



OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Summarised consolidated interim financial statements and
interim directors' report for
the six-month period ended
30 June 2016

*Translation of interim condensed 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 27). In the
event of a discrepancy, the Spanish-language version prevails*

**Obrascón Huarte Lain, S.A.
and Subsidiaries
(Obrascón Huarte Lain
Group)**

Report on Limited Review

Interim Condensed Consolidated Financial
Statements and Interim Directors' Report for
the six-month period ended 30 June 2016

Translation of a report originally issued in Spanish and of interim condensed 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 27). In the event of a discrepancy, the Spanish-language version prevails.

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REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Obrascón Huarte Lain, S.A. at the request of the Board of Directors,

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements (“the interim financial statements”) of Obrascón Huarte Lain, S.A. (“the Parent”) and Subsidiaries (“the Group”), which comprise the condensed consolidated balance sheet as at 30 June 2016, and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in total equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent’s directors are responsible for preparing the accompanying interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2016 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Emphasis of Matter

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2015. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2016 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2016. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Obrascón Huarte Lain, S.A. and Subsidiaries.

Other Matters

This report was prepared at the request of the Board of Directors of Obrascón Huarte Lain, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.



Ignacio Alcaraz Elorrieta

29 July 2016

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Translation of interim condensed 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 27). In the event of a discrepancy, the Spanish-language version prevails

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheet at 30 June 2016 and 31 December 2015

ASSETS	30/06/2016 (*)	31/12/2015
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	467,174	468,986
Accumulated amortisation	(190,731)	(178,955)
	276,443	290,031
Concession infrastructure	6,302,666	6,515,565
Property, plant and equipment		
Land and buildings	449,115	462,115
Machinery	450,468	479,202
Other fixtures, tools and furniture	138,942	150,508
Advances and property, plant and equipment in the course of construction	64,112	44,733
Other items of property, plant and equipment	104,738	106,462
Accumulated depreciation and impairment losses	(569,863)	(606,991)
	637,512	636,029
Investment property	80,904	61,921
Goodwill	26,335	26,335
Non-current financial assets		
Investment securities	114,050	111,227
Other receivables	275,600	319,809
Deposits and guarantees given	146,622	219,006
Impairment losses	(245,184)	(238,549)
	291,088	411,493
Investments accounted for using the equity method	1,164,952	1,668,246
Deferred tax assets	646,276	624,062
TOTAL NON-CURRENT ASSETS	9,426,176	10,233,682
CURRENT ASSETS		
Non-current assets classified as held for sale	51,000	833,272
Inventories		
Embodiment items, fungibles and replacement parts for machinery	88,216	95,496
Auxiliary shop projects, site installations	34,436	33,279
Advances to suppliers and subcontractors	137,450	144,231
Write-downs	(2,324)	(2,608)
	257,778	270,398
Trade and other receivables		
Trade receivables for sales and services	2,304,939	2,177,241
Receivable from associates	345,354	274,483
Employees receivables	2,289	1,678
Tax payables	211,190	235,693
Sundry accounts receivable	196,943	197,490
Write-downs	(493,701)	(448,785)
	2,567,014	2,437,800
Current financial assets		
Investment securities	52,328	36,912
Other receivables	1,182,482	305,950
Deposits and guarantees given	8,891	5,136
Write-downs	(15,477)	(13,409)
	1,228,224	334,589
Current income tax assets	23,845	24,481
Other current assets	82,535	56,834
Cash and cash equivalents	672,432	1,097,870
TOTAL CURRENT ASSETS	4,882,828	5,055,244
TOTAL ASSETS	14,309,004	15,288,926

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2016.

(*) Not audited

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheet at 30 June 2016 and 31 December 2015

LIABILITIES AND EQUITY	30/06/2016 (*)	31/12/2015
EQUITY		
Share capital	179,255	179,255
Share premium	1,265,300	1,265,300
Treasury shares	(23,556)	(3,908)
Reserves	(177,602)	(118,676)
Reserves of consolidated companies	2,233,729	2,116,334
Valuation adjustments	(527,986)	(446,981)
Consolidated profit for the year attributable to the Parent	2,978	55,632
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	2,952,118	3,046,956
Non-controlling interests	1,569,418	1,764,718
Total equity	4,521,536	4,811,674
NON-CURRENT LIABILITIES		
Debt instruments and other marketable securities		
Corporate bond issues	1,529,086	1,575,747
Bond issues of concession operators	537,506	575,571
	2,066,592	2,151,318
Bank borrowings:		
Mortgage and other loans	1,395,473	1,389,231
Loans of concession operators	1,110,390	1,182,620
	2,505,863	2,571,851
Other financial liabilities	98,454	88,630
Deferred tax liabilities	1,214,241	1,211,376
Provisions	285,668	168,808
Deferred income	62,548	65,011
Other non-current liabilities	179,188	326,460
TOTAL NON-CURRENT LIABILITIES	6,412,554	6,583,454
CURRENT LIABILITIES		
Liabilities associated with non-current assets classified as held for sale	-	567,245
Debt instruments and other marketable securities		
Corporate bond issues	51,077	204,595
Bond issues of concession operators	6,644	5,749
	57,721	210,344
Bank borrowings		
Mortgage and other loans	673,410	433,047
Loans of concession operators	96,190	60,702
Unmatured accrued interest payable	3,623	3,949
Unmatured accrued interest payable of concession operators	7,175	8,270
	780,398	505,968
Other financial liabilities	14,544	44,940
Trade and other payables		
Customer advances	485,081	476,225
Accounts payable for purchases and services	1,239,712	1,283,951
Notes payable	25,143	52,934
	1,749,936	1,813,110
Provisions	289,652	289,285
Current income tax liabilities	15,144	108,294
Other current liabilities		
Payable to associates	91,993	111,536
Remuneration payable	29,425	26,777
Tax payables	156,893	142,887
Other non-trade payables	185,382	65,679
Guarantees and deposits received	1,527	1,470
Other current liabilities	2,299	6,263
	467,519	354,612
TOTAL CURRENT LIABILITIES	3,374,914	3,893,798
TOTAL EQUITY AND LIABILITIES	14,309,004	15,288,926

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2016.

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated income statement for the six-month periods ended

30 June 2016 and 30 June 2015

	30/06/2016 (*)	30/06/2015 (**)
Revenue	2,076,034	1,924,099
Other operating income	317,700	348,003
TOTAL REVENUE	2,393,734	2,272,102
Supplies	(1,207,185)	(1,026,997)
Staff costs	(455,332)	(435,851)
Other operating expenses	(345,782)	(378,433)
Depreciation and amortisation charge	(64,163)	(82,673)
Changes in provisions and allowances	(50,982)	(70,942)
PROFIT FROM OPERATIONS	270,290	277,206
Finance income	26,942	13,538
Finance costs	(203,961)	(249,333)
Net exchange differences	(9,987)	2,941
Gains (Losses) on remeasurement of financial instruments at fair value	(97,768)	6,831
Result of companies accounted for using the equity method	(23,333)	126,136
Impairment and gains or losses on disposals of financial instruments	223,141	(35)
PROFIT(LOSS) BEFORE TAX	185,324	177,284
Income tax	(101,842)	(40,888)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	83,482	136,396
CONSOLIDATED PROFIT FOR THE PERIOD	83,482	136,396
Profit from continuing operations attributable to non-controlling interests	(80,504)	(84,013)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE PARENT	2,978	52,383
Earnings per share:		
Basic	0.01	0.53
Diluted	0.01	0.53

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2016.

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of comprehensive income at 30 June 2016 and 2015

	30/06/2016 (*)	30/06/2015 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (from Profit and Loss account)	83,482	136,396
ITEMS NOT RECLASSIFIED TO THE PROFIT OR LOSS FOR THE PERIOD	-	-
ITEMS THAT MAY BE RECLASSIFIED TO THE PROFIT OR LOSS FOR THE PERIOD	(218,182)	102,237
Available-for-sale financial assets	(2,068)	-
Revaluation gain/ losses	(2,068)	-
Cash flow hedges	28,679	27,431
Revaluation gain/ losses	(37,389)	(427)
Amounts transferred to profit and loss account	66,068	27,858
Translation differences	(323,443)	69,697
Revaluation gain/ losses	(323,443)	(69,697)
Share for the investments in joint ventures and associates	84,945	12,169
Revaluation gain/ losses	11,586	6,104
Amounts transferred to profit and loss account	73,359	6,065
Tax effect	(6,295)	(7,060)
OVERALL TOTAL PROFIT (LOSS) FOR THE PERIOD	(134,700)	238,633
Profit/(Loss) attributable to the Parent	(78,027)	148,720
Attributable to Non-controlling interests	(56,673)	89,913

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of changes in total equity at 30 June 2016

30 June 2016	Equity attributable to the Parent Company						Non-controlling interests	Total equity
	Shareholders' equity					Adjustments for changes in value		
	Share capital	Share premium and reserves	Treasury shares and interests	Profit(loss) for the year attributable to the Parent Company	Other equity instruments			
Ending balance at 31/12/2015	179,255	3,262,958	(3,908)	55,632	-	(446,981)	1,764,718	4,811,674
Total comprehensive income	-	-	-	2,978	-	(81,005)	(56,673)	(134,700)
Transactions with shareholders or owners	-	(14,489)	(19,648)	-	-	-	-	(34,137)
Capital increases (reductions)		(231)						(231)
Dividends paid	-	(13,892)	-	-	-	-	-	(13,892)
Transactions with treasury shares or interests (net)	-	(366)	(19,648)	-	-	-	-	(20,014)
Other changes in equity	-	72,958	-	(55,632)	-	-	(138,627)	(121,301)
Transfers between equity items	-	55,632	-	(55,632)	-	-	-	-
Other changes	-	17,326	-	-	-	-	(138,627)	(121,301)
Ending balance at 30/06/2016 (*)	179,255	3,321,427	(23,556)	2,978	-	(527,986)	1,569,418	4,521,536

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2016.

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of changes in total equity at 30 June 2015

30 June 2015	Equity attributable to the Parent Company						Non-controlling interests	Total equity
	Shareholders' equity					Adjustments for changes in value		
	Share capital	Share premium and reserves	Treasury shares and interests	Profit(loss) for the year attributable to the Parent Company	Other equity instruments			
Ending balance at 31/12/2014	59,845	2,442,627	(5,104)	23,222	-	(399,522)	1,371,313	3,492,381
Total comprehensive income	-	-	-	52,383	-	96,337	89,913	238,633
Transactions with shareholders or owners	-	(35,631)	618	-	-	-	-	(35,013)
Dividends paid	-	(34,961)	-	-	-	-	-	(34,961)
Transactions with treasury shares or interests (net)	-	(670)	618	-	-	-	-	(52)
Other changes in equity	-	18,573	-	(23,222)	-	-	351,397	346,748
Transfers between equity items	-	23,222	-	(23,222)	-	-	-	-
Other changes	-	(4,649)	-	-	-	-	351,397	346,748
Ending balance at 30/06/2015(*)	59,845	2,425,569	(4,486)	52,383	-	(303,185)	1,812,623	4,042,749

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of cash flows at 30 June 2016 and 30 June 2015

	30/06/2016(*)	30/06/2015 (**)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	(234,024)	(106,529)
1. Profit/loss before tax	185,324	177,284
2. Adjustments to profit(loss)	(9,343)	42,826
Depreciation and amortisation charge	64,163	82,673
Other adjustments to profit	(73,506)	(39,847)
3. Changes in working capital	(233,465)	(290,053)
4. Other cash flows from operating activities	(176,540)	(36,586)
Dividends received	57,225	45,395
Income tax recovered (paid)	(132,139)	(67,413)
Other amounts received (paid) relating to operating activities	(101,626)	(14,568)
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	(39,512)	315,541
1. Payments due to investment	(232,786)	(257,759)
Group companies, associates and business units	(77,018)	(15,015)
Property, plant and equipment, Intangible assets and Investment property	(96,117)	(98,856)
Other financial assets	(59,651)	(143,888)
2. Proceeds from disposal	166,332	559,762
Group companies, associates and business units	142,680	545,960
Property, plant and equipment, Intangible assets and Investment property	23,652	13,802
3. Other cash flows from investing activities	26,942	13,538
Interest received	26,942	13,538
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)	(139,535)	(46,603)
1. Proceeds and (payments) relating to equity instruments	(20,014)	(53)
Acquisition	(120,204)	(138,863)
Disposal	100,190	138,810
2. Proceeds and (payments) relating to financial liability instruments	118,933	249,341
Issuance	652,464	1,656,744
Repayment	(533,531)	(1,407,403)
3. Dividends and returns on other equity instruments paid	-	(34,961)
4. Other cash flows from financing activities	(238,454)	(260,930)
Interest paid	(205,382)	(243,758)
Other amounts received (paid) relating to financing activities	(33,072)	(17,172)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	(12,367)	17,279
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(425,438)	179,688
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,097,870	787,909
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)	672,432	967,597
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	610,562	637,885
Other financial assets	61,870	329,712
Bank overdrafts refundable on demand	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	672,432	967,597

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2016.

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

NOTES TO THE SUMMARISED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

1.- GENERAL INFORMATION

Company name and registered office

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

Business activities

The main sectors in which the Obrascón Huarte Lain Group companies operate are the following:

Concessions

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

Engineering and Construction

Construction

Construction of all kind of civil works and buildings, both for official and private customers, within the country and abroad.

Industrial

Industrial engineering, mainly plants and comprehensive industrial systems, including design, construction, maintenance and operation, as well as any other activity related to oil&gas, energy, solid engineering and fire prevention systems.

Services

Provision of services to real properties and maintenance of infrastructures in all kind of real properties, housing and offices.

Development

Operation and development of mixed-used real estate projects, with hotel area and the highest quality.

Comparative information

At the end of fiscal year 2015, the Group reported the concession operators with guarantee return clause, for which an unconditional cash receivable right exists, following the model of financial asset, according to the information reported on 25 September 2015 in response to the Spanish Securities Market (CNMV).

This reporting does not have any impact on the results, nor on the consolidated shareholders equity or the Group assets, but since then the sales related to the financial assets concessions are recorded as "Other operating income", in the same way as they were recorded in the guaranteed return concession operators.

The information, at 30 June 2015, has been standardised using these criteria.

The effect of such reporting at 30 June 2015 is as follows:

Item	Thousands of Euros		
	30/06/2015	Reclassification	30/06/2015 Restated
Revenue	1,975,575	(51,476)	1,924,099
Other operating income	316,029	31,974	348,003
Depreciation and amortisation charge	(102,175)	19,502	(82,673)
Profit for the year attributable to the parent company	52,383	-	52,383

2.- BASIS OF PRESENTATION OF THE SUMMARISED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basis of presentation

In accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, every company governed by the laws of a European Union member state, and having its equity shares listed on a regulated market of any of its member states is required to file its consolidated financial statements for the reporting periods starting on or after 1 January 2005, in compliance with such International Financial Reporting Standards (IFRs) as may have been previously adopted by the European Union.

The Group's 2015 consolidated financial statements were prepared by the Parent Company Directors in compliance with the International Financial Reporting Standards adopted by the European Union, and applying the basis of consolidation, accounting standards and measurement bases described in Note 2.6, so as to present fairly the Group's consolidated equity and financial position, consolidated results of operations, consolidated changes in equity, and consolidated cash flows for the reporting period ended on 31 December 2015.

These summarised consolidated interim financial statements are in compliance with IAS 34 on interim financial reporting, and were prepared by the Group Directors on 28 July 2016, all the above in accordance with Section 12 of Royal Decree 1362/2007.

Pursuant to IAS 34, the only purpose of consolidated interim financial reporting is to update the contents of the latest consolidated financial statements presented by the Group, placing emphasis on any new activity, event or circumstance occurred over the six-month period, but not repeating the information previously reported on the 2015 consolidated financial statements. Therefore, for a better understanding of the information contained in these summarised consolidated interim financial statements, they should be read together with the Group's 2015 consolidated financial statements.

International Financial Reporting Standards (IFRS)

The accounting standards and methods applied to prepare these summarised consolidated interim financial statements were the same as the ones applied to the 2015 consolidated financial statements, except for the following rules and interpretations, which became effective during the first half of 2016.

A summary of the regulatory situation is shown below:

New accounting standards in force

During the first half of 2016, the following accounting standards became effective, which, where appropriate, have been applied by the Group when preparing its summarised consolidated interim financial statements for the six-month period ended 30 June 2016.

New standards, amendments and interpretations:		Mandatory application in years beginning as of:
Approved for use in the European Union		
Amendment to IFRS 19 – Defined Benefit Plans: Employee Contributions (published in November 2013)	The amendments were issued to allow employee contributions to be deducted from the service cost in the same period in which they are paid, provided certain requirements are met	1 February 2015 ⁽¹⁾
Improvements to IFRS – 2010-2012 period (released by the IASB in December 2013)	Minor amendments to seven standards.	
Amendment to IAS 16 and IAS 38 – “Acceptable Methods of Depreciation and Amortisation (released in May 2014)	It clarifies the acceptable methods of depreciation and amortisation of intangible and tangible assets, excluding those based on revenues.	1 January 2016
Amendment to IFRS 11 – “Acquisition of an Interest in from Joint Operation” (released in May 2014)	It specifies the method of accounting regarding the acquisition of an interest in a joint operation whose activity constitutes a business.	
Amendment to IAS 16 and 41 “Production Plants” (released in June 2014)	Bearer plants shall be carried at cost, instead of at fair value.	
Improvements to IFRS – 2012-2014 period (released in September 2014)	Minor amendments to four standards.	
Amendment to IAS 27 “Equity Method in Separate Financial Statements” (released in August 2014)	It allows the use of the equity method in the separate financial statements of an investor.	
Amendments to IAS 1 “Breakdown Initiative” (released in December 2014)	Miscellaneous clarifications on disclosure (materiality, aggregation, order of notes, etc...).	
Amendments to IFRS 10, 12 and IAS 28: “Investment companies” (released in December 2014)	Clarifications on the application of the consolidation exception for investment companies.	

(1) The effective date for this standard was 1 July 2014.

None of these standards have affected the summarised consolidated interim financial statements for the six-month period ended 30 June 2016.

Standards and interpretations issued but not yet in force-

At the date of preparation of these summarised consolidated interim 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 summarised consolidated interim financial statements or because they had not yet been adopted by the European Union.

New standards, amendments and interpretations:		Mandatory application in years beginning as of:
Not approved for application in the European Union		
Amendments to IAS 7 "Breakdown Initiative"	Additional breakdown requirements are included, related to the reconciliation of the changes in the financial liabilities with the cash flows from financing activities.	To be adopted in the EU 1 January 2017
Amendments to IAS 12 "Recognition of deferred tax assets for unrealized losses"	Explanation of the criteria established for the recognition of deferred tax assets for unrealized losses	
IFRS 15 "Revenue from Contracts with Customers and explanations"	New standard on revenue recognition (Replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and IAS 31)	To be adopted in the EU 1 January 2018
IFRS 9 – Financial instruments	This amendment replaces IAS 39 requirements as to classification, measurement, recognition and derecognition of financial assets and liabilities, and hedge and impairment losses accounting from IAS 39	
Amendment to IFRS 2 "Classification and Measurement of share based payments"	These are limited amendments clarifying certain issues such as the effects of the accrual conditions on share-based payments, the classification of share-based payments when there are provisions of net liquidation and some issues related to the amendment of the type of share-based payments.	
IFRS 16 – Leases	It replaces the IAS 17 and its associated interpretative guidance. The main development relates to the fact that the new standard proposes a new single accounting model for the lessees, which will include all the leases in the balance sheet.	To be adopted in the EU 1 January 2019
Amendment to IFRS 10 and IAS 28. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Highly relevant clarification related to the result of these transactions, because there was a discrepancy between these standards. When it comes to a business, there will be a complete result; In case of assets as the subject of the transaction, there will be a partial result.	Its adoption has been indefinitely deferred in the EU and its application according to the IASB.

From all these new standards and amendments, only the IFRS 15 and the IFRS 9 could have an impact on the Group's financial statements. They are expected to enter into force as of 1 January 2018 and are already being studied.

All accounting policies and measurement bases with a significant effect on the consolidated financial statements were applied.

3.- ESTIMATES

The consolidated profit(loss) and equity are sensitive to the accounting standards and principles, measurement bases and estimates applied by the Parent Company Directors when preparing the summarised consolidated interim financial statements. The most significant accounting standards and principles and measurement bases are mentioned in Note 2 to the 2015 consolidated financial statements.

Estimates were made by the Senior Management of the Group and of the entities comprising the Group, and subsequently ratified by the Directors, to measure certain assets, liabilities, income, expenses and obligations recorded in the condensed consolidated interim financial statements. These estimates refer basically to the following:

- Impairment losses on certain assets.
- The useful life of property, plant and equipment and intangible assets.
- The recognition of profit(loss) on construction contracts.
- The future traffic on highways for financial reporting purposes pursuant to IFRIC 12.

- The amount of certain provisions.
- The fair value of assets acquired in business combinations and goodwill.
- The fair value of certain unlisted assets.
- The allocation of business combination costs.
- The assessment of potential contingencies due to labour and tax risks, including the recoverability of tax assets.
- The corporate tax expense, which under IAS 34 is recognised on interim periods according to the best estimate of weighted average tax rate calculated for the whole year.
- The financial risk management.

Although the above-listed estimates are based on the best available information on the analysed facts as at that date, events which take place in the future might make it necessary to change these estimates in coming reporting periods, which would be made prospectively, if applicable, and in accordance with IAS 8, recognising any effect thereof in the consolidated income statement for the reporting periods concerned.

No significant changes were made to the estimates used at 2015 year-end during the six-month period ended on 30 June 2016.

4. GROUP TRANSACTIONS SEASONALITY

Given the nature of the activities carried out by the Group Companies, the Group's transactions are not deemed to be strongly cyclical or seasonal. Therefore, no specific disclosure is included in these notes to the summarised consolidated financial statements for the six-month period ended on 30 June 2016.

5.- RELATIVE IMPORTANCE

Pursuant to IAS 34, when determining which details to disclose in relation to the various items of the summarised consolidated interim financial statements or other issues, the Group has considered the relative importance of the summarised consolidated financial statements for the first six-month period of 2016.

6.- RISK MANAGEMENT POLICY

The Group's strategic goals with respect to risk management are geared to implement and keep a reliable risk management system, as well as to use it as management tool at all decision-making levels.

In addition to support the Group OHL's strategic objectives, the risk management program has developed its own objectives enabling the integration of the risk knowledge and information into the decision-making processes. In this way, it guarantees the mitigation of the negative issues of risk by the risk management activities, allowing at the same time the risk operation to take advantage of the business opportunities.

Said system develops and implements a group of common processes, risk categories, tools and techniques related to management in order to:

- Identifying and manage the risks at Group and Division level.
- Developing an integrated report that allows for identification and follow-up of critical risks;
- Integrating the management risk into the decision-making processes.
- Establishing and keeping a culture of risk awareness.
- Adjusting risk tolerance levels to the Group's objectives;
- Enhancing risk reporting and information;
- Enhancing risk response decisions;
- Reducing the Group's vulnerability to adverse events;

- Boosting the confidence and certainty of the Board of Directors and stakeholders in that material risks are being managed and reported in due time.

The risk management system covers four large risk categories. Risk categories are defined risk groups that enable a consistent organisation of risk identification, evaluation, assessment and follow-up. The use of standardised risk categories in the Group enables the aggregation of risks of the different Divisions in order to determine their global impact on the Group.


The Group has adopted the following risk categories:

1. Strategic risks: They are related to the market and environment, to the diversity of markets/countries in which the Group operates, to those derived from partnerships and joint projects, to those arising from the Group's organisational structure, as well as to the risks incidental to the Group's reputation and image.
2. Operating risks: They are related to the Group's operating processes according to the value chain of each of the Group's Divisions. This category identifies more accurately those risks related to contracting and supply, subcontracting and suppliers, production, execution and operation, asset management, labour, environment, technology and systems, force majeure and fraud, and corruption.
3. Compliance risks: They are related to the compliance with the applicable legislation, with contracts with third parties and with the Group's internal procedures, rules, and policies.
4. Financial risks: They are related to access to financial markets, cash and tax management, reliability of the economic and financial information, and management of insurance.

The governance model of Risk Management implemented in OHL Group provides with a communication, monitoring and support mechanism for all the issues related to risk management. It is essential for providing a coordinated response to the specific risks within every Division, and at the same time it delivers the risk information flow structure needed for its integration into the Internal Control and Risk Department. Taking into consideration the complexity and diversity of activities and projects undertake within OHL Group, the Risk Governance Model defines the appropriate channels for ensuring the flow of risk information across the Group.

The process used by the Group to manage its risks comprises seven stages. This process provides a logic and systematic method for establishing the context of, identifying, analysing, integrating, evaluating, responding to, monitoring and reporting risks in such a way as to enable the Group to make decisions and respond to risks and opportunities in a timely manner as they arise. The adopted process includes elements from ISO31000: 2009 "Risk Management – Principles and Guidelines"; and from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) "Enterprise Risk Management – Integrated Framework" (2004). The seven stages of the Group's risk management system are briefly explained below:

1. Reporting and consulting: This stage is an integral part of the creation of a positive culture on risk management within the Group. By adopting a consultative approach for risk management, the parties involved understand the purpose of decision-making and the importance of such decisions when managing the Group's risks, instead of there being a one-way information flow. On the other hand, the multilateral discussions with the parties involved in the risk management process guarantee the understanding and soundness of each step in such process.
2. Establishing the context: This stage consists in setting the internal, external and risk management context in which the process will be carried out. Once the context is established, the Group may focus its efforts on risk management based on the environment in which it operates and define the necessary categories of common risks, criteria and procedures for managing the Group's risks as a whole.
3. Identifying Risks: This stage is aimed at identifying the risks that may affect the achievement of the Group's objectives through categories of common risks, criteria and procedures developed in the "Establishing the context" stage". Whenever the risks are to be identified, it is important to understand and document any factors which may trigger the risk



events as well as any potential consequences. The identification of the risks and triggers and potential consequences is a first step towards the understanding of the Group's exposure to risk.

4. Analysing risks: This stage is aimed at understanding the scope of both the positive aspects and negative outcomes of a risk event, as well as the vulnerability to such event (likelihood of occurrence of said outcomes considering the current level of control). Evaluation of the scope (impact) and vulnerability to potential risks enables the Group to prioritise its risks and, therefore, to respond to said risks, focusing on the ones that pose a greater threat to the attainment of its objectives.
5. Evaluating risks: This stage is aimed at prioritising the risks for addressing or responding to them, by evaluating them against the preset risk tolerance criteria. Understanding the level of exposure to risks in relation to risk tolerance enables decision-making on how to address risks optimising risk-taking and maximising the probability of achieving the objectives.
6. Responding to risks: This stage is aimed at identifying, evaluating and implementing the options for addressing or responding to risks. Risks are addressed not only to minimise any potential damages, but also to maximise the growth potential of opportunities.
7. Monitoring and reviewing: This last stage is aimed at carrying out a continuous evaluation of the effectiveness and relevance of the Group's risk management programme. A continuous follow-up on the risks and effectiveness of their treatment enables the Group to refine its risk management programmes to be in line with the dynamic context in which it operates.

The OHL Group's Risk Management Policy is reviewed annually to verify it is in line with the Group and its stakeholders' interests. The OHL Group's Audit, Compliance and Corporate Social Responsibility Committee is in charge of guaranteeing that the commitments included in the Risk Management Policy are up to date and undertaken consistently.

Financial risk management

Financial risks are those that can affect mainly the possibility of obtaining the necessary financing at the right moment and at a reasonable cost, as well as the maximisation of available financial resources. The most important are:

- Interest rate risk
- Currency risk
- Credit risk
- Liquidity risk
- The evolution of the trade value of the shares of certain subsidiaries.

Interest rate risk

The variations in interest rates change the future flows of assets and liabilities tied to variable interest rates.

This risk of variation in interest rates is especially significant in financing the infrastructure projects and in other projects in which its profitability depends on possible interest rate variations, by being directly related to their flows.

The Group is financed through fixed or variable interest rate financial instruments and, according to the Group's estimates regarding the changes in interest rates and in objectives of the debt structure, hedge transactions are carried out by contracting derivatives that mitigate these risks, and a sensitivity analysis thereof is also conducted. Otherwise the financing is provided at a fixed interest rate.

Of the Group's total gross debt at 30 June 2016, the hedges created account for 30.4% of that debt and the fixed-interest rate debt totals 52.6%.

The sensitivity of the Group's profit to a 0.5% increase in the interest rate, without considering the debt hedged using hedge instruments and the fixed interest rate debt would involve an impact of EUR 3,209 thousand in the profit attributed to the Parent Company.

Currency risk

The exchange rate risk management is undertaken centrally within the Group, and different hedge mechanisms are applied to minimise the effect of the changes of currencies against the euro.

Exchange rate risks occur mainly in:

- Debt denominated in foreign currency.
- Payments to be made in international markets for the acquisition of supplies or non-current assets.
- Collections from projects referenced to currencies other than the Parent Company's functional currency or that of its subsidiaries.
- Investments in foreign subsidiaries.

The Group arranges derivatives on foreign currency and exchange rate insurance to cover transactions and significant future cash flows, based on the limits as to the risk that can be assumed.

Furthermore, net assets from the net investment made in foreign companies, the functional currency of which is not the euro, are subject to the risk of exchange rate fluctuation when the currency of the financial statements of such companies is translated under the consolidation process.

The amount booked in the balance sheet at 30 June 2016 under the heading "Translation differences", within "Valuation adjustments" totals EUR 447,384 thousands (EUR 257,404 thousands at 31 December 2015).

Non-current assets denominated in currencies other than the euro are financed in that same currency with a view to creating a natural hedge.

Credit risk

Credit risk involves the likelihood that the counterparty of an agreement fails to meet its contractual obligations, leading to economic loss.

The Group has adopted a policy of only trading with solvent third parties and obtaining sufficient guarantees to mitigate the risk of financial loss in the event of non-compliance. The information on its counterparty is obtained through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers and third parties.

At 30 June 2016 the net balances of the Group financial assets exposed to credit risk are:

Concept	Thousands of Euros
Non-current financial assets	280,209
Non- current hedging instruments	10,879
Trade and other receivables	2,567,014
Current financial assets	1,226,658
Current hedging instruments	1,566
Cash and cash equivalents	672,432

The most significant fee and commission items are as follows:

Non-current financial assets

The non-current financial assets include loans to associates amounting to EUR 83,172 thousand. The Group knows the solvency of its associates, and no impairment related to these financial assets is expected. No impairment has occurred during the first six months of 2016.

Non-current hedging instruments

Credit risk of the hedging instruments which have a positive fair value is limited in the Group, as the derivatives are arranged with highly rated entities and none of the counterparties accumulates significant percentages of total credit risk.

Trade and other receivables

It includes "Trade receivables for sales and services" amounting to EUR 2,304,939 thousand, from which 60.0% relate to official clients on which no impairments are expected by the Group, with the right to charge interests in some cases of delay in the collection terms. The remaining 40.0% relate to private clients, normally of high creditworthiness.

Prior to contracting, a client assessment is conducted, which includes a solvency study. In turn, during performance of the contracts, a permanent follow-up of the evolution of the debt and review of the recoverable amounts, making any necessary valuation changes, is carried out.

Current financial assets

It includes an amount of EUR 264,462 thousand corresponding mainly to the restricted treasury held by the Group in the reserve accounts related to the project funding of certain concession companies in order to guarantee the debt repayment to the financial institution.

No impairment of current financial assets has been recorded during the first six months of 2016.

Liquidity risk

Liquidity risk resulting from the financing needs of the Divisions, from temporary imbalances between financing requirements and sources of funds, is managed by the Group by maintaining a proper level of cash and marketable securities as well as contracting and maintaining sufficient financing lines.

To improve this liquidity position, the Group works on:

- Constant management with regard to working capital and, in particular, in trade and other receivables.
- Optimisation of the financial position of all its companies, by constantly following up on the treasury provisions.
- Arranging credit facilities through capital markets.

At 30 June 2016 the Group presented the debt maturity schedule which for 2016 totals EUR 649,097 thousand.

The liquidity position at 30 June 2016 was made up of:

- Current financial assets amounting to EUR 1,228,224 thousand. Current financial assets include the reserve accounts of certain concession companies in the amount of EUR 264,462 thousand, of restricted availability, intended for servicing the debt.
- Cash and other equivalent liquid assets in the amount of EUR 672,432 thousand.
- Credit and negotiation facilities available in the amount of EUR 772,550 thousand.

This position minimises the liquidity risk of the Group.

Risk of the evolution of the trade value of the shares of certain subsidiaries

The Group is subject to the risk resulting from the evolution of the trade value of the subsidiaries Abertis Infraestructuras, S.A. and OHL México, S.A.B. de C.V., which are given as security of certain loans.

Above certain levels of trade value, the Group must provide further collaterals on those loans. The Group states that there is no significant liquidity risk in case of having to provide such cash.

7.- SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flows are the inputs and outputs of cash or cash equivalents, that is, current highly-liquid investments without a significant risk of value fluctuation.

The consolidated statement of cash flows is prepared through the indirect method, that is, based on the changes resulting from the consolidated income statement and consolidated balance sheet, and by comparing two consecutive periods.

This statement shows the changes in consolidated cash flows during the reporting period, making a distinction between:

- Cash flows from operating activities: The Group Companies' usual activities, and other activities that are neither investing nor financing activities. The "Other adjustments to profit(loss)" item is used to transfer interest earned and paid, to transfer profit or loss from the disposal of non-current assets, to make adjustments to profit or loss from companies consolidated under the equity method and, in general, any profit or loss not liable to generate cash flows.

The breakdown of "Other adjustments to profit (loss)" is as follows:

Concept	Thousands of Euros	
	30/06/2016	30/06/2015
Changes in provisions and allowances	50,982	70,942
Financial profit and loss	61,633	226,058
Result of companies accounted for using the equity method	30,719	(115,057)
Profit/loss before tax for guaranteed return	(216,840)	(221,790)
Total	(73,506)	(39,847)

Dividends received may be classified as operating or investment activities. The Group prefers to classify them as operating activities.

- Cash flows from investing activities: Those arising from the acquisition, sale or other form of disposal of non-current assets.

Interests received may be classified as operating or investment activities. The Group prefers to classify them as investment activities.

- Cash flows from financing activities: They come from the changes in the borrowings, dividend payments, interest paid and non-controlling interests.

Interests paid may be classified as operating or financing activities. The Group prefers to classify them as financing activities.

8.- CHANGES IN THE GROUP STRUCTURE

Annexes I and II to the consolidated financial statements for the reporting period ended on 31 December 2015 contain relevant information about the Group companies which were consolidated as at that date as well as those which were measured by the equity method.

Acquisitions, sales and other corporate transactions

Below are the most significant acquisitions, sales and other corporate transactions of equity interests in other companies which took place over the first six months of 2016:

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASES IN OWNERSHIP INTERESTS HELD IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES						
			Combination (net) cost (a) + (b)			
			(Thousands of Euros)			
Company name (or business line name) of the acquired or merged company	Category	Effective transaction date	(Net) amount paid for acquisition + Other costs directly related to the combination (a)	Fair value of equity instruments issued to acquire the company (b)	% voting rights acquired	% total voting rights in the company after acquisition
OHL Industrial Mining & Cement, S.A.	Subsidiary	19/01/2016	360	-	18.52%	100.00%

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASES IN OWNERSHIP INTERESTS HELD IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES

			Combination (net) cost (a) + (b)			
			(Thousands of Euros)			
Company name (or business line name) of the acquired or merged company	Category	Effective transaction date	(Net) amount paid for acquisition + Other costs directly related to the combination (a)	Fair value of equity instruments issued to acquire the company (b)	% voting rights acquired	% total voting rights in the company after acquisition
Sthim Maquinaria de México, S.A. de C.V.	Subsidiary	19/01/2016		-	18.52%	100.00%
Mayakoba Thai, S.A. de C.V.	Subsidiary	20/02/2016	110	-	0.10%	94.14%
Sociedad Anónima de Gestión de Estibadores Portuarios del Puerto de Santa Cruz de Tenerife	Associate	24/02/2016	10	-	7.15%	27.20%
OHL México, S.A.B.	Subsidiary	29/02/2016	6,218	-	0.40%	56.85%
Autopista Urbana Norte, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Autovías Concesionadas OHL, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Concesionaria AT-AT, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Concesionaria Mexiquense, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.30%	42.64%
Construcciones Amozoc Perote, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.28%	39.33%
Grupo Autopistas Nacionales, S.A.	Subsidiary	29/02/2016	-	-	0.28%	39.33%
Latina México, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
OHL Toluca, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
OPCEM, S.A.P.I. de C.V.	Subsidiary	29/02/2016	-	-	0.30%	42.64%
Operadora Concesionaria Mexiquense, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	Subsidiary	29/02/2016	-	-	0.30%	42.64%
Seconmex Administración, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Viaducto Bicentenario, S.A. de C.V.	Subsidiary	29/02/2016	-	-	0.40%	56.85%
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	Associate	29/02/2016	-	-	0.20%	27.86%
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	Associate	29/02/2016	-	-	0.20%	28.99%
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	Associate	29/02/2016	-	-	0.20%	28.43%
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	Associate	29/02/2016	-	-	0.20%	28.43%
Libramiento Elevado de Puebla, S.A. de C.V.	Associate	29/02/2016	-	-	0.20%	28.99%
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.	Associate	29/02/2016	-	-	0.20%	28.43%
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V.	Associate	29/02/2016	-	-	0.20%	28.43%
Servicios Administrativos Mexiquenses del Aeropuerto Internacional de Toluca, S. de R.L. de C.V.	Associate	29/02/2016	-	-	0.20%	27.58%
OHL ZS, A.S.	Subsidiary	29/02/2016	6	-	0.01%	94.47%
OHL ZS d.o.o. Banja Luka	Subsidiary	29/02/2016	-	-	0.01%	94.47%
OHL ZS MO, S.R.L.	Subsidiary	29/02/2016	-	-	0.01%	94.47%

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASES IN OWNERSHIP INTERESTS HELD IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES

			Combination (net) cost (a) + (b)			
			(Thousands of Euros)			
Company name (or business line name) of the acquired or merged company	Category	Effective transaction date	(Net) amount paid for acquisition + Other costs directly related to the combination (a)	Fair value of equity instruments issued to acquire the company (b)	% voting rights acquired	% total voting rights in the company after acquisition
OHL ZS Polska, S.Z.o.o	Subsidiary	29/02/2016	-	-	0.01%	94.47%
OHL ZS SK, a.s.	Subsidiary	29/02/2016	-	-	0.01%	94.47%
Tomi Remont, a.s.	Subsidiary	29/02/2016	-	-	0.01%	94.47%
ZS Bratislava, a.s.	Subsidiary	29/02/2016	-	-	0.01%	94.47%
ZS Brno, s.r.o.	Subsidiary	29/02/2016	-	-	0.01%	94.47%
Regena spol, s.r.o.	Associate	29/02/2016	-	-	0.01%	47.24%
Remont Pruga d.o.o. Sarajevo	Associate	29/02/2016	-	-	0.01%	31.65%
Stavba a údržba železnic, a.s. Bratislava	Associate	29/02/2016	-	-	0.01%	33.52%
Avalora Tecnologías de la Información, S.A.	Subsidiary	04/03/2016	5,442	-	25.00%	100.00%
Avalora Servicios Informáticos, S.L.	Subsidiary	04/03/2016	-	-	25.00%	100.00%
Avalora USA, INC	Subsidiary	04/03/2016	-	-	25.00%	100.00%
Avalora América, S.A.C.	Subsidiary	04/03/2016	-	-	25.00%	100.00%
Community Asphalt Corp.	Subsidiary	27/04/2016	905	-	0.50%	92.25%
CAC Vero I, LLC	Subsidiary	27/04/2016	-	-	0.50%	92.25%
Sawgrass Rock Quarry, Inc.	Subsidiary	27/04/2016	-	-	0.50%	92.25%
Alse Park, S.L.	Associate	24/05/2016	2,223	-	10.00%	35.00%
Centro Canalejas Madrid, S.L.	Associate	24/05/2016	27,182	-	10.00%	35.00%
Controladora L 4-5 Mayakoba, S.A. de C.V.	Subsidiary	13/05/2016	6,679	-	74.60%	100.00%
Lotes 4 - 5 Hotel Mayakoba, S.A. de C.V.	Subsidiary	13/05/2016	-	-	74.60%	100.00%
Playa 4-5 Mayakoba, S.A. de C.V.	Subsidiary	13/05/2016	-	-	74.60%	100.00%
Desarrollo Vivienda MK1, S.A.P.I., de C.V.	Subsidiary	18/05/2016	6,218	-	50.00%	100.00%
OHL ZS, A.S.	Subsidiary	29/06/2016	6	-	0.01%	94.48%
OHL ZS d.o.o. Banja Luka	Subsidiary	29/06/2016	-	-	0.01%	94.48%
OHL ZS MO, S.R.L.	Subsidiary	29/06/2016	-	-	0.01%	94.48%
OHL ZS Polska, S.Z.o.o	Subsidiary	29/06/2016	-	-	0.01%	94.48%
OHL ZS SK, a.s.	Subsidiary	29/06/2016	-	-	0.01%	94.48%
Tomi Remont, a.s.	Subsidiary	29/06/2016	-	-	0.01%	94.48%
ZS Bratislava, a.s.	Subsidiary	29/06/2016	-	-	0.01%	94.48%
ZS Brno, s.r.o.	Subsidiary	29/06/2016	-	-	0.01%	94.48%
Obalovna Boskovice, s.r.o.	Associate	29/06/2016	-	-	0.01%	42.52%
OHL ZS, A.S.	Subsidiary	30/06/2016	-	-	3.26%	97.74%
OHL ZS d.o.o. Banja Luka	Subsidiary	30/06/2016	-	-	3.26%	97.74%
OHL ZS MO, S.R.L.	Subsidiary	30/06/2016	-	-	3.26%	97.74%
OHL ZS Polska, S.Z.o.o	Subsidiary	30/06/2016	-	-	3.26%	97.74%
OHL ZS SK, a.s.	Subsidiary	30/06/2016	-	-	3.26%	97.74%
Tomi Remont, a.s.	Subsidiary	30/06/2016	-	-	3.26%	97.74%
ZS Bratislava, a.s.	Subsidiary	30/06/2016	-	-	3.26%	97.74%
ZS Brno, s.r.o.	Subsidiary	30/06/2016	-	-	3.26%	97.74%

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASES IN OWNERSHIP INTERESTS HELD IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES

			Combination (net) cost (a) + (b)			
			(Thousands of Euros)			
Company name (or business line name) of the acquired or merged company	Category	Effective transaction date	(Net) amount paid for acquisition + Other costs directly related to the combination (a)	Fair value of equity instruments issued to acquire the company (b)	% voting rights acquired	% total voting rights in the company after acquisition
Obalovna Boskovice, s.r.o.	Associate	30/06/2016	-	-	1.46%	43.98%
Regena spol, s.r.o.	Associate	30/06/2016	-	-	1.63%	48.87%
Remont Pruga d.o.o. Sarajevo	Associate	30/06/2016	-	-	1.09%	32.74%
Stavba a údržba železnic, a.s. Bratislava	Associate	30/06/2016	-	-	1.16%	34.68%
CD Telematica, a.s.	Associate	30/06/2016	-	-	0.06%	1.74%

DECREASE IN OWNERSHIP INTEREST HELD IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES OR OTHER SIMILAR TRANSACTIONS (CURRENT PERIOD)

Name of the company (or business line) disposed of, separated or written off	Category	Effective transaction date	% voting rights disposed of or written off	% total voting rights in the company after disposal	Resulting profit(loss)
					(in thousands of Euros)
Superficialia Los Bermejales, S.A.	Subsidiary	11/02/2016	100.00%	-	14,002
Concessió Estacions Aeroport L 9, S.A.	Associate	11/02/2016	36.00%	-	68,530
Phunciona Gestión Hospitalaria, S.A.	Associate	11/02/2016	33.33%	-	789
Sector Huesca Trés, S.A. (in liquidation)	Subsidiary	15/02/2016	75.00%	-	(18)
Kozepszolg Kft	Associate	22/02/2016	18.89%	-	-
Urbs Iudex et Causidicus, S.A.	Associate	18/04/2016	20.00%	-	7,591
OHL Rus Private Limited	Subsidiary	29/04/2016	100.00%	-	400
Urbs Institia Commodo Opera, S.A.	Associate	02/05/2016	35.00%	-	27
Westminster Development Services Limited	Associate	09/06/2016	50.00%	50.00%	-
Abertis Infraestructuras, S.A.	Associate	29/06/2016	7.00%	6.93%	114,668
Metro Ligero Oeste, S.A.	Associate	30/06/2016	14.00%	37.30%	16,658

9.- CHANGES IN THE CONSOLIDATION SCOPE

The following modifications were made in the consolidation scope during the first six months of 2016:

Additions	Number of companies
Under full consolidation method	9
Using the equity method	4
Total additions	13

Exclusions	Number of companies
Under full consolidation method	6
Using the equity method	9
Total exclusions	15

Most of the additions to the consolidation scope are companies incorporated by the Group and as a whole they have not had any significant impact in the consolidated financial statements.

The only significant exclusions were the Construction concession companies which at 31 December 2015 were classified as held for sale and whose disposal was realised in the first semester of 2016 (see Note 24).

10.- DIVIDENDS PAID BY THE COMPANY

Below are the dividends paid by the Parent Company during the first six months of 2016 and 2015:

	30/06/2016			30/06/2015		
	% par value	Euros per share	Amount (in thousands of Euros)	% par value	Euros per share	Amount (in thousands of Euros)
Ordinary shares	-	-	-	58.55%	0.3513	34,961
Total dividends paid	-	-	-	58.55%	0.3513	34,961
Dividends paid out of profits	-	-	-	-	-	-
Dividends paid out of reserves	-	-	-	-	-	34,961

The dividend of the 2014 was paid in June 2015.

On 7 July 2016 the dividend for the year 2015 was paid, approved by the Annual General Meeting held on 21 June 2016, for an amount of EUR 0.0465 per share, representing 7.75% of the par value. The total amount was EUR 13,892 thousand.

Earnings per share

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Weighted average number of outstanding shares	298,758,998	99,510,744
Profit(loss) for the period from continuing operations	2,978	52,383
Basic earnings per share = Diluted earnings per share	0.01	0.53
Profit(loss) for the period from discontinued operations net of tax	-	-
Basic earnings per share = Diluted earnings per share	0.01	0.53
Consolidated profit(loss) for the Period Attributable to the Parent Company	2,978	52,383
Basic earnings per share = Diluted earnings per share	0.01	0.53

Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated profit or loss attributable to the Parent Company in a given period by the weighted average number of outstanding shares during that period, excluding the average number of treasury shares held during that time.

Diluted earnings per share

Calculation of diluted earnings per share is similar to that of basic earnings per share, but in this case, the weighted average number of outstanding shares is increased by adding up the number of stock options, warrants and convertible debt instruments.

At 30 June 2016 and 2015, there were no differences between the basic earnings and the diluted earnings per share, as OHL Group had no share options, warrants or convertible debt.

11.- ASSETS IN CONCESSION PROJECTS

The policies applied by the Group to assets in concession projects are described in Note 2.6.2 to the consolidated financial statements for the reporting period ended on 31 December 2015.

Concession contracts imply agreements reached between an awarding entity, generally a public entity, and Group companies in order to provide utilities through the exploitation of assets required for service development purposes.

In general, the concession right implies the monopoly of the service operation awarded from a specific period of time, after which, as a general rule, the assets subject to the concession and required to render the service are returned to the awarding entity.

Revenues from the provision of the service may be earned directly from users or, occasionally, through the awarding entity itself. Usually, service provision prices are regulated by the awarding entity itself.

These projects are normally financed with non-current payables without recourse for the shareholder, the main guarantee of which are the cash flows generated by project special-purpose vehicles and their assets, accounts and contractual rights. To the extent that cash flows were the main guarantee for debt repayment, there is no free availability of funds for shareholders until certain conditions assessed on an annual basis are met.

Furthermore, they obtain funds and keep reserve accounts during the whole life of loans, generally related to the six-month period following debt service, which are restricted for the company, the purpose of which is to meet the debt service in the event that generated cash flows were not sufficient. These funds appear under "Current financial assets- Other receivables" of the consolidated balance sheet.

The assets in concession projects are classified in intangible assets and financial assets.

Intangible assets

The intangible assets arise when the operator undertakes some constructions or introduces some improvements and it is allowed to operate the infrastructure for a fixed period of time after the completion of the construction works. During such period the operator's future cash flows are not specified, since they may change as a result of the use of the asset, and for that reason they are classified as contingent. In these cases the demand risk is borne in full by the concession company, therefore the concession is considered intangible asset.

Financial asset

As for the contracts under the financial asset model, the assets recognised by the different concession companies are equivalent to the operating rights of administrative concessions, such as the unconditional right to receive cash or other financial asset associated to some concession agreements for which the demand risk is borne in full by the awarding company.

The concession companies Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V. are concessions with guaranteed return provision, the concession agreements of which confer the awarded company the firm right to recover, as the case may be, either the invested equity or the total investment, plus an annual guaranteed internal return rate, stated in actual terms and net of taxes (thereafter the "Guaranteed return"), thus involving an unconditional right of cash collection if at the expiration of the concession such Guaranteed return was not obtained.

Consolidated concessions through the full consolidation method within the Group at 30 June 2016 are as follows:

Company engaged in the concession	Description of the concession	Country	%	Total expected investment (in thousands of Euros)	Pending period (years)
Intangible assets					
Autovía de Aragón-Tramo 1, S.A.	Carriageway A-2, Madrid R-2 section	Spain	95.00	221,496	10
Cercanías Móstoles Navalcarnero, S.A.(1)	Railway transportation line	Spain	100.00	266,969	12
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	Carriageway M-45. Section N-V to N-IV	Spain	100.00	95,828	12
Terminal de Contenedores de Tenerife, S.A.	Terminal exploitation	Spain	100.00	73,183	26
Terminales Marítimas del Sureste, S.A.	Terminal exploitation	Spain	100.00	115,787	31
Marina Urola, S.A.	Marina	Spain	78.34	2,066	12
Relicitación Concesión Camino Nogales – Puchuncavi (4)	Concesion Nogales - Puchuncavi	Chile	100.00	206,462	38
Terminal Cerros de Valparaíso, S.A.	Terminal exploitation	Chile	100.00	550,895	27
Concesionaria AT-AT, S.A. de C.V.(2)	Atizapán-Atlacomulco toll highway	Mexico	56.85	505,348	30
Grupo Autopistas Nacionales, S.A.	Amozoc Perote highway	Mexico	39.33	149,885	47
Autopista del Norte, S.A.C.	Road network 4	Peru	100.00	445,392	18
Financial asset					
Sociedad Concesionaria Aguas de Navarra, S.A.(2)	Navarra Canal	Spain	65.00	99,650	29
Autopista Río Magdalena, S.A.S.(2)	Río Magdalena toll road	Colombia	100.00	630,785	24
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Law courts	Chile	100.00	75,477	10
Sociedad Concesionaria Puente Industrial, S.A.(2)	Puente Industrial concession	Chile	100.00	148,958	36
Autopista Urbana Norte, S.A. de C.V.(3)	Beltway	Mexico	56.85	606,673	26
Concesionaria Mexiquense, S.A. de C.V.(3)	"Circuito exterior mexiquense" highway	Mexico	42.64	1,209,473	36
Viaducto Bicentenario, S.A. de C.V. (3)	Elevated bypass	Mexico	56.85	554,320	22

(1) In arrangement with creditors (see note 21.).

(2) Under construction.

(3) Concession companies with guaranteed return.

(4) Pending the company's incorporation.

Concessionaires are required, according to concession contracts, to make investments to be executed in the following periods:

Period	Thousands of Euros
Before 5 years	2,032,788
Between 5 and 10 years	101,295
More than 10 years	79,702
Total	2,213,785

The quantification of such amounts and the time of their realisation have been carried out with the best available estimates, therefore they may be amended both in their amount and in the term to be realised.

These investments will be financed with loans granted to concessionaires, with capital increases in those companies, as well as the cash flows generated thereby.

The net book value of "Concession infrastructure" break downs as follows by company:

Company	Thousands of Euros	
	30/06/2016	31/12/2015
Intangible assets		
Autopista del Norte, S.A.C.	276,242	260,291
Autovía de Aragón-Tramo 1, S.A.	154,475	161,423
Cercanías Móstoles Navalcarnero, S.A.(1)	266,063	266,017
Concesionaria AT – AT, S.A. de C.V.(2)	83,820	69,859
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	50,392	52,394
Grupo Autopistas Nacionales, S.A.	71,259	79,499
Terminal Cerros de Valparaíso, S.A.	39,125	35,970
Terminal de Contenedores de Tenerife, S.A.	110,226	110,417
Terminales Marítimas del Sureste, S.A.	119,558	121,780
Other	294	315
Total Intangible Assets	1,171,454	1,157,965
Financial asset		
Autopista Río Magdalena, S.A.S.(2)	31,833	20,146
Autopista Urbana Norte, S.A. de C.V.(3)	1,100,767	1,136,237
Concesionaria Mexiquense, S.A. de C.V.(3)	2,863,536	3,018,659
Sociedad Concesionaria Aguas de Navarra, S.A.(2)	39,522	28,871
Sociedad Concesionaria Centro de Justicia Santiago, S.A.	34	32
Sociedad Concesionaria Puente Industrial, S.A.(2)	19,947	16,530
Viaducto Bicentenario, S.A. de C.V.(3)	1,075,573	1,137,125
Total financial assets	5,131,212	5,357,600
Total	6,302,666	6,515,565

(1) In arrangement with creditors (see note 21.).

(2) Under construction.

(3) Concession companies with guaranteed return.

The amounts recorded for Guaranteed return adjustment at 30 June 2016 and 31 December 2015 is as follows:

Company	Thousands of Euros	
	30/06/2016	31/12/2015
Autopista Urbana Norte, S.A. de C.V.	564,328	548,846
Concesionaria Mexiquense, S.A. de C.V.	1,784,353	1,833,877
Viaducto Bicentenario, S.A. de C.V.	562,790	571,939
Total	2,911,471	2,954,662

The net book value of “Assets in concession projects” by countries, breaks down as follows:

Countries and companies	30/06/2016		
	Thousands of Euros		
	Intangible assets	Financial assets	Total
Chile			
Sociedad Concesionaria Centro de Justicia Santiago, S.A.	-	34	34
Sociedad Concesionaria Puente Industrial, S.A.(1)	-	19,947	19,947
Terminal Cerros de Valparaíso, S.A.	39,125	-	39,125
Total Chile	39,125	19,981	59,106
Colombia			
Autopista Río Magdalena, S.A.S.	-	31,833	31,833
Total Colombia	-	31,833	31,833
Spain			
Autovía de Aragón-Tramo 1, S.A.	154,475	-	154,475
Cercanías Móstoles Navalcarnero, S.A (2)	266,063	-	266,063
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	50,392	-	50,392
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	-	39,522	39,522
Terminal de Contenedores de Tenerife, S.A.	110,226	-	110,226
Terminales Marítimas del Sureste, S.A.	119,558	-	119,558
Other	294	-	294
Total Spain	701,008	39,522	740,530
Mexico			
Autopista Urbana Norte, S.A. de C.V.(3)	-	1,100,767	1,100,767
Concesionaria AT – AT, S.A. de C.V.(1)	83,820	-	83,820
Concesionaria Mexiquense, S.A. de C.V.(3)	-	2,863,536	2,863,536
Grupo Autopistas Nacionales, S.A.	71,259	-	71,259
Viaducto Bicentenario, S.A. de C.V.(3)	-	1,075,573	1,075,573
Total México	155,079	5,039,876	5,194,955
Peru			
Autopista del Norte, S.A.C.	276,242	-	276,242
Total Peru	276,242	-	276,242
Total	1,171,454	5,131,212	6,302,666

(1) Under construction.

(2) In arrangement with creditors (see note 2.).

(3) Concession companies with guaranteed return.

Countries and companies	31/12/2015		
	Thousands of Euros		
	Intangible assets	Financial assets	Total
Chile			
Sociedad Concesionaria Centro de Justicia Santiago, S.A.	-	32	32
Sociedad Concesionaria Puente Industrial, S.A.(1)	-	16,530	16,530
Terminal Cerros de Valparaíso, S.A.	35,970	-	35,970
Total Chile	35,970	16,562	52,532
Colombia			
Autopista Río Magdalena, S.A.S.	-	20,146	20,146
Total Colombia	-	20,146	20,146
Spain			
Autovía de Aragón-Tramo 1, S.A.	161,423	-	161,423
Cercanías Móstoles Navalcarnero, S.A (2)	266,017	-	266,017
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	52,394	-	52,394
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	-	28,871	28,871
Terminal de Contenedores de Tenerife, S.A.	110,417	-	110,417
Terminales Marítimas del Sureste, S.A.	121,780	-	121,780
Other	315	-	315
Total, Spain	712,346	28,871	741,217
Mexico			
Autopista Urbana Norte, S.A. de C.V.(3)	-	1,136,237	1,136,237
Concesionaria AT – AT, S.A. de C.V.(1)	69,859	-	69,859
Concesionaria Mexiquense, S.A. de C.V.(3)	-	3,018,659	3,018,659
Grupo Autopistas Nacionales, S.A.	79,499	-	79,499
Viaducto Bicentenario, S.A. de C.V.(3)	-	1,137,125	1,137,125
Total México	149,358	5,292,021	5,441,379
Peru			
Autopista del Norte, S.A.C.	260,291	-	260,291
Total Peru	260,291	-	260,291
Total	1,157,965	5,357,600	6,515,565

(1) Under construction.

(2) Contract termination requested (see Note 21).

(3) Concession companies with guaranteed return.

The following concessions operated by the Group in each country are as follows:

Chile

Sociedad Concesionaria Puente Industrial, S.A.

In 2014, OHL Concesiones is awarded by the Ministry of Public Works of Chile with the license to design, build, finance, operate and maintain the toll motorway Concesión Vial Puente Industrial, the main tranche of which is the bridge over the Bio Bio river, within the Concepción region.

The toll motorway will be 6.5 km long, dual carriageway and two lanes in each direction, and will link to Avenida Constanera in the region of Hualpén and the Ruta 160 in the region of San Pedro de la Paz. The project includes the construction of the new Industrial Bridge, the fourth viaduct over the Biobío river of 2.5 km long, and includes other supplementary works such as junctions at different levels and an upper railway trail.

Terminal Cerros de Valparaíso, S.A.

It is the company in charge of the construction and operation of the project named Terminal 2 del Puerto de Valparaíso (Chile).

With a berthing line of 725 m long (container terminal) and 550 m long (general freight) and a draught of 16 m long, it will have the capacity to operate two ships Súper-Post Panamax and an annual traffic of TEU 1,000,000 and 1,250,000 tones of general freight.

Camino Nogales – Puchuncavi

On 9 June 2016 this concession was awarded under the name of Relicitación Concesión Camino Nogales – Puchuncavi.

It will be 43 km long and some renovation works of the current bidirectional carriage of 27 km are intended, as well as the construction of new 16 km for the Bypass Puchuncavi and the Variante Ventanas. The concession term is 39 year maximum and the investment forecasted amounts to EUR 187 millions approximately.

Colombia

Autopista Río Magdalena, S.A.S.

In October 2014 the concession for the design, manufacture, construction, operation and maintenance of the motorway Autopista Río Magdalena 2 (Colombia) was obtained for a 25 years term, expandable up to 29 years.

The infrastructure will be 144 km long, from which 82 km will be of new construction and for the remaining 62 km some renovation works of the current operating routing will be performed. The new tranche will include two tunnels and 79 bridges, the longest in Puerto Berrío, over the Magdalena river, being 1,480 m long.

Spain

Autovía de Aragón Tramo 1, S.A.

The first 56 km of the highway A-2 Madrid-Barcelona between the cities of Madrid and Guadalajara (in the junction with the radial motorway R-2) make up the concession tranche in the First Generation Highway Conditioning Plan driven by the Ministry of Public Works.

The infrastructure is operated under the shadow toll road system and the fee is established according to a series of indicators related to the road's conditions and the quality of the service rendered.

Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.

The routing of this tranche of motorway M-45 of 8.3 km long provides with a fast link to the highways A-4 (Autovía del Sur, Madrid-Andalucía) and A-5 (Autovía del Oeste, Madrid – Extremadura).

Terminal de Contenedores de Tenerife, S.A.

This is the company in charge of the construction and operation of the new official container terminal for the East dock of Santa Cruz de Tenerife port, which was designed for meeting the needs of import, export and transshipment traffics in the trade routes of the Mediterranean sea, North Europe and Far East with those of West Africa and South America.

The port offers a berthing line of 700 m long, a draught of 16 m long as well as the capacity to operate simultaneously at least 2 ships super-post panamax with a capacity of up to 620,000 movements TEU per year.

Terminales Marítimas del Sureste, S.A.

Terminales Marítimas del Sureste (TMS) carried out the South extension of the Port of Alicante, a mixed public-private project in which the concession company not only undertakes the financing and constructing of the piers, but it also accomplishes the specific tasks of a proprietary Port and takes responsibility over the trade operation of poliantea, bulk and passenger terminals with a berthing line of 1,290 m long and a draught of 14 m long.

Mexico

Autopista Urbana Norte, S.A. de C.V.

Autopista Urbana Norte is 9 km long, and it makes up the North tranche of the urban toll motorway of Ciudad de Mexico, linking the roads to Querétaro, Toluca y Cuernavaca. In its North edge it integrates the connection of the two second floors of the round ring in its link to the Viaducto Elevado Bicentenario, and it runs a fully electronic toll system.

The concession agreement includes a Guaranteed return provision ensuring its identification as financial asset.

Concesionaria AT-AT, S.A. de C.V.

In March 2014, OHL México was awarded with the financing, construction, operation and maintenance agreement related to the toll motorway Atizapán-Atlacomulco, thus becoming the seventh company in the country.

The highway will be 74 km long, will have four lanes (two in each direction) and the project will include the construction of several tunnels and viaducts.

Concesionaria Mexiquense, S.A. de C.V.

The Circuito Exterior Mexiquense is 155 km long and it surrounds the metropolitan area of Ciudad de Mexico from the North to the South in the East edge, and from the East to the West in the North edge. The project is structured in four phases, with the phases I, II and III currently operating and totalling 110 km long.

The highway stretches 18 municipalities of the Mexico state and connects the radial highways of Querétaro, México-Pachuca, Perón-Texcono and México-Puebla and after the completion of phase IV will reach the limit with Estado de Morelos.

The concession agreement includes a Guaranteed return provision ensuring its identification as financial asset.

Grupo Autopistas Nacionales, S.A.

La Autopista Amozoc-Perote, is 123 km long and it is part of the Corredor Carretero Altiplano, including 104.9 km of highway between Mozoc, Puebla, Perote and Veracruz, and 17.6 km of Libramiento de Perote.

In June 2016 the second Amendment to the concession agreement was obtained, involving the recognition of additional investments. As a consequence, the contract remains balanced through the extension of the concession term and the rise in a phased manner of the toll fees during the next 6 years.

Viaducto Bicentenario, S.A. de C.V.

The Viaducto Bicentenario is an elevated highway over the North round of the metropolitan area of Valle de México, until kilometre 44 of the highway Autopista México-Querétaro, with a length of 32 km.

The project is structured in three phases, the first of which is currently operating under reversible nature and it is made up by a viaduct of 22 km long between Toreo y Tepalcapa. In 2014 the toll income increased by 26.6%, and the first 5 km of phase II entered service, consisting on the construction of a second viaduct parallel to the existing one. During the third phase both viaducts will be extended 10 km.

The concession agreement includes a Guaranteed return provision ensuring its identification as financial asset.

Peru

Autopista del Norte, S.A.C.

Autopista del Norte, with a length of 356 km, connects the Peruvian cities of Pativilca y Trujillo and it is part of the Panamericana Norte, the main communication branch stretching the Peruvian coast. The main investments to be carried out include the construction of approximately 284 km of second carriageways and three ring roads in the cities of Huarney, Casma y Virú-Chao.

In 2014 the highway Autopista del Norte opened 75 km of duplication of IV tranche (Pativilca-Huarmey), and recorded a good progress of works in the two remaining tranches of the project. In this period, the operating income in local currency performed positively with an increase of 6.6%.

Impairment of assets in concession infrastructure

At the end of every fiscal year or whenever there is any indication of an impairment loss, it is estimated the possibility of impairment losses that might reduce the recoverable value of the assets at a price below its carrying amount by using the Impairment Test.

The recoverable amount is the higher of the fair value and the value in use.

In addition, sensitivity analyses were made over the different growth scenarios, especially over toll revenues, operating margins and applied discount rates. The Parent Company Directors consider that tests are sensitive to their key assumptions, but that those scales are within a reasonable sensitivity level that causes them to identify no impairment at all.

In the first six months of the year 2016 there is no indicator of any impairment loss.

In order to calculate the potential impairment, it is generally used the discount of expected cash flows to be generated from concession products. The main variables applied to each concession are the pending term of each concession, the expected traffic growth, the CPIs and the tax rates in each country.

The minimal discount rates used are:

Chile 6.75%, Colombia 10.0%, Spain 4.32%, Mexico 8.84%, and Peru 9.75%.

The information about the CPI has been obtained from Latin Focus for Latin America and from the European Central Bank for the Euro-Zone.

The companies' financial data for the six first months of the year 2016 are not very different from the data forecasted in the previous year, and no impairment indicators resulting from deviations in the main items have been identified.

In view of their importance for the Group, these concessionaires are subject to special follow-up procedures of all kinds, and specifically, regarding traffic variation, which continues to show significant growth.

In this regard, it is worth mentioning that:

Mexican concessionaires

The main variables used in these concessionaires' economic-financial models are:

- The minimal discount rates used have been 8.84%.
- The CPI have been obtained from Latin Focus.
- Expected revenues: They were estimated based on the traffic expected by both external and internal experts and —if known— through the application of rate increases.

According to the current information of said estimates, there are no impairment indicators and it is very likely the recovery of the investment.

As for those companies with Guaranteed Return Provision (Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.), the main factor behind the investment recovery is the Guaranteed Return provision included in the concession title.

OHL México, S.A.B. de C.V.

As a result of the market price fall of the shares of OHL México, S.A.B de C.V. (OHL México) in the fiscal year 2015 (18.04 pesos per share at 31 December 2015, against 27.35 pesos per share at 31 December 2014), the Group analysed the recoverable amount (understood as the higher value between the fair value or the value in use) of the net investment in OHL Mexico which at 31 December 2015 amounted to EUR 1,832.7 millions to determine any potential impairment due to said marker price fall. Such analysis considered a double contrast:

- The economic and financial models of the concession companies included in OHL Mexico, from which no impairment has been identified and,

- The assessments by independent analysts for such Company, which placed its market value in higher ranks than the consolidated average cost.

According to the above and taking into account the shares market price at 30 June 2016, placed at 22.3 pesos per share, and the value of the net investment, the analysis was updated to this date, concluding that no impairment indicators were identified.

Autopista Eje Aeropuerto Concesionaria Española, S.A.U.

This company and Aeropistas S.L., the head company, started the liquidation phase in 13 October 2015 (see note 21), with the termination of office by the Directors, which are replaced by the bankruptcy administration, the resulting loss of control and the deconsolidation of these companies from the Group as of October 2015.

The Group does not foresee any accounting effect as a result of the liquidation of both companies (Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A.U.), on the consolidated carrying amount which at 30 June 2016 is EUR 19 million. Therefore the recovery of its value seems very likely.

Cercanías Móstoles Navalcarnero, S.A.

On 12 June 2015 this company requested the concession contract termination based on grounds attributable to the contracting body and, in the alternative, in view of the impossibility of the execution as a result of unexpected and unpredictable circumstances. Likewise, on 24 May 2016, due to the insolvency situation after the denial of the eviction order of the penalty, the company requested a voluntary bankruptcy proceedings and, on 14 July 2016, the Madrid Commercial Court declared the state of bankruptcy proceedings of a voluntary nature (see notes 21 and 26).

According to the above and with the purpose of conducting the impairment test, and given the uncertainty in the inputs used in any economic and financial forecast, the surrender value has been considered the minimum recoverable value. Consequently, in fiscal year 2015 and in the first six months of fiscal year 2016, no losses were recorded for impairment in the value of concession assets, as its recovery seems very likely.

Other concession operators

As to the remaining concessions, either no impairment signs were identified or the analysis performed showed no impairment at all. Such analysis were conducted in accordance with the methodology of the cash flow discounts aforementioned.

Furthermore, the concessions identified as financial assets showed no collection deviations implying material variations in the actual interest rate applied to those concession assets.

12.- JOINT ARRANGEMENTS

Investments accounted for using the equity method

At 30 June 2016 and 31 December 2015, the investments measured by the equity method were as follows:

Company	Thousands of Euros	
	30/06/2016	31/12/2015
Joint Ventures		
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	6,792	11,990
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	85,277	85,783
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	1,160	1,339
Desarrollos Vivienda MKI, S.A.P.I. de C.V.	-	4,266
FHP Villas Lote 2, S.A. de C.V.	1,860	2,438
Fideicomiso Desarrollo, OV CIB / 2185	2,808	3,157
Health Montreal Collective CJV, L.P.	-	-
Libramiento Elevado de Puebla, S.A. de C.V.	47,053	39,835
Nova Dársena Esportiva de Bara, S.A.	6,710	6,826
Novaterra Caribe, S.A.P.I. de C.V.	3,318	3,571
OHL Construction Canada and FCC Canada Limited Partnership	6,796	6,242
OHL FCC North Tunnels Canada, Inc	8,890	8,460
Proyecto CCC Empalme I, S.A.P.I. de C.V.	4,197	1,119
Sociedad Concesionaria Vespucio Oriente, S.A.	17,441	12,248
Other	1,162	1,107
Associates		
Abertis Infraestructuras, S.A.	678,493	1,355,973
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	45,941	50,117
Alse Park, S.L.	5,611	3,328
Arenales Solar PS, S.L.	17,649	19,014
Centro Canalejas Madrid, S.L.	66,427	42,210
E.M.V. Alcalá de Henares, S.A.	1,975	1,975
Health Montreal Collective Limited Partnership	5,772	3,006
Metro Ligero Oeste, S.A.	84,879	-
Nuevo Hospital de Toledo, S.A.	2,019	1,990
Port Torredembarra, S.A.	334	334
Urbs Iustitia Commodo Opera, S.A.	-	520
57 Whitehall Holdings, S.A.R.L.	60,343	-
Other	2,045	1,398
Total	1,164,952	1,668,246

Regarding the associates, it is highlighted the ownership interest in Abertis Infraestructuras, S.A.

Abertis Infraestructuras, S.A.

At 31 December 2015 the percentage of the Group's ownership interest in Abertis Infraestructuras, S.A. was 13.925%, with the average cost placed at 10.32 Euros per share.

In June 2016, OHL Emisiones, S.A.U., a company fully owned by OHL, sold 69,326,692 shares from Abertis Infraestructuras, S.A., representing 7.0% of its share capital, for an amount of EUR 814,589 thousand (see note 14) at 11.75 Euros per share. After this transaction, the Group holds a significant stake of 6.925% and continues to be one of the main shareholders.

The capital gain obtained in this transaction, net of costs, amounted to EUR 114,668 thousand (see Note 24).

The change in the balance of the ownership interest in Abertis Infraestructuras, S.A., recorded under the heading "Investments accounted for using the equity method" in the first six months of the year 2016 is as follows:

Concept	Thousands of Euros
Investments accounted for using the equity method at 31/12/2015	1,355,973
Changes in Abertis' equity ^(*)	(29,120)
Abertis Profit (Loss)	72,677
Amortization of allocated assets	(35,196)
Sale of 7.0% investment	(685,841)
Investments accounted for using the equity method at 30/06/2016	678,493

^(*) It relates to the changes occurred in the equity of Abertis Infraestructuras, S.A. and subsidiaries excluding their treasury shares during the first six months of 2016.

At 30 June 2016, the average cost of the 6.925% ownership interest is EUR 9.89 per share.

The market value of the 6.925% Group's interest in Abertis Infraestructuras, S.A., at 30 June 2016, amounts to EUR 905,336 thousand (EUR 13.20 per share).

The dividends received from Abertis Infraestructuras, S.A. in the first six months of 2016 amount to EUR 47,284 thousand.

Metro Liger Oeste, S.A.

It is highlighted the inclusion of Metro Liger Oeste, S.A., which, after the sale of 14.0% and the additional agreement for the sale of another 14.0%, the 23.3% is still recorded at its fair value, understood as a reference to the sale price of said 14.0% (see note 24).

Joint operations

The Group performs part of its activity by taking part in jointly-executed contracts with other third party partners, mainly by means of Joint Ventures and other similar entities which are accordingly integrated in the Group's financial statements.

There is no significant joint operation on a single level compared to the Group's assets, liabilities and results.

13. NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Under these headings and according to IFRS 5, at 31 December 2015 the assets and liabilities of several companies in process of divestiture were recorded (Superficialia los Bermejales, S.A., Concessió Estacions Aeroport L 9, S.A., Phunciona Gestión Hospitalaria, S.A., Urbs Iudex et Causidicus S.A. and Metro Liger Oeste, S.A.).

At 30 June 2016 the divestiture of all companies was realised (see note 24).

Regarding Metro Liger Oeste, S.A., an investment of 14.0% was sold, and the Group's ownership interest is now 37.3%. Another 14.0% of the investment which is intended to be divested in the second half of 2016 has been held for sale for an amount of EUR 51,000 thousand, and the remaining 23.3% of the investment has been recorded under the heading "Investments accounted for using the equity method" for an amount of EUR 84,879 thousand.

In both cases these investments were valued.

14.- FINANCIAL ASSETS

Below is a breakdown of the Group's financial assets at 30 June 2016 and 31 December 2015, by nature and category, for measurement purposes:

Financial assets:	Thousands of Euros						
	30/06/2016						
	Financial assets held for trade	Other financial assets at fair value with changes recognised in P&L	Available-for-sale financial assets	Loans and accounts receivable	Investments held until maturity	Hedge derivatives	Total
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	10,879	-	-	-	-	10,879
Other financial assets	-	-	1,210	278,742	257	-	280,209
Non-current financial assets	-	10,879	1,210	278,742	257	-	291,088
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	42,326	-	42,326
Derivatives	-	1,566	-	-	-	-	1,566
Other financial assets	-	-	7,934	1,176,398	-	-	1,184,332
Current financial assets	-	1,566	7,934	1,176,398	42,326	-	1,228,224
Total	-	12,445	9,144	1,455,140	42,583	-	1,519,312

At 30 June 2016, the heading "Non-current financial assets" includes an amount of EUR 106,187 thousand (EUR 108,267 thousand at 31 December 2015) (QAR 432.0 million) related to guarantees incorrectly executed by Qatar Foundation as a result of the litigation with this client for the Design and Construction of the Sidra Medical Research Centre Contract (Doha, Qatar), which the Group considers —pursuant to the opinion of its legal counsel— to be fully recoverable (see Note 21.).

The heading "Current financial assets" (Loans and account receivable) includes an amount of EUR 814,589 thousand for the sale of 7.0% ownership interest in Abertis Infraestructuras, S.A. that took place on 29 June 2016 (see Note 12). These funds were collected in July 2016, a part of which was used for the early repayment of a share secured loan of Abertis for an amount of EUR 421,242 thousand and for the early repayment of the full amount of a loan secured by the shares of OHL México, S.A.B. de C.V. for an amount of EUR 169,519 thousand (see notes 17 and 26).

The heading "Current financial assets" (Loans and account receivable) includes an amount of EUR 51,000 thousand for the sale of 14.0% ownership interest in Metro Ligero Oeste, S.A. that took place in June 2016 (see Note 24).

The heading "Current financial assets" includes the reserve accounts of certain concession companies in the amount of EUR 264,462 thousand, of restricted availability, intended for servicing the debt (EUR 243,892 thousand at 31 December 2015).

During the six-month period ended 30 June 2016 no impairments losses on financial assets have occurred.

Financial assets:	Thousands of Euros						
	31/12/2015						
	Financial assets held for trade	Other financial assets at fair value with changes recognised in P&L	Available-for-sale financial assets	Loans and accounts receivable	Investments held until maturity	Hedge derivatives	Total
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	11,410	-	-	-	63	11,473
Other financial assets	-	-	1,203	397,655	1,162	-	400,020
Non-current financial assets	-	11,410	1,203	397,655	1,162	63	411,493
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	36,909	-	36,909
Derivatives	-	1,428	-	-	-	-	1,428
Other financial assets	-	-	3	296,249	-	-	296,252
Current financial assets	-	1,428	3	296,249	36,909	-	334,589
Total	-	12,838	1,206	693,904	38,071	63	746,082

15.- INVENTORIES

No valuation adjustments were made to "Inventories" under the consolidated balance sheet for the six-month period ended 30 June 2016.

16.- TRADE RECEIVABLES FOR SALES AND SERVICES

The breakdown of this heading at 30 June 2016 and 31 December 2015 is shown below:

Concept	Thousands of Euros	
	30/06/2016	31/12/2015
Trade receivables for sales and services		
For works or services to be billed	1,520,453	1,327,778
For certificates	641,003	705,386
For trade receivables withholdings	135,233	129,821
For trade receivable bills	8,250	14,256
Subtotal	2,304,939	2,177,241
Advances from trade receivables	(485,081)	(476,225)
Total advances, net	1,819,858	1,701,016
Provisions	(477,714)	(432,806)
Total, net	1,342,144	1,268,210

At 30 June 2016, the trade receivable balance decreased by EUR 83,401 thousand (EUR 123,982 thousand at 31 December 2015) due to the assignment of receivables to financial institutions, without recourse in the event of default. That is the reason for the decrease in such balance.

A detail of "Trade receivables for sales and services" by customer type is shown below:

Concept	Thousands of Euros	
	30/06/2016	31/12/2015
Domestic	392,431	389,070
Public Sector	170,662	168,875
Central Government	47,260	36,334
Regional authorities	49,778	61,332
Local authorities	29,475	30,671
Other Bodies	44,149	40,538
Private Sector	221,769	220,195
Abroad	1,912,508	1,788,171
Public Sector	1,213,124	941,628
Private Sector	699,384	846,543
Total	2,304,939	2,177,241

Of the outstanding balance of certificates and trade receivables bills, which amounts to EUR 649,253 thousand, 58.6% (EUR 380,721 thousand) relates to the public sector and 41.4% (EUR 268,532 thousand) relates to the private sector.

Within the balance of "Trade receivables for works or services to be billed" the Group includes the amount related to claims, both under negotiation with customers and under dispute (legal or arbitral) which it estimates as being likely achievable (see note 21).

Most of the amounts recognised for legal claims are related to projects already finished and under dispute.

The Group currently holds claims filed with clients for an amount of EUR 833,500 thousand approximately related to projects in progress (EUR 844,300 thousand at 31 December 2015).

From such amount, the Group recognised EUR 672,100 thousand related to such claims under the heading "Trade receivables for sales and services" (EUR 663,500 thousand at 31 December 2015) and 55.6% of the total (EUR 374,000 thousand) was under dispute (legal or arbitral) compared to the 56.5% of the total that they represented at 31 December 2015 (EUR 374,600 thousand).

Notwithstanding the above, and considering that the Group still retains its full right to be paid the total outstanding amounts, it will continue taking any necessary actions to attempt to recover such amounts.

In the first six months of the year 2016 there have been no claims under dispute from those which were in process of negotiation. Likewise, on 30 June 2016 no incomes related to claims under dispute (legal or arbitral) were recognised.

From the total balance of provisions at 30 June 2016, EUR 322,798 thousand are used to cover possible damages for the recorded claims (EUR 322,798 thousand in 2015) and the rest of the sum relates to insolvencies of the remaining receivables. This last amount includes a provision of EUR 20,600 thousand created on 30 June 2016 for reasons of caution to cover the balance of executed works pending certification in the project Design&Build Package 5 Mushaireb Station/Educational City in Doha (Qatar) (see note 21). The recovery of said amount is expected after completion of the legal proceedings initiated for the contract termination by Qatar Railways Company.

In order to determine the amount of the provisions needed to cover possible damages for the recognised claims, some estimates are made taking into account the following aspects of every project and on a single basis:

- The situation of the negotiation with every customer.
- The technical assessment of the works performed and its compliance with the contract provisions, conducted by the project managers and taking into account, if any, the existing technical reports.
- The Group's external and internal legal advisors assessment in order to determine the feasibility and reliability of the proposed claim, supported by the project expertise and in that particular time, updating the situation as necessary.

As for the remaining provisions, mainly the bad debt provisions, estimates are made by taking into account the non compliance with payment obligations and the probability of default, on an individual basis by contract and client.

At every year end the information is updated in order to identify the recoverable value.

17.- FINANCIAL LIABILITIES

Below is a breakdown of the Group's financial liabilities at 30 June 2016 and 31 December 2015, by nature and category:

Financial liabilities:	Thousands of Euros				
	30/06/2016				
	Financial liabilities held for trade	Other financial liabilities at fair value with changes recognised in P&L	Accounts payable	Hedge derivatives	Total
Bank borrowings:	-	-	2,505,863	-	2,505,863
Debt instruments and other marketable securities	-	-	2,066,592	-	2,066,592
Derivatives	-	-	-	93,987	93,987
Other financial liabilities	-	-	4,467	-	4,467
Non-current financial liabilities	-	-	4,576,922	93,987	4,670,909
Bank borrowings:	-	-	780,398	-	780,398
Debt instruments and other marketable securities	-	-	57,721	-	57,721
Derivatives	-	2,454	-	3,449	5,903
Other financial liabilities	-	-	8,641	-	8,641
Current financial liabilities	-	2,454	846,760	3,449	852,663
Total	-	2,454	5,423,682	97,436	5,523,572

Financial liabilities:	Thousands of Euros				
	31/12/2015				
	Financial liabilities held for trade	Other financial liabilities at fair value with changes recognised in P&L	Accounts payable	Hedge derivatives	Total
Bank borrowings:	-	-	2,571,851	-	2,571,851
Debt instruments and other marketable securities	-	-	2,151,318	-	2,151,318
Derivatives	-	288	-	79,227	79,515
Other financial liabilities	-	-	9,115	-	9,115
Non-current financial liabilities	-	288	4,732,284	79,227	4,811,799
Bank borrowings:	-	-	505,968	-	505,968
Debt instruments and other marketable securities	-	-	210,344	-	210,344
Derivatives	-	27,831	-	8,016	35,847
Other financial liabilities	-	-	9,093	-	9,093
Current financial liabilities	-	27,831	725,405	8,016	761,252
Total	-	28,119	5,457,689	87,243	5,573,051

Bank borrowings and the issuances of debentures and other marketable securities at 30 June 2016 amount to EUR 5,410,574 thousand.

A detail of the maturity by years is shown below.

Item	Thousands of Euros						
	2016	2017	2018	2019	2020	Remainder	Total
Bank borrowings:	599,520	305,955	335,045	1,040,456	151,189	854,096	3,286,261
Corporate bonds	23,055	-	398,243	-	231,283	899,560	1,552,141
Other marketable securities	21,400	6,622	-	-	-	-	28,022
Bonds of concession operators	5,122	4,902	3,523	3,713	4,477	522,413	544,150
Total issue of debt instruments and other marketable securities	49,577	11,524	401,766	3,713	235,760	1,421,973	2,124,313
Total Bank borrowings and issuance of debentures and other marketable securities	649,097	317,479	736,811	1,044,169	386,949	2,276,069	5,410,574

Bank borrowings:

The breakdown of bank borrowings at 30 June 2016 by year of maturity is as follows:

	Thousands of Euros						
	2016	2017	2018	2019	2020	Remainder	Total
Mortgage Loans	62,832	8,557	9,524	10,420	6,622	8,860	106,815
Negotiation of certificates and notes	4,302	-	-	-	-	-	4,302
Loans and credit facilities	436,441	268,154	269,592	830,663	44,663	108,253	1,957,766
Total mortgage and other loans	503,575	276,711	279,116	841,083	51,285	117,113	2,068,883
Loans of concession operators	85,147	29,244	55,929	199,373	99,904	736,983	1,206,580
Total loans	588,722	305,955	335,045	1,040,456	151,189	854,096	3,275,463
Unmatured accrued interest payable	3,623	-	-	-	-	-	3,623
Unmatured accrued interest payable of concession operators	7,175	-	-	-	-	-	7,175
Total interest payable interests	10,798	-	-	-	-	-	10,798
Total	599,520	305,955	335,045	1,040,456	151,189	854,096	3,286,261

At 30 June 2016, the payable to credit institutions hedged by interest rate derivatives accounted for 63.1% of the total amount (66.3% at 31 December 2015).

- Mortgage Loans

At 30 June 2016, certain property, plant and equipment amounting to EUR 287,483 thousand (EUR 294,941 thousand at 31 December 2015) are subject to mortgages, for an amount of EUR 102,892 thousand (EUR 110,675 thousand at 31 December 2015).

At 30 June 2016 investment properties amounting to EUR 4,042 thousand (EUR 4,155 thousand at 31 December 2015) were subject to mortgages, for an amount of EUR 3,923 thousand (EUR 4,043 thousand at 31 December 2015).

These receivables accrue market interest rates.

- Lines of negotiation of certificates and notes

Concept	Thousands of Euros	
	30/06/2016	31/12/2015
Maximum amount granted	37,948	35,039
Drawn down	4,302	1,859
Amount drawable	33,646	33,180

The average interest rate accrued during the first six months of fiscal year 2016 for the lines used was 2.94% (0.65% in 2015).

- Loans, credit facilities and concession companies' loans.

Concept	Thousands of Euros	
	30/06/2016	31/12/2015
Maximum amount granted	3,963,065	4,269,101
Drawn down	3,224,161	3,015,900
Amount drawable	738,904	1,253,201

The average interest rate accrued during the first six months of fiscal year 2016 for the lines used was 5.12% (4.69% in 2015).

The most important loan transactions include:

- 1) OHL Emisiones, S.A.U. loan secured with Abertis Infraestructuras S.A.'s shares.

Margin Loan

At 31 December 2015 the balance of this loan amounted to EUR 874,949 thousand and was secured by shares of Abertis Infraestructuras, S.A., equivalent to 11.425% of its share capital.

In February 2016 there was an early repayment of EUR 187,408 thousand, placing the principal at EUR 687,541 thousand on 30 June 2016 and maturing in 2019. The interest rate was the 3-month Euribor rate plus 4% secured by Abertis's shares equivalent to 11.425% of its share capital.

On 4 July 2016 an early repayment of EUR 421,242 thousand took place, with the new balance of the loan amounting to EUR 266,299 thousand, maturing in 2020 and with the guarantee of Abertis's shares equivalent to 4.425% of its share capital (see notes 14 and 26).

Collar financing

On 30 June 2016 OHL Emisiones, S.A.U., a wholly-owned subsidiary of OHL Concesiones, S.A.U., had subscribed:

- (i) A loan amounting to EUR 272,860 thousand, maturing on a straight-line basis in 52 tranches from August 2017 through October 2018, with the exclusive guarantee of 24,759,486 shares of Abertis Infraestructuras, S.A., representing 2.5% of its share capital;
- (ii) A transaction involving financial derivatives ("collar") for hedging purposes and to protect the value of that guarantee during the whole life of the transaction.

This derivative is not deemed an accounting hedging instrument and the impact of its variations is shown in the statement of income.

- 2) OHL Concesiones, S.A.U. loan secured with OHL México, S.A.B. de C.V.'s shares

At 30 June 2016, this loan amounted to EUR 169,519 thousand, and it was secured by shares representing 29.96% of the share capital of OHL México, S.A.B. de C.V.

In July 2016 the full amount of the loan was early repaid (see 14 and 26).

3) Syndicated loan

In June 2015 a long term syndicated loan was signed for an amount of EUR 250,000 thousand, maturing in July 2018 and extendable for up to two more years at the borrowers' choice.

At 30 June 2016, an amount of EUR 100,000 thousand had been drawn down.

4) Loan of 0606 Investments S.a.r.l. secured by shares of Metro Liger Oeste, S.A.

In June 2016 a new loan was signed for an amount of EUR 58,300 thousand, secured by the economic rights of the shares representing 18.64% of the share capital of Metro Liger Oeste, S.A.

The loans of the Group's concessionaires at 30 June 2016 and 31 December 2015, interests not included, break down as follows:

Company	Thousands of Euros	
	30/06/2016	31/12/2015
Autopista del Norte, S.A.C.	112,255	114,634
Autopista Río Magdalena, S.A.S.	36,960	3,613
Autopista Urbana Norte, S.A. de C.V.	288,099	314,106
Autovía de Aragón-Tramo 1, S.A.	98,198	101,278
Concesionaria Mexiquense, S.A. de C.V.	292,453	317,592
Sociedad Concesionaria Aguas de Navarra, S.A.	25,373	14,745
Terminal de Contenedores de Tenerife, S.A.	29,077	29,707
Terminales Marítimas del Sureste, S.A.	57,209	57,248
Viaducto Bicentenario, S.A. de C.V.	266,956	290,399
Total	1,206,580	1,243,322

Concession companies' loans, which at 30 June 2016 amounted to 1,206,580 (EUR 1,243,322 thousand at 31 December 2015), require the concessionaires to raise certain guarantees with respect to their receivables and assets subject to their concession projects.

Debt instruments and other marketable securities

The detail of the balance of this caption in the consolidated balance sheet at 30 June 2016 and at 31 December 2015 is as follows:

Item	Thousands of Euros	
	30/06/2016	31/12/2015
Issue of corporate bonds (non-current)	1,529,086	1,575,747
Issue of corporate bonds (current)	23,055	24,082
Issue of bills (current)	28,022	180,513
Issue of concession operators bonds (non-current)	537,506	575,571
Issue of concession operators bonds (current)	6,644	5,749
Total	2,124,313	2,361,662

Corporate bonds, other marketable securities and concession operators' bonds by years of maturity break down as follows:

Item	Thousands of Euros						Total
	2016	2017	2018	2019	2020	Remainder	
Corporate bonds	23,055	-	398,243	-	231,283	899,560	1,552,141
Other marketable securities	21,400	6,622	-	-	-	-	28,022
Concession operators bonds	5,122	4,902	3,523	3,713	4,477	522,413	544,150
Total	49,577	11,524	401,766	3,713	235,760	1,421,973	2,124,313

Corporate bond issues

Item	Issuer	Thousands of Euros		Year of last expiry	Issuance currency	Quotation (30/06/2016)
		30/06/2016	31/12/2015			
2012	Obrascón Huarte Lain, S.A	233,302	265,463	2020	Euros	89.401%
2014	Obrascón Huarte Lain, S.A	399,134	398,652	2022	Euros	67.891%
2015	Obrascón Huarte Lain, S.A	315,535	315,128	2023	Euros	68.531%
2013	OHL Investments, S.A.	401,342	400,904	2018	Euros	90.105%
2015	Org. de proyectos de infraestructuras, S.A.P.I., de C.V.	202,828	219,682	2035	UDIS	
Total		1,552,141	1,599,829			

"Debt instruments and other marketable securities" includes principal and accrued and unpaid interest at 30 June 2016 for the following issued non current bonds carried out in Europe:

- March 2012 issuance for a nominal initial amount of EUR 300,000 thousand, maturing in 2020.

Out of this issuance, EUR 176,250 thousand were used for the partial repurchase of bonds issued in 2010, maturing in 2015.

It accrues an annual interest rate of 7.625%.

In November 2015 the early repurchase of this bond issuance was carried out for an amount of EUR 37,583 thousand, with the final amount of the loan at 31 December 2015 being EUR 262,417 thousand.

In March 2016 the cash settlement of the repurchase offer of this bond issuance took place, with an approved amount of EUR 32,058 thousand and an outstanding balance of EUR 230,359 thousand.

- March 2014 issuance for a nominal initial amount of EUR 400,000 thousand, maturing in March 2022.

It accrues interest at 4.75% per year

- In March 2015, simple bonds were issued for an amount of EUR 325,000 thousand, maturing in March 2023, with a 5.50% fixed coupon payable twice a year, to be fully used for the early settlement in April of issued bonds maturing in 2018.

In November 2015 the early repurchase of this bond issuance was carried out for an amount of EUR 8,137 thousand, with the final amount of the loan at 31 December 2015 being EUR 316,863 thousand.

- In April 2013 OHL Investments, S.A., a Luxembourgian subsidiary wholly owned by OHL Concesiones, S.A.U., issued guaranteed bonds exchangeable for existing ordinary shares of OHL México, S.A.B. de C.V.

Such issuance amounted to EUR 300,000 thousand, maturing in five years. The fixed annual interest rate, payable in semi-annual periods, is 4.00%.

The bonds would be exchangeable —at bondholders' option— for OHL México, S.A.B. de C.V.'s shares representing about 8.49% of its share capital. Once investors exercise their exchange right, OHL Investments, S.A. may decide whether to deliver the appropriate number of OHL México, S.A.B. de C.V.'s shares, cash or a combination thereof.

The bond exchange price is EUR 2.7189 per share of OHL México, S.A.B. de C.V.

The abovesaid bonds were admitted to trading on Frankfurt Stock Exchange.

In October 2013, OHL Investments, S.A. issued bonds for an amount of EUR 100,000 thousand with the same maturity, interest rate and exchange conditions as the EUR 300,000 thousand in bonds issued in April 2013.

After these two transactions, the total bond amount of EUR 400,000 thousand holds OHL México, S.A.B. de C.V.'s shares subject to the irrevocable guarantee trust, amounting to 16.99% of its share capital.

- In March 2015, Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. issued stock exchange certificates denominated in UDIs (investment units) for an amount of UDI 773,908,000 (EUR 248,300 thousand), at a 6.95% interest rate and maturing in 2035.

The average interest rate accrued during the first six months of fiscal year 2016 for the issuance of bonds was 5.80% (5.77% in 2015).

Other marketable securities

The Parent Company holds a trade bill issuance facility of up to EUR 500,000 thousand, for an amount of EUR 28,022 thousand at 30 June 2016, (180,513 thousand at 31 December 2015). The average interest rate accrued during the first six months of fiscal year 2016 for the issuance of trade bills was 1.65% (1.98% in 2015).

Bond issues of concession operators

The breakdown by company of this heading at 30 June 2016 and 31 December 2015 is shown below:

Company	Thousands of Euros		Year of maturity	Issue currency
	30/06/2016	31/12/2015		
Concesionaria Mexiquense, S.A. de C.V.	455,876	484,287	2046	UDIS
Grupo Autopistas Nacionales, S.A.	88,274	97,033	2031	Mexican Peso
Total	544,150	581,320		

The average interest rate accrued during the first six months of fiscal year 2016 for the issuance of concession operators' bonds was 8.60% (8.93% in 2015).

- In December 2013, Concesionaria Mexiquense, S.A. de C.V., a wholly-owned subsidiary of OHL México, S.A.B. de C.V. (where OHL Group held a 63.64% interest at that date), issued:
 - Secured senior notes denominated in investment units (UDI) for a principal amount of UDI 1,633,624 thousand, maturing in 2035.
 - Secured zero-coupon senior notes denominated in investment units (UDI) for a principal amount of UDI 2,087,278 thousand, maturing in 2046, which were placed on a discount basis considering that they do not pay any coupon or interest during their effective term.

In August 2014, Concesionaria Mexiquense, S.A. de C.V., a wholly-owned subsidiary of OHL México, S.A.B. de C.V., issued secured zero-coupon stock exchange certificates denominated in investment units for a principal amount of UDI 1,464,078 thousand, maturing in 2046, which were used for the partial repurchase of senior notes from the December 2013 issuance.

Concesionaria Mexiquense, S.A. de C.V.'s notes and loan are preferred obligations secured by certain guarantees formed mainly over the rights to collect toll amounts in "Circuito Exterior Mexiquense" highway, from which it is the concession operator, over the supplementary rights of "Circuito Exterior Mexiquense" and over 100% of shares representing the company's share capital.

Net funds obtained from the issuance of notes and loans were used to prepay the existing debt and related expenses.

At 30 June 2016, an amount of EUR 455,876 thousand had been drawn down.

Other financial liabilities

Obligations under finance leases

The Group's finance leases at 30 June 2016 and 31 December 2015 break down as follows:

Item	Thousands of Euros	
	30/06/2016	31/12/2015
Non-current liabilities	4,467	9,115
Current liabilities	8,641	9,093
Total	13,108	18,208

The Group's policy consists in entering into finance lease agreements for a portion of its premises and equipment. The average term of the leases is 42 months.

18.- EQUITY

Share capital

The change of the Parent Company's share capital for the first six months of the year 2016 and for the year 2015 was as follows:

Item	Number of shares	Par value (Thousands of Euros)
Number of shares and share capital par value at 1 January 2015.	99,740,942	59,845
Share capital increase in October 2015	199,018,056	119,410
Number of shares and share capital par value at 31 December 2015.	298,758,998	179,255
Number of shares and share capital par value at 30 June 2016.	298,758,998	179,255

On 30 October 2015, the deed of the capital increase executed by OHL, S.A. was filed with the Madrid Commercial Registry, for a nominal amount of EUR 119,410,833.60 and through the issuance of 199,018,056 new shares of 0.60 par value and 4.42 issue premium each, all of them from the same class and series as the outstanding shares. The effective amount of the capital increase, nominal value plus issue premium, excluding expenses, was:

Concept	Thousands of Euros
Share capital	119,410
Issue premium	879,660
Total	999,070

After this capital increase, the share capital of OHL, S.A. was established at EUR 179,255,398.80, divided into 298,758,998 shares of 0.60 par value each, all of them from the same class and series. These shares have been admitted to trading on Madrid and Barcelona stock exchanges and are listed on the continuous market.

At 30 June 2016, the following companies had a direct and indirect interest equal to or exceeding 5% of the Parent Company's share capital:

Company	% ownership interest
Inmobiliaria Espacio, S.A.	50.395
Tyrus Capital Event, S.A.R.L.	8.371
Invesco Limited	6.051

Issue premium

Item	Thousands of Euros
Balance at 1 January 2016	1,265,300
Balance at 30 June 2016	1,265,300

The Consolidated Spanish Limited Liability Companies Law expressly allows to allocate the balance of the share issue premium to increase the share capital of the entities registered in accordance therewith and establishes no restriction whatsoever on the availability of such balance.

Treasury shares

Changes in treasury charges during the first six months of the 2016 reporting period were the following:

Item	No. of shares	Thousands of Euros
Balance at 1 January 2016	256,926	3,908
Purchases	23,058,272	120,204
Sales	19,586,779	100,556
Balance at 30 June 2016	3,728,419	23,556

Reserves

Below is a breakdown by item of this heading on the consolidated balance sheets in the first six months of the year 2016 and the year 2015:

Item	Thousands of Euros	
	30/06/2016	31/12/2015
Restricted reserves of Parent Company		
Legal reserve	11,969	11,969
Reserves from amortised capital	3,856	3,856
Subtotal	15,825	15,825
Voluntary reserves and consolidation reserves		
Attributable to the Parent Company	(193,427)	(134,501)
Attributable to consolidated companies	2,233,729	2,116,334
Subtotal	2,040,302	1,981,833
Total	2,056,127	1,997,658

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, as long as the legal reserve does not exceed 20% of share capital, it can only be used to offset losses, provided that no other reserves are available for this purpose.

Reserves from amortised capital

At 30 June 2016 this heading amounts to EUR 3,856 thousand (EUR 3,856 thousand at 31 December 2015) as a result of the capital decreases carried out in the year 2009 for an amount of EUR 2,625 thousand and in the year 2006 for an amount of EUR 1,231 thousand for the redemption of treasury shares and according to the regulatory standards in force which secure the shareholders equity guarantee before third parties.

This reserve is restricted and can only be used by applying the same requirements as the established for the capital decrease, that is, it must be the Annual General Meeting who decides about its availability.

Restrictions to the dividends distribution

Until the balance of "Development Expenditure" has been fully amortised, no dividends may be distributed unless the balance of the unrestricted reserves is at least equal to the amount of the unamortised balances. As a result, at the closing date of the first six months of the year 2016, the balances of the Parent Company's headings "Share premium" and "Other reserves" were restricted for an amount of EUR 7,369 thousand.

19.- LONG-TERM PROVISIONS

The detail of this item in the consolidated balance sheet is shown below:

Concept	Thousands of Euros	
	30/06/2016	31/12/2015
Provisions for further maintenance, removal or renovation of non-current assets	131,127	130,893
Provisions for taxes	7,549	7,549
Provisions for litigation and charges	140,790	24,985
Other provisions	6,202	5,381
Total	285,668	168,808

At 30 June 2016, the provisions for litigation and charges amount to EUR 140,790 thousand (EUR 24,985 thousand at 31 December 2015).

These provisions include EUR 115,570 thousand (EUR 11,932 thousand at 31 December 2015) related to some associates and corresponding to the additional losses thereof once their balance under the heading "Investments accounted for using the equity method" is zero (see note 12).

In the first six months of the year 2016 it is to highlight an amount of EUR 102,228 thousand related to the losses recorded by the Canadian company Health Montreal Collective CJV L.P. (see Note 24).

The remaining provisions for litigation and charges, for an amount of EUR 25,220 thousand at 30 June 2016 (EUR 13,053 thousand at 31 December 2015) are related to obligations of an undetermined amount due to disputes and/or arbitrational procedures in progress and compensations.

20.- TAX MATTERS

Change of the income tax expense

The main items affecting the income tax expense quantification are estimated as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Consolidated profit or loss before tax	185,324	177,284
Results using the equity method	23,333	(126,136)
Subtotal	208,657	51,148
Tax charge at 25% (28% for 31/12/2015)	(52,164)	(14,321)
Net impact from other permanent differences, instalment deductions, local tax rate spread and adjustments	(49,678)	(26,567)
Income tax (expense)/income	(101,842)	(40,888)

The effective tax rate is 27.6% compared to 28.7% of the first semester of 2015.

In the calculation of such rate the results for the equity method and other items with no fiscal effect are removed, and it must be noticed that the Group does not recognise tax credits if there is no certainty regarding their recoverability. In this sense, during the first half of 2015 EUR 27,200 thousand of tax credits were recognised in OHL México, S.A.B. de C.V. to offset the capital gain obtained in the sale of the 25% interest in Concesionaria Mexiquense, S.A. de C.V., which explains some of the differences in the tax expense over both years tax profits.

Reporting periods open for inspection

In general, the companies forming part of the Group are open for inspection regarding all applicable taxes not yet expired.

The potential inspections over the reporting periods available for inspection by tax authorities could give rise to contingent tax liabilities which cannot be objectively quantified. However, the Parent Company's Directors estimate that those liabilities will not be significant.

21.- CONTINGENT LIABILITIES

Contingent assets

As at 30 June 2016, there were no contingent assets.

Contingent liabilities and guarantees

Third party guarantees

One of the contingent liabilities involves the liability of construction companies for the execution and completion of their construction contracts, including both those signed by the Group's own companies and those signed by the joint ventures in which it holds an interest. Similarly, national subsidiaries are liable, on a subsidiary responsibility basis, for the obligations of their subcontractors to the social security authorities with regard to their construction workers. These items are not expected to result in any losses for the Group.

At 30 June 2016, the Group companies had lent guarantees to third parties for an amount of EUR 4,327,128 thousand) (EUR 4,479,734 thousand at 31 December 2015) out of which EUR 4,195,180 thousand (EUR 4,233,346 thousand at 31 December 2015) relate to guarantees delivered before public authorities and private clients, as it is usual practice within the sector, to secure the appropriate execution of works, and the remaining amounts as a result of temporary guarantees in work tenders.

Personal and joint and several guarantees of financial nature

Additionally, some Group's companies had provided personal and joint and several guarantees to several entities, mainly banks, to secure credit facilities granted to other associates for an amount of EUR 37,801 thousand at 30 June 2016 (EUR 37,753 thousand at 31 December 2015).

Also, the Parent Company Directors do not expect any additional liabilities to arise in connection with these guarantees that might have a significant effect on the 2015 financial statements.

Guarantees to loans

The Group holds loans secured by shares of its subsidiaries. Such loans include additional contribution clauses of guarantees linked to the market price of those shares.

The Parent Company Directors don't expect those guarantees to represent a significant risk for the Group's liquidity.

Investment commitments

Concession operators are required, according to concession contracts, to make certain investments (see note 11).

These investments will be financed with loans granted to concession operators, with capital increases in those companies, as well as the cash flows generated thereby. Given the fact that they are estimates and neither the amounts to be obtained by way of loans nor the cash flows to be generated are fixed, there is no determined amount in quantity and in time of the capital increases to be faced by the Group in its subsidiaries.

Litigation

At 30 June 2016 several disputes in the Parent Company and/or its subsidiaries in relation to their ordinary course of business were in progress.

The most relevant disputes of the Group, classified by operating segments are:

Concessions

- In June 2008 and 2009, concession operator, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** filed two administrative claims with the Ministry of Development based on the concession's financial unfeasibility at the outset given that the current levels of traffic differ significantly from those that were included in the bidding terms and conditions and which served as a basis for preparing the bidding offers in the tender process, and in which it respectively claims that the equilibrium of the contract be restored and that the concession contract be rendered invalid, with the recovery of benefits. On 31 July 2013, the concession operator reiterated the latter claim. At 20 January 2016, the Public Authorities had not issued any resolution whatsoever in this regard.

During the years 2012, 2013, 2014, 2015 and 2016 Autopista Eje Aeropuerto Concesionaria Española, S.A. claimed the Ministry of Development to approve and pay the annual amounts indicated in the compensation account regulated by the Eighth Additional Provision under Law 43/2010, as well as obtaining and approving the annual participating loans regulated through the amendment to such Eighth Additional Provision under Law 17/2012. Both measures had been approved to offset highway traffic deficit. All these requests (except for the recently delivered in January 2016) were denied on an administrative level due to the lack of a budgetary framework, which caused the concessionaire to file the appropriate contentious and administrative appeals with the National Court of Spain.

Until June 2016 the National Court of Spain has rendered judgements for all these procedures. All those judgements have recognised the right granted by Law to obtain the entered amounts and the loans by the concession company, after completing the corresponding proceedings to establish, on a year on year basis, the account balance according to the budgetary availability, without considering this as recognition of the claimed amounts direct payment. These judgements are being appealed by the State Legal Service before the High Court, which has resolved in another judgement the non-existence of such legal right due to a lack of budgetary item. The High Court has not yet resolved any of these appeals of our Company.

The total amount requested for amounts related to those years is EUR 20,043 thousand, and for participating loans, EUR 116,028 thousand.

The concession operator has also filed 16 applications for participating loans with the Ministry of Development, in accordance with Additional Provision 41 of Law 26/2009, for payment of compulsory purchases that took place during 2012, 2013, 2014, 2015 and 2016 without these applications having been resolved in any way by the Public Authorities. The total amount claimed for these requests is EUR 111,731 thousand.

At such date, all the legal proceedings in progress were finished, resulting from the appeal presented by the concession operator and the expropriated, against the Court resolutions, on the appraisal of the expropriated lands needed for the concession, with the exception of a land on which we are not in a position of providing a valuation, since the appraisal sheet has not yet been delivered. In any case and as a result of the bankruptcy state of the company, no amount is being paid in respect of expropriation.

In June 2014, the company filed two contentious administrative appeals with the Supreme Court: (i) against the implied dismissal of the request to restore the economic-financial equilibrium of the Concession, filed on 7 May 2009 for compulsory purchase cost overruns; (ii) against the implied dismissals of the request for compensation filed by Autopista Eje Aeropuerto Concesionaria Española, S.A. on 5 December 2005 for construction work performed, the request to restore the economic-financial equilibrium by this concession operator on 2 February 2006 and for the repeated filings thereof. In June 2016 the first procedure is in the voting and decision phase, with no specific date announced, and the second one is still in evidential phase.

Eventually, the concession company was declared in voluntary bankruptcy proceedings (Insolvency Proceeding 863/13) by way of an Order dated 12 December 2013 from the Commercial Court Number 2 of Madrid, in which the opening of the liquidation phase was stated.

Several appeals have been filed by some financial institutions against the Order of closing the common phase and opening the phase of agreement, applying for the amendment of the creditor lists and inventories of the bankrupt companies. None of those appeals have been resolved by the Court and all of them are subject to challenge.

After the Order for the opening of winding-up proceedings dated 13 October 2015, the Bankrupt Administration, as receiver, requested to the Ministry of Public Works on 23 October 2015 to initiate the procedures or files required to approve the termination and settlement of the concession contract, to which the Ministry responded on 9 February that *"the requested termination of the concession contract will only take place when the winding-up (in the concession company Autopista Eje Aeropuerto) becomes final, if the appeal filed by the State Legal Service on behalf of SEITTSA is resolved to that effect"*. The above said appeal has not been resolved by the Court and therefore it has not been noticed to the Company.

Likewise, on 27 October 2015, the Bankrupt Administration requested the extension of the deadline of 15 days for submitting the winding up plan.

The start of this phase of winding up both companies involves the termination of office by the Directors, which are replaced by the bankruptcy administration (receiver), the resulting loss of control and the deconsolidation of these companies from the Group as of October 2015.

Within this context and regarding the resolution about the subsidiaries winding up process, the Group's Directors consider that both the recorded investment of EUR 19 million and the outstanding balance related to the construction of the infrastructure for an amount of EUR 43 million will be recovered in a basic resolution scenario, lower than the one requested by the receiver.

- On 12 June 2015 the company **Cercanías Móstoles Navalcarnero, S.A.**, filed an administrative claim with the General Infrastructure Office reporting to the Madrid Department of Transportation, Infrastructure and Housing, requesting the concession contract cancellation based on grounds attributable to the contracting body and, in the alternative, in view of the impossibility of execution as a result of unexpected and unpredictable circumstances. Consequently, it requested the liquidation of such contract and, among others, the payment of investments made to date, amounting to EUR 238,943 thousand, adding appropriate damages. Such liquidation—even though certain items are pending valuation, which shall increase damages—amounted to EUR 46,503 thousand at the date the claim was filed.

Following this administrative claim filed by Cercanías Móstoles-Navalcarnero, S.A., on 13 November 2015, the amount of compensation claimed had increased to a total of EUR 369,500 thousand. The amount included the investment made and the damages and losses

caused. Furthermore, for the calculation, the company relied on third-party expert reports that support this figure recorded for accounting purposes.

On 3 December 2015, the company filed an administrative appeal on the basis of the implied rejection of the request for the termination of the concession contract and for the settlement of the damages and losses borne by the company as a consequence of such termination, having been accepted for review on 15 December 2015.

Following, on 18 January 2016, the Department of Transport, Infrastructure and Housing of the Community of Madrid expressly rejected the request for the termination of the concession contract, thus the company included the administrative claim under this decision. The consolidation of the appeal was accepted by Order on 18 February 2016. On 9 June 2016, the company had presented a lawsuit, which is currently being reviewed by the Community of Madrid for its response.

Furthermore, and following the prescribed procedures, the Community of Madrid determined, on 12 February 2016, through Order of the Department of Transport, Housing and Infrastructure of the Community of Madrid, to impose a penalty on the company for the sum of EUR 34,080,686.76, for breaching the obligation to execute all the works pursuant to the contract documents, granting a period of five days for its settlement, whereby instructing that a seizure would take place for the definitive guarantees provided by the company, EUR 15,865,301 and that the enforced recovery would take place for the respective remaining amount of EUR 18,215,386. Likewise, it requested the company to reinstate the definitive guarantee for the amount of EUR 15,865,301 and granted the company a period of 16 months in order for the full implementation of the works, including others being of restitution in nature.

On the basis of this decision imposing the penalty, the company presented an administrative claim, on 17 February 2016, and requested an injunction consisting of the stay of enforcement thereof. This injunction was rejected through Decision, dated 14 April 2016, which was appealed for a rehearing by the company. Finally, the administrative appeal was rejected through Decision, dated 25 May 2016. On 28 June 2016, proceedings took place for the aforementioned administrative claim.

Ultimately, it must be noted that, on 24 May 2016, the company submitted a request for voluntary insolvency, before the Commercial Court of Madrid, dated 14 July 2016, which had declared the state of voluntary insolvency (see Notes 11 and 26).

Regarding the foregoing, the company has, in its possession, third-party reports that state amounts greater than those recorded for accounting purposes, so that bound to the right contemplated under the concession contract, it is believed that the Group would not record any losses.

Construction

- In the fiscal year 2014, the Company informed that, on 20 September 2013, it filed an arbitration claim with the International Chamber of Commerce against **L 'Agence Nationale des Autoroutes (ANA)** from Algeria, arising from the construction of the Argel Second Bypass, between Boudouau and Zeralda. In the original claim, the Company claimed DZD 12,512 million (EUR 113,036 thousand) and ANA filed a counterclaim for an original value of DZD 6,977 million (EUR 63,212 thousand). After agreeing on different occasions to suspend the arbitration in order to negotiate an amicable resolution to the dispute, the parties eventually agreed on a mutual basis to conclude the current arbitration proceeding and continue with negotiations—in the absence of such arbitration—allowing to reach a final agreement. The conclusion of such arbitration proceeding does not imply losing the right to the legal actions to which the Company is entitled.

Up until now, negotiations have been taken place between the parties in an attempt to reach an agreement.

- During 2014, the company reported that, on the basis 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) formed between the company and Contrack Cyprus Ltda. (55% - 45% respectively), there

are arbitration proceedings, which had commenced on 30 July 2014, at the International Chamber of Commerce (ICC).

By the end of 2015, a partial award was pronounced, concerning the existence, or not, of an agreed novation construction contract, whereby the company came to the conclusion that if the agreement had existed, it would have lacked certain formalities required by Qatari legislation to be considered an enforceable agreement between the parties.

Following the aforementioned partial award, the arbitration continued its course to come to a decision on the legality or illegality of the contract termination and its financial consequences, whereby it is currently in the stage of reassessing the claimed amounts, in view of the non-enforceability of the novation contract reached by the parties. The claimed amount is estimated to be between EUR 270 million and EUR 376 million, which, for both cases, includes EUR 108 million corresponding to the undue execution of guarantees.

On 30 June 2016, the arbitration procedures still continued without any significant events having occurred.

- Last 5 May 2014, **OHL Construction Canada and Fomento de Construcciones y Contratas Canada Limited Partnership, in which OHL Canada held a 50% interest and FCC Canada Limited Partnership, (OHL – FCC LLP)** held a 50% interest, filed a claim with the Courts of Ontario against the client, Toronto Transit Commission (TTC). In this proceeding, OHL – FCC LLP claimed an estimated amount of CAD 205.0 million (EUR 148,132 thousand), which may be modified during the proceeding. In turn, TTC filed a counterclaim for CAD 40.7 million (EUR 29,410 thousand). The proceeding has been suspended by court resolution and shall resume once OHL – FCC LLP issues the last contract invoice in favour of the client.

Currently, the suspension of the proceedings is still in place.

- On 28 July 2011, the Government of Gibraltar notified OHL about the cancellation of the contract in progress (**Gibraltar Airport Border Access Road**). In view of this decision, OHL filed a claim challenging it before the Highest Court of Justice (London Queen's Bench Division), which declared that the Government of Gibraltar was indeed entitled to terminate the contract, which was confirmed by the London Court of Appeals (Civil Division).

Regarding the termination of the contract, notified on 28 July 2011, the High Court of Justice declared, within its judgment, (notified on 16 April 2014) that the Government of Gibraltar was itself competent to declare the termination of the contract.

On 9 July 2015, the Court of Appeal (Civil Division) in London had validated such judgment. It was requested for the granting of permission to appeal before the Supreme Court, which had been denied on 2 November 2015.

On 16 June 2016, OHL and the Government of Gibraltar had signed an agreement, in which OHL undertakes to carry out the works until their full completion and that the Government of Gibraltar shall settle, with OHL, solely for the remaining amount of the figure specified under the contract.

The total for the claims, recorded for the amount of EUR 27.9 million, were provisioned in the financial statements at 31 December 2015 and these have not changed at 30 June 2016.

- The Consortium, in which OHL holds 30% and executes the contract for the **Design & Build Package 5 Mushaireb Station / Education City Station in Doha (Qatar)**, on 4 May 2016, received a notification from its client, Qatar Railways Company, that, within 14 days, the termination of the Agreement would occur, on the grounds, in its understanding, of the breach of certain contractual obligations by the Consortium.

The foregoing, despite the Consortium, prior to such notification, having already submitted a number of Notices of Dispute, by following the mechanism provided for under the Contract, is to be resolved by the parties, either through negotiations or the intervention of an independent expert.

At present, the contract has been terminated and legal proceedings have been put in motion for the effective protection of the interests of the Consortium.

The Group, based on currently available information, does not expect that the final outcome of this matter to have any material impact on its equity or financial situation.

In addition to the abovementioned litigation, the Group is involved in other minor legal cases, which are based in its ordinary course of business, none of which entail material amounts when considered on an individual basis.

For the purpose of covering any potential adverse financial effects that could arise, the Group believes it has sufficient provisions available. Notwithstanding the foregoing, it periodically assesses the situation thereof and their possible final impacts and incorporated provisions.

The Directors of the Parent Company do not expect that, as a result of ongoing litigations, any significant additional liabilities would arise, affecting the condensed consolidated interim financial statements at 30 June 2016.

OHL Mexico - Investigations

The current status of the various legal proceedings and investigations opened with regards to OHL Mexico, S.A.B. de C.V. ("OHL Mexico") and its subsidiaries may be summarised as follows:

- 1) **Court proceedings in connection with Concesionaria Mexiquense, S.A. de C.V. ("ConMex"):** on 20 November 2015, ConMex had been notified as an interested third party of a new petition for relief, having been filed by Tecnología Aplicada Infraiber, S.A. ("Infraiber") against Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México ("SAASCAEM"), requesting the annulment of the Sixth Amendment to the Concession Agreement and the performance of the stipulation in favour of Infraiber, pursuant to the Fifth Amendment therein.

Even though a ruling has not yet been issued for this petition, on the grounds of legal opinions by its external advisors, the Group believes that the final resolution for these ongoing legal proceedings, in which the companies of the OHL Mexico Group are not implicated parties, should not have any significant impacts.

On 28 December 2015, ConMex was notified as an interested third party of a new relief lawsuit, filed as a user of the motorway, by Mr. Genaro Antonio Mercado Mejia, in which he requested for the annulment of the ConMex Concession, as well as all formalities carried out by the authorities that manage the concession in relation to the obligation and recognition of the recuperation of the investment and expected return.

To date, all final judicial rulings for procedures in connection with this very purpose, or similar, have confirmed that the plaintiffs have no legitimate interest to lodge lawsuits, whereby the claims have been rejected.

- 2) **Official internal investigations opened by the Government of the State of Mexico (State Comptroller):** The State Comptroller is conducting an internal investigation into the performance of SAASCAEM in regards to the awards of certain concessions, where neither OHL Mexico nor its subsidiaries are included therein.

To date, we have no knowledge of any investigation having reached a conclusion.

Even though the Group cannot foresee the final outcome of these investigations, it does believe that their final outcome, in which the companies of the OHL Mexico Group are not implicated, would not cause any adverse financial effects.

- 3) **Official internal investigations opened by the Secretariat of Civil Service of the Government of the Republic of Mexico:** The Secretariat of Civil Service is conducting an investigation on the Secretariat of Communications and Transportation (SCT) with regard to the tender award process and compliance for the concession of the Amozoc-Perote Motorway and Atizapan-Atlacomulco Motorway, where neither OHL Mexico nor its subsidiaries are included therein.

To date, we have no knowledge of any investigation having reached a conclusion.

Even though the Group cannot foresee the final outcome of these investigations, it does believe that their final outcome, in which the companies of the OHL Mexico Group are not implicated, would not cause any adverse financial effects.

- 4) **Official internal investigations opened by the National Banking and Securities Commission (CNBV):** On 23 October 2015, various written notices were received by OHL Mexico, S.A.B de C.V, Organización de Proyectos de Infraestructuras, S.A.P.I. de C.V. ("OPI"), by Concesionaria Mexiquense, S.A. de C.V., as well as certain current and former employees thereof, communicating the possibility of various infractions related primarily to:
- Accounting treatment under IFRS for the concessions with a Guaranteed Return.
 - The lack of information provided to the market on the existence of certain deviations of motorway traffic.
 - The registration of various operations without sufficient support information.
 - Transactions with related parties.

Subsequently, on 25 November 2015, OHL Mexico and subsidiaries submitted, before the CNBV, in an opportune and timely manner, their written response to these allegations, by providing all the arguments and evidence (including third-party opinions) that substantiated their position.

Finally, on 15 March 2016, the National Banking and Securities Commission (CNBV) had notified its final rulings on the administrative proceedings filed against OHL Mexico, S.A.B. de C.V. and its subsidiaries, whereby it had not determined, in any case, the existence of wilful default or fraud, nor the existence of any an impact in the Mexican or third-party financial system, nor was there any recidivism by part of the issuers or natural persons.

The resolutions established the following, under each point:

- 1) While the CNBV considered that the accounting records for the guaranteed return were improperly made pursuant to those interpreted under IFRIC 12, on the basis that: (i) that the interpretation of the Company and its external auditors (which had also been ratified by the rest of the world's leading auditing firms) did not coincide with that of the CNBV, and (ii) that such accounting treatment had no effect whatsoever on the Cash Flow Statement, the CNBV, in light of offering transparency for investors, had determined the following:
 - i. Within the audited financial statements being prepared from this moment forward (including those of 2015), OHL Mexico shall maintain the record, thereby remaining unaltered, for the Guaranteed Return as an Financial Asset, however, it shall include a note, therein, for informational purposes, explaining how such would stand if the Guaranteed Return were recorded as Intangible Assets.

Moreover, OHL Mexico shall work alongside its external auditors to present a proposal, before the CNBV, with the means by which it must conduct the registry of the Guaranteed Return, considering the nature and terms of the concession, whereby seeking an interpretation which is in accordance with IFRIC 12 and ensuring it falls in line with the views of the CNBV.
 - ii. Taking into consideration the aforementioned extenuating factors, the CNBV has imposed an administrative sanction on the Issuers and Natural Persons.
- 2) With regard to information concerning the traffic levels for its concessions, the CNBV has determined that there is an inconsistency in one of the processes described under the Main Accounting Policies of the companies, proceeding to, in consideration of the foregoing mitigating factors, impose an administrative sanction on the Issuers and Natural Persons.
- 3) The CNBV considered that the provision of supporting documentation was insufficient for the accounting records, in all cases, thus, after considering the aforementioned mitigating factors, it imposed an administrative sanction.
- 4) As for the transactions with related parties and being in line with that stipulated by the Securities Market Law (LMV), as far as approval procedures are concerned, the CNBV considered that the entirety of the information demonstrating the compliance of formalities for the authorisation process was not provided, and after taking into consideration the foregoing mitigating factors, it has imposed an administrative sanction on the Company.

As a summary of the foregoing, the administrative sanctions amounted to a total of MXN 71.7 million (EUR 3.7 million), where MXN 24.6 million (EUR 1.3 million) corresponded to OHL Mexico S.A.B. de C.V., MXN 18.3 million Mexican pesos (EUR 0.9 million) corresponded to Conmex, MXN 18.6 million (EUR 1.0 million) corresponded to OPI and MXN 10.2 million (EUR 0.5 million) corresponded to natural persons.

In connection with the registration of the Guaranteed Return on the consolidated annual accounts of the OHL Group, after considering all of the aspects mentioned above (that is: favourable audit reports of Deloitte, specific reports from other major international auditing firms whose interpretation coincided with that of OHL, as well as the response to the Request of the CNMV), the OHL Group continues to apply, within these interim financial statements, at 30 June 2016, the same accounting treatment as that employed for the 2015 consolidated financial statements.

Notwithstanding the foregoing, OHL Mexico, in compliance with the provisions of the CNBV, continues working with its auditors in order to present a proposal, for the CNBV, with the means by which it must conduct the registry of the Guaranteed Return, considering the nature and terms of the concession, whereby achieving an interpretation which is in accordance with IFRIC 12 and ensuring it is reasonable for the CNBV.

22.- RELATED PARTIES

Related party transactions involve those undertaken with agents that are not part of the Group, but with which there is a strong relationship according to the definitions and criteria included in the provisions of the Ministry of Economy and Finance in order EHA/3050/2004 of 15 September and the CNMV (National Securities Market Commission) in circular 1/2005 of 1 April.

Detailed below are the transactions carried out by the Group with related parties during the first six months of year 2016 and 2015, with a distinction between significant shareholders, members of the Board of Directors and Senior Managers of the Company and other related parties. The terms and conditions of the transactions performed with related parties were at arm's length basis.

TRANSACTIONS WITH RELATED PARTIES	Thousands of Euros				
	30/06/2016				
	Significant shareholders	Directors and Managers	Group individuals, companies or entities	Other Related Parties	Total
INCOME AND EXPENSE					
Finance costs	-	-	-	-	-
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Leases	-	-	-	-	-
Services received	3,199	-	-	-	3,199
Goods purchased (finished goods or work in progress)	9,617	-	-	-	9,617
Valuation adjustments for bad debts	-	-	-	-	-
Losses on write-offs or disposals of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Expenses	12,816	-	-	-	12,816
Finance income	722	-	-	-	722
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Received dividends	-	-	-	-	-
Leases	-	-	-	-	-
Services rendered	1,640	-	-	-	1,640
Goods sold (finished goods or work in progress)	13,473	-	-	-	13,473
Profits from write-offs or disposals of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total Income	15,835	-	-	-	15,835

OTHER TRANSACTIONS	Thousands of Euros				
	30/06/2016				
	Significant shareholders	Directors and Managers	Group individuals, companies or entities	Other Related Parties	Total
Purchase of tangible, intangible or other assets	39,811	-	-	-	39,811
Financing agreements: loans and capital contributions	11,000	-	-	-	11,000
Finance leases (lessor)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessor)	-	-	-	-	-
Sale of tangible, intangible or other assets	-	-	-	-	-
Financing agreements: loans and capital contributions	-	-	-	-	-
Finance leases (lessee)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessee)	-	-	-	-	-
Guarantees and sureties granted	23,074	-	-	-	23,074
Guarantees and sureties received	-	-	-	-	-
Commitments assumed	-	-	-	-	-
Commitments / Guarantees cancelled	-	-	-	-	-
Dividends and other benefits distributed	-	-	-	-	-
Other transactions	-	-	-	-	-

TRANSACTIONS WITH RELATED PARTIES	Thousands of Euros				
	30/06/2015				
	Significant shareholders	Directors and Managers	Group individuals, companies or entities	Other Related Parties	Total
INCOME AND EXPENSE					
Finance costs	9	-	-	-	9
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Leases	4,222	-	-	-	4,222
Services received	7,250	-	-	-	7,250
Goods purchased (finished goods or work in progress)	5,245	-	-	-	5,245
Valuation adjustments for bad debts	-	-	-	-	-
Losses on write-offs or disposals of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Expenses	16,726	-	-	-	16,726
Finance income	24	-	-	-	24
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Received dividends	1,125	-	-	-	1,125
Leases	-	-	-	-	-
Services rendered	1,260	-	-	-	1,260
Goods sold (finished goods or work in progress)	11,294	-	-	-	11,294
Profits from write-offs or disposals of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total Income	13,703	-	-	-	13,703

OTHER TRANSACTIONS	Thousands of Euros				
	30/06/2015				
	Significant shareholders	Directors and Managers	Group individuals, companies or entities	Other Related Parties	Total
Purchase of tangible, intangible or other assets	1,999	-	-	-	1,999
Financing agreements: loans and capital contributions	-	-	-	-	-
Finance leases (lessor)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessor)	-	-	-	-	-
Sale of tangible, intangible or other assets	-	-	-	-	-
Financing agreements: loans and capital contributions	-	-	-	-	-
Finance leases (lessee)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessee)	-	-	-	-	-
Guarantees and sureties granted	20,048	-	-	-	20,048
Guarantees and sureties received	-	-	-	-	-
Commitments assumed	-	-	-	-	-
Commitments / Guarantees cancelled	-	-	-	-	-
Dividends and other benefits distributed	18,896	-	-	-	18,896
Other transactions	-	-	-	-	-

The detail of the transactions performed in the first six months of the fiscal year 2016 is as follows:

TAX ID. NO	Related company	ITEM	Company Group	Thousands of Euros
502 473 525	ADP-Fertilizantes, S.A.	Revenue	Avalora tecnologías de la información, S.A.	32
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.	1,891
B86092145	Centro Canalejas Madrid, S.L.U.	Revenue	Obrascon Huarte Lain, S.A.	6,896
B28024776	Compañía Agrícola Inmobiliaria Zaragozana Caiz, S.L.	Revenue	Avalora tecnologías de la información, S.A.	1
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora tecnologías de la información, S.A.	5
B86413846	Espacio Arpada Desarrollos, S.L.	Revenue	Obrascon Huarte Lain, S.A.	2,922
A80400351	Espacio Information Technology, S.A.U.	Revenue	Avalora Servicios Informáticos, S.L.	165
A80400351	Espacio Information Technology, S.A.U.	Revenue	Avalora tecnologías de la información, S.A.	235
A80420516	Ferroatlántica, S.A.U.	Revenue	Avalora tecnologías de la información, S.A.	57
A80420516	Ferroatlántica, S.A.U.	Revenue	OHL Industrial Mining & Cement, S.A.	36
A28165298	Fertiberia, S.A.	Revenue	Avalora Tecnologías de la Información, S.A.	97

TAX ID. NO	Related company	ITEM	Company Group	Thousands of Euros
A28165298	Fertiberia, S.A.	Revenue	Comercial de Materiales de Incendio, S.L.	15
A28165298	Fertiberia, S.A.	Revenue	OHL Industrial Mining & Cement, S.A.	6
A85255370	Grupo Ferroatlantica, S.A.U.	Revenue	Avalora tecnologías de la información, S.A.	12
B87238689	Iberian Corestate Capital Advisors, S.L.	Revenue	Avalora tecnologías de la información, S.A.	9
A28027399	Inmobiliaria Colonial, S.A.	Revenue	Obrascon Huarte Lain, S.A.	625
A28027399	Inmobiliaria Colonial, S.A.	Revenue	OHL Ingesan Servicios, S.A.U.	172
A28294718	Inmobiliaria Espacio, S.A.	Revenue	Avalora tecnologías de la información, S.A.	3
A-28661262	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.	3
A28032829	Padacar, S.A.U.	Revenue	OHL Ingesan Servicios, S.A.U.	18
B82607839	Promociones y propiedades Inmobiliaria Espacio, S.L.U.	Revenue	Avalora tecnologías de la información, S.A.	27
B84996362	Torre Espacio Gestion S.L.U.	Revenue	Avalora tecnologías de la información, S.A.	41
B84996362	Torre Espacio Gestion S.L.U.	Revenue	OHL Ingesan Servicios, S.A.U.	188
B85253888	Villar Mir Energía S.L.U.	Revenue	OHL Ingesan Servicios, S.A.U.	14
A82500257	Centro Canalejas Madrid, S.L.U.	Other operating income	Obrascon Huarte Lain, S.A.	13
A80400351	Espacio Information Technology, S.A.U.	Other operating income	Avalora tecnologías de la información, S.A.	6
A80400351	Espacio Information Technology, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	41
A85255370	Grupo Ferroatlántica, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	(15)
A82500257	Grupo Villar Mir, S.A.U.	Other operating income	Obrascon Huarte Lain, S.A.	1,580
A39007943	Rocas, Arcillas y Minerales, S.A.	Other operating income	Obrascon Huarte Lain, S.A.	15
A82500257	Grupo Villar Mir, S.A.U.	Finance income	Obrascon Huarte Lain, S.A.	1
B86830536	Alse Park, S L	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	24
B86092145	Centro Canalejas Madrid, S.L.U.	Finance income	Obrascon Huarte Lain, Desarrollos, S.L.	8
A82500257	Grupo Villar Mir, S.A.U.	Finance income	OHL Concesiones, S.A.	689
A79322947	Codisoil, S.A.	Supplies	S.A. Trabajos y Obras	2
A80400351	Espacio Information Technology, S.A.U.	Supplies	Avalora tecnologías de la información, S.A.	536

TAX ID. NO	Related company	ITEM	Company Group	Thousands of Euros
A80400351	Espacio Information Technology, S.A.U.	Supplies	OHL Construction Canada, Inc.	58
A80400351	Espacio Information Technology, S.A.U.	Supplies	OHL USA, Inc.	198
MEX120420UC4	Mexprepac S de RL de CV	Supplies	Constructora de Proyectos Viales de México, S.A. de C.V.	8,593
A28032829	Pacadar, S.A.U.	Supplies	Obrascon Huarte Lain, S.A.	17
B85253888	Villar Mir Energía S.L.U.	Supplies	Autovía de Aragón-Tramo 1, S.A.	213
B86830536	Alse Park, S.L.	Other operating expenses	Obrascon Huarte Lain, S.A.	7
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	37
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Terminales Marítimas del Sureste, S.A.	99
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	56
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	48
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Catalana de Seguretat i Comunicacions, S.L.	9
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	11
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	15
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Constructora de Proyectos Viales de México, S.A. de C.V.	187
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	EYM Instalaciones, S.A.	21
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascón Huarte Lain, Desarrollos, S.L.	2
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	1,340
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Arabia, L.L.C.	33
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Concesiones, S.A.	163
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Desarrollos Mexico, S.A. de C.V.	4
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Industrial, S.L.	44
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Ingesan Servicios, S.A.U.	39
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	S.A. Trabajos y Obras	38
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Tráfico y transporte sistemas, S.A.U.	40
A80400351	Espacio Information Technology, S.A.U.	Other operating expenses	OHL Industrial Mining & Cement, S.A.	9

TAX ID. NO	Related company	ITEM	Company Group	Thousands of Euros
B84481506	Fórmula Jet, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	222
B87238689	Iberian Corestate Capital Advisors, S.L.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	136
B82607839	Promociones y propiedades Inmobiliaria Espacio, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.L.	590
B84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	28
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.	19
B86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	OHL Concesiones, S.A.	1
A80400351	Espacio Information Technology, S.A.U.	Purchase intangible assets	Obrascon Huarte Lain, S.A.	372
A80400351	Espacio Information Technology, S.A.U.	Purchase intangible assets	OHL Concesiones, S.A.	90
A80400351	Espacio Information Technology, S.A.U.	Purchase financial asset	Tenedora de Participaciones Tecnológicas, S.A.	3,265
A82500257	Grupo Villar Mir, S.A.U.	Purchase financial asset	Obrascon Huarte Lain, Desarrollos, S.L.	29,405
A82500257	Grupo Villar Mir, S.A.U.	Purchase financial asset	OHL Desarrollos Mexico, S.A. de C.V.	6,679
A82500257	Grupo Villar Mir, S.A.U.	Financing agreement	Obrascon Huarte Lain, S.A.	11,000

23.- COMPENSATIONS AND OTHER BENEFITS TO THE COMPANY BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Note 4.8 to the Group's consolidated financial statements for the reporting period ended on 31 December 2015 details the agreements currently in force with regard to compensation and other benefits provided to the Company Board of Directors and Senior Management.

Below is a summary of the most significant information on their compensation and benefits for the six month periods ended on 30 June 2016 and 2015 respectively:

DIRECTORS:	Thousands of Euros	
	30/06/2016	30/06/2015
Component of remuneration:		
Fixed remuneration	521	498
Variable remuneration	2,171	1,172
Per diems	119	-
Bylaw-stipulated directors' emoluments	-	-
Share-based transactions and/or other financial instruments	-	-
Other expenses	2,000	-
Total	4,811	1,670
Other benefits:		
Advances	-	-
Loans granted	-	-
Pension funds and plans: Contributions	-	-
Pension funds and plans: Liabilities incurred	-	-
Life insurance premiums	6	6
Guarantees granted in favour of Directors	-	-
MANAGERS:		
Total remuneration received by Managers	3,556	2,699

The item "Other expenses" includes the amount received by Mr. Josep Piqué Camps as monetary compensation for non competition.

24.- INCOME AND EXPENSES

Segment information

The Group considers that the most fitting segmentation in its case is division-based segmentation, as follows:

- Concessions.
- Engineering and Construction.
- Development.

Engineering and Construction division includes Construction, Industrial and Services.

Below is a breakdown of revenues, by geographical area, at 30 June 2016 and 2015:

	Thousands of Euros	
	30/06/2016	30/06/2015
Domestic market	403,011	352,789
Exports:	1,673,023	1,571,310
European Union	140,222	244,931
OECD countries	1,205,601	903,420
Other countries	327,200	422,959
Total	2,076,034	1,924,099

	Thousands of Euros	
	30/06/2016	30/06/2015
US and Canada	633,227	412,596
Mexico	369,015	348,977
Chile	115,870	103,005
Peru	47,892	87,111
Colombia	42,229	19,609
Spain	403,011	352,789
Central and Eastern Europe	146,781	244,924
Other countries	318,009	355,088
Total	2,076,034	1,924,099

The reconciliation of revenue by segment and consolidated revenue at 30 June 2016 and 2015 is as follows:

Segments	Thousands of Euros					
	30/06/2016			30/06/2015		
	Revenue from external customers	Revenue among segments	Total revenue	Revenue from external customers	Revenue among segments	Total revenue
Concessions	218,902	39,835	258,737	210,364	59,882	270,246
Engineering and Construction	1,784,908	39,847	1,824,755	1,642,790	62,745	1,705,535
Development	72,224	-	72,224	70,945	-	70,945
Revenue adjustments and write-offs among segments	-	(79,682)	(79,682)	-	(122,627)	(122,627)
Total	2,076,034	-	2,076,034	1,924,099	-	1,924,099

Other operating income

At 30 June 2016, this heading totalled EUR 317,700 thousand (EUR 348,003 thousand at 30 June 2015).

Within this heading the Group has recorded an amount of EUR 209,454 thousand in the first six months of the fiscal year 2016 (EUR 210,711 thousand in the first six months of the fiscal year 2015) for the receivables recognised by the Government of Mexico State during the year in the subsidiaries Concesionaria Mexiquense, S.A. de C.V., Viaducto Bicentenario S.A. de C.V. and Autopista Urbana Norte, S.A. de C.V. as guaranteed Return according to the concession contract (see note 11). Such receivables do not generate any cash income.

Likewise, during the first six months of the fiscal year 2016, EUR 49,310 were recorded for the application of the effective interest rate on the financial assets related to the investment of Metro Ligero Oeste, S.A. (EUR 48,853 thousand in the first six months of the fiscal year 2015).

Staff costs

The heading "Staff costs" includes, among others, the costs related to the Incentive Scheme 2013-2016 which, during the first six months of the year, amount to EUR 598 thousand (EUR 905 thousand in the first six months of the fiscal year 2015).

On 21 March 2016 the Incentive Scheme 2013-2016 was terminated and no new Scheme has been implemented.

Other operating expenses

The detail of this heading in the consolidated income statement is as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Outside services	240,609	229,757
Taxes other than income tax	9,957	15,700
Other current operating expenses	95,216	132,976
Total	345,782	378,433

Finance income

The detail of this heading in the consolidated income statement is as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Interest and dividend income	26,942	13,538
Income on equity	-	-
Total	26,942	13,538

Finance costs

The detail of this heading in the consolidated income statement is as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Funding of current transactions	203,050	247,619
Leases and deferred purchases of non-current assets	911	1,714
Total	203,961	249,333

The detail of the finance costs by source is as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Finance costs of concession companies	100,101	118,735
Finance costs of other companies	103,860	130,598
Total	203,961	249,333

Gains (Losses) on remeasurement of financial instruments at fair value

The detail of this heading in the consolidated income statement is as follows:

Item	Thousands of Euros	
	30/06/2016	30/06/2015
Derivatives on treasury shares	1,295	(7,280)
Derivatives on Abertis shares	(1,874)	16,889
Exchange rate derivatives	5,592	(2,120)
Interest rate derivatives	(102,781)	(658)
Total	(97,768)	6,831

At 30 June 2016, losses amounted to (EUR 102,850 thousand), recorded by the valuation of derivatives associated with the Construction concession companies, which had been sold during the first half of 2016 (EUR 77,930 thousand) and the sale of 14.0% of Metro Liger Oeste, S.A. (EUR 24,920 thousand) (see "Impairment losses and income from disposal of financial instruments"), and that were recorded directly against the balance sheet heading "Valuation Adjustments" and, consequently, there was a zero impact on equity.

Result of entities valued by the equity method

The figure for this heading, at 30 June 2016, amounted to (EUR 23,333 thousand), (EUR 126,136 thousand at 30 June 2015), emphasising:

- The positive result of Abertis Infraestructuras, S.A., of EUR 37,481 thousand (see Note 12).
- Loss of (EUR 102,228 thousand) recorded by Health Montreal Collective CJV L.P. generated by the Centre Hospitalier de L'Université de Montreal (CHUM). The final forecasts for this project have been revised and, as a consequence of cost increases due to the urgency to finish the project on time and because of other modifications, losses had been incurred.

The offsetting for this loss has been recorded under Long term Provisions, where the figure recorded under Investments Accounted for Using the Equity Method under the balance sheet is shown as zero (see Note 12).

- The positive result, of EUR 49,568 thousand for the revaluation of the 37.3% stake held by the Group in Metro Liger Oeste, S.A., following the sale of 14.0% stake, in June 2016, and the hold for the sale of a further 14.0%, whose divestment is planned for the second half of 2016.

At 30 June 2015:

- The positive result of Abertis Infraestructuras, S.A. amounted to EUR 199,404 thousand, much higher than usual, being a consequence of a divestment operation carried out during the first quarter of 2015, whose estimated contribution amounted to EUR 141,400 thousand.

Impairment losses and income from disposal of financial instruments

The figure for the Consolidated Profit and Loss Account amounted to, at 30 June 2016, EUR 223,141 thousand ((EUR 35 thousand) at June 30, 2015), emphasising:

- On 29 June 2016, the sale of 69,326,692 shares of Abertis Infraestructuras, S.A., by OHL Emisiones S.A.U., representing 7.0% of its share capital, for an amount of EUR 814,589

(see Note 14.), at a price of EUR 11.75 per share. This operation generated a result, net of expenses, of EUR 114,668.

- The sale of the Construction concession companies: Superficialia Los Bermejales, S.A., Concessió Estacions Aeroport L-9, S.A., Phunciona Gestión Hospitalaria, S.A. and Urbs Iudex et Causidicus, S.A., which had achieved a result, net of expenses, of EUR 90,912 thousand. Taking into consideration the losses amounting to (EUR 77,930 thousand), recorded under Results from Changes in Value of Financial Instruments at Fair Value, the total result of this divestment amounted to EUR 12,982 thousand.
- In June 2016, the sale of the 14.0% stake in Metro Ligero Oeste, S.A., for an amount of EUR 51,000 thousand (see Note 14), which achieved a result of EUR 16,658 thousand.

25.- EMPLOYEES

At 30 June 2016 and 2015, the average number of employees was as follows:

Average headcount	30/06/2016	30/06/2015
Men	16,744	17,370
Women	8,113	8,299
Total	24,857	25,669

At 30 June 2016 and 2015, the average number of employees by category was as follows:

Professional category	Average number of employees	
	30/06/2016	30/06/2015
Executives	819	925
Middle management	1,905	2,069
Technicians	3,445	4,159
Clerical staff	2,747	2,931
Manual workers	15,941	15,587
Total	24,857	25,669
Permanent staff	16,577	15,681
Temporary employees	8,280	9,988
Total	24,857	25,669

26.- EVENTS AFTER THE REPORTING PERIOD

In July 2016, with part of the proceeds derived from the sale of the 7.0% of Abertis Infraestructuras S.A., on 29 June 2016, (see Notes 12. and 14.), it took place the early payment of the EUR 421,242 thousand guaranteed loan of OHL Emisiones, S.A.U., secured with shares representing 4.425% of the share capital of Abertis Infraestructuras, S.A., along with the advance full repayment of the guaranteed loan granted to OHL Concesiones, S.A.U., secured with OHL Mexico, S.A.B. de C.V. shares Mexico, representing 29.96% of its share capital, amounting to EUR 169,519 thousand (see Note 17).

On 14 July 2016, an Order was issued by Commercial Court No.1, declaring Cercanías Móstoles Navalcarnero, S.A. having entered into voluntary bankruptcy proceedings (see Notes 11 and 21).

27.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2). 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

INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

1. PROGRESS OF THE GROUP

At the operational level, the overall good performance in the first half of 2016 by the three Divisions of the Group (in local currency) has been dragged down by the sharp devaluation of the exchange rates of the major currencies against the euro during the period.

	Change First six months 2016 / First six months 2015	Change Constant exchange rate
Revenue	7.9%	12.5%
EBITDA	-10.5%	2.7%
Attributable net income	-94.3%	-60.1%

The Group's Revenue increased by +7.9% during the period, while the EBITDA, which grew by +2.7%, at a constant exchange rate, was down by -10.5%, impacted by the sharp devaluation of foreign currency.

To highlight the outstanding performance of the Concesiones Division, where Revenue and the EBITDA based on Tolls (at a constant exchange rate) grew by +10.6% and +8.8%, respectively, due to the good performance of the concessions in Mexico (which grew by +11.9% and +12.4% respectively, in local currency).

The following must be mentioned, due to their significant impacts affecting the Net Profit during the first half of 2016:

- Reduced margins/EBITDA, mainly for Construction due to the impact of older projects, which hampered the progress of newer projects and because of the delay in launching those associated with the Group's Concessions.
- Significant loss of -EUR 102.2 million, recorded under the Result of companies accounted for using the equity method, which was generated by the Centre Hospitalier de L'Université de Montreal (CHUM). The final revised calculations for this Construction project have been revised and, as a consequence of cost increases due to the urgency to finish the project on time and because of other modifications, losses had been provisioned for.
- The impact of the differences in exchange rates among the currencies used by the Group amounted to -EUR 10.0 million.
- Moreover, the negative impact of exchange rates reduced the EAT to -EUR 17.9 million, which would have grown if the rates of the same period last year had remained the same.
- These effects have been offset by divestments, with the sale of 7.0% of Abertis Infraestructuras, S.A., the sale of 14% of Metro Ligero Oeste, S.A. and the revaluation of the remaining 37.3%.

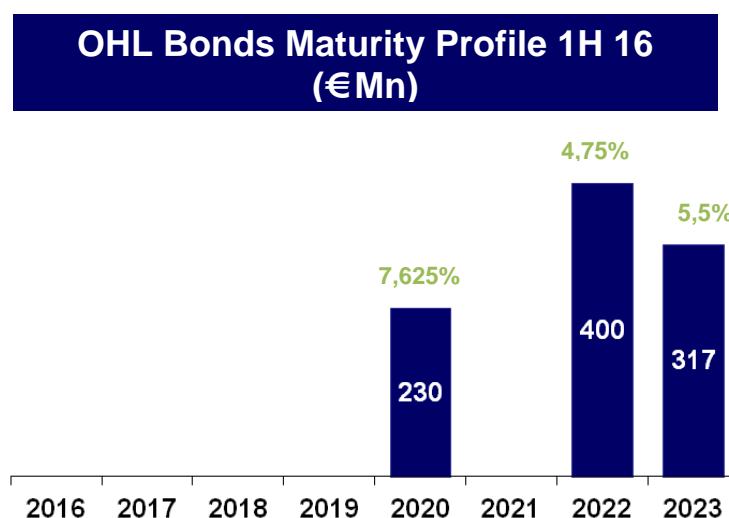
Concerning **financial matters**:

- The **important position for Available Recourse Liquidity** held by the Group (EUR 1,208 million, at 30 June 2016), which includes **broad and flexible recourse financing platform**, through:
 - The **Commercial Paper Programme** (*Euro Commercial Paper*), renovated on 3 May 2016, which allows the Group to access short-term financing on the Capital Market up to a maximum outstanding amount of EUR 500 million.
 - The **Long-Term Syndicated Loan**, signed on 28 July 2015, amounting to EUR 250 million, maturing at three years, extendable for up to five years (based on 1+1), on the will of the creditors, offers OHL long term financial flexibility at a very competitive cost.
- The **comfortable maturity profile of Eurobonds**.

Along with the capital increase, on 7 October 2015, a bond buyback offer was launched and whose final result meant the approval of EUR 37.6 million from the issue maturing in 2020 and the approval of EUR 8.1 million for the issue maturing in 2023.

Following, on 23 February 2016, a second window of liquidity was offered to bondholders for the issue maturing in 2020, through a repurchase offer, in cash, at a fixed price of 98%, which was approved for a total of EUR 32.1 million (12% of the outstanding balance, at the foregoing date).

After both operations, the OHL Group holds a **comfortable maturity profile** for its Eurobonds (in terms of both amounts and period), where the closest maturity date is for March 2020, in accordance to the following chart:



- **Strengthening of Concessions business.**

On 29 June, the sale of 7.0% of Abertis took place, earning approximately EUR 815 million in funds, allocated toward i) trigger risk debt reduction, amounting to EUR 591 million and ii) to provide OHL Concesiones additional funds primarily to address the commitments of equity for an amount of EUR 224 million.

Following this operation, a robust deleveraging was achieved for OHL Concesiones, by substantially reducing its corporate debt and essentially eliminating the triggers risk through the sharp reduction, by 69%, of non-recourse financing through the pledge of Abertis and OHL Mexico shares. Additionally, the operation generated EUR 115 million in capital gains, while, at the same time, conserving the status as main shareholder, by maintaining a significant shareholding of 6.93%.

▪ **A comfortable and sustainable financial structure** at the level of **OHL Concesiones**.

- Pre-financed equity commitments at 62%, with needs covered until 2018 and a comfortable repayment schedule.

Total estimated investment	Millions of Euros						Total estimated equity
	2016	2017	2018	2019	2020	2021	
2,600	100	146	191	122	88	53	700

- With a **comfortable and sustainable financial structure** that includes the: (i) EUR 1,700.1 million project finance debt, at the level of each project/concession, and (ii) EUR 836.7 million non-recourse debt, at the level of the holding.

Debt without recourse (net) OHL Concesiones	Millions of Euros		
	30/06/2016	Collateral	LtV ⁽¹⁾
Project Finance	1700.1		
Margin Loan	266.3	4.43%	46%
Collar (without triggers)	272.9	2.50%	
Financing with Abertis as guarantee	539.2	6.93%	
Exchangeable Bond (without triggers)	400.0	16.99%	
Financing with OHL Mexico as guarantee⁽²⁾	400.0	16.99%	
Others ⁽³⁾	-102.5		
Total OHL Concesiones	2,536.8		

(1) Market information, at 30 June 2016

(2) Currently there is a 39.9% stake in OHL Mexico remaining unpledged

(3) Includes other current financial assets, amounting to EUR 274.8 million, from the sale of 7% of Abertis and 14% of MLO

▪ **Strong reduction in triggers risk.**

During the last 12 months, non-recourse financing had been reduced by 78%, guaranteed using the listed shares in OHL Mexico and Abertis with triggers, decreasing from EUR 1,226 million, at the end of June 2015, to EUR 266 million, at the end of June 2016. As a result, the only existing margin loan that remains (in connection with the shareholding of Abertis) has a LTV of 46%.

The reduction of this type of debt also allowed for the consequent release of shares secured as collateral. As it can be seen from the table, this reduction is especially visible for OHL Mexico, where there are currently no shares secured as collateral for this type of financing, compared with 38.09% being secured a year earlier, at the end of June 2015.

Non-recourse debt with Triggers risk	30/06/2015		31/12/2015		30/06/2016	
	Millions of Euros	Collateral	Millions of Euros	Collateral	Millions of Euros	Collateral
Abertis guaranteed debt	875	11.43%	875	11.43%	266	4.43%
Margin Loan	875	11.43%	875	11.43%	266	4.43%
OHL Mexico guaranteed debt	351	38.09%	185	29.96%	-	-
Margin Loan	297	33.53%	185	29.96%	-	-
Equity Swap	54	4.56%	-	-	-	-
Total	1,226		1,060		266	
Risk reduction with Triggers risk			Millions of Euros	% Chg.	Millions of Euros	% Chg.
Period			-166	-14%	-793	-75%
Running total			-166	-14%	-959	-78%

- Finally, it must be noted that the **significant value** found within the **listed shares** (OHL Mexico and Abertis), which are the significantly liquid assets held at the end of June 2016, with a market value, net of the associated debt, of EUR 1,030 million, representing **1.2x** the amount of **Net Recourse Debt** at the aforementioned date.

These shareholdings provide a total **estimated annual dividend flow** of EUR 92 million for 2016, which allows for the service of debt guarantee to be addressed comfortably:

Dividends OHL Concesiones	Millions of Euros
	2016
Abertis Dividend ⁽¹⁾	72.0
OHL Mexico Dividend ⁽²⁾	20.0
Total dividends receivable OHL Concesiones	92.0

(1) Based on a dividend per share of EUR 0.72, in accordance with the dividend policy of Abertis.

(2) Based on the announcement of OHL Mexico that it will propose, at the Annual General Meeting of Shareholders, held in April, the motion for a cash dividend of MXN 0.40 per share. EUR/MXN at 19.9, as of 22 February 2016.

With regard to the **Capital Increase**, for the gross amount of EUR 999.1 million, executed in October 2015, it must be kept in mind that the commitments assumed and the intended purpose of the net funds of expenditures were as follows:

- Reduce Net Recourse Debt** by approximately EUR 632 million, by also assuming the commitment to maintain, at year-end, the Net Recourse Debt Ratio / EBITDA CR at <2 times (compared to the previous level of 3 times).
- Provide OHL Concesiones** with approximately EUR 340 million, for the purpose of capital commitments arising from the **newly awarded concessions** in Peru, Chile and Colombia. At 30 June 2016, of this total amount, a total of EUR 285 million have been transferred, as detailed below:

Increase net funds for OHL Concesiones	Millions of Euros
	2016
Total amount projected	340.4
Funds transferred during 2015 post-capital increase	-125.6
Partial amortisation ML OHL Mexico	-66.8
Equity funds	-58.8
Funds transferred in 1st half 2016	-159.6
Partial amortisation ML Abertis	-96.1
Equity funds and others	-63.5
Pending transfer to OHL Concesiones	55.2

This **Capital Increase**, along with the **2020 Strategic Plan**, announced in March 2015, represented a new phase for the OHL Group, focusing on the creation of a sustainable cash flow for each of the divisions, by strengthening risk control mechanisms, steering away from an international presence toward its Home Markets and the strengthening the capital structure to support future growth.

Finally, it is worth mentioning the **changes** made with regard to the **Board of Directors**, following the announcement of the Chairman, Juan-Miguel Villar Mir, during the General Meeting, held on 21 June 2016, where he would propose Juan Villar-Mir de Fuentes as his replacement. The Board of Directors, on 23 June, approved the proposal as well as the departure of Josep Piqué and the appointment of Tomás García Madrid as CEO, holding the responsibility for all operating divisions and corporate areas of the OHL Group and the renewal of the memberships of the independent directors and proprietary directors.

2. MOST SIGNIFICANT DATA

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
Revenue	2,076.0	1,924.1	7.9%
EBITDA ⁽¹⁾	385.4	430.8	-10.5%
% on Revenue	18.6%	22.4%	
EBIT ⁽²⁾	270.3	277.2	-2.5%
% on Revenue	13.0%	14.4%	
Attributable net income	3.0	52.4	-94.3%
% on Revenue	0.1%	2.7%	
Revenue and EBITDA breakdown	First six months 2016	First six months 2015*	Change (%)
Revenue	2,076.0	1,924.1	7.9%
Concessions	218.9	210.4	4.0%
% of the Total	10.5%	10.9%	
Engineering and Construction	1,784.9	1,642.8	8.6%
% of the Total	86.0%	85.4%	
Development	72.2	70.9	1.8%
% of the Total	3.5%	3.7%	
EBITDA	385.4	430.8	-10.5%
Concessions	330.5	331.3	-0.2%
% of the Total	85.8%	76.9%	
Engineering and Construction	33.9	87.6	-61.3%
% of the Total	8.8%	20.3%	
Development	21.0	11.9	76.5%
% of the Total	5.4%	2.8%	
Net debt	First six months 2016	2015	Change (%)
Net recourse debt ⁽⁵⁾	836.1	379.4	120.4%
Debt without recourse ⁽⁴⁾	2,673.9	3,627.6	-26.3%
Total net debt	3,510.0	4,007.0	-12.4%
Portfolio	First six months 2016	2015	Change (%)
Current	6,271.4	7,151.6	-12.3%
Non-current	79,061.6	57,818.6	36.7%
Human Resources (headcount)	First six months 2016	1S15	Change (%)
Permanent	16,818	16,897	-0.5%
Temporary	7,942	10,772	-26.3%
Total	24,760	27,669	-10.5%
Other figures	First six months 2016	First six months 2015	
With-recourse EBITDA (LTM) ⁽³⁾	270.0	303.3	

*Restated

- (1) EBITDA: Defined as the Operating Income before amortisation charges and provisions changes. It is a non-accounting measure.
- (2) EBIT: Operating income.
- (3) EBITDA with recourse: calculated according to the definitions of the financing contracts. It is a non-accounting measure.
- (4) Non-recourse net borrowings: It is the net borrowing of the project companies, which are those companies not having recourse to OHL S.A. It is a non-accounting measure.

(5) With-recourse net borrowings: It is the total net borrowing less the net borrowing without recourse. It is a non-accounting measure.

3. EVOLUTION BY DIVISION

OHL CONCESIONES

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
Revenue	218.9	210.4	4.0%
EBITDA	330.5	331.3	-0.2%
% on Revenue	151.0%	157.5%	
EBIT	311.5	306.6	1.6%
% on Revenue	142.3%	145.7%	

* Restated

The amounts of this activity are subject to the currency performance, mainly the Mexican peso, which has suffered a devaluation of 18.1%. By removing the currency effects on the Revenue and EBITDA, these items would increase by 17.8% and 14.5% respectively.

Changes in Concessions Revenue and EBITDA, as compared to the prior period, are:

Revenue	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
Income from toll	186.9	191.5	-2.4%
Own construction activity	2.4	10.6	-77.4%
IFRIC 12	29.6	8.3	256.6%
Total sales	218.9	210.4	4.0%

EBITDA	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
EBITDA from toll	138.2	140.2	-1.4%
EBITDA from TIR Guaranteed	192.3	191.1	0.6%
Total EBITDA	330.5	331.3	-0.2%

* Restated

By removing the exchange rate effects on the Revenue and EBITDA from toll, these items would increase by 10.6% and 8.8% respectively.

The main events affecting revenue and EBITDA performance were the following:

- Income from toll are stable in Euros, but have increased by 10.6% at constant exchange rates compared to the same period of the previous year.

The evolution of traffic and rates of our concessions is shown below:

	Traffic evolution			Rates update	
	From 01/01/16 to 30/06/16	From 01/01/15 to 30/06/15	Change (%)	% Review (6)	Last review
Mexico					
Amozoc-Perote (1)	36,414	32,847	10.9%	2.30%	January 2016
Concesionaria Mexiquense (1)	321,200	306,958	4.6%	8.30%	February 2016
Viaducto Bicentenario (2)	30,998	31,093	-0.3%	29.90%	January 2015
Autopista Urbana Norte (2)	51,164	47,944	6.7%	6.1% ⁽⁷⁾	June 2016
Spain					
Euroglosa M-45 (2)	88,421	81,726	8.2%	-0.80%	March 2016
Autovía de Aragón (2)	108,522	105,262	3.1%	-0.80%	January 2015
Metro Ligero Oeste (3)	15,828	14,594	8.5%	n.a.	n.a.
Puerto de Alicante (T.M.S.) (4)	39,736	33,463	18.7%	-	-
Terminal de Contenedores de Tenerife (4)	43,950	38,792	13.3%	-	-
Chile					
Terminal Cerros de Valparaíso (5)	133,862	153,990	-13.1%	1.07%	January 2015
Peru					
Autopista del Norte (1)	43,004	34,922	23.1%	21.50%	February 2016

(1) Average equivalent rate-paying traffic.

(2) Average daily intensity (IMD): Total km travelled by all highway users, divided by the total number of operating km of the highway. This calculation represents the number of users that would have travelled the total operating km of the highway.

(3) Average daily number of passengers. This concession is recorded using the Financial Asset method.

(4) Number of movements, accumulated TEUs.

(5) Average tonnes of general goods.

(6) Average increase in rate applied to each toll section, resulting from the rate adjustment set out in the relevant concession contract.

(7) Average increase adjustment of off-peak and peak rates.

- The appreciation/depreciation of the average Euro exchange rate of June 2016 with respect to Latin American currencies, as compared to June 2015 is as follows:

	First six months 2016	First six months 2015	Change (%)
Mexican peso	20.01	16.94	18.1%
Chilean peso	759.30	693.30	9.5%
Peruvian nuevo sol	3.76	3.46	8.7%

As a consequence of these developments, the evolution of Revenue and EBITDA for the main concession operators was as follows, grouped by country:

Main Figures	Millions of Euros					
	First six months 2016	Revenue First six months 2015*	Change (%)	First six months 2016	EBITDA First six months 2015*	Change (%)
Mexico	124.3	130.2	-4.5%	278.4	282.8	-1.6%
Amozoc-Perote	14.2	15.2	-6.6%	7.9	9.8	-19.4%
Concesionaria Mexiquense (1)	79.1	80.9	-2.2%	158.2	159.6	-0.9%
Viaducto Bicentenario (1)	16.4	18.9	-13.2%	44.5	46.8	-4.9%
Autopista Urbana Norte (1)	14.6	15.2	-3.9%	67.8	66.6	1.8%
Spain	35.8	32.6	9.8%	67.7	59.3	14.2%
Euroglosa M-45	7.5	7.3	2.7%	6.1	6.4	-4.7%
Autovía de Aragón	16.1	15.0	7.3%	19.3	11.5	67.8%
Metro Ligero Oeste	-	-	n.a.	39.7	39.7	0.0%
Puerto de Alicante (T.M.S.)	7.4	6.2	19.4%	1.7	1.1	54.5%
Terminal de Contenedores de Tenerife	4.8	4.1	17.1%	0.9	0.6	50.0%
Chile	11.8	14.9	-20.8%	4.4	6.2	-29.0%
Terminal Cerros de Valparaíso	11.8	14.9	-20.8%	4.4	6.2	-29.0%
Peru	15.0	13.8	8.7%	9.8	6.9	42.0%
Autopista del Norte	15.0	13.8	8.7%	9.8	6.9	42.0%
Total Concessions	186.9	191.5	-2.4%	360.3	355.2	1.4%
Central and other	32.0	18.9	69.3%	-29.8	-23.9	24.7%
Total	218.9	210.4	4.0%	330.5	331.3	-0.2%

* Restated

(1) It includes the EBITDA of the guaranteed profit adjustment as per the concession contracts, classified as "Other operating income" and excluded from "Revenue", the same as the other financial assets concession companies. The breakdown as at 30 June 2016 is as follows: Concesionaria Mexiquense: EUR 97.8 million; Viaducto Bicentenario: EUR 34.0 million; and Autopista Urbana Norte: EUR 60.5 million.

It should be noticed the toll growth in local currency in Mexico, with an increase of 11.9% in Revenue and 12.4% in EBITDA.

"Central and other" includes revenue and costs from construction activities performed by the concession operators themselves, net of "inter-group" transactions, as a result of application of IFRIC 12. Following the accounting principle of prudence, OHL Group has levelled off revenue from construction activities performed by concession operators with the costs of these activities, hence not affecting EBITDA for those years.

OHL Concesiones manages a direct portfolio of 18 main concessions including 14 toll highway concessions (totalling 1,070 kilometres), 1 airport and 3 ports.

The non-current portfolio at 30 June 2016 totalled EUR 78,839.8 million.

Mexico

In June 2016, Amozoc-Perote won the award for the Second Amendment to the Concession, which was conceded by the Secretariat of Communications and Transportation of Mexico with regard to certain additional investments. Consequently, the concession contract is balanced through the extension of the concession period for a further 30 years and the staggered increment of the toll fare over the following six years. In this sense, during the month of July, the fare will increase by 6%.

Additionally, in June 2016, Autopista Urbana Norte was granted a new tariff scheme on the basis of additional investments required for the project. The fares will be increased in staggered amounts throughout the year, by a total of 24.25%.

Spain

As of 31 December 2015, **Metro Ligero Oeste** was classified, on the Balance Sheet, under "Assets and Liabilities Held for Sale", pursuant to the IFRS 5, after being found undergoing a process of disinvestment. In connection with the foregoing, in June 2016, the Department of Transport, Housing and Infrastructure of Madrid authorised the sale of 14% of the company, in favour of Aberdeen Infrastructure (HoldCo) III B.V., which was recorded as a net capital gain, along with a revaluation of the remaining shareholding (37.3%) for a total of EUR 41.3 million.

As of 27 January 2014, **Autopista Eje Aeropuerto** Concesionaria Española S.A. and Aeropistas S.L.U, have been declared as having entered into voluntary bankruptcy and, on 21 October 2015, an Order was issued that determined their liquidation.

On 14 July 2016, **Cercanías Móstoles-Navalcarnero** was notified of an Order, issued by Commercial Court No.1 of Madrid, whereby it was to enter into voluntary bankruptcy proceedings.

Chile

On 9 June 2016, the Coordination of Public Works Concessions of the Government of Chile delivered a copy of the Award Agreement for the tendering process called "Relicitación **Concesión Camino Nogales-Puchuncaví**", a concession included within the Long-Term portfolio.

This new concession, for an extension of 43 km, is to provide improvement works along the existing 27km stretch of the road in both directions, as well as the construction of an additional 16km for the Puchuncaví Bypass and Variante Ventanas. The term of the new concession is for 38 years and maximum investment to be made amounts to US\$210 million (around EUR 187 million). This concession already has existing infrastructure, which will be modernised in response to the economic growth experienced in the region.

Peru

On 28 January 2016, the Metropolitan Council of Lima approved the award for the private initiative presented by OHL Concesiones, called **Conexión La Molina – Angamos**, in order to integrate the key service and business areas of the Peruvian capital, being a 12km urban motorway that will connect La Molina, Surco, San Borja, Surquillo and Miraflores and significantly reduce travel times. The new infrastructure will be outlaid along various levels along most of its length, in a combination of semi-covered and open-air tunnels and ditches.

The investment amounts to US\$500 million (around EUR 445 million) and, as the contract has not yet been signed, it has not been included under the Long-Term portfolio of the Group. Below are the most distinguishable features of the project:

- Dual carriageway with two lanes in the same direction along the entire stretch without level crossings;
- An enclosed 1.5km tunnel, thus avoiding Cerro Centinela; and false tunnels under Raúl Ferrero, Primavera and Angamos Avenues;
- Exit and entrance lanes connecting the main road network. These being, among others Via Expresa and Carretera Panamericana.

On 22 July 2016, the addendum for the execution of the Via de **Evitamiento de Chimbote** was signed, being found within the Autopista del Norte project in Peru, whereby agreeing to the extension of the concession term for a further 8 years. This project will require an investment of PEN 520 million soles and it includes a 34km two-lane highway, two additional bridges and overpasses. This project has not yet been included under the long-term portfolio.

Abertis

OHL Emisiones, a fully owned subsidiary of OHL, has sold 69,326,692 shares of Abertis, representing 7.0% of its share capital, at a price of EUR 11.75 per share. Following this operation, OHL Emisiones continued to hold a 6.93% stake in Abertis.

The net proceeds following the operation will be destined: (i) to carry out a partial prepayment of EUR 421.2 million to cover the non-recourse loan secured with a pledge of Abertis shares, corresponding to 7.0% of the shares sold, (ii) for the early full repayment, for the amount of MXN 3,498 million (approx. EUR 169.5 million), of the non-recourse loan secured with the pledge of a 29.96% stake in OHL Mexico, and (iii) to provide OHL Concesiones with additional proceeds

(around EUR 212.4 million, net of related fees and expenses) to fund its capital commitments for the new concessions awarded in Chile, Colombia and Peru.

OHL ENGINEERING AND CONSTRUCTION

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
Revenue	1,784.9	1,642.8	8.6%
EBITDA	33.9	87.6	-61.3%
% on Revenue	1.9%	5.3%	
EBIT	-57.0	-35.7	-59.7%
% on Revenue	-3.2%	-2.2%	

*Restated

The Engineering and Construction Division, which accounts for 86.0% of Revenue and 8.8% of EBITDA for the Group, depicts a positive development, with a Revenue growth of +8.6%.

CONSTRUCTION

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015*	
Revenue	1,555.4	1,369.1	13.6%
EBITDA	44.9	104.6	-57.1%
% on Revenue	2.9%	7.6%	
EBIT	-42.5	-12.2	-248.4%
% on Revenue	-2.7%	-0.9%	

*Restated

Construction is the main activity of Engineering and Construction, corresponding to 87.1% of its Revenue (74.9% of total Revenue for the Group), representing an increase of +13.6% in Revenue (+16.9% at a constant exchange rate). This growth is mostly due to the increase of activity in North America, with regard to the commencement of new projects and to the increase in rate of production of existing projects, with this area corresponding to 41.5% of the total production figures for the first half of 2016.

EBITDA over Revenue margin stood at 2.9%, being affected by: (i) the increased weight in the project mix of the developed economies (i.e.: USA accounted for 77% of total contracts during the first half of the year), which typically have lower margins, (ii) the delay in the commencement of the development of new concessions awarded in Mexico, Chile and Colombia and (iii) low margins recorded for various more established projects.

It is worth mentioning the significant efforts of the Construction Division attempting to achieve the outcomes negotiated from litigations occurring in some projects, such as that what has arisen with the Convention Centre of Oran, where, following the close of 2015, the settlement for a total of EUR 100 million has been finalised, thereby providing an amicable resolution to the dispute without any impact on the profit and loss account. To date, there have been no increases for the balances or provisions for these projects.

Nevertheless, it must be mentioned that there was a loss of -EUR 102.2 million, recorded under the Result of companies accounted for using the equity method, which was generated by the Centre Hospitalier de L'Université de Montreal (CHUM). The final forecasts for this project have been revised and, as a consequence of cost increases due to the urgency to finish the project on time and because of other costs, losses had been incurred.

Moreover, and having an impact on the EBIT, it must be noted that there was the provision of -EUR 20.6 million, granted in June, for reasons of caution, in order to cover the balance of the implemented Works pending certification for the project "Design&Build Package 5 Mushaireb

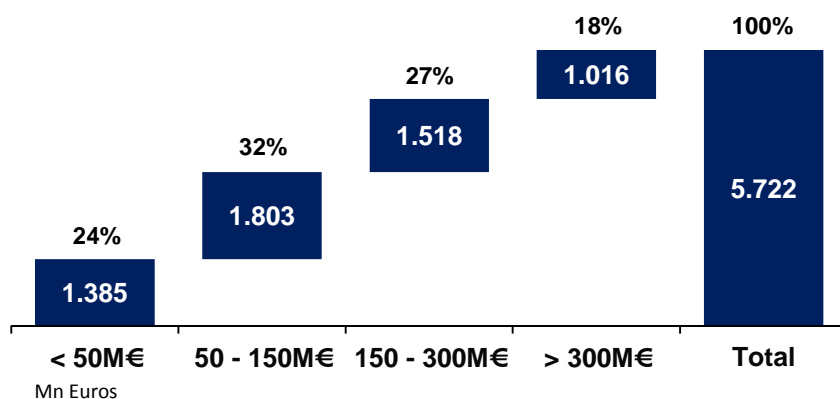
Station/Education City in Doha (Qatar)", an amount expected to be recuperated once the legal proceedings filed prior to the termination of the contract have been finalised.

The short-term portfolio, at 30 June 2016, amounting to EUR 5,721.6 million, represents around 20 months of sales, which offers the high probability of future growth in this activity. The portfolio has a balanced profile in terms of geography and the size of the projects, with 87.2% derived from the *Home Markets* (31.7% from the US and Canada and 32.6% from the Pacific Alliance), where only 17.8% of the projects were larger than EUR 300 million (of which 67% correspond to projects for our own concessions).

The geographical distribution of short-term portfolio of Construction is as follows:

	First six months 2016
Home Markets	87.2%
Pacific Alliance	32.6%
USA and Canada	31.7%
Spain	18.4%
Czech Republic and jurisdiction	4.5%
Remainder	12.8%

According to the size of the project, the portfolio is distributed as follows:



Of the total Construction portfolio, 21.8% corresponds to works to be implemented for our own concessions, where following they are listed due to their importance: Américo Vespucio Oriente (Chile), Atizapán-Atlacomulco (México) and Río Magdalena (Colombia). After taking into account the imminent inclusion of the concession projects into the portfolio (La Molina - Los Angamos, Nogales-Puchuncavi and Evitamiento de Chimbote), the portfolio would increase by approximately EUR 485 million and the percentage of own concession projects would stand at 28%. The commencement of these works will contribute to improving the margins of the division.

During the first half of 2016, the awarding of concession contracts amounted to a total of EUR 856.2 million, of this 77% was in the US and Canada.

The following were among the newly awarded concession during 2016:

	Country	Millions of Euros First six months 2016
Owen's Lake Dust Mitigation project	U.S.A.	195.7
Ellis CO. - 35E. Ellis North	U.S.A.	116.0
Widening from North of SW 40th Street to SR-836	U.S.A.	100.5
Travis Ct - IH35 Widening at Wm Canon Dr	U.S.A.	71.0
George Washington Bridge	U.S.A.	51.4
Total main awards		534.6

INDUSTRIAL

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015	
Revenue	137.6	178.0	-22.7%
EBITDA	-11.5	-21.5	46.5%
% on Revenue	-8.4%	-12.1%	
EBIT	-14.4	-26.3	45.2%
% on Revenue	-10.5%	-14.8%	

Industrial activity recorded a drop in Revenue, which stood at EUR 137.6 million (22.7% less than for the same period last year), mainly due to: (i) the completion of projects (ii) the temporary slowdown in implementation of specific projects (whose production rate is expected to recover throughout the current year), and (iii) the negative impact of exchange rates (mainly the Mexican peso), which accounts for the -5.2% drop in Revenue.

After being consolidated under IFRS, using the equity method, the above figures do not include the 50% corresponding to OHL Industrial and the JV undertaking the construction of the Combined Cycle Power Plant at Empalme I, in Mexico, for CFE (awarded in April 2015). If this stake were consolidated due to proportional integration, the Revenue figures, EBITDA and the portfolio for the first half of 2016 for this Division would have increased by +EUR 61.1 million, by +EUR 3.1 million and by +EUR 105.9 million, which correspond to a variation of +11.6%, +60.9% and +54.9%.

The EBITDA recorded negative levels, being impacted by the aforementioned and due to several fixed cost structures, while necessary to undertake the new projects being tendered by the Division, they will not be absorbed until the newly awarded projects are added to the portfolio and enter into production.

With regard to the Industrial orders on hand, at 30 June 2016, they stood at EUR 241.6 million, without yet including (apart from the Combined Cycle Power Plant at Empalme I and the foregoing) the award for the construction of a cement manufacturing plant in Colombia (with a budget of approx. EUR 215 million). This important award in Colombia (which alone doubles the size of the portfolio), along with the intense commercial activity being undertaken by the Division, should contribute, within a relatively short period, for the growth in the magnitude and the return necessary to reverse the current status of the results of the Division.

SERVICES

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015	
Revenue	91.9	95.7	-4.0%
EBITDA	0.5	4.5	-88.9%
% on Revenue	0.5%	4.7%	
EBIT	-0.1	2.8	-103.6%
% on Revenue	-0.1%	2.9%	

To properly interpret these figures, it must be noted that the sale of Sacova (in November 2015) has led to a change in the scale in the magnitude of this Division, since, during the first half of 2015, Sacova contributed EUR 14.5 million to Revenue, which means, when comparing in homogeneous terms, sales would have grown by +13.3%.

This being said, the activity of Services (which is the smallest among the three that comprise Engineering and Construction) achieved Revenue figures of EUR 91.9 million, and the EBITDA margin was lower as a consequence of the departure of Sacova and the increased competition within the sector.

OHL DESARROLLOS

Main Figures	Millions of Euros		Change (%)
	First six months 2016	First six months 2015	
Revenue	72.2	70.9	1.8%
EBITDA	21.0	11.9	76.5%
% on Revenue	29.1%	16.8%	
EBIT	15.8	6.3	150.8%
% on Revenue	21.9%	8.9%	

The Development Division, with Revenue amounting to EUR 72.2 million, had recorded very similar results compared to the same period as last year, reflecting a similar behaviour of Revenue for the Mayakobá Hotels and the reference currency, the US dollar. There was good progress made by the Mayakobá Hotels, whose occupancy levels exceed the 75% mark, confirming the recovery of the tourism sector in Mexico.

As for the EBITDA, this is amounted to EUR 21.0 million, recording a growth of +76.5% when compared to the same period last year. This has contributed to the higher EBITDA for the hotels and the increase of real estate activity, both in Mayakobá and in the Mayakobá City Project.

4. FINANCIAL STATEMENTS (unaudited figures)

Comparative information

The Group, at year-end 2015, presented the concession companies with a Guaranteed Return Clause, in which there is an unconditional right to a cash collection, under the financial asset model.

This presentation has no impact whatsoever on the results, the consolidated shareholders' equity or the assets of the Group, however, any sales relating to the concessions of financial assets are recorded as "Other operating income", just as they were being recorded by concessionary companies with a Guaranteed Return.

The information, at 30 June 2015, has been standardised using these criteria.

CONSOLIDATED INCOME STATEMENT

	Millions of Euros		
	First six months 2016	First six months 2015*	Change (%)
Revenue	2,076.0	1,924.1	7.9%
Other operating income	317.7	348.0	-8.7%
Total Revenue	2,393.7	2,272.1	5.4%
% on Revenue	115.3%	118.1%	
Operating expenses	-1,553.0	-1,405.4	10.5%
Staff costs	-455.3	-435.9	4.5%
Gross profit from operations	385.4	430.8	-10.5%
% on Revenue	18.6%	22.4%	
Depreciation and amortisation charge	-64.1	-82.7	-22.5%
Changes in provisions and allowances	-51.0	-70.9	-28.1%
Profit from operations	270.3	277.2	-2.5%
% on Revenue	13.0%	14.4%	
Finance income	26.9	13.5	99.3%
Finance costs	-203.9	-249.3	-18.2%
Change in fair value of financial instruments	-97.8	6.8	-1538.2%
Exchange rate differences (income/expense)	-10.0	2.9	-444.8%
Impairment losses and income from disposal of financial instruments	223.1	0.0	n.a.
Financial profit/loss	-61.7	-226.1	-72.7%
Result of companies accounted for using the equity method	-23.3	126.2	-118.5%
Profit/loss before tax	185.3	177.3	4.5%
% on Revenue	8.9%	9.2%	
Income tax	-101.8	-40.9	148.9%
Profit (loss) for the period from continuing operations	83.5	136.4	-38.8%
% on Revenue	4.0%	7.1%	
Profit (loss) for the year from discontinued operations net of taxes.	0.0	0.0	n.a.
Consolidated profit or loss for the period	83.5	136.4	-38.8%
% on Revenue	4.0%	7.1%	
Profit (loss) for the period attributable to non-controlling interests	-80.5	-84.0	-4.2%
Profit (loss) attributable to the parent company	3.0	52.4	-94.3%
% on Revenue	0.1%	2.7%	

* Restated

CONSOLIDATED INCOME STATEMENT

In the first half of 2016 the Group's Revenue amounted to EUR 2,076.0 million, being 7.9% higher than for the same period in 2015, mostly due to the growth of the Engineering and Construction Division.

Concessions' Revenue, amounting to EUR 218.9 million during the first half of 2016, had experienced an increase of 4.0%, even despite the devaluation of the average exchange rate of the Mexican peso against the euro, by 18.1%. Without this impact and, if the exchange rates of the previous period had been applied, sales would have increased by 17.8%.

The Engineering and Construction Division has achieved a Revenue of EUR 1,784.9 million, representing an increase of 8.6%, mostly due to Construction, accounting for 86.0% of the total Group's Revenue.

The most important line of business is Construction, with EUR 1,555.4 million in Revenue, representing 74.9% for the entire Group and it has grown by 13.6% when compared to the first half of 2015, driven by increased activity in the US and Canada, Latin America and Spain.

This significant growth of Construction offsets the lower activity of Industrial and Services.

The Development Division, with a relatively lower weight, being 3.5% of the total, had essentially maintained its revenue when compared to the same period last year.

During the first six months of 2016, 80.6% of the revenue was made abroad, compared with 81.7% during the first half of 2015.

With regard to the distribution of revenue by geographical areas, the US and Canada represent 30.5% of the total, Spain 19.4%, Mexico 17.8% and Central and Eastern Europe 7.1%.

In **Other operating income**, amounting to EUR 317.7 million in June 2016, the Group mostly included income corresponding to concessions of financial assets, particularly those from Mexican concessionaires adhering to the Guaranteed Return Clause.

The **Total revenue** amounted to EUR 2,393.7 million and presents an increase of 5.4%, despite the devaluation against the euro of the main currencies in which the Group operates.

The **Gross profit from operations (EBITDA)** for the first half of 2016 stood at EUR 385.4 million, which accounted for 18.6% of the revenue, experiencing a fall of 10.5% of that recorded during the first half of 2015.

The EBITDA of Concesiones represents 85.8% of total EBITDA Group, amounting to EUR 330.5 million, an almost identical figure recorded at June 30 2015, despite the devaluation of the Mexican peso against the euro. Without this result, the EBITDA of Concesiones would have amounted to EUR 379.7 million, representing an increase of 14.6% compared to the first half of 2015.

The Engineering and Construction Division has achieved an EBITDA of EUR 33.9 million, representing a drop of 61.3% and this was the main factor responsible for the decrease in the EBITDA.

The EBITDA of the Development Division stood at EUR 21.0 million, which accounted for 29.1% of the revenue and achieved an increase of 76.5% when compared to the first half of 2015.

Essentially the entire EBITDA for the Group came from abroad, being generated for the most part in Mexico, at 80.3%.

The **Profit from operations (EBIT)** for the first half of 2016 amounted to EUR 270.3 million, representing 13.0% of revenue.

The net **Financial income and costs** for the first half of 2016 amounted to -EUR 177.0 million, an improvement of EUR 58.8 million compared with the same period in 2015, being mostly due to reduced debts and lower interest rates.

It is worth mentioning, under this heading, the figures relating to financial expenses, which amounted to -EUR 203.9 million, when compared with -EUR 249.3 million for the same period of the previous year, due to the significant reduction of gross debt. 49% of such corresponds to the concession companies

During the first half of 2016, the **change in fair value of financial instruments** amounted to -EUR 97.8 million, representing a decline from EUR 6.8 million during the first half of 2015. This was due to, in relation to the concession companies of Construcción and Metro Liger Oeste, S.A., which had been sold during the first half of 2016, and as required by the IFRS they were recorded as losses, the valuation of derivatives associated with these assets, which was previously listed as equity (-EUR 77.9 million and -EUR 24.9 million, respectively). With this entry, the heading recorded a reduction amounting to EUR 102.8 million and the balance sheet heading "Adjustments for changes in value" increased by the same figure, whereby Equity remained unchanged.

Exchange rate differences amounted to -EUR 10.0 million, deteriorating by EUR 12.9 million when compared to EUR 2.9 million for the first half of 2015.

The amount of **impairment losses and income from disposal of financial instruments** amounted to EUR 223.1 million and corresponded to the greater part to:

- The positive result of EUR 114.7 million following the sale, on 29 June 2016, of 7.0% of Abertis Infraestructuras, S.A., for an amount of EUR 814.6 million, for the aforementioned purpose.
- The positive result of EUR 90.9 million due to Revenue during the first half of 2016, of the Construction concession companies that were kept available for sale (Superficialia Los Bermejales, S.A., Concessió Estacions Aeroport L-9, S.A., Phunciona Gestión Hospitalaria, S.A and Urbs Iudex et Causidicius, S.A.). As already explained, this result was further reduced by the -EUR 77.9 million, recorded under the heading "Change in fair value of financial instruments", thereby recording the sale for a net capital gain of EUR 13.0 million. This disinvestment has led to a cash inflow of EUR 142.0 million.
- The positive result of EUR 16.7 million received after the sale, in June 2016, of 14.0% of Metro Liger Oeste, S.A.

The **result of companies accounted for using the equity method** amounted to -EUR 23.3 million, where:

- The positive result of Abertis Infraestructuras, S.A., of EUR 37.5 million.
- The -EUR 102.2 loss recorded by Health Montreal Collective CJV L.P., generated by the Centre Hospitalier de L'Université de Montreal (CHUM). The final revised forecasts for this project have been revised and, as a consequence of cost increases due to the urgency to finish the project on time and because of other modifications, losses had been incurred.
- The result of EUR 49.6 million due to the revaluation of the 37.3% shareholding in Metro Liger Oeste, S.A., following the sale, in June 2016, of a 14.0% stake.

Profit/loss before tax totals EUR 185.3 million, 8.9% on revenue, and increased by 4.5% with regard to the first half of 2015.

Income tax amounted to -EUR 101.8 million, compared with -EUR 40.9 million for the same period last year.

The effective tax rate was 27.6%, compared with 28.7% for the first half of 2015.

In order to calculate the aforementioned rate, the equity-accounted profit and other headings without tax effects were eliminated and it must be noted that the Group does not record tax credits when there is no certainty of their recovery. In this regard, it is worth mentioning that during the first half of 2015, EUR 27.2 million in tax credits were recorded by OHL Mexico S.A.B. de C.V. to offset the capital gains following the sale of 25.0% of ConMex, which accounts for the greater part of the difference of the income tax between both periods.

Profit (loss) for the period attributable to non-controlling interests amounted to -EUR 80.5 million, depicting a decrease of -EUR 3.5 million when compared with that recorded during the first half of 2015.

Profit (loss) for the period attributable to the parent company amounted to EUR 3.0 million, i.e., 0.1% of revenue.

CONSOLIDATED BALANCE SHEET

	Millions of Euros		Change (%)
	30/06/2016	31/12/2015	
Non-current assets	9,426.2	10,233.6	-7.9%
Intangible assets	302.7	316.3	-4.3%
Assets in concession projects	6,302.7	6,515.6	-3.3%
Property, plant and equipment	637.5	636.0	0.2%
Investment property	80.9	61.9	30.7%
Investments accounted for using the equity method	1,165.0	1,668.2	-30.2%
Non-current financial assets	291.1	411.5	-29.3%
Deferred tax assets	646.3	624.1	3.6%
Current assets	4,882.8	5,055.3	-3.4%
Non-current assets classified as held for sale	51.0	833.3	-93.9%
Inventories	257.8	270.4	-4.7%
Trade and other receivables	2,590.9	2,462.3	5.2%
Other current financial assets	1,228.2	334.6	267.1%
Other current assets	82.5	56.8	45.2%
Cash and cash equivalents	672.4	1,097.9	-38.8%
Total assets	14,309.0	15,288.9	-6.4%
Equity	4,521.5	4,811.7	-6.0%
Shareholders' equity	3,480.1	3,494.0	-0.4%
Share capital	179.3	179.3	0.0%
Issue premium	1,265.3	1,265.3	0.0%
Reserves	2,032.5	1,993.8	1.9%
Profit(loss) for the year attributable to the parent company	3.0	55.6	-94.6%
Adjustments for changes in value	-528.0	-447.0	18.1%
Equity attributable to the Parent Company	2,952.1	3,047.0	-3.1%
Non-controlling interests	1,569.4	1,764.7	-11.1%
Non-current liabilities	6,412.6	6,583.5	-2.6%
Grants	52.4	52.7	-0.6%
Long-term provisions	285.7	168.8	69.3%
Non-current borrowings*	4,572.5	4,723.2	-3.2%
Other non-current financial liabilities	98.5	88.6	11.2%
Deferred tax liabilities	1,214.2	1,211.4	0.2%
Other non-current liabilities	189.3	338.8	-44.1%
Current liabilities	3,374.9	3,893.7	-13.3%
Liabilities associated with non-current assets classified as held for sale	0.0	567.2	-100.0%
Short-term provisions	289.7	289.3	0.1%
Current borrowings*	838.1	716.3	17.0%
Other current financial liabilities	14.5	44.9	-67.7%
Trade and other payables	1,765.1	1,921.4	-8.1%
Other current liabilities	467.5	354.6	31.8%
Total liabilities and equity	14,309.0	15,288.9	-6.4%

* Including bank borrowings and bonds.

Below is a detail of the main items of the consolidated balance sheet at 30 June 2016 as well as their changes compared to 31 December 2015:

Assets in concession projects: under this heading includes all concession assets of the Group, being both intangible assets and financial assets.

The balance, at 30 June 2016, amounted to 6,302.7 million and depicted a decline of EUR 212.9 million when compared to 31 December 2015, which was mostly due to the net impact of:

- The net increase, by EUR 209.5 million, achieved by the Mexican concessionaires due to the Guaranteed Return (Autopista Urbana Norte, S.A. de C.V., Concesionaría Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.),
- The reduction, by EUR 464.9 million, due to the devaluation of the Mexican peso against the euro, of 9.1%.
- A net increase for others, by EUR 42.5 million.

Of the total balance, EUR 5,131.2 million corresponded to the concession companies under the financial asset model, being 81.4% of the total, mostly due to the Mexican concessionaires.

Furthermore, 56.7% of the financial assets, EUR 2,911.5 million, was the amount recorded as the Guaranteed Return.

Investments accounted for using the equity method: the balance of this heading, at 30 June 2016, amounted to EUR 1,165.0 million, and represents a decrease of EUR 503.2 million when compared to 31 December 2015, derived mostly after the sale, on 29 June 2016, of a 7.0% stake in Abertis Infraestructuras, S.A.

The balance under this heading for the stake in Abertis Infraestructuras, S.A. amounted to EUR 678.5 million, a stock market value of EUR 905.3 million (EUR 13.20 per share).

The Group retains a significant stake, of 6.925%, and continues to be one of the main shareholders.

Assets and liabilities held for sale: under this heading, which, at 31 December 2015, amounted to EUR 833.3 million and EUR 567.2 million, respectively, recorded assets and liabilities of the concessionary companies of both Construcción and Metro Construction Ligero Oeste, S.A.

During the first half of 2016, the divestment of the Construction concession companies took place, along with the 14% divestment of Metro Ligero Oeste, S.A.

At 30 June 2016, the balance of EUR 51.0 million of non-current assets held for sale corresponded to a 14.0% stake in Metro Ligero Oeste, S.A., which is expected to be sold during the second half of 2016.

Trade and other receivables: The balance of this item amounted to EUR 2,590.9 million at 30 June 2016, i.e., 17.9% of total assets.

The amount billed in advance for construction work and not yet collected and the amount to be billed for work performed account for 70.5% of the total amount, and is EUR 1,827.2 million (4.9 months of sales), against the EUR 1,744.4 million recorded in 2015 (4.8 month of sales).

Equity attributed to the Parent Company: At 30 June 2016, the balance of this item amounted to EUR 2,952.1 million, i.e., 19.6% of total assets, with at EUR 94.9 million decrease compared to 31 December 2015, as a result of the net effect of:

- The attributable profit for the first half of 2016, which amounted to EUR 3.0 million.
- A reserve decrease of EUR 190.0 million resulting from translation of the financial statements into foreign currency, mainly from Mexican companies.
- A reserve increase of EUR 109.0 million as a result of the impact of measurement of financial instruments, transferred to the profit or loss account.
- A decrease of EUR 19.6 million due to treasury shares. At 30 June 2016, the treasury shares is composed of 3,728,419 shares for an amount of EUR 23.6 million.
- An increase of EUR 2.7 million in other changes in reserves, mainly due to changes in the consolidation scope.

Non-controlling interests: At 30 June 2016, the balance of this item amounted to EUR 1,569.4 million, i.e., a decrease of EUR 195.3 million compared to 31 December 2015, due to the effect of:

- The increase of EUR 80.5 million resulting from the profit and loss of 2016 first six months allocated to non-controlling interests.
- The decrease of EUR 133.5 million resulting from translation of the financial statements into foreign currency.
- The decrease of EUR 3.7 million as a result of the impact of measurement of financial instruments.
- The decrease of EUR 138.6 million in other changes, mainly related to the changes in the consolidation scope, such as the sale of 14.0% of Metro Liger Oeste, S.A., with an impact of EUR 115.9 million.

Long-term provisions: At 30 June 2016 they amount to EUR 285.7 million, increasing by EUR 116.9 million as a result of the losses recorded by the company Health Montreal Collective CJV L.P., affecting to this heading after its zero balance in the heading "Investments accounted for using the equity method".

Bank borrowings: Below is a breakdown of this item as at 30 June 2016 against 31 December 2015:

	Millions of Euros		Millions of Euros		
Gross borrowings (1)	30/06/2016	%	31/12/2015	%	Change (%)
With-recourse borrowings	1,430.6	26.4%	1,238.3	22.8%	15.5%
Non-recourse borrowings	3,980.0	73.6%	4,201.2	77.2%	-5.3%
Total	5,410.6		5,439.5		-0.5%

(1) Gross borrowings entail non-current and current borrowings and other financial liabilities, including bank borrowings and bonds

	Millions of Euros		Millions of Euros		
Net borrowings (2)	30/06/2016	%	31/12/2015	%	Change (%)
With-recourse borrowings	836.1	23.8%	379.4	9.5%	120.4%
Non-recourse borrowings	2,673.9	76.2%	3,627.6	90.5%	-26.3%
Total	3,510.0		4,007.0		-12.4%

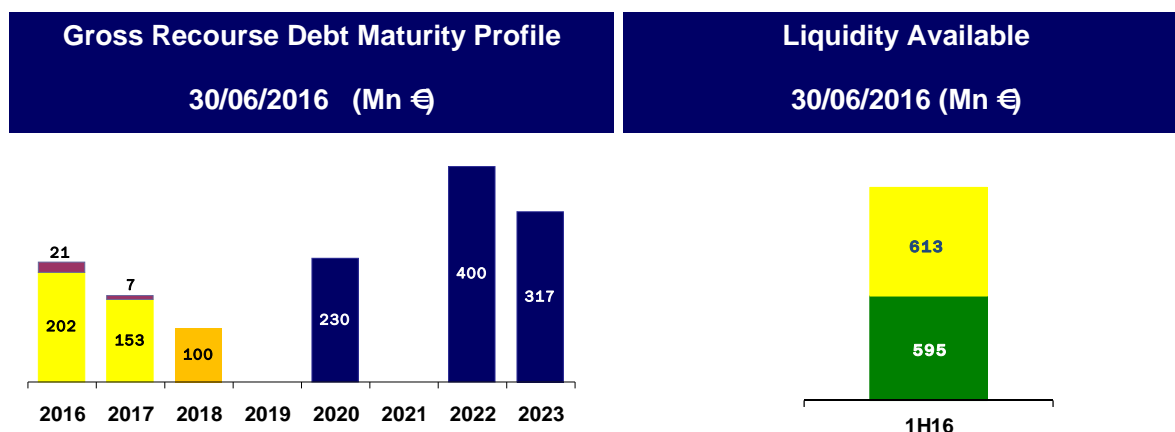
(2) Net borrowings include gross borrowings less other financial assets and cash and cash equivalents.

The gross recourse debt, at 30 June 2016, amounted to EUR 1,430.6 million.

At 30 June 2016, net recourse debt stood at EUR 836.1 million, having increased by EUR 456.7 million, due to the combined effect of: (i) an inherent adverse seasonality during the first half of the year, which had increased due to the current situation of some countries where the Group is present, and (ii) the impact of certain non-recurring operations that amounted to EUR 134.3 million (margin loan trigger for EUR 96.1 million and the rescue plan for Director Shares for EUR 38.2 million).

Below is the detail of the Group's bonds maturity as well as the available cash:

▪ Credit Lines & Others (drawn)



Below is the situation of cash with resource at 30 June 2016 and 31 December 2015:

With recourse cash	Millions of Euros	
	30/06/2016	31/12/2015
Bonds	947.3	979.3
Bill	28.0	180.5
Syndicated loan	250.0	250.0
Facilities and others	818.5	887.9
With recourse availability	2,043.8	2,297.7
With-recourse gross borrowings	1,430.6	1,238.3
With-recourse funding	613.2	1,059.4
Cash and IFT	594.5	858.9
With recourse available cash	1,207.7	1,918.3

On 24 February 2016 a buyback bid on the bonds maturing in 2020 was performed, and on 9 March it was completed for an amount of EUR 32.1 million. After this transaction, the amortisation outstanding amount for this issuance is EUR 230.4 million with an interest rate of 7.625%.

The Group's with recourse availability amounts to EUR 2,043.8 million. The Group's liquidity with recourse, measured as cash and cash equivalents plus available financing with recourse, totals EUR 1,207.7 million.

Out of total gross borrowings, 84.5% was non-current and 15.5% was current.

The non-recourse net borrowings amounts to EUR 2,673.9 thousand. A detail of the same is shown below:

Non-recourse net borrowings	Millions of Euros	
	30/06/2016	31/12/2015
Mexico		
Concesionaria Mexiquense / OPI	804.1	867.4
Amozoc-Perote	40.9	52.6
Viaducto Bicentenario	263.5	285.4
Autopista Urbana Norte	281.5	300.4
Atizapán-Atlacomulco	-52.0	-17.2
Spain		
Euroglosa M-45 / Euroconcesiones	107.4	107.6
Autovía de Aragón - Tramo 1	62.4	70.4
Terminal de Contenedores de Tenerife	26.6	26.6
Puerto de Alicante	56.7	56.6
Chile		
Puerto de Valparaíso	-4.8	-1.0
Puente Industrial	-0.1	-0.2
Peru		
Autopista del Norte	99.4	95.6
Colombia		
Autopista Río Magdalena	14.5	-6.4
Total Main Concessions	1700.1	1,837.8
Non-recourse financing secured by 6.925% of Abertis' interest*	539.2	1,147.8
Non-recourse financing secured by c.17% of OHL México's interest**	400.0	584.9
Other***	-102.5	-60.0
Total OHL Concesiones	2,536.8	3,510.5
OHL Ingeniería y Construcción	24.2	13.7
OHL Desarrollos	112.9	103.4
Total non-recourse borrowings net	2,673.9	3,627.6

(*) In February 2016 an amount of EUR 187.4 million was early repaid.

This financing is reduced by EUR 421.2 millions of other current financial assets coming from the sale of 7.0% of Abertis, which in July were used for the early repayment of a part of this financing.

(**) This financing is reduced by EUR 169.5 millions of other current financial assets coming from the sale of 7.0% of Abertis, which in July were used for the early repayment of a part of this financing.

(***) Including other current financial assets, amounting to EUR 223.8 million, from the sale of 7.0% of Abertis and EUR 51.0 million from the sale of 14.0% of Metro Ligero Oeste, S.A.

CASH-FLOW

This section includes an additional breakdown that follows the internal criteria established by the Group in order to analyse the changes in its business, which, in certain cases, differ from the criteria set out in IAS 7.

	Millions of Euros	
	First six months 2016	First six months 2015
Gross profit from operations (EBITDA)	385.4	430.8
Adjustments to profit(loss)	-398.4	-396.5
Financial profit and loss	-284.8	-226.1
Profit(loss) equity method	-23.3	126.2
Income tax	-101.8	-40.9
Non-controlling interest	-80.5	-84.0
Impairment losses and income from disposal of financial instruments	223.1	0.0
Guarantee return adjustment	-80.1	-101.0
Changes in provisions and others	-51.0	-70.7
Proceeds from operations	-13.0	34.3
Changes in working capital	-215.2	-89.3
Trade and other receivables	-128.6	-259.7
Trade and other payables	-156.3	139.5
Other changes in working capital	69.7	30.9
Cash flows from operating activities	-228.2	-55.0
Cash flows from investing activities	725.1	-13.3
Non-controlling interests	-195.3	441.3
Other investment flows	920.4	-454.6
Changes in net non-recourse borrowings	-953.6	-346.1
Changes in net with-recourse borrowings	456.7	414.4
Cash flows from financing activities	-496.9	68.3

The gross operating profit amounted to EUR 385.4 million and saw a 10.5% reduction compared to the first half of 2015. The impact of exchange rates on the major currencies with which the Group operates negatively impacted on the EBITDA by around EUR 57.1 million, without this impact the EBITDA would have growth by 2.7%.

Adjustments to profits amounted to -EUR 398.4 million, mainly due to the impact of the financial results, the negative results of the companies consolidated under the equity method, income tax, adjustment of the Guaranteed Return societies, non-controlling interests and the positive impact of the result after the sale of 7% of Abertis Infraestructuras, S.A., the concessionary companies of the Construction business and the 14.0% of Metro Ligero Oeste, S.A. mentioned above.

Proceeds from operations stood at -EUR 13.0 million.

Changes in working capital have had a negative impact of -EUR 215.2 million, however, this was an improvement compared to the first quarter of 2016, which stood at -EUR 356.5 million. These variations, affected by a strong seasonal component, had caused a **negative cash flow from operating activities**.

Cash flow from investing activities consisted of changes in equity and non-current assets and liabilities and, for the first half of 2016, amounted to EUR 725.1 million.

Included in the variations for non-controlling interests, during the first half of 2016, were the impact of the sale of 14.0% of Metro Ligero Oeste, S.A., which had caused a reduction in non-controlling interests, by -EUR 115.9 million, after no longer being fully consolidated.

Included in the variations for non-controlling interests, during the first half of 2015, were the impact of the sale of 25.0% of ConMex, which had caused an increase in non-controlling interests, by EUR 358.9 million.

Other investment flows included the impact of the set of divestments during the sale of 7% of Abertis, the concessionary companies of the Construction business and the sale of 14.0% of Metro Ligero Oeste, S.A.

Cash flow from financing activities, during the first half of 2016, amounted to -EUR 496.9 million, which led to a reduction in non-recourse debt for the Group, amounting to -EUR 953.6 million and an increase in net recourse debt of EUR 456.7 million.

5. ORDER BACKLOG

At 30 June 2016, the order backlog for the Group amounted to EUR 85,333.0 million, an increase of EUR 20,362.8 million (31.3%) when compared to that of 31 December 2015, which was mostly due to the net impact of:

- (i) The reduction, during this semester, in the long-term portfolio, of EUR 2,312.8 million due to Metro Ligero Oeste, S.A.
- (ii) The updating of projections due to changes in the tolls and the extension of the concession periods, which have led to the growth of the portfolio by EUR 26,907.6 million.
- (iii) The award of the Camino Nogales-Puchancavi Concession motorway in Chile, amounting to EUR 417.8 million and
- (iv) The reduction, by EUR 3,801.3 million, due to the impact of the devaluation of the Mexican peso against the euro.

7.4% of the total portfolio corresponds to short-term contracts and the remaining 92.6% are long-term contracts.

The short-term portfolio amounted to EUR 6,271.4 million, accounting for around 16.7 months of sales and was 12.3% lower than that of 31 December 2015, mostly due to fewer contracts compared to 2015, due to the adoption of more restrictive criteria when bidding in non-local markets and because of the current situation experienced by other countries.

The whole short-term portfolio corresponds to Engineering and Construction, which in turn includes 91.2% corresponding to Construction.

The long-term portfolio amounts to EUR 79,061.6 million, showing an increase of EUR 21,243.0 million, representing 36.7% over that at 31 December 2015.

	Millions of Euros 30/06/2016	%	Millions of Euros 31/12/2015	%	Change (%)
Short-term	6,271.4		7,151.6		-12.3%
Construction	5,721.6	91.2%	6,586.5	92.1%	-13.1%
Industrial	241.6	3.9%	224.3	3.1%	7.7%
Services	308.2	4.9%	340.8	4.8%	-9.6%
Non-current	79,061.6		57,818.6		36.7%
Concessions	78,839.8	99.7%	57,509.8	99.5%	37.1%
Construction	221.8	0.3%	308.8	0.5%	-28.2%
Total	85,333.0		64,970.2		31.3%

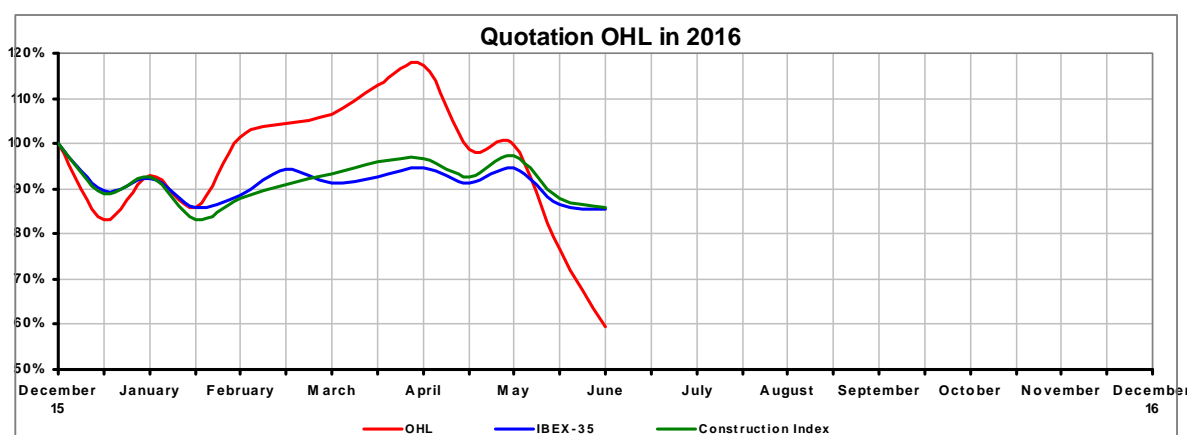
6. STOCK INFORMATION

At 30 June 06, share capital amounted to EUR 179,255,398.80, represented by 298,758,998 ordinary shares with a par value of EUR 0.60 each, quoted at EUR 3.13, all of them belonging to a single class and series, and with PER over the attributable net profit of 2015 being 16.8 higher.

In the first period 2016, a total of 404,626,292 shares were traded on stock exchanges (135.4% of the total shares admitted to trading), with a daily average of 3,186,034 share units and -40.6% depreciation over the year.

At the end of the six-months period, OHL held 3,728,419 shares, representing 1.248% of the current company's share capital. This figure includes the purchase of 3,453,908 shares coming from the Managers share-based plan, which ended 21 March 2016.

	First six months 2016
Closing price	3.13
Performance OHL YtD	-40.6%
Number of shares	298,758,998
Market capitalisation (Millions of Euros)	935.1
Performance Ibex 35 YtD	-14.5%
Performance Construction Index YtD	-14.3%



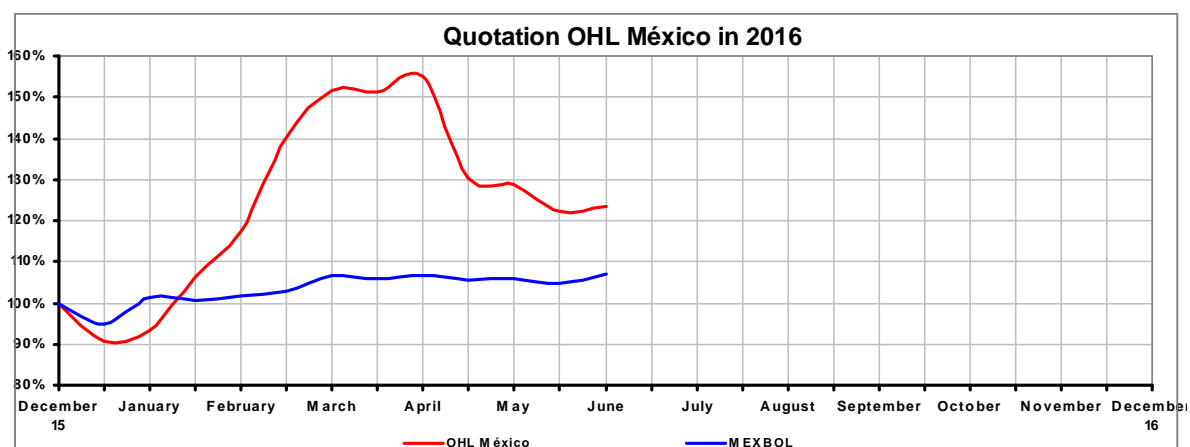
The most significant data related to the bonds issued by OHL and its subsidiary OHL Investments S.A. (a subsidiary of OHL Concesiones) include:

Issuer	Maturity	Coupon	Outstanding balance	Quote	YtM
OHL S.A.	March 2020	7.625%	230.0	89.401%	11.195%
OHL S.A.	March 2022	4.750%	400.0	67.891%	12.868%
OHL S.A.	March 2023	5.500%	317.0	68.531%	12.587%
OHL Investment	March 2018	4.000%	400.0	90.105%	10.116%

OHL Group, within its Concession Division, owns the subsidiary OHL México, S.A.B. de C.V., a company listed in Mexico, its main details being as follows:

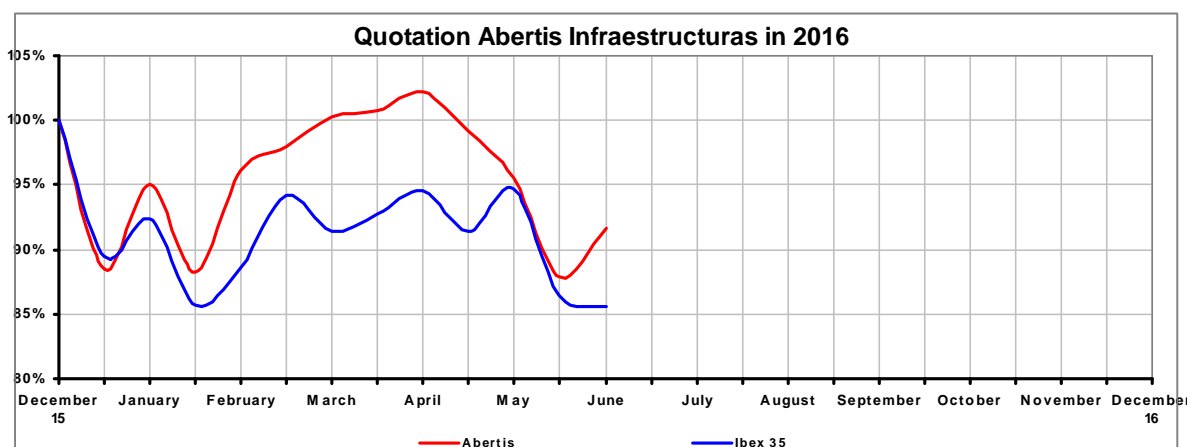
	First six months 2016
Closing Price (Mexican Peso)	22.30
Performance YtD	23.6%
Number of shares	1,732,185,269
Market capitalisation (Millions of MXN)	38,627.7
Value 56.85% OHL (Millions of Euros)*	1,064.3

* Exchange rate EUR/MXN 20.64



Additionally, OHL Group holds an interest in Abertis Infraestructuras, S.A., a company listed in Spain, its main details being as follows:

	First six months 2016
Closing price	13.20
Performance YtD	-8.4%
Number of shares	990,381,308
Market capitalisation (Millions of Euros)	13,073.0
Value 6.925% OHL (Millions of Euros)	905.3



7.- DEVELOPMENT

During the first six months of fiscal year 2016, the Group invested EUR 3,253 thousand in development projects and incurred EUR 1,717 thousand expenses. In addition, in the balance sheet at 30 June 2016, it capitalised EUR 32,288 thousand related to R&D projects under “Other intangible assets”.

8.- MAIN RISKS AND UNCERTAINTIES

Given the activities performed in different sectors and countries, OHL Group is exposed to a number of business-related risks.

Both the control systems and their regulations, procedures and processes follow the rules set up by the Group and by information systems enabling a traceability of the reported data. There are also internal control procedures in place that enable risk control to be improved, making it easier to monitor and verifying that the policies set by the Group are being complied with.

The most uncertain risks the Group is exposed to include the risks associated with the market and the environment, mainly regulatory risks which might affect several activities, should unexpected changes take place in the legal frameworks of the countries where the Group operates.

This group also includes the risks relating to the volatility of cost components, such as labour and raw materials, the price of which may be highly volatile.

Risks associated with cuts on investment provisions, whether due to investment delays or reduction, may likewise affect the Group's activities.

Furthermore, and in order to mitigate the risks related to tenders, contracting, planning and implementation of projects and everything related to quality, environmental management and human resources, the Group has implemented and conducts risk management processes during the tendering phase and implementation phase of the projects, which allows for the identification of risks and to minimise their potential adverse impact.

In this regard, it is worth mentioning the current situation of various countries in which the Group operates (Mexico, Saudi Arabia, Turkey, etc.), which could affect the normal development of projects, in terms of their financial aspect and the approval of the work that we undertake.

In addition to the foregoing risks, the Group, due to the development of its business, is also exposed to financial risk. Financial risks are those that can affect mainly the possibility of obtaining the necessary financing at the right moment and at a reasonable cost, as well as the maximisation of available financial resources. The most important ones are:


- Interest rate risk
- Currency risk
- Credit risk
- Liquidity risk
- The evolution of the trade value of the shares of certain subsidiaries.

Interest rate risk

The variations in interest rates change the future flows of assets and liabilities tied to variable interest rates.

This risk of variation in interest rates is especially significant in financing the infrastructure projects and in other projects in which its profitability depends on possible interest rate variations, by being directly related to their flows.

The Group is financed through fixed or variable interest rate financial instruments and, according to the Group's estimates regarding the changes in interest rates and in objectives of the debt structure, hedge transactions are carried out by contracting derivatives that mitigate these risks, and



a sensitivity analysis thereof is also conducted. Otherwise the financing is provided at a fixed interest rate.

Of the Group's total gross debt at 30 June 2016, the hedges created account for 30.4% of that debt and the fixed-interest rate debt totals 52.6%.

The sensitivity of the Group's profit to a 0.5% increase in the interest rate, without considering the debt hedged using hedge instruments nor the fixed interest rate debt would involve an impact of EUR 3,209 thousand in the profit attributed to the Parent Company.

Exchange rate risk

The exchange rate risk management is undertaken centrally within the Group, and different hedge mechanisms are applied to minimise the effect of the changes of currencies against the euro.

Exchange rate risks occur mainly in:

- Debt denominated in foreign currency.
- Payments to be made in international markets for the acquisition of supplies or non-current assets.
- Collections from projects referenced to currencies other than the Parent Company's functional currency or that of its subsidiaries.
- Investments in foreign subsidiaries.

The Group arranges derivatives on foreign currency and exchange rate insurance to cover transactions and significant future cash flows, based on the limits as to the risk that can be assumed.

Furthermore, net assets from the net investment made in foreign companies the functional currency of which is not the euro are subject to the risk of exchange rate fluctuation when the currency of the financial statements of such companies is translated under the consolidation process.

The amount recorded in the balance sheet at 30 June 2016 under the heading "Exchange rate differences", within "Valuation adjustments" totals (EUR 447,384 thousands) (EUR 257,404 thousands at 31 December 2015).

Non-current assets denominated in currencies other than the euro are financed in that same currency with a view to creating a natural hedge.

Credit risk

Credit risk involves the likelihood that the counterparty of an agreement fails to meet its contractual obligations, leading to economic loss.

The Group has adopted a policy of only trading with solvent third parties and obtaining sufficient guarantees to mitigate the risk of financial loss in the event of non-compliance. The information on its counterparty is obtained through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers and third parties.

The Group financial assets exposed to credit risk are:

- Non-current financial assets
- Hedging instruments
- Trade and other receivables
- Current financial assets
- Financial assets included in cash and cash equivalents

Credit risk of the hedging instruments which have a positive fair value is limited in the Group, as the derivatives are arranged with highly rated entities and none of the counterparties accumulates significant percentages of total credit risk.

The balances of trade receivables for sales and services rendered are made up of a large number of customers from various industries and geographical areas. Private customers represent 40.0% of the total.

Prior to contracting, a client assessment is conducted, which includes a solvency study. In turn, during performance of the contracts, a permanent follow-up of the evolution of the debt and review of the recoverable amounts, making any necessary valuation changes, is carried out.

The terms and conditions that are to be met by the financial products resulting from the financial assets that are included in other current loans (the reserve accounts of certain concession operators, as required in the financing agreements) are also established.

Liquidity risk

Liquidity risk resulting from the financing needs of the Divisions, from temporary imbalances between financing requirements and sources of funds, is managed by the Group by maintaining a proper level of cash and marketable securities as well as contracting and maintaining sufficient financing lines.

To improve this liquidity position, the Group works on:

- Constant management with regard to working capital and, in particular, in trade and other receivables.
- Optimisation of the financial position of all its companies, by constantly following up on the treasury provisions.
- Arranging credit facilities through capital markets.

At 30 June 2016 the Group presented the debt maturity schedule which for 2016 totals EUR 649,097 thousand.

The liquidity position at 30 June 2016 was made up of:

- Current financial assets amounting to EUR 1,228,224 thousand. Current financial assets include the reserve accounts of certain concession companies in the amount of EUR 264,462 thousand, of restricted availability, intended for servicing the debt.
- Cash and other cash equivalents in the amount of EUR 672,432 thousand.
- Credit and negotiation facilities available in the amount of EUR 772,550 thousand.

This position minimises the liquidity risk of the Group.

The Group holds loans secured by shares of its listed subsidiaries. Above certain levels of trade value, the Group must provide further collaterals on those loans. The Group states that there is no significant liquidity risk as a result of those guarantees.

Risk of the evolution of the trade value of the shares of certain subsidiaries

The Group is subject to the risk resulting from the evolution of the trade value of the subsidiaries Abertis Infraestructuras, S.A. and OHL México, S.A.B. de C.V., which are given as security of certain loans.

9. EVENTS AFTER THE REPORTING PERIOD

During the month of July 2016, with part of the proceeds derived from the sale, on 29 June 2016, of the 7.0% of Abertis Infraestructuras, S.A., it took place the early payment of the EUR 421,242 thousand guaranteed loan of OHL Emisiones, S.A.U., secured with shares representing 4.425% of the share capital of Abertis Infraestructuras, S.A, along with the advance full repayment of the guaranteed loan granted to OHL Concesiones, S.A.U., secured with OHL Mexico, S.A.B. de C.V. shares Mexico, representing 29.96% of its share capital, amounting to EUR 169,519 thousand.

On 14 July 2016, an Order was issued by Commercial Court No.1, declaring Cercanías Móstoles Navalcarnero, S.A. having entered into voluntary insolvency proceedings.

STATEMENT OF LIABILITY FOR THE CONTENTS OF OHL GROUP'S SIX-MONTH FINANCIAL REPORT FOR THE FIRST HALF OF 2016

In accordance with Section 11b) of Royal Decree 1362/2007, of 19 October, regulating Law 24/1988, of 28 July, on the Securities Market, the members of the Board of Directors of Obrascón Huarte Lain, S.A. and its subsidiaries do hereby declare that, to the best of their knowledge and belief, the summarised consolidated interim financial statements for the first six-month period of 2016, prepared based on applicable accounting standards, present fairly the equity, financial position and results of Obrascón Huarte Lain, S.A. and its subsidiaries, and that the consolidated interim directors' report includes a fair analysis of the information required.

The summarised consolidated interim financial statements for the first six-month period of 2016, as well as the consolidated interim directors' report, were approved by the Board of Directors at its meeting held on 29 July 2016, consisting of 89 pages, all of them bearing the signature of the Board Secretary, and this last page bearing the signatures of all the Board's Directors and Secretary.

Juan Villar-Mir de Fuentes

Silvia Villar-Mir de Fuentes

Tomás García Madrid

Álvaro Villar-Mir de Fuentes

Javier López Madrid

José Luis Díez García

Juan Antonio Santamera Sánchez

Juan Luis Osuna Gómez

Ms. Macarena Sainz de
Vicuña y Primo de Rivera

Mr. Manuel Garrido Ruano

Mónica de Oriol Icaza

Ms. Reyes Calderón
Cuadrado

José María del Cuvillo Pemán
Board of Directors Secretary, non-
director