other significant air emissions						
EMISIONES DE NOx // NOx EMISSIONS (t)		132.26	9.91	2.44	0.39	0.11	145.12
EMISIONES DE SOx // SOx EMISSIONS (t)		181.24	13.77	3.42	0.41	0.15	199.00
EMISIONES DE COV // COV EMISSIONS (t)		13.07	0.99	0.24	0.03	0.01	14.34
EMISIONES DE PARTÍCULAS PM // PM PARTICLES EMISSIONS (t)		27.83	2.11	0.53	0.06	0.02	30.56
306-1	Vertidos totales de aguas residuales, según su naturaleza y destino // Total water discharge by quality and destination						
AL SUELO // TO THE SOIL (m³)		432,439.00	0	0	0	0	432,439
AL ALCANTARILLADO // TO THE SEWAGE SYSTEM (m³)		706,524	801,211	0	350,954	0	1,858,689
AL AGUA SUPERFICIAL // TO SURFACE WATER (m³)		263,699	58,009	0	0	0	321,708
AL MAR // TO THE SEA (m³)		2,594	0	0	0	0	2,594
AL SUBSUELO // TO THE SUBSOIL (m3)		0	0	0	0	0	0
REUTILIZADA POR TERCERO // REUSED BY A THIRD PARTY (m³)		0	0	0	0	0	0
TRATAMIENTO // TREATMENT		Vertido al alcantarillado general y posterior tratamiento (físico-químico y biológico como mínimo) en EDAR // Discharged to the general sewage and subsequent treatment physical-chemical and biological as a minimum) at WWTP					
PARÁMETROS // PARAMETERS		Según autorización y normativa del país // According to the approval and regulations of the country					
306-2	Peso total de residuos, según tipo y método de tratamiento // Total weight of waste by type and disposal method						



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS	CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
RESIDUOS CONSTRUCCIÓN Y DEMOLICIÓN NO PELIGROSOS (RCD) // NON-HAZARDOUS CONSTRUCTION AND DEMOLITION WASTE (t)	32,148,439	1,649,261	29	144	0	33,797,873
Reutilizada // Reused (%)	16%	4%	0%	50%	-	16%
Valorizados // Recovered (%)	23%	0%	0%	0%	-	22%
Vertedero // Landfill (%)	60%	96%	100%	50%	-	62%
OTROS RESIDUOS NO PELIGROSOS // OTHER NON-HAZARDOUS WASTE (t)	104,334	285	25	406	2	105,052
Compostaje // Compost (%)	7%	1%	0%	0%	0%	7%
Reutilización // Reuse (%)	6%	4%	0%	64%	0%	7%
Reciclaje // Recycling (%)	25%	2%	10%	2%	100%	25%
Recuperación // Recovery (%)	16%	0%	0%	0%	0%	15%
Agricultura // Agriculture (%)	0%	0%	0%	0%	0%	0%
Vertidos o depósitos // Landfill (%)	44%	93%	90%	35%	0%	44%
Otros destinos // Other destinations (%)	2%	0%	0%	0%	0%	2%
RESIDUOS PELIGROSOS (t) (Gestores autorizados) // HAZARDOUS WASTE (t) (Authorized waste companies)	586	0	2	0	0	588
Reutilización // Reuse (%)	0%	0%	0%	0%	0%	0%
Reciclaje // Recycling (%)	4%	100%	8%	71%	100%	4%
Recuperación // Recovery (%)	0%	0%	0%	0%	0%	0%



INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
Agricultura // Agriculture (%)		0%	0%	0%	0%	0%	0%
Vertidos o depósitos // Landfill (%)		88%	0%	92%	29%	0%	88%
Otros destinos // Other destinations (%)		9%	0%	0%	0%	0%	9%
306-3	Número total y volumen de los derrames accidentales más significativos // Total number and volume of significant spills	No se han producido derrames significativos de sustancias peligrosas (volumen inferior a 1500 litros distribuidos en 16 localizaciones) // No significant spills of hazardous substances have occurred (volume less than 1500 liters distributed in 16 locations)					
306-4	Peso de los residuos transportados, importados, exportados o tratados que se consideran peligrosos según la clasificación del Convenio de Basilea, anexos I, II, III y VIII y porcentaje de residuos transportados internacionalmente // Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention2 Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	El Grupo OHL no realiza transporte de residuos fuera del ámbito interno de sus actividades // The OHL Group does not transport waste outside of the internal environment of its operations					
306-5	Identificación, tamaño, estado de protección y valor de biodiversidad de las masas de agua y hábitats relacionados, afectados significativamente por vertidos de agua y aguas de escorrentía de la organización informante // Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	El Grupo OHL no realiza vertidos de agua y aguas de escorrentía que afecten significativamente a la biodiversidad y hábitats de los recursos hídricos afectados // The OHL Group does not discharge water and runoff that would significantly affect the biodiversity and habitats of the water resources affected					
307-1	Valor monetario de las multas significativas y número de sanciones no monetarias por incumplimiento de la normativa ambiental // Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations						





INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
MULTAS SIGNIFICATIVAS // SIGNIFICANT FINES (Euros)		22,901.00	0,00	0,00	0,00	0,00	22,901.00
SANCIONES SIGNIFICATIVAS NO MONETARIAS // SIGNIFICANT NON-MONETARY PENALTIES (nº)		0	0	0	0	0	Ninguna // Zero
CASOS RESUELTOS POR OTROS MECANISMOS (Procedimientos planteados ante instituciones de arbitraje) // CASES BROUGHT THROUGH DISPUTE RESOLUTION MECHANISMS (Procedures brought before arbitration institutions)		0	0	0	0	0	Ninguna // Zero
308-1	Porcentaje de nuevos proveedores que se examinaron en función de criterios ambientales // Percentage of new suppliers that were examined on the basis of environmental criteria	A todos los proveedores en el proceso de homologación se les solicita información de gestión medioambiental // Environmental management information is requested from all suppliers in the approval process					
308-2	Impactos ambientales negativos significativos, reales y potenciales, en la cadena de suministro y medidas al respecto // Significant actual and potential negative environmental impacts in the supply chain and actions taken	<p>Impactos ambientales negativos significativos en la cadena de suministro: Emisiones de gases de efecto invernadero, consumos-vertidos de agua y residuos.</p> <p>Proveedores cuyo impacto ambiental se ha evaluado: OHL ha evaluado la materialidad de las emisiones GEI procedentes de los proveedores de su cadena de suministro a partir de un modelo de estimación indirecta basado en tablas "multi-regional input-output (MRIO)" elaboradas según datos del "Global Trade Analysis Project (GTAP)".</p> <p>Proveedores que tienen impactos reales: El modelo ha estimado que un 70% de las emisiones de GEI se producen a causa del 2,62% de la cadena de suministro.</p> <p>Proveedores con los que se han acordado mejoras o se ha puesto fin a la relación como resultado de la evaluación: 0%. Actualmente se están estableciendo las bases para una participación directa con los proveedores de la cadena de suministro //</p> <p>Significant adverse environmental impacts in the supply chain: Greenhouse gas emissions, consumption-discharge of water and waste.</p> <p>Suppliers whose environmental impact has been assessed: OHL has assessed the materiality of the GHG emissions produced by the suppliers in its supply chain by using an indirect estimate model based on "multi-regional inputoutput (MRIO)" tables prepared according to data from the "Global Trade Analysis Project (GTAP)".</p> <p>Suppliers who have real impacts: The model has estimated that 70% of the GHG emissions are produced on account of 2.62% of the supply chain.</p> <p>Suppliers with which improvements have been agreed or with which the business relationship has been terminated as a result of the assessment: 0%. At the present time the terms for establishing direct participation with the suppliers in the supply chain are being addressed.</p>					













INDICADORES DEL DESEMPEÑO AMBIENTAL // ENVIRONMENTAL PERFORMANCE INDICATORS		CONSTRUCCION // CONSTRUCTION	INDUSTRIAL // INDUSTRIAL	SERVICIOS // SERVICES	DESARROLLOS // DEVELOPMENTS	CORPORATIVO // CORPORATE	TOTAL (sin Concesiones) TOTAL (without Concessions)
103-2	Número de reclamaciones ambientales que se han presentado, abordado y resuelto mediante mecanismos formales de reclamación // Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	El Grupo OHL no ha presentado ni abordado reclamaciones ambientales a través de mecanismos formales en el año de reporte ni en años previos // The OHL Group has not lodged or addressed environmental claims either through formal mechanisms, in the reporting year or in previous years					

GRI Tables









General GRI indicators

	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GENERAL CONTENTS					
GRI 101 Foundation 2017					
101 Principles			-About this report (pages 79-82) -Generating value - e) Social and relationship value - V.- Relations with stakeholders and partnerships (page 68)	✓	
GRI 102 General disclosures 2017 - Organizational profile					
102-1 Name of the organization			- About this report - d) Contact data (page 82)	✓	
102-2 Activities, brands, products, and services		 	- Strategy - a) Business model - I.- Strategic Plan (pages 14 - 16)	✓	















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-3 Location of headquarters			- About this report - d) Contact data (page 82)	✓	
102-4 Location of operations			- OHL in a click - a) Group Profile - II.- Worldwide Presence (page 2) - About this report - a) Scope (page 79)	✓	
102-5 Ownership and legal form			- Good Governance - a) Good Governance - I.- Ownership structure (page 69)	✓	
102-6 Markets served		 	- OHL in a click - a) Group Profile - II.- Worldwide Presence (page 2) - Strategy - a) Business model - I.- Strategic Plan (pages 14 - 16)	✓	
102-7 Scale of the organization			- OHL in a click - a) Group Profile - II.- Worldwide Presence (page 2) OHL in a click - c) 2017 in figures - I.- Main aggregates (page 6) - Strategy - a) Business model - I.- Strategic Plan (pages 14 - 16)	✓	
102-8 Information on employees and other workers			- OHL in a click - a) Group Profile - II.- Worldwide Presence (page 2) - Generating value - d) The value of people (pages 49 - 50)	✓	(1) (2)
102-9 Supply chain		  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47- 48)	✓	(1)
102-10 Significant changes to the organization and its supply chain		  	- OHL in a click - c) 2017 in figures (page 6) - About this report - a) Scope (page 79)	✓	
102-11 Precautionary Principle or approach			- Generating value - d) The value of people - I.- Environmental risk management (page 58) - Good Governance - c) Effective risk management (pages 75-77)	✓	














	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-12 External initiatives			- Generating Value - b) Value for the Customer - II.- Innovative culture and R&D+i (pages 45 - 46) - Generating value - d) The value of people - VII.- Human rights (pages 56 & 57)	✓	
102-13 Membership of associations		  	- Generating Value - b) Value for the Customer - II.- Innovative culture and R&D+i (pages 45 - 46) - Generating value - d) The value of people - VII.- Human rights (pages 56 - 57)	✓	
Strategy					
102-14 Statement from senior decision-maker		 	- Strategy - a) Business model - II.- Strategic Plan (pages 16 - 19)	✓	
102-15 Key impacts, risks, and opportunities			- Strategy - a) Business model - II.- CSR Management (pages 16 - 19) - Generating Value - d) Environmental Value - I.- Environmental risk management (page 58) - About this report - c) Materiality (pages 80-82)	✓	
Ethics and integrity					
102-16 Values, principles, standards, and norms of behavior		 	- Good Governance - b) Ethics and compliance (pages 73-75)	✓	














	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-17 Mechanisms for advice and concerns about ethics		 	- Good Governance - b) Ethics and compliance - II.- Ethical communications channel (pages 74-75)	✓	
Governance					
102-18 Governance structure		 	- Good Governance - a) Good Governance - II.- Governance Bodies (pages 69-73)	✓	
102-19 Delegating authority		 	- Strategy - a) Business model - II.- CSR Management (page 18) - Regulations of the Board of Directors - Mission of the Board.	✓	
102-20 Executive-level responsibility for economic, environmental, and social topics		 	- Strategy - a) Business model - II.- CSR Management (pages 18)	✓	
102-21 Consulting stakeholders on economic, environmental, and social topics		 	-Generating value - e) Social and relationship value - V.- Relations with stakeholders and partnerships (page 68) - About this report - c) Materiality (pages 80-82)	✓	
102-22 Composition of the highest governance body and its committees		 	- Good Governance - a) Good Governance - II.- Governance Bodies (pages 69-73)	✓	



	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-23 Chair of the highest governance body		 	- Good Governance - a) Good Governance - II.- Governance Bodies (page 69)	✓	
102-24 Nominating and selecting the highest governance body		 	- Annual Corporate Governance Report C.1.19	✓	
102-25 Conflicts of interest			- Good Governance - a) Good Governance - II.- Governance Bodies (page 70) - Annual Corporate Governance Report D.6	✓	
102-26 Role of highest governance body in setting purpose, values, and strategy		 	- Good Governance - a) Ethics and Compliance- I.- Code of Ethics and Anti-Corruption Policy (pages 73 -74) - Regulations of the Board of Directors - Mission of the Board.	✓	
102-27 Collective knowledge of highest governance body		 	- Regulations of the Board of Directors - Mission of the Board. - Annual Corporate Governance Report C.1.3	✓	
102-28 Evaluating the highest governance body's performance		 	Annual Corporate Governance Report C.1.19 and C.1.20	✓	









	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-29 Identifying and managing economic, environmental, and social impacts		 	<ul style="list-style-type: none"> - Strategy - a) Business model - II.- CSR Management (pages 16 - 19) - Generating Value - d) Environmental Value - I.- Environmental risk management (page 58) - About this report - c) Materiality (pages 80-82) 	✓	
102-30 Effectiveness of risk management processes			<ul style="list-style-type: none"> - Good Governance - c) Effective Risk Management (pages 75-77) - Generating Value - d) Environmental Value - I.- Environmental risk management (page 58) - Annual Corporate Governance Report E.5. and E.6. 	✓	
102-31 Review of economic, environmental, and social topics		 	<ul style="list-style-type: none"> - Good Governance - a) Good Governance - II.- Governance Bodies (pages 69-73) 	✓	
102-32 Highest governance body's role in sustainability reporting		 	<ul style="list-style-type: none"> - Strategy - a) Business model - II.- CSR Management (page 18) 	✓	
102-33 Communicating critical concerns		 	<ul style="list-style-type: none"> - Generating value - e) Social and relationship value - V.- Relations with stakeholders and partnerships (page 68) 	✓	
102-34 Nature and total number of critical concerns		 	<ul style="list-style-type: none"> - Annual Corporate Governance Report E.3 	✓	




	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-35 Remuneration policies			<ul style="list-style-type: none"> - Directors Remuneration Report. - Financial Statements: 4.7 - Remuneration of directors and senior executives and conflicts of interest 	✓	
102-36 Process for determining remuneration			<ul style="list-style-type: none"> - Directors Remuneration Report. - Financial Statements: 4.7 - Remuneration of directors and senior executives and conflicts of interest - Regulations of the Board of Directors of Obrascón Huarte Lain, S.A. Chapter VIII. Remuneration of the CEO. 	✓	
102-37 Stakeholders' involvement in remuneration			<ul style="list-style-type: none"> - Directors Remuneration Report. - Financial Statements: 4.7 - Remuneration of directors and senior executives and conflicts of interest - Regulations of the Board of Directors of Obrascón Huarte Lain, S.A. Chapter VIII. Remuneration of the CEO. 	✓	
102-38 Annual total compensation ratio			Confidential Information	✗	(N.V.)
102-39 Percentage increase in annual total compensation ratio			Confidential Information	✗	(N.V.)





	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
Stakeholder engagement					
102-40 List of stakeholder groups			- About this report - d) Materiality (pages 80-82)	✓	
102-41 Collective bargaining agreements	 		70% of the Group's workforce is covered by Collective Agreements. - Appendix III - Information on collective bargaining.	✓	(1)
102-42 Identifying and selecting stakeholders			- About this report - d) Materiality (pages 80-82)	✓	
102-43 Approach to stakeholder engagement			- Strategy - a) Business model - II.- CSR Management (pages 16 - 19) - Generating Value - e) Social and relationship value - V.- Relations with stakeholders (page 69) - About this report - c) Materiality (pages 81 - 83)	✓	
102-44 Key topics and concerns raised			- About this report - d) Materiality (pages 81-82)	✓	













	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
Reporting practice					
102-45 Entities included in the consolidated financial statements			- About this report - a) Scope (page 79) - Financial Statements: Appendix I and Appendix II.	✓	
102-46 Defining report content and topic Boundaries			- About this report - a) Scope (page 79 - 82)	✓	
102-47 List of material topics			- About this report - d) Materiality (pages 81-82)	✓	
102.-48 Restatements of information			- OHL in a click - b) Group performance and main milestones in 2017 (pages 2 - 5)	✓	
102-49 Changes in reporting			- Strategy - a) Business model - II.- Director's Report by division (page 19) - About this report - a) Scope (page 79)	✓	
102-50 Reporting period			2017.	✓	
102-51 Date of most recent report			2016.	✓	
102-52 Reporting cycle			Annual.	✓	
102-53 Contact point for questions regarding the report			- About this report - d) Contact data (page 82)	✓	
102-54 Claims of reporting in accordance with the GRI Standards			- About this report - d) Preparation methodology (pages 79-80)	✓	












	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
102-55 GRI content index			- About this report - d) Preparation methodology (pages 79-80)	✓	
102-56 External verification			- About this report - d) Preparation methodology (pages 79-80) - Appendix of GRI Tables	✓	



Economic GRI indicators

	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 103 Management approach 2017: 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			- About this report - d) Materiality (pages 80 - 82)	✓	
103-2 The management approach and its components			- Strategy - a) Business model - II.- Strategic Plan - II.- CSR Management (pages 16 - 19)	✓	
103-3 Evaluation of the management approach			- Strategy - a) Business model - II.- Strategic Plan - II.- CSR Management (pages 16 - 19)	✓	
GRI 201 Economic Performance 2017					
201-1 Direct economic value generated and distributed		    	- Generating value - e) Social and relationship value - V.- Distribution of generated and distributed value (page 63)	✓	
201-2 Financial implications and other risks and opportunities due to climate change	Principio 7  Principio 8 		- Generating Value - d) Environmental Value - II.- Climate Change and energy. (pages 60-61) - CDP Climate Change Disclosure Project of the OHL Group - CC2.1 and CC2.2.	✓	(3)
201-3 Defined benefit plan obligations and other retirement plans			The Group does not have any post-employment benefit obligations in the form of pension plans or other benefits.	✓	
201-4 Financial assistance received from government			- Consolidated financial statements - Note 3.21	✓	










	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 202 Market Presence 2017					
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Principio 6 	  	The Group offers its employees an initial compensation package equal to or higher than the legal minimum established in each country.	✓	(4)
202-2 Proportion of senior management hired from the local community	Principio 6 		85.1% of the Group's executives abroad are nationals of the same country	✓	(5)
GRI 203 Indirect Economic Impacts 2017					
203-1 Infrastructure investments and services supported			- Generating Value - e) Social and relationship value - III.- Social investment (pages 65-67)	✓	
203-2 Significant indirect economic impacts			- Generating Value - f) Social and relationship value. (Pages 62-69)	✓	
GRI 204 Procurement Practices 2017					
204-1 Proportion of spending on local suppliers		  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47- 48)	✓	(1)
GRI 205 Anti-corruption 2017					
205-1 Operations assessed for risks related to corruption			- Good Governance - b) Ethics and Compliance - I - Code of Ethics and Anti-Corruption Policy (pages 73-74) - Good Governance - c) Effective risk management (pages 75-77) - Good Governance - d) Internal Audit (pages 77-79)	✓	(3)























	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
205-2 Communication and training about anti-corruption policies and procedures			- Good Governance - b) Ethics and compliance - I.- Code of Ethics and Anti-Corruption Policy (pages 73-74) - Annual Corporate Governance Report F.1.2.	✓	
205-3 Confirmed incidents of corruption and actions taken			- Good Governance - b) Ethics and compliance - I.- Code of Ethics and Anti-Corruption Policy (pages 73-74) - Annual Corporate Governance Report F.1.2.	✓	(6)
GRI 206 Anti-competitive Behavior 2017					
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			In 2017 no significant legal actions were initiated against OHL for monopolistic or anti-trust practices.	✓	




























Environmental GRI indicators

	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 103 Management approach 2017: 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			- About this report - d) Materiality (pages 80-82)	✓	
103-2 The management approach and its components			- Generating Value - d) Environmental Value (pages 57-62)	✓	
103-3 Evaluation of the management approach			- Generating Value - d) Environmental Value (pages 57-62)	✓	
GRI 301 Materials 2017					
301-1 Materials used by weight or volume	Principio 7  Medio Ambiente	 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO  12 PRODUCCIÓN Y CONSUMO RESPONSABLES	- Generating Value - d) Environmental Value - III.- Circular economy and water management. (pages 61-62) - GRI Table - Environmental performance indicators.	✓	(7) (8)
301-2 Recycled input materials used	Principio 7 Principio 8  Medio Ambiente  Medio Ambiente	 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO  12 PRODUCCIÓN Y CONSUMO RESPONSABLES	- Generating Value - d) Environmental Value - III.- Circular economy and water management. (pages 61-62) - Table of GRI Environmental performance indicators.	✓	(7) (8)
301-3 Reclaimed products and their packaging materials			The activity of the OHL Group does not produce goods with packaging intended for sale or capable of being reused.	✓	






















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 302 Energy 2017					
302-1 Energy consumption within the organization		      	- Table of GRI Environmental performance indicators.	✓	(7) (8)
302-2 Energy consumption outside of the organization		      	The most significant external energy consumption relates to infrastructure users, suppliers and subcontractors. This information is not currently available.	✗	Not verified (N.V.)
302-3 Energy intensity		      	- Table of GRI Environmental performance indicators.	✓	(7) (8)





















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
302-4 Reduction of energy consumption	Principio 7  Medio Ambiente Principio 8  Medio Ambiente Principio 9  Medio Ambiente	      	- Generating Value - d) Environmental Value - II.- Climate Change and energy. (Pages 60-61)	✓	(3)
302-5 Reductions in energy requirements of products and services	Principio 7  Medio Ambiente Principio 8  Medio Ambiente Principio 9  Medio Ambiente	      	- Generating Value - d) Environmental Value - II.- Climate Change and energy. (pages 60- 61)	✓	(3)
GRI 303 Water 2017					
303-1 Water withdrawal by source	Principio 7  Medio Ambiente	   	- Table of GRI Environmental performance indicators.	✓	(7) (8)



























	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
303-2 Water sources significantly affected by withdrawal of water	Principio 7  Medio Ambiente	   	- Table of GRI Environmental performance indicators.	✓	(3) (7)
303-3 Water recycled and reused	Principio 7  Medio Ambiente	   	- Table of GRI Environmental performance indicators.	✓	(7) (8)
GRI 304 Biodiversity 2017					
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Principio 7  Medio Ambiente	 	- Table of GRI Environmental performance indicators.	✓	(3) (7)
304-2 Significant impacts of activities, products, and services on biodiversity	Principio 7  Medio Ambiente	 	- Table of GRI Environmental performance indicators.	✓	(3) (7)
304-3 Habitats protected or restored	Principio 8  Medio Ambiente	 	- Table of GRI Environmental performance indicators.	✓	(3) (9)























	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Principio 7  Principio 8  Medio Ambiente Medio Ambiente	 	- Table of GRI Environmental performance indicators.	✓	(3) (9)
GRI 305 Emissions 2017					
305-1 Direct (Scope 1) GHG emissions		      	- Table of GRI Environmental performance indicators.	✓	(7) (8) (10)
305-2 Energy indirect (Scope 2) GHG emissions		      	- Table of GRI Environmental performance indicators.	✓	(7) (8) (10)




















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
305-3 Other indirect (Scope 3) GHG emissions		      	- Table of GRI Environmental performance indicators.	✓	(7) (8) (10) (11)
305-4 GHG emissions intensity		      	- Table of GRI Environmental performance indicators.	✓	(7) (8)
305-5 Reduction of GHG emissions	Principio 7  Principio 8  Principio 9 	      	- Table of GRI Environmental performance indicators.	✓	(3) (7)

















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
305-6 Emissions of ozone-depleting substances (ODS)		      	No significant emissions of this type were identified.	✓	
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions		      	- Table of GRI Environmental performance indicators.	✓	(7) (8)
GRI 306 Effluents and Waste 2017					
306-1 Water discharge by quality and destination	Principio 7  Principio 8 	   	- Table of GRI Environmental performance indicators.	✓	(7) (8)











	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
306-2 Waste by type and disposal method	Principio 7  Principio 8 	  	- Table of GRI Environmental performance indicators.	✓	(7) (8)
306-3 Significant spills	Principio 8 	   	There were no significant spills of hazardous substances (volume under 1,500 litres distributed in 16 locations)	✓	(7) (8)
306-4 Transport of hazardous waste		  	Not material. The OHL Group has not transported any significant hazardous wastes.	-	
306-5 Water bodies affected by water discharges and/or runoff		   	Not material. The OHL Group has not made any water discharges or runoffs to water bodies that significantly affect the biodiversity and habitats of the water resources in question.	-	
GRI 307 Environmental Compliance 2017					













	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
307-1 Non-compliance with environmental laws and regulations		       	- Table of GRI Environmental performance indicators.	✓	
GRI 308 Supplier Environmental Assessment 2017					
308-1 New suppliers that were screened using environmental criteria		  	All suppliers in the accreditation process are asked for environmental management information.	✓	
308-2 Negative environmental impacts in the supply chain and actions taken		  	- Table of GRI Environmental performance indicators.	✓	(3)













Social GRI indicators

	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 103 Management approach 2017: 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			- About this report - d) Materiality (pages 80-82)	✓	
103-2 The management approach and its components			- Generating Value - b) Value for the Customer (pages 44-48) - Generating value - d) The value of people (pages 49-57) - Generating Value - e) Social and relationship value (pages 62-69) - Good Governance - b) Ethics and Compliance (pages 73-75)	✓	
103-3 Evaluation of the management approach			- Generating Value - b) Value for the Customer (pages 44-48) - Generating value - d) The value of people (pages 49-57) - Generating Value - e) Social and relationship value (pages 62-69) - Good Governance - b) Ethics and Compliance (pages 73-75)	✓	
GRI 401 Employment 2017					
401-1 New employee hires and employee turnover	Principio 6  Normas Laborales	 	Average turnover rate 5.26 %	✓	(1) (12)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Principio 1  Derechos Humanos Principio 6  Normas Laborales	  	- Appendices: OHL Group employee benefits.	✓	(1)


















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
401-3 Parental leave	Principio 6  Normas Laborales	 	The OHL Group does not currently have sufficient information to provide a representative rate for this indicator.	-	
GRI 402 Labor/Management Relations 2017					
402-1 Minimum notice periods regarding operational changes	Principio 3  Normas Laborales		There are no minimum notice periods at OHL Group level. In any case, these are given pursuant to the legislation in each country.	✓	(3)
GRI 403 Occupational Health and Safety 2017					
403-1 Workers representation in formal joint management-worker health and safety committees		 	The Group's Human Rights Policy expressly demonstrates its commitment to respecting and protecting the human rights of the people at the Company, those in its supply chain and those in the communities affected by the activity of OHL. Furthermore, in Spain, in the search for active management of respect for human rights, this aspect has been taken into account in the selection criteria for security service providers and their adherence to the Global Compact.	✓	
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		 	- Generating Value - c) The value of people - VI. Health and safety (Pages 54-56)	✓	(13)
403-3 Workers with high incidence or high risk of diseases related to their occupation		 	The OHL Group states that there is no proof of the existence of workers whose profession has a high incidence or risk of disease.	✓	
















	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
403-4 Health and safety topics covered in formal agreements with trade unions			The formal health and safety obligations of employees are covered by the various collective labour agreements entered into by the Group. In 2017 the OHL Group did not enter into new formal agreements covering matters relating to employee health and safety.	✓	
GRI 404 Training and Education 2017					
404-1 Average hours of training per year per employee		  	- Generating Value - c) The value of people - IV.- Training and development (pages 51 - 54) - Generating value - c) The value of people - VII.- Health and Safety (pages 54 - -56)	✓	(14)
404-2 Programs for upgrading employee skills and transition assistance programs		  	- Generating Value - c) The value of people - IV.- Training and development (pages 53 - 54)	✓	
404-3 Percentage of employees receiving regular performance and career development reviews		  	- Generating Value - c) The value of people - IV.- Training and development (pages 53 - 54)	✓	(3) (14)
GRI 405 Diversity and Equal Opportunity 2017					
405-1 Diversity of governance bodies and employees		 	<p>- Good Governance - a) Good Governance - II.- Governance Bodies (page 69) - Annual Corporate Governance Report C.1.2</p> <p>At 31 December 2017, 7.23% of the employees of the OHL Group belonged to an ethnic minority.</p> <p>At 31 December 2017, 2.50% of the employees were disabled.</p>	✓	(1)




























	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
405-2 Ratio of basic salary and remuneration of women to men		  	Base salaries are linked to professional categories and are the same for all persons, irrespective of sex, nationality or any other personal characteristic.	✓	(3)
GRI 406 Non-discrimination 2017					
406-1 Incidents of discrimination and corrective actions taken		  	<p>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.</p> <p>The Group has a Protocol for Prevention and Action in cases of Harassment, which is governed by the principles of speed, confidentiality, transparency, objectivity, impartiality and respect for the privacy and dignity of employees.</p> <p>- Good Governance - b) Ethics and Compliance - II.- Ethical Communications Channel (page 75)</p>	✓	(6)
GRI 407 Freedom of Association and Collective Bargaining 2017					
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)
GRI 408 Child Labor 2017					
408-1 Operations and suppliers at significant risk for incidents of child labor	   		- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)













	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 409 Forced or Compulsory Labor 2017					
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	   	  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)
GRI 410 Security Practices 2017					
410-1 Security personnel trained in human rights policies or procedures		 	<p>The Group's Human Rights Policy expressly demonstrates its commitment to respecting and protecting the human rights of the people at the Company, those in its supply chain and those in the communities affected by the activity of OHL.</p> <p>Furthermore, in Spain, in the search for active management of respect for human rights, this aspect has been taken into account in the selection criteria for security service providers and their adherence to the Global Compact.</p>	✓	(3)
GRI 411 Rights of Indigenous Peoples 2017					
411-1 Incidents of violations involving rights of indigenous peoples		 	The OHL Group did not identify any violations of the rights of indigenous peoples in 2017.	✓	
GRI 412 Human Rights Assessment 2017					







	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
412-1 Operations that have been subject to human rights reviews or impact assessments	 Principio 1  Principio 2  Principio 4  Principio 6  Derechos Humanos  Derechos Humanos  Normas Laborales  Normas Laborales	 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO  16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS	- Generating Value - c) The value of people - IV.- Human rights (page 57)	✓	(3)
412-2 Employee training on human rights policies or procedures	 Principio 1  Derechos Humanos	 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO  16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS	In 2017 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, up to 2016 a total of 5,037 participants had attended formal human rights training sessions	✓	
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	 Principio 1  Derechos Humanos	 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO  16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)
GRI 413 Local Communities 2017					
413-1 Operations with local community engagement, impact assessments, and development programs	 Principio 1  Derechos Humanos	 1 FIN DE LA POBREZA  17 ALIANZAS PARA LOGRAR LOS OBJETIVOS	- Generating Value - e) Social and relationship value - III.- Social investment (pages 65 - 67)	✓	(3)
413-2 Operations with significant actual and potential negative impacts on local communities	 Principio 1  Derechos Humanos	 1 FIN DE LA POBREZA	- Generating Value - e) Social and relationship value - III.- Social investment (pages 65 - 67) - Generating value - c) The value of people - VII. Human Rights (pages 56-57)	✓	(3)



	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
GRI 414 Supplier Social Assessment 2017					
414-1 New suppliers that were screened using social criteria	Principio 6 	  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)
414-2 Negative social impacts in the supply chain and actions taken		  	- Generating Value - b) Value for the Customer - IV.- Supply Chain (pages 47-48)	✓	(3)
GRI 415 Public Policy 2017					
415-1 Political contributions			The Code of Ethics prohibits any gift, invitation or hospitality to authorities, public officials or individuals that exceeds the criteria set out in the Anti-Corruption Policy.	✓	(15)
GRI 416 Customer Health and Safety 2017					
416-1 Assessment of the health and safety impacts of product and service categories			- Generating Value - b) Value for the Customer - III.- Quality Management (pages 46 - 47)	✓	(3)
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			No significant incidents have been identified as a result of non-compliance with regulations or voluntary codes relating to the impacts of products and services on health and safety during their lifecycle.	✓	
GRI 417 Marketing and Labeling 2017					



	GLOBAL COMPACT PRINCIPLES	SDG	References	Verification	Verification notes
417-1 Requirements for product and service information and labeling			Not material due to the Group's activities.	-	(N.V.)
417-2 Incidents of non-compliance concerning product and service information and labeling			Not material due to the Group's activities.	-	(N.V.)
417-3 Incidents of non-compliance concerning marketing communications			Not material due to the Group's activities.	-	(N.V.)
GRI 418 Customer Privacy 2017					
418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data			No significant complaints or economic penalties have been received in this connection.	✓	
GRI 419 Socioeconomic Compliance 2017					
419-1 Non-compliance with laws and regulations in the social and economic area			- 2017 consolidated financial statements of the OHL Group (Note 4.6.2 Contingent liabilities and guarantees	✓	

✓ Content relating to 2017 revised considering the scope of information described and the verification notes.

- Not verified (V.N.)

(1) The review of this information consisted of checking the process of compiling and consolidating the data reported by OHL Group companies and its consistency with the accounting data.



- (2) 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 the OHL Group.
- (3) Indicator for which only partially or qualitatively reported.
- (4) The rate is not reported.
- (5) Not broken down by country.
- (6) Only reports received through the Ethical Communications Channel are reported, with no breakdown by type.
- (7) U S information for 2017 is not included and therefore the information is not comparable with the previous year.
- (8) The review of this information consisted of checking the process of compiling, consolidating and translating the data reported by OHL Group companies and analysing the changes therein compared with the previous year. A review was also carried out of a sample of the evidence of the most significant company data in relation to indicators 302-1, 305-1 and 305-2.
- (9) Species and protected areas are only reported for certain projects.
- (10) 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.
- (11) Excludes issues arising from the activities of subcontractors and hauliers of the OHL Group.
- (12) The rate of new hires is not reported. Average employee turnover is reported with no breakdown of age group, gender or region.
- (13) Excludes data on fatalities or information by region or information concerning contractors and subcontractors.
- (14) The scope of the information is limited to Spain.
- (15) Only the approved internal policy is reported.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Independent Assurance Report on the Corporate Responsibility Information included in the 2017 Consolidated Directors' Report of OHL Group

To the Shareholders of Obrascón Huarte Lain, S.A.,

Scope of our engagement

We have performed the review, with a scope of limited assurance, of the Corporate Responsibility Information (CRI) included in the 2017 Consolidated Directors' Report ("CDR" or "Report") of Obrascón Huarte Lain, S.A. and subsidiaries ("OHL Group"), the scope of which is defined in the chapter "About this report". Our engagement consisted of reviewing:

- The adherence of the CRI included in the CRM to the Global Reporting Initiative Sustainability Reporting Standards ("GRI-SRSs or GRI"), including the reliability and adequacy of the contents.

Verification standards and procedures

We conducted a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with Guidelines for engagements relating to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants for the issuance of limited assurance reports.

Our review work consisted of making inquiries to management and the various areas and business units of OHL, reviewing the processes for gathering and validating of the GRI contents presented in the CDR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings with OHL Group's personnel to ascertain the principles, systems and approaches applied in corporate social responsibility management.
- Review of the minutes of the meetings held in 2017 by the Board of Directors and its Commissions.
- Review of the steps taken in relation to the identification and consideration of stakeholders during the year and of the stakeholder participation processes, based on the analysis of the internal information and third-party reports available.
- Analysis of the coverage, materiality and completeness of the CRI on the basis OHL's understanding of the requirements of its stakeholders in relation to the material issues identified by the organization and described in the epigraph "Materiality" of the section "About this Report" of the CDR.
- Review of the information relating to the management approaches applied and verification of the existence and scope of policies, systems and procedures in corporate social responsibility areas.
- Analysis of the adherence of the CRI to the GRI standards and verification that the contents disclosed agree with those required by such standards.
- Review on a sample basis, of the quantitative and qualitative information relating to the GRI contents and the adequate compilation thereof based on the data provided by the information sources of OHL Group.

Responsibilities of the Directors of OHL Group and of Deloitte

- The preparation and contents of the Consolidated Management Report are the responsibility of the administrators of OHL Group. OHL Group management is responsible for defining, adapting and maintaining the management systems and internal control from which the information is obtained.
- Our responsibility is to issue an independent limited assurance report based on the work performed.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRI and, accordingly, this report may not be considered an auditor's report.
- This report has been prepared solely in the interest of OHL in accordance with the terms and conditions of our engagement letter.
- We conducted our work in accordance with the independence standards required by the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior.
- In accordance with International Standard on Quality Control (ISQC) 1, Deloitte has in place a global system of quality control that includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.
- Our team consisted of professionals with assurance on Corporate Responsibility Reports qualifications and, specifically, on economic, social and environmental performance and stakeholders' participation processes.

Conclusions

The GRI Tables in the Appendix to the 2017 CDR provides details of the content reviewed and the scope limitations of the review, and identifies any contents that does not cover all the areas required by GRI-SRSs. As a result of the procedures applied and the evidence obtained, except for the matters identified in the aforementioned GRI Table of Contents, nothing came to our attention that might lead us to believe that the CRI was not prepared, in all material respects (including the reliability and adequacy of the reviewed information), in accordance with GRI-SRSs.

In addition, we presented to the Management of the OHL Group our recommendations relating to the areas of improvement to consolidate processes, programs, and systems associate with Corporate Responsibility Management.

DELOITTE, S.L.



Helena Redondo

28th February 2018