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 2017

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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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.

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 2017, 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 these 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 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 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 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 2017 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.

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

Emphasis of Matters

We draw attention to explanatory Note 6 to the accompanying interim financial statements, which indicates that on 30 March 2017 the Group formalised a multi-product syndicated financing facility with a group of banks that ensures the coverage of the future needs arising from its business plan and which includes a guarantee, reverse factoring and revolving credit line, all maturing at 18 months from the date of formalisation of the facility, the availability of which is tied to a business plan that includes divestments that the Group must perform in the coming months. In this context, the failure to achieve a significant portion of the business plan not yet implemented would give rise to a material uncertainty that could cast doubt on the Group's ability to continue as a going concern and to realise its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying interim condensed consolidated financial statements. Our conclusion is not modified in respect of this matter.

In addition, we draw attention to explanatory 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 2016. 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 2017 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 2017. 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

28 July 2017

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Summarised consolidated interim financial statements and interim directors' report for the six-month period ended 30 June 2017

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

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheet at 30 June 2017 and 31 December 2016

ASSETS	30/06/2017 (*)	31/12/2016
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	467,130	486,162
Accumulated depreciation	(216,596)	(211,648)
	250,534	**274,514**
Concession infrastructure	**6,774,941**	**6,439,634**
Property, plant and equipment		
Land and buildings	127,436	130,332
Machinery	415,782	437,571
Other fixtures, tools and furniture	109,309	116,587
Advances and property, plant and equipment in the course of construction	7,290	6,237
Other items of property, plant and equipment	76,752	74,135
Accumulated depreciation and impairment losses	(499,392)	(507,851)
	237,177	**257,011**
Investment property	**80,301**	**66,837**
Goodwill	**12,515**	**12,515**
Non-current financial assets		
Investment securities	209,419	113,864
Other receivables	485,844	378,300
Deposits and guarantees given	135,797	157,039
Provisions	(282,057)	(246,372)
	549,003	**402,831**
Investments accounted for using the equity method	**607,788**	**513,611**
Deferred tax assets	**653,838**	**622,114**
TOTAL NON-CURRENT ASSETS	**9,166,097**	**8,589,067**
CURRENT ASSETS		
Non-current assets classified as held for sale	-	**491,963**
Inventories		
Embodiment items, fungibles and replacement parts for machinery	61,921	63,971
Auxiliary shop projects, site installations	31,710	32,105
Advances to suppliers and subcontractors	129,283	117,804
Provisions	(2,023)	(1,993)
	220,891	**211,887**
Trade and other receivables		
Trade receivables for sales and services	1,901,654	1,806,382
Receivable from associates	261,348	254,050
Employees	3,285	2,435
Public administrations	203,671	204,366
Sundry accounts receivable	121,350	142,253
Provisions	(323,428)	(329,268)
	2,167,880	**2,080,218**
Current financial assets		
Investment securities	63,519	396,168
Other receivables	294,804	271,412
Deposits and guarantees given	8,598	12,950
Provisions	(23,408)	(17,082)
	343,513	**663,448**
Current income tax assets	**17,707**	**23,089**
Other current assets	**62,145**	**42,802**
Cash and cash equivalents	**792,325**	**817,872**
TOTAL CURRENT ASSETS	**3,604,461**	**4,331,279**
TOTAL ASSETS	**12,770,558**	**12,920,346**

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2017.
(*) Not audited

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated balance sheet at 30 June 2017 and 31 December 2016

LIABILITIES AND EQUITY	30/06/2017 (*)	31/12/2016
EQUITY		
Share capital	179,255	179,255
Share premium	1,265,300	1,265,300
(Treasury shares)	(47,978)	(46,145)
Reserves	(691,679)	(173,645)
Reserves in consolidated companies	2,252,712	2,235,397
Valuation adjustments	(444,140)	(588,135)
Consolidated profit for the year attributable to the Parent	(32,112)	(432,338)
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	**2,481,358**	**2,439,689**
Non-controlling interests	**1,998,873**	**1,603,204**
Total equity	**4,480,231**	**4,042,893**
NON-CURRENT LIABILITIES		
Debt instruments and other marketable securities		
Issue of corporate bonds and other marketable securities	1,094,249	1,473,418
Bond issues of concession operators	611,307	539,994
	1,705,556	**2,013,412**
Bank borrowings		
Transferable mortgage and other loans	640,237	659,813
Loans of concession operators	1,055,221	1,103,840
	1,695,458	**1,763,653**
Other financial liabilities	**31,694**	**53,043**
Deferred tax liabilities	**1,423,740**	**1,246,334**
Provisions	**172,374**	**199,352**
Deferred income	**12,275**	**12,199**
Other non-current liabilities	**185,478**	**165,913**
TOTAL NON-CURRENT LIABILITIES	**5,226,575**	**5,453,906**
CURRENT LIABILITIES		
Liabilities associated with non-current assets classified as held for sale	-	**220,008**
Debt instruments and other marketable securities		
Issue of corporate bonds and other marketable securities	426,159	31,332
Bond issues of concession operators	6,143	6,637
	432,302	**37,969**
Bank borrowings		
Loans received	119,229	499,660
Loans of concession operators	62,760	66,282
Unmatured accrued interest payable	7,623	4,618
Unmatured accrued interest payable of concession operators	5,760	6,672
	195,372	**577,232**
Other financial liabilities	**5,583**	**7,055**
Trade and other payables		
Customer advances	491,402	461,614
Accounts payable for purchases and services	1,208,764	1,405,193
Notes payable	13,754	19,256
	1,713,920	**1,886,063**
Provisions	**257,037**	**298,230**
Current income tax liabilities	**87,457**	**29,357**
Other current liabilities		
Payable to associates	89,035	97,511
Remuneration payable	29,741	25,940
Public administrations	152,221	137,106
Other non-trade payables	88,823	101,841
Guarantees and deposits received	2,526	1,489
Other current liabilities	9,735	3,746
	372,081	**367,633**
TOTAL CURRENT LIABILITIES	**3,063,752**	**3,423,547**
TOTAL EQUITY AND LIABILITIES	**12,770,558**	**12,920,346**

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2017.

(*) Not audited

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated income statement for the years ended

30 June 2017 and 30 June 2016

	30/06/2017 (*)	30/06/2016 (*)
Revenue	1,803,598	2,076,034
Other operating income	463,193	317,700
TOTAL REVENUE	**2,266,791**	**2,393,734**
Supplies	(1,019,480)	(1,207,185)
Staff costs	(483,395)	(455,332)
Other operating expenses	(297,923)	(345,782)
Depreciation and amortisation charge	(56,013)	(64,163)
Changes in provisions and allowances	1,183	(50,982)
PROFIT FROM OPERATIONS	**411,163**	**270,290**
Finance income	35,713	26,942
Finance costs	(200,355)	(203,961)
Exchange differences (income and expenses)	(32,566)	(9,987)
Gains (Losses) on remeasurement of financial instruments at fair value	(34,959)	(97,768)
Result of companies accounted for using the equity method	12,962	(23,333)
Impairment losses and income from disposal of financial instruments	20,471	223,141
PROFIT(LOSS) BEFORE TAX	**212,429**	**185,324**
Income tax	(101,745)	(101,842)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**110,684**	**83,482**
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	**110,684**	**83,482**
Non controlling interests from continuing operations	(142,796)	(80,504)
CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	**(32,112)**	**2,978**
Earnings per share:		
Basic	**(0,11)**	**0,01**
Diluted	**(0,11)**	**0,01**

Notes 1 to 27 are an integral part of the summarised consolidated financial statements at 30 June 2017.

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of recognised income and expenses at 30 June 2017 and 30 June 2016

	30/06/2017 (*)	30/06/2016 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (from Profit and Loss account)	**110,684**	**83,482**
ITEMS NOT RECLASSIFIED TO THE PROFIT OR LOSS FOR THE PERIOD	**-**	**-**
ITEMS THAT MAY BE RECLASSIFIED TO THE PROFIT OR LOSS FOR THE PERIOD	**214,275**	**(218,182)**
Available-for-sale financial assets	**15,929**	**(2,068)**
Revaluation gain/ losses	(6,326)	(2,068)
Amounts transferred to profit and loss account	22,255	-
Cash flow hedges	**10,337**	**28,679**
Revaluation gain/ losses	(4,432)	(37,389)
Amounts transferred to profit and loss account	14,769	66,068
Translation differences	**185,601**	**(323,443)**
Revaluation gain/ losses	193,776	(323,443)
Amounts transferred to profit and loss account	(8,175)	-
Share for the investments in joint ventures and associates	**5,184**	**84,945**
Revaluation gain/ losses	2,871	11,586
Amounts transferred to profit and loss account	2,313	73,359
Tax effect	**(2,776)**	**(6,295)**
OVERALL TOTAL PROFIT (LOSS) FOR THE YEAR	**324,959**	**(134,700)**
Profit/(Loss) attributable to the Parent	111,883	(78,027)
Attributable to Non-controlling interests	213,076	(56,673)

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of changes in total equity at 30 June 2017

30 June 2017	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 31/12/2016	**179,255**	**3,327,052**	**(46,145)**	**(432,338)**	**-**	**(588,135)**	**1,603,204**	**4,042,893**
Total recognised income / (expenses)	**-**	**-**	**-**	**(32,112)**	**-**	**143,995**	**213,076**	**324,959**
Transactions with shareholders or owners	**-**	**(207)**	**(1,833)**	**-**	**-**	**-**	**-**	**(2,040)**
Dividends paid	-	-	-	-	-	-	-	-
Transactions with treasury shares or interests (net)	-	(207)	(1,833)	-	-	-	-	(2,040)
Other changes in equity	**-**	**(500,512)**	**-**	**432,338**	**-**	**-**	**182,593**	**114,419**
Transfers between equity items	-	(432,338)	-	432,338	-	-	-	-
Other changes	-	(68,174)	-		-	-	182,593	114,419
Ending balance at 30/06/2017 (*)	**179,255**	**2,826,333**	**(47,978)**	**(32,112)**	**-**	**(444,140)**	**1,998,873**	**4,480,231**

Notes 1 to 27 are an integral part of the interim summarised consolidated financial statements at 30 June 2017.

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of changes in total equity at 30 June 2017

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 recognised income / (expenses)	-	-	-	**2,978**	-	**(81,005)**	**(56,673)**	**(134,700)**
Transactions with shareholders or owners	-	**(14,459)**	**(19,648)**	-	-	-	-	**(34,137)**
Capital increases(reductions)	-	(231)	-	-	-	-	-	(231)
Dividends paid	-	(13,892)	-	-	-	-	-	(13,892)
Transactions with treasury shares or interests (net)	-	(336)	(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	3,321,457	(23,556)	2,978	-	(527,986)	1,569,418	4,521,536

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In thousand of euros

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statements of cash flows at 30 June 2017 and 30 June 2016

	30/06/2017 (*)	30/06/2016 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	(245,718)	(234,024)
1. Profit/loss before tax	**212,429**	**185,324**
2. Adjustments to profit(loss)	(116,486)	(9,343)
Amortisation	56,013	64,163
Other adjustments to profit	(172,499)	(73,506)
3. Changes in working capital	**(256,236)**	**(233,465)**
4. Other cash flows from operating activities	(85,425)	(176,540)
Dividends received	787	57,225
Income tax recovered (paid)	**(47,064)**	**(132,139)**
Other amounts received (paid) relating to operating activities	(39,148)	(101,626)
B) CASH FLOWS FROM INVESTMENT ACTIVITIES (1+2+3)	796,640	(39,512)
1. Payments due to investment	**(153,631)**	**(232,786)**
Group companies, associates and business units	(7,833)	(77,018)
Property, plant and equipment, Intangible assets and Investment property	(99,076)	(96,117)
Other financial assets	(46,722)	(59,651)
2. Proceeds from disposal	**914,558**	**166,332**
Group companies, associates and business units	884,364	142,680
Property, plant and equipment, Intangible assets and Investment property	30,194	23,652
3. Other cash flows from investing activities	**35,713**	**26,942**
Interest received	35,713	26,942
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)	(581,434)	(139,535)
1. Proceeds and (payments) relating to equity instruments	**(2,040)**	**(20,014)**
Acquisition	(22,122)	(120,204)
Disposal	20,082	100,190
2. Proceeds and (payments) relating to financial liability instruments	**(364,965)**	**118,933**
Issuance	291,574	652,464
Repayment and amortisation	(656,539)	(533,531)
3. Dividends and returns on other equity instruments paid	-	-
4. Other cash flows from financing activities	**(214,429)**	**(238,454)**
Interest paid	(198,262)	(205,382)
Other amounts received (paid) relating to financing activities	(16,167)	(33,072)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	4,965	(12,367)
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(25,547)	(425,438)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE REPORTING PERIOD	817,872	1,097,870
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)	792,325	672,432
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF THE REPORTING PERIOD		
Cash on hand and at banks	530,292	610,562
Other financial assets	262,033	61,870
Bank overdrafts refundable on demand	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE REPORTING PERIOD	**792,325**	**672,432**

Notes 1 to 27 are an integral part of the summarised consolidated financial statements at 30 June 2017.
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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 2017

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.

Sectors of activity

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

Concessions

Operation of administrative concessions of infrastructures, mainly transports, parkings, 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.

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 2016 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 2016.

These summarised consolidated interim financial statements are in compliance with IAS 34 on interim financial reporting, and were prepared by the Group Directors on 27 July 2017, 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 2016 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 2016 consolidated financial statements.

International Financial Reporting **Standards** (IFRSs)

The accounting standards and methods applied to prepare these summarised consolidated interim financial statements were the same as the ones applied to the 2016 consolidated financial statements, except for the following rules and interpretations, which became effective during the first half of 2017.

A summary of the regulatory situation is shown below:

New accounting standards in force

During the first half of 2017, 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 2017.

New standards, amendments and interpretations: Approved for use in the European Union		Mandatory application in years beginning on or after:
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.	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	
Improvements to IFRSs, 2014-2016 cycle	Explanation related to IFRS 12	

None of these standards have affected the summarised consolidated interim financial statements for the six-month period ended 30 June 2017.

Standards and interpretations issued not 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: Approved for use in the European Union		Mandatory application in years beginning on or after:
IFRS 15 "Revenue from Contracts with Customers"	New standard on revenue recognition (Replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and IAS 31)	1 January 2018
IFRS 9 – "Financial instruments"	This amendment has come to replace IAS 39 requirements as to classification, measurement, recognition and derecognition of financial assets and liabilities, and hedge and impairment losses accounting	

New standards, amendments and interpretations: Not approved for application in the EU		Mandatory application in years beginning on or after:
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.	1 January 2018
Amendments to IFRS 4 "Insurance Contracts"	Allows entities under the scope of IFRS 4 the option of applying IFRS 9 ("overlay approach") or their temporary exemption.	
Amendments to IAS 40 "Reclassification of Investment Property"	This amendment clarifies that a reclassification of an investment from, or to, an investment property is only permitted when there is evidence for a change in its use.	
Improvements to IFRSs, 2014-2016 cycle	These are minor amendments to a set of standards (various effective dates).	
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	This interpretation sets the "date of transaction" for the purpose of determining the applicable exchange rate for transactions involving advance consideration in a foreign currency.	
IFRS 15 "Revenue from Contracts with Customers"	This new revenue standard will transversally affect, to a greater or lesser extent, all industries and sectors. The new IFRS 15 model is much more restrictive and based on principles and, consequently, the application of the new requirements may lead to significant changes to the income profile.	
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.	1 January 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	This interpretation clarifies the criteria for IAS 12 recognition and measurement when there is uncertainty surrounding their acceptability by the tax authority with regard to a particular tax treatment employed by the entity.	
IFRS 17 "Insurance Contracts"	This will replace IFRS 4. It covers the principles of recognition, measurement, presentation and breakdown of insurance contracts	1 January 2021
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.

Of all these new standards and amendments, those that may have an impact on the Group's financial statements are Clarifications to IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial Instruments and IFRS 16 Leases.

When taking into consideration the proximity of the effective date of IFRS 15 (1 January 2018), its analysis has been addressed with the forming of working groups at each of the Group's divisions (Construction, Industrial and Services) and the various types of existing contracts entered into with customers are being analysed.

During this phase of analysis, the possible impact, in terms of amounts and the moment of recognition, is being evaluated with regard to the Group's financial statements.

IFRS 9 Financial Instruments and IFRS 16 Leases are being analysed.

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 2016 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 summarised 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.
- Recognition of profit(loss) on construction contracts.
- 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.
- Allocation of business combination costs.
- 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.
- 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 2016 year-end during the six-month period ended on 30 June 2017.

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 2017.

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 2017.

6.- RISK MANAGEMENT POLICY

The risk management, as one of the Group´s strategic objectives, is focused on implementing a reliable risk management system to be used as management tool in all decision levels.

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

- Identify and manage the risks at Group and Division level.
- Developing an integrated report that allows for identification and follow-up of critical risks;
- Adjusting risk tolerance levels to the Group's objectives;
- Enhancing risk reporting and information;
- Enhancing risk response decisions;
- Integrate the management risk into the decision-making processes.
- Reducing the Group's vulnerability to adverse events;
- Establish and keep a culture of risk awareness.
- 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 structure of the risk management process for the OHL Group is representative of how the Group manages risk. Risk management in the OHL Group is conducted in accordance with the following principles:

- Risk management is incorporated into the main business processes, such as the planning and operational processes, so as to ensure a consistent analysis of the risks during decision making.
- The OHL Group analyses and determines its capacity to reduce, assume, share or avoid risks. This definition is in line with and upholds of the Group's strategic and operational objectives and its risk tolerance statement.
- All risks of the OHL Group have been identified, prioritised and evaluated, according to risk assessments and potential exposure, by the appropriate staff in the organisation.
- Risk management is the responsibility of all employees of the OHL Group. Every employee must be aware of the risks within their scope of responsibility and manage these within the established thresholds.
- Each functional area and Division is responsible for adopting and being compliant with the OHL Group Risk Management System. The identified risks are analysed by all Divisions and are added together to ensure the adoption of a coordinated response regarding the Group's common risks.
- OHL Group Directors conduct a formal risk assessment, at least on a yearly basis, on each Divisions and for the Group as a whole. For high risk projects, activities, tasks or operational areas, these assessments are conducted on a more regular basis, so as remain in line with the dynamic nature of its business.
- Each functional area and Division conducts periodic reviews of its list of risks, in order to update the status of existing risks and to identify emerging risks.
- Each functional area and Division fosters a culture of transparency, awareness and open dialogue with regard to risk. The OHL Group's Risk Management Programme fosters and

assists in the facilitation of regular discussions on risks and awareness and corporate reporting of risks, along with ongoing training on risk management.

- It is the responsibility of each Division to proactively disclose significant risks, either current or potential, in a timely manner, and to ensure that information on risk management is provided to the Directors of the appropriate Division, corporate risk management function or others, where deemed appropriate.
- The OHL Group provides the necessary tools and resources to facilitate risk reporting, monitoring and the measurement.

The OHL Group´s Risk Management Policy is annually reviewed annually to verify it is in line with the 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

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 2017, the hedges created account for 16.0% of that debt and the fixed-interest rate debt totals 61.1%.

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 1,543 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 2017 under the heading "Translation differences", within "Valuation adjustments" totals EUR 418,583 thousands (EUR 529,917) thousands at 31 December 2016).

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

Concept	Thousands of Euros
Non-current financial assets	546,889
Non- current hedging instruments	2,114
Trade and other receivables	2,167,880
Current financial assets	342,942
Current hedging instruments	571
Cash and cash equivalents	792,325

Non-current financial assets

The non-current financial assets include loans to associates amounting to EUR 102,271 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 2017.

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 1,901,654 thousand, from which 55.4% relate to official clients on which no impairments are expected by the Group, with the right to charge interests in some cases. The remaining 44.6% relates to private customers, whose credit risk is regularly estimated by the Group.

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 238,729 thousand corresponding mainly to the reserve accounts related to the project funding of certain concession companies in order to guarantee the debt repayment to the financial institution.

In the first six months of the year, the value of the shares held in Banco Popular S.A. has been impaired in EUR (9,999) thousand, leaving at zero its carrying amount (notes 14 and 24).

Liquidity risk

This risk is managed by maintaining adequate levels of cash and marketable securities, as well as acquiring and keeping lines of sufficient funding to cover all financing needs, as cash maintaining, at all times, a level of financial flexibility that is adequate for its activity.

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 2017 the Group presented the debt maturity schedule which for 2017 totals EUR 180,969 thousand.

The liquidity position at 30 June 2017 was made up of::

- Current financial assets in the amount of EUR 343,513 thousand. Current financial assets include the reserve accounts of certain concession companies in the amount of EUR 238,729 thousand, of restricted availability, intended for servicing the debt.
- Cash and other equivalent liquid assets in the amount of EUR 792,325 thousand.
- Credit and negotiation facilities available in the amount of EUR 322,174 thousand.

Throughout 2016, on a total of four occasions, the credit rating was reduced for the Group, made by rating agencies.

To mitigate the risk of any repercussions to these rating downgrades made to the financial institutions that operate with the Group that could eventually lead to a possible significant negative impact on its liquidity profile, the Company, in November 2016, commenced a process for the joint dialogue and negotiation with its main related entities (the "Group of Entities"), with a two-fold purpose: (i) to ensure the ongoing support for the OHL Group and (ii) to negotiate a new financing package that would allow the OHL Group to have the guaranteed coverage for its future working capital needs arising from the implementation of its Business Plan.

As a result of this process, on 30 March 2017, the OHL Group entered into a Syndicated Multiproduct Loan Agreement, novating and replacing the one signed on 30 December 2016 for a total aggregate amount of EUR 747 millions, including: (i) issuance of guarantees (EUR 465 million), (ii) confirming (EUR 92 million), and (iii) revolving credit line amounting to EUR 190 million which on 28 June 2017 was changed to EUR 128 millions.

All of such mature at 18 months, and with the guarantee of the shares of OHL Concesiones, S.A. and OHL Desarrollos, SAL. as well as the implementation of a non-strategic asset divestment plan.

The combination of this new financing package, which allows the OHL Group to achieve a guaranteed coverage of its working capital needs that may arise from its Business Plan, along with the debt reduction measures envisaged for 2017, provides a very significant strengthening of the Company's liquidity profile.

7.- SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flows are the inputs and outputs of cash or cash equivalents, i.e., 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	
	30/06/2017	30/06/2016
Changes in provisions and allowances	(1,183)	50,982
Financial profit and loss	211,696	61,633
Result of companies accounted for using the equity method	(1,092)	30,719
Profit/loss before tax for guaranteed return	(381,920)	(216,840)
Total	(172,499)	(73,506)

  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 2016 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 2017:

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

			Combination (net) cost (a) + (b) (Thousands of Euros)			
Name of the company (or business line) acquired or merged	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, A.S.	Subsidiary	30/01/2017	669		0.61%	98.35%
OHL ZS d.o.o. Banja Luka	Subsidiary	30/01/2017			0.61%	98.35%
OHL ZS MO, S.R.L.	Subsidiary	30/01/2017			0.61%	98.35%
OHL ZS Polska, S.Z.o.o.	Subsidiary	30/01/2017			0.61%	98.35%
OHL ZS SK, a.s.	Subsidiary	30/01/2017			0.61%	98.35%
Tomi Remont, a.s.	Subsidiary	30/01/2017			0.61%	98.35%
ZS Bratislava, a.s.	Subsidiary	30/01/2017			0.61%	98.35%
ZS Brno, s.r.o.	Subsidiary	30/01/2017			0.61%	98.35%
CD Telematica, a.s.	Associate	30/01/2017			0.01%	1.75%
Obalovna Boskovice, s.r.o.	Associate	30/01/2017			0.28%	44.26%
Regena spol, s.r.o.	Associate	30/01/2017			0.31%	49.18%
Remont Pruga d.o.o. Sarajevo	Associate	30/01/2017			0.21%	32.95%
Stavba a údrzba zelezníc, a.s. Bratislava	Associate	30/01/2017			0.21%	32.95%
Sociedad Anónima de Gestión de Estibadores Portuarios del Puerto de Santa Cruz de Tenerife	Associate	11/04/2017	2		0.94%	28.14%
OHL ZS, A.S.	Subsidiary	18/04/2017	670		0.48%	98.83%
OHL ZS d.o.o. Banja Luka	Subsidiary	18/04/2017			0.48%	98.83%
OHL ZS MO, S.R.L.	Subsidiary	18/04/2017			0.48%	98.83%
OHL ZS Polska, S.Z.o.o.	Subsidiary	18/04/2017			0.48%	98.83%
OHL ZS SK, a.s.	Subsidiary	18/04/2017			0.48%	98.83%
Tomi Remont, a.s.	Subsidiary	18/04/2017			0.48%	98.83%
ZS Bratislava, a.s.	Subsidiary	18/04/2017			0.48%	98.83%
ZS Brno, s.r.o.	Subsidiary	18/04/2017			0.48%	98.83%
CD Telematica, a.s.	Associate	18/04/2017			0.01%	1.76%
Obalovna Boskovice, s.r.o.	Associate	18/04/2017			0.21%	44.47%

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

			Combination (net) cost (a) + (b) (Thousands of Euros)			
Name of the company (or business line) acquired or merged	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
Regena spol, s.r.o.	Associate	18/04/2017			0.24%	49.42%
Remont Pruga d.o.o. Sarajevo	Associate	18/04/2017			0.16%	33.11%
Stavba a údrzba zelezníc, a.s. Bratislava	Associate	18/04/2017			0.17%	35.06%
Community Asphalt Corp.	Subsidiary	05/06/2017			7.75%	100.00%
CAC Vero I, LLC	Subsidiary	05/06/2017	14,036		7.75%	100.00%
Sawgrass Rock Quarry, Inc.	Subsidiary	05/06/2017			7.75%	100.00%

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)
Sestibalsa Alicante, S.A., de Gestión de Estibadores Portuarios	Associate	27/12/2016	2.15%	44.88%	
Port Torredembarra, S.A.	Associate	24/02/2017	24.08%		64
Proyecto Canalejas Group, S.L.	Associate	07/04/2017	17.50%	17.50%	33,429
Centro Canalejas Madrid, S.L.	Associate	07/04/2017	17.50%	17.50%	
Tenedora de Hoteles y Golf MKB, S.A. de C.V.	Associate	24/04/2017	85.00%	15.00%	(12,651)
Aqua Mayakoba, S.A. de C.V.	Associate	24/04/2017	85.00%	15.00%	
Mayakoba Thai, S.A. de C.V.	Associate	24/04/2017	51.00%	43.32%	
Lotes 3 Servicios, S.A. de C.V.	Associate	24/04/2017	51.00%	29.00%	
Controladora Hoyo 1, S.A. de C.V.	Associate	24/04/2017	85.00%	15.00%	
Hotel Hoyo Uno, S. de R.L. de C.V.	Associate	24/04/2017	51.00%	9.00%	
HH1 Servicios S de R.L. de C.V.	Associate	24/04/2017	51.00%	9.00%	

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)
Golf de Mayakoba, S.A. de C.V.	Associate	24/04/2017	51.00%	49.00%	
Golf Mayakoba Servicios, S.A. de C.V.	Associate	24/04/2017	51.00%	49.00%	
OHL Desarrollos México, S.A. de C.V.	Associate	24/04/2017	56.77%	43.23%	(7,283)
Lagunas de Mayakoba, S.A. de C.V. de C.V.	Associate	24/04/2017	56.77%	43.23%	
Operadora Hotelera del Corredor Mayakoba, S.A. de C.V.	Associate	24/04/2017	51.00%	38.84%	
Operadora Mayakoba, S.A. de C.V.	Associate	24/04/2017	51.00%	38.84%	
Servicios Hoteleros del Corredor Mayakoba, S.A. de C.V.	Associate	24/04/2017	51.00%	38.84%	
Desarrollos RBK en la Riviera, S.A. de C.V.	Associate	24/04/2017	51.00%	49.00%	
Islas de Mayakoba Servicios, S.A. de C.V.	Associate	24/04/2017	50.97%	49.03%	
Islas de Mayakoba, S.A. de C.V.	Associate	24/04/2017	51.00%	49.00%	
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	Subsidiary	27/04/2017	7.96%	34.68%	
Concesionaria Mexiquense, S.A. de C.V.	Subsidiary	27/04/2017	7.96%	34.68%	
OPCEM, S.A.P.I. de C.V.	Subsidiary	27/04/2017	7.96%	34.68%	
Concepteur-Constructeur St-Carles SEC	Associate	28/04/2017	50.00%		
Gestión PCC SC INC	Associate	28/04/2017	50.00%		
Activos Hoteleros de Lujo MKB, S.A. de C.V.	Associate	18/05/2017	32.28%	10.95%	(4,726)
Lagunas de Mayakoba, S.A. de C.V. de C.V.	Associate	18/05/2017	32.28%	10.95%	
Operadora Hotelera del Corredor Mayakoba, S.A. de C.V.	Associate	18/05/2017	29.00%	9.84%	
Operadora Mayakoba, S.A. de C.V.	Associate	18/05/2017	29.00%	9.84%	
Servicios Hoteleros del Corredor Mayakoba, S.A. de C.V.	Associate	18/05/2017	29.00%	9.84%	
Desarrollos RBK en la Riviera, S.A. de C.V.	Associate	18/05/2017	29.00%	20.00%	
Islas de Mayakoba, S.A. de C.V.	Associate	18/05/2017	29.00%	20.00%	
Islas de Mayakoba Servicios, S.A. de C.V.	Associate	18/05/2017	28.98%	20.05%	
Marina Urola, S.A.	Subsidiary	05/06/2017	27.34%	51.00%	
Autovía de Aragón-Tramo 1, S.A.	Associate	14/06/2017	75.00%	20.00%	21,778

9.- CHANGES IN THE CONSOLIDATION SCOPE

In the first six months of fiscal year 2017 the following changes have taken place:

Additions to	
Under full consolidation method	4
Using the equity method	19
Total additions	23

Outflows	Number of companies
Under full consolidation method	17
Using the equity method	3
Total outflows	20

The most significant changes were:

- The change from full integration method to equity method of: Lagunas de Mayakoba, S.A. de C.V., Operadora Mayakoba, S.A. de C.V., Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V., Servicios Hoteleros del Corredor de Mayakoba, S.A. de C.V., Islas de Mayakoba, S.A. de C.V., Islas de Mayakoba Servicios, S.A. de C.V., Desarrollos RBK en la Riviera, S.A. de C.V., Aqua Mayakoba, S.A. de C.V., Lote 3 Servicios, S.A. de C.V., Mayakoba Thai, S.A. de C.V., Controladora Hoyo 1, S.A. de C.V., Hotel Hoyo Uno, S. de R.L. de C.V., HH1 Servicios, S. de R.L. de C.V., Golf de Mayakoba, S.A. de C.V. y Golf Mayakoba Servicios, S.A. de C.V., are companies, as of 31 December 2016, undergoing a divestment process and classified as held for sale and, in 2017, after the sale of their majority interest, they have been recognised using the equity method (see Notes 12, 13 and 24).
- The deconsolidation of Cercanías Móstoles Navalcarnero, S.A., after having entering into the liquidation phase and after the OHL representatives on the administrative body of the concessionaire having stepped down (see Notes 11 and 21).

10.- DIVIDENDS DISTRIBUTED BY THE COMPANY

No dividend was paid by the company in the first six months of 2017 and 2016.

Earnings per share

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Weighted average number of outstanding shares	298,758,998	298,758,998
Consolidated profit(loss) for the Period Attributable to the Parent Company	(32,112)	2,978
Basic earnings per share = Diluted earnings per share (Euros)	**(0.11)**	**0.01**

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 2017 and 2016, 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 concession infrastructure are described in Note 2.6.2 to the consolidated financial statements for the reporting period ended on 31 December 2016.

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 exploitation monopoly of the service 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 2017 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					
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	Carriageway M-45. Section N-V to N-IV	Spain	100.00	95,828	10
Marina Urola, S.A.	Marina	Spain	51.00	2,795	10
Terminal de Contenedores de Tenerife, S.A.	Terminal exploitation	Spain	100.00	73,805	25
Terminales Marítimas del Sureste, S.A.	Terminal exploitation	Spain	100.00	115,873	30
Sociedad Concesionaria Nuevo Camino Nogales-Puchucanví, S.A. (2)	Concesión Los Nogales - Puchucanví	Chile	100.00	201,520	37
Terminal Cerros de Valparaíso, S.A. (2)	Terminal exploitation	Chile	100.00	506,005	26
Concesionaria AT-AT, S.A. de C.V.(2)	Atizapán-Atlacomulco toll highway	Mexico	56.85	479,090	27
Grupo Autopistas Nacionales, S.A.	Amozoc Perote highway	Mexico	39.33	164,361	46
Autopista del Norte, S.A.C.	Road network 4	Peru	100.00	516,582	25
Financial asset					
Sociedad Concesionaria Aguas de Navarra, S.A.(2)	Navarra Canal	Spain	65.00	99,650	27
Autopista Río Magdalena, S.A.S.(2)	Autopista Río Magdalena	Colombia	100.00	621,049	23
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Centro de justicia	Chile	100.00	78,645	8
Sociedad Concesionaria Puente Industrial, S.A.	Concesión del Puente Industrial	Chile	100.00	160,655	35
Autopista Urbana Norte, S.A. de C.V.(1)	Beltway	Mexico	56.85	604,047	25
Concesionaria Mexiquense, S.A. de C.V.(1)	"Circuito exterior mexiquense" highway	Mexico	34.68	1,226,896	35
Viaducto Bicentenario, S.A. de C.V.(1)	Elevated viaduct	Mexico	56.85	569,351	21

(1) Concession companies with guaranteed return.
(2) Under construction.

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

Period	Thousands of Euros
Before 5 years	1,990,997
Between 5 and 10 years	44,213
More than 10 years	97,012
Total	2,132,222

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	
	30/06/2017	31/12/2016
Intangible assets		
Autopista del Norte, S.A.C.	279,173	290,420
Autovía de Aragón-Tramo 1, S.A. (4)	-	147,182
Cercanías Móstoles Navalcarnero, S.A.(1)	-	266,017
Concesionaria AT – AT, S.A. de C.V.(2)	112,797	97,042
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	46,338	48,396
Grupo Autopistas Nacionales, S.A.	67,929	66,462
Sociedad Concesionaria Nuevo Camino Nogales-Puchuncaví, S.A. (2)	26,314	463
Terminal Cerros de Valparaíso, S.A. (2)	54,909	59,472
Terminal de Contenedores de Tenerife, S.A.	105,017	105,569
Terminales Marítimas del Sureste, S.A.	115,170	117,390
Other	2,577	641
Total Intangible Assets	810,224	1,199,054
Financial asset		
Autopista Río Magdalena, S.A.S.(2)	73,448	51,229
Autopista Urbana Norte, S.A. de C.V.(3)	1,307,154	1,136,687
Concesionaria Mexiquense, S.A. de C.V.(3)	3,277,753	3,897,225
Sociedad Concesionaria Aguas de Navarra, S.A.(2)	61,972	52,589
Sociedad Concesionaria Nuevo Camino Nogales-Puchuncaví, S.A. (2)	16,677	-
Sociedad Concesionaria Puente Industrial, S.A.	22,477	21,665
Viaducto Bicentenario, S.A. de C.V.(3)	1,205,202	1,081,149
Other	34	36
Total financial assets	5,964,717	5,240,580
Total	6,774,941	6,439,634

(1) Projects undergoing insolvency proceedings, liquidation stage (see Note 21).
(2) Under construction.
(3) Concession companies with guaranteed return.
(4) Consolidated under the equity method with 20.00% after the sale of 75.00% of ownership interest in June 2017.

The amounts recorded for Guaranteed return adjustment at 30 June 2017 and 31 December 2016 is as follows:

Company	Thousands of Euros	
	30/06/2017	31/12/2016
Autopista Urbana Norte, S.A. de C.V.	746,841	630,646
Concesionaria Mexiquense, S.A. de C.V.	2,071,547	1,883,069
Viaducto Bicentenario, S.A. de C.V.	630,598	601,048
Total	3,448,986	3,114,763

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

Countries and companies	30/06/2017 Thousands of Euros		
	Intangible assets	Financial assets	Total
Chile			
Sociedad Concesionaria Puente Industrial, S.A.(1)	-	22,477	22,477
Sociedad Concesionaria Nuevo Camino Nogales-Puchuncaví, S.A. (1)	26,314	16,677	42,991
Terminal Cerros de Valparaíso, S.A. (1)	54,909	-	54,909
Other	-	34	34
Total Chile	81,223	29,188	120,411
Colombia			
Autopista Río Magdalena, S.A.S. (1)	-	73,448	73,448
Total Colombia	-	73,448	73,448
Spain			
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	46,338	-	46,338
Sociedad Concesionaria Aguas de Navarra, S.A. (1)	-	61,972	61,972
Terminal de Contenedores de Tenerife, S.A.	105,017	-	105,017
Terminales Marítimas del Sureste, S.A.	115,170	-	115,170
Other	2,577	-	2,577
Total Spain	269,102	61,972	331,074
Mexico			
Autopista Urbana Norte, S.A. de C.V.(3)	-	1,307,154	1,307,154
Concesionaria AT – AT, S.A. de C.V.(1)	112,797	-	112,797
Concesionaria Mexiquense, S.A. de C.V.(3)	-	3,277,753	3,277,753
Grupo Autopistas Nacionales, S.A.	67,929	-	67,929
Viaducto Bicentenario, S.A. de C.V.(3)	-	1,205,202	1,205,202
Total Mexico	180,726	5,790,109	5,970,835
Peru			
Autopista del Norte, S.A.C.	279,173	-	279,173
Total Peru	279,173	-	279,173
Total	810,224	5,964,717	6,774,941

(1) Under construction.
(2) Projects undergoing insolvency proceedings, liquidation stage (see Note 21).
(3) Concession companies with guaranteed return.

Countries and companies	31/12/2016 Thousands of Euros		
	Intangible assets	Financial Assets	Total
Chile			
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	36	36
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A. (2)	463	-	463
Sociedad Concesionaria Puente Industrial, S.A. (2)	-	21,665	21,665
Terminal Cerros de Valparaíso, S.A. (2)	59,472	-	59,472
Total Chile	59,935	21,701	81,636
Colombia			
Autopista Río Magdalena, S.A.S. (2)	-	51,229	51,229
Total Colombia	-	51,229	51,229
Spain			
Autovía de Aragón-Tramo 1, S.A.	147,182	-	147,182
Cercanías Móstoles Navalcarnero, S.A. (3)	266,017	-	266,017
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	48,396	-	48,396
Sociedad Concesionaria Aguas de Navarra, S.A. (2)	-	52,589	52,589
Terminal de Contenedores de Tenerife, S.A.	105,569	-	105,569
Terminales Marítimas del Sureste, S.A.	117,390	-	117,390
Other	641	-	641
Total Spain	685,195	52,589	737,784
Mexico			
Autopista Urbana Norte, S.A. de C.V.(1)	-	1,136,687	1,136,687
Concesionaria AT – AT, S.A. de C.V.(2)	97,042	-	97,042
Concesionaria Mexiquense, S.A. de C.V.(1)	-	2,897,225	2,897,225
Grupo Autopistas Nacionales, S.A.	66,462	-	66,462
Viaducto Bicentenario, S.A. de C.V.(1)	-	1,081,149	1,081,149
Total Mexico	163,504	5,115,061	5,278,565
Peru			
Autopista del Norte, S.A.C.	290,420	-	290,420
Total Peru	290,420	-	290,420
Total	1,199,054	5,240,580	6,439,634

(1) Concession companies with guaranteed return.
(2) Under construction.
(3) In arrangement with creditors (see note 21).

The following concessions operated by the Group are as follows:

Chile

Sociedad Concesionaria Puente Industrial, S.A.

In 2014, OHL Concesiones Chile 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.

Sociedad Concesionaria Nuevo Camino Nogales-Puchuncaví, S.A.

In 2016 the Ministry of Public Works of Chile awarded the tendering process of Camino Nogales-Puchuncaví to OHL Concesiones Chile for the extension of the infrastructure and the improvement of the technical standard and services levels of the current way.

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, helping to decrease the travel times.

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.

With a berthing line of 785 m long (container terminal) and 613 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 1,150,000 and 1,800,000 tones of general freight.

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 was obtained.

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

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

The routing of this tranche of motorway M-45 if 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 -18 m long as well as the capability to operate simultaneously at least two Super-post panamax ships and a capacity of up to 620,000 TEUs movements 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 de 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 berthin line of 1,670 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 conferring the awarded company the right to recover, the invested equity or the total investment, plus an annual guaranteed internal return rate net of taxes.

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

In 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 at 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.

The concession agreement includes a Guaranteed return provision conferring the awarded company the right to recover, the invested equity or the total investment, plus an annual guaranteed internal return rate net of taxes.

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.

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 kilometer 44 of the highway Autopista México-Querétaro, with a length of 32 km.

The project is structure 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. The second phase, with 5 km, forms a viaduct parallel to the existing reversible highway. In the third phase both viaducts will be extended in 10 kms.

The concession agreement includes a Guaranteed return provision conferring the awarded company the right to recover, the invested equity or the total investment, plus an annual guaranteed internal return rate net of taxes.

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 cost. 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 Huarmey, Casma y Virú-Chao.

In 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.

Impairment 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 are 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 2017 there is no indicator of any impairment loss.

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

The discount rates used at the end of the fiscal year 2016 that were held at 30 June 2017 were:

Chile 7.36%, Colombia 10.0%, Spain 4.32%, Mexico 8.2%, and Peru 9.0%.

The information about the CPI have 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 2017 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 sense, the following comments should be made:

Mexican concessionaires

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

- The minimal discount rates used have been 8.2%.
- The CPI have been obtained from Latin Focus.
- Income forecasts: 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 Mexico, S.A.B. de C.V.

The market price of the shares of OHL México, S.A.B de C.V. (OHL México) was recovered in the first six months of the fiscal year 2017, placing at 26.23 pesos per share at 30 June 2017, against 20.39 pesos per share at 31 December 2016. However, the Group has made an analysis of the recoverable amount (understood as the higher value between the fair value or the value in use) of its net investment in OHL Mexico which at 30 June 2017 amounted to EUR 1,985.8 million, in order to identify a potential impairment in this price.

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, as well as benchmark prices of transactions made.

After such analysis, the Group estimates no impairment on this investment.

On 14 June 2017, OHL Concesiones S.A.U. and IFM Global Infrastructure Fund (IFM), through its subsidiary Woodside Spain S.L.U., entered into a Framework Agreement whereby, among others, they agreed to carry out a **Cash Tender Offer** for all the shares of OHL México S.A.B. de C.V. that are not owned by the OHL Group, through the Group's company Magenta Infraestructura, S.L.

The foregoing is understood that immediately before the settlement of the offer:

- OHL Concesiones shall transfer, and ensure that its subsidiaries that are holders of OHL México shares to transfer, to the Offeror (OHL Concessions and IFM), all of their ownership, which is unencumbered, however, under no circumstance, is this to be less than 690,568,168 shares in OHL México, representing:
  i. 39.87% of the capital of OHL México, while contemplating the treasury shares of OHL México and
  ii. 40.33% of the share capital of OHL México, without contemplating the treasury shares of OHL México

  In the understanding that, regardless of the outcome of the Tender Offer, OHL Concesiones will continue to exercise, directly or indirectly, control over OHL México and

- The allocation of all resources will be made, so as to cover the acquisition price of the OHL Mexico Publicly Traded Shares, through a capital contribution made by IFM through its subsidiary Woodside Spain S.L. for the Offeror, in accordance with the terms of the Investment Contract.

- The approval, by MFIs, for the granting of a loan to OHL Concesiones for EUR 400.0 million, which will be used by OHL Concesiones for the repayment of the issue of redeemable bonds for OHL México shares, for the same amount that expires in April 2018.

Following this Framework Agreement, on 14 June 2017, Magenta Infraestructura, S.L., a wholly owned investee company of OHL Concesiones, S.A. was given approval by the National Banking and Securities Commission (CNBV) of Mexico, along with IFM, to launch the Cash Tender Offer for all OHL México, S.A.B. de C.V. shares that were not owned by the OHL Group.

The main characteristics of the Tender Offer are:

i. **Purchase price: $27.00 Mexican pesos per share**, a price determined freely by the Offeror, in consideration of the characteristics of the issue, after taking into account various aspects that had been deemed convenient and where the Board of Directors of OHL México resolved that it was fair from a financial perspective, after considering, on 12 June 2017, the opinion of an Independent Expert and the opinion of the Corporate Practices Committee of OHL México.

ii. **Amount of the offer: up to $19,643,420 thousand Mexican pesos (EUR 954,490 thousand).**

iii. **Total number of shares representing the share capital of the issuer:** 1,732,185,269 shares.

iv. **Percentage of share capital of the issuer representing the securities under the offer:** 42.00% of the share capital of OHL México (42.49% of the share capital) without including treasury shares in OHL México.

v. **Term of the offer:** from 15 June to 19 July 2017, where it could be extended, which was the case, until 26 July 2017.

vi. **Date of recognition on the Stock Exchange:** 1 August 2017.

This Offer is dependent upon Magenta acquiring at least 85% of the share capital of OHL México (initially 95%), which includes the 56.85% already owned by the OHL Group. The foregoing was based upon the approval granted by the CNBV for Magenta to modify the Tender Offer on 10 July 2017.

Cercanías Móstoles Navalcarnero, S.A.

At 31 December 2016, this company had entered insolvency procedures, after having requested the termination of the concession contract for causes attributable to the Contracting Authority and also due to the impossibility of its performance because of unpredictable and unforeseeable circumstances.

For the purpose of conducting the impairment test, and given the uncertainty in the variables used to make any economic-financial forecast for the concession, it was considered that the salvage value be the minimum recoverable value, this being higher than its carrying value.

On 15 March 2017, the Commercial Court No. 1 of Madrid issued a Winding Up Order during the insolvency proceedings for the company, where, at that moment, the Directors had been stood down from their duties and replaced by the Insolvency Administration, which implied the loss of control and, consequently, the deconsolidation of this company from the OHL Group, as from March 2017.

The consolidated carrying value, at 30 June 2017, amounted to EUR 185,790 thousand, recorded under Non-current financial assets (see Notes 14 and 21).

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 was 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 2017 and 31 December 2016, the investments measured by the equity method were as follows:

Company	Thousands of Euros	
	30/06/2017	31/12/2016
Joint Ventures		
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	6,240	6,467
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	107,705	90,470
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	664	754
FHP Villas Lote 2, S.A. de C.V.	793	1,238
Fideicomiso Desarrollo OV CIB/2185	2,522	2,568
Health Montreal Collective CJV, L.P.	24,809	-
Libramiento Elevado de Puebla, S.A. de C.V.	47,854	44,098
Nova Dársena Esportiva de Bara, S.A.	14,426	14,461
Novaterra Caribe, S.A.P.I. de C.V.	2,267	2,354
OHL Construction Canada and FCC Canada Limited Partnership	8,051	7,244
OHL FCC North Tunnels Canadá, Inc.	8,649	9,013
Proyecto CCC Empalme I, S.A.P.I. de C.V.	10,164	6,513
Sociedad Concesionaria Vespucio Oriente, S.A.	27,400	25,780
Other	1,828	1,152
Associates		
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	49,220	43,209
Alse Park, S.L.	5,683	5,638
Arenales Solar PS, S.L.	18,859	18,546
Autovía de Aragón Tramo 1, S.A.	17,033	-
Centro Canalejas Madrid, S.L.	46,658	79,590
Desarrollos RBK de la Riviera, S.A.de C.V. (1)	2,460	-
E.M.V. Alcalá de Henares, S.A.	1,975	1,975
Golf de Mayakoba, S.A. de C.V. (1)	5,535	-
Health Montreal Collective Limited Partnership	7,141	6,974
Hotel Hoyo Uno, S. de R.L. de C.V. (1)	5,088	-
Islas de Mayakoba, S.A. de C.V. (1)	16,072	-
Islas de Mayakoba Servicios, S.A. de C.V. (1)	612	-
Mayakoba Thai, S.A. de C.V. (1)	12,388	-
Metro Ligero Oeste, S.A.	81,724	84,879
Nuevo Hospital de Toledo, S.A.	2,115	2,040
Operadora Hotelera del Corredor de Mayakoba, S.A. de C.V. (1)	8,705	-
Port Torredembarra, S.A.	-	334
57 Whitehall Holdings, S.A.R.L.	61,155	57,113
Other	1,993	1,201
Total	607,788	513,611

(1) Fully consolidated companies, which at 31 December 2016 were recognised as assets and liabilities held for sale (see note 13) and after the sale of majority interests in the first semester of 2017, the remaining minority interests were consolidated under the equity method.

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

In the fiscal year 2016, according to IFRS 5, assets and liabilities of different companies owning the hotels Rosewood, Fairmont, Banyan Tree and Andaz de Mayakoba and Golf de Mayakoba were recorded as held for sale as they were undergoing a divestment process.

In the first six months of the fiscal year 2017 the majority interests of such companies were sold (see Notes 8 and 24) and the remaining minority interests held by the Group were now consolidated under the equity method (see Notes 8 and 12).

At 30 June 2017 no assets are classified as held for sale.

14.- FINANCIAL ASSETS

Below is a breakdown of the Group's financial assets at 30 June 2017 and 31 December 2016, by nature and category, for measurement purposes:

Financial assets:	Thousands of Euros 30/06/2017						
	Financial assets held for negotiation	Other financial assets at fair value with changes recognised in P&L	Available-for-sale financial assets	Loans and accounts receivable	Held-to-maturity investments	Hedge derivatives	Total
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	107	-	-	-	2,007	2,114
Other financial assets	-	-	59,992	485,660	1,237	-	546,889
Non-current financial assets	**-**	**107**	**59,992**	**485,660**	**1,237**	**2,007**	**549,003**
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	53,517	-	53,517
Derivatives	-	571	-	-	-	-	571
Other financial assets	-	-	3	289,422	-	-	289,425
Current financial assets	**-**	**571**	**3**	**289,422**	**53,517**	**-**	**343,513**
Total	-	678	59,995	775,082	54,754	2,007	892,516

At 31 June 2017 the item Non-current financial assets within Loans and accounts receivable includes:

1) An amount of EUR 100,716 thousand (EUR 106,187 thousand at 31 December 2016) (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 Center Contract (Doha, Qatar), which the Group considers —pursuant to the opinion of its legal counsel— to be fully recoverable (see Note 21).

2) An amount of EUR 15,869 thousand related to guarantees of Cercanías Móstoles Navalcarnero, S.A. incorrectly executed by the local authorities of Madrid region, which the Group considers —pursuant to the opinion of its legal counsel— to be fully recoverable (see Note 21).

3) An amount of EUR 18,587 thousand related to the net participating loan of Aeropistas, S.L., as it is under liquidation stage (see Note 21). The investment in Aeropistas, S.L. is fully provisioned and recognised in Other Non-current financial assets, within Available-for-sale financial assets.

4) An amount of EUR 125,879 thousand included in Loans and accounts receivable, related to the participating loan of Cercanías Móstoles Navalcarnero, S.A., previously fully consolidated and now recorded here for being under the liquidation phase (see notes 11 and 21).An amount of EUR 59,911 thousand is as well included, and it relates to the investment within Available-for-sale financial assets.

5) An amount of EUR 79,676 thousand related to a loan to Grupo Villar Mir, S.A.U., as a result of the termination of the sale agreement of the full share capital of Pacadar S.A. The reimbursement of the price paid, established in two years' term, is guaranteed by means of the pledge of 100% shares of Pacadar S.A., with an annual interest rate of 5.0%.

The item Current financial assets, within Loans and accounts receivable, includes:

1) An amount of EUR 9,999 thousand related to the shares of Banco Popular S.A. which were fully provisioned in the first semester of 2017.

2) The reserve accounts of certain concession companies in the amount of EUR 238,729 thousand, of restricted availability, intended for servicing the debt (EUR 264,462 thousand at 31 December 2016).

Financial assets:	Thousands of Euros 31/12/2016						
	Financial assets held for negotiation	Other financial assets at fair value with changes recognised in P&L	Available-for-sale financial assets	Loans and accounts receivable	Held-to-maturity investments	Hedge derivatives	Total
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	7,252	-	-	-	14,629	21,881
Other financial assets	-	-	1,002	379,635	313	-	380,950
Non-current financial assets	**-**	**7,252**	**1,002**	**379,635**	**313**	**14,629**	**402,381**
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	56,988	-	56,988
Derivatives	-	1,847	-	-	-	-	1,847
Other financial assets	-	-	335,507	269,106	-	-	604,613
Current financial assets	**-**	**1,847**	**335,507**	**269,106**	**56,988**	**-**	**663,448**
Total	-	9,099	336,509	648,741	57,301	14,629	1,066,279

15.- INVENTORIES

No valuation adjustments were made to "Inventories" under the consolidated balance sheet for the six-month period ended 30 June 2017.

16.- TRADE RECEIVABLES FOR SALES AND SERVICES

The breakdown of this heading at 30 June 2017 and 31 December 2016 is shown below:

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Trade receivables for sales and services		
For works or services to be billed	1,131,389	1,031,550
For certificates	625,441	631,841
For trade receivables withholdings	137,396	134,705
For trade receivable bills	7,428	8,266
Subtotal	1,901,654	1,806,382
Advances from trade receivables	(491,402)	(461,614)
Total net of advances	1,410,252	1,344,768
Provisions	(313,941)	(313,085)
Total, net	1,096,311	1,031,683

At 30 June 2017, the balance of trade receivables decreased by EUR 36,382 thousand (EUR 53,108 thousand at 31 December 2016) due to the assignment of receivables from clients to financial institutions, without recourse in the event of non-payment by clients. 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	
	30/06/2017	31/12/2016
Domestic	**410,636**	**391,293**
Public Sector	**169,356**	**162,516**
Central Administration	49,104	42,363
Regional authorities	45,441	52,647
Local authorities	33,991	35,455
Other Bodies	40,820	32,051
Private Sector	**241,280**	**228,777**
Abroad	**1,491,018**	**1,415,089**
Total	1,901,654	1,806,382

From the outstanding balance for certifications and trade receivables bills, which amounts to EUR 632,869 thousand, 60.2% (EUR 380,932 thousand) relates to the public sector and 39.8% (EUR 251,937 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 arbitrational) which it estimates as being likely achievable.

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 697,000 thousand approximately related to projects in progress (EUR 693,100 thousand at 31 December 2016).

From such amount, the Group recognised EUR 414,800 thousand related to such claims under the heading "Trade receivables for sales and services" (EUR 425,200 thousand at 31 December 2016) and 84.0% of the total (EUR 348,600 thousand) was under dispute (legal or arbitrational) compared to the 83.6% of the total that they represented at 31 December 2016 (EUR 355,600 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 2017 there have been no claims under dispute from those which were in process of negotiation. Likewise, on 30 June 2017 no income related to claims under dispute (legal or arbitrational) has been recognised.

From the total balance of provisions at 30 June 2017, EUR 204,680 thousand are used to cover possible damages for the recorded claims (EUR 204,680 thousand in 2016) and the rest of the sum relates to insolvencies of the remaining receivables.

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 2017 and 31 December 2016, by nature and category:

Financial liabilities:	Thousands of Euros				
	30/06/2017				
	Financial liabilities held for negotiation	Other financial liabilities at fair value with changes recognised in P&L	Accounts payable	Hedge derivatives	Total
Bank borrowings	-	-	1,695,458	-	1,695,458
Debt instruments and other marketable securities	-	-	1,705,556	-	1,705,556
Derivatives	-	5,725	-	22,180	27,905
Other financial liabilities	-	-	3,789	-	3,789
Non-current financial liabilities	**-**	**5,725**	**3,404,803**	**22,180**	**3,432,708**
Bank borrowings	-	-	195,372	-	195,372
Debt instruments and other marketable securities	-	-	432,302	-	432,302
Derivatives	-	938	-	2,108	3,046
Other financial liabilities	-	-	2,537	-	2,537
Current financial liabilities	**-**	**938**	**630,211**	**2,108**	**633,257**
Total	-	6,663	4,035,014	24,288	4,065,965

Financial liabilities:	Thousands of Euros				
	31/12/2016				
	Financial liabilities held for negotiation	Other financial liabilities at fair value with changes recognised in P&L	Accounts payable	Hedge derivatives	Total
Bank borrowings	-	-	1,763,653	-	1,763,653
Debt instruments and other marketable securities	-	-	2,013,412	-	2,013,412
Derivatives	-	-	-	50,073	50,073
Other financial liabilities	-	-	2,970	-	2,970
Non-current financial liabilities	**-**	**-**	**3,780,035**	**50,073**	**3,830,108**
Bank borrowings	-	-	577,232	-	577,232
Debt instruments and other marketable securities	-	-	37,969	-	37,969
Derivatives	-	843	-	335	1,178
Other financial liabilities	-	-	5,877	-	5,877
Current financial liabilities	**-**	**843**	**621,078**	**335**	**622,256**
Total		843	4,401,113	50,408	4,452,364

Bank borrowings and the issuances of debentures and other marketable securities at 30 June 2017 amount to EUR 4,028,688 thousand.

A detail of the maturity by years is shown below.

Concept	Thousands of Euros						
	2017	2018	2019	2020	2021	Remainder	Total
Bank borrowings	**147,784**	**305,463**	**414,884**	**130,050**	**75,204**	**817,445**	**1,890,830**
Corporate bonds	22,252	399,117	-	189,843	8,842	895,564	1,515,618
Other marketable securities	4,790	-	-	-	-	-	4,790
Bonds of concession operators	6,143	3,755	3,958	4,773	5,380	593,441	617,450
Total issue of debt instruments and other marketable securities	**33,185**	**402,872**	**3,958**	**194,616**	**14,222**	**1,489,005**	**2,137,858**
Total Bank borrowings and issuance of debentures and other marketable securities	180,969	708,335	418,842	324,666	89,426	2,306,450	4,028,688

Bank borrowings

The breakdown of bank borrowings at 30 June 2017 by year of maturity is as follows:

	Thousands of Euros						
	2017	2018	2019	2020	2021	Remainder	Total
Mortgage loans	22	35	39	42	46	1,319	1,502
Certification and trade notes negotiation	15,455	-	-	-	-	-	15,455
Loans and loan agreements	97,114	193,549	255,757	38,160	-	157,929	742,509
Total mortgage and other loans	**112,591**	**193,584**	**255,796**	**38,202**	**46**	**159,248**	**759,466**
Loans of concession operators	21,810	111,879	159,088	91,848	75,159	658,197	1,117,981
Total loans	**134,401**	**305,463**	**414,884**	**130,050**	**75,204**	**817,445**	**1,877,447**
Unmatured accrued interest payable	7,623	-	-	-	-	-	7,623
Unmatured accrued interest payable of concession operators	5,760	-	-	-	-	-	5,760
Total payable for accrued and undue interests	**13,383**	-	-	-	-	-	**13,383**
Total	147,784	305,463	414,884	130,050	75,204	817,445	1,890,830

At 30 June 2017, the payable to credit institutions hedged by interest rate derivatives accounted for 38.0% of the total amount (31.9% at 31 December 2016).

- Mortgage loans

  At 30 June 2017, certain property, plant and equipment amounting to EUR 511 thousand (EUR 402 thousand at 31 December 2016) are subject to mortgages, for an amount of EUR 174 thousand (EUR 185 thousand at 31 December 2016).

  At 30 June 2017 investment properties amounting to EUR 1,048 thousand (EUR 175 thousand at 31 December 2016) were subject to mortgages, for an amount of EUR 1,328 thousand (EUR 119 thousand at 31 December 2016).

These loans accrue market interest rates.

- Certification and draft negotiation lines.

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Maximum amount granted	27,367	23,399
Drawn	**15,455**	**3,865**
Amount drawable	11,912	19,534

The average interest rate accrued during the first six months of fiscal year 2017 for the lines used was 4.47% (1.85% in 2016).

- Loans, credit facilities and concessionaires' loans.

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Maximum amount granted	2,211,800	2,618,760
Drawn	**1,901,538**	**2,377,088**
Amount drawable	310,262	241,672

The average interest rate accrued during the first six months of fiscal year 2017 for the facilities used was 6.38% (5.63% in 2016).

The most important loan transactions include:

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

   Collar financing

   At 31 December 2016 OHL Emisiones, S.A.U., a wholly-owned subsidiary of OHL Concesiones, S.A.U., had signed a loan for an amount of EUR 272,860 thousand, guaranteed only by 24,759,486 shares of Abertis Infraestructuras, S.A., representing 2.5% of its share capital and a transaction involving financial derivatives ("collar") for hedging purposes and to protect the value of that guarantee during the whole life of the transaction.

   On 23 January 2017 the loan was cancelled, as well as the related financial derivatives transaction.

2) Syndicated loan

   In June 2015 a long term syndicated loan was signed for an amount of EUR 250,000 thousand.

   At 30 June 2017 and 31 December 2016, such loan was fully drawn down, from which EUR 41,000 thousand mature on 28 July 2018 and EUR 209,000 thousand mature on 29 July 2019.

   For this syndicated loan, the commitment of complying with some financial ratios at the end of every year is kept, and at 31 December 2016 they were fully achieved.

   This loan includes an early maturity provision in case of change of the Parent Company's majority shareholder.

3) Syndicated Multiproduct Loan Agreement

   On 30 March 2017, the OHL Group entered into a Syndicated Multiproduct Loan Agreement, which includes a revolving credit line for EUR 190,000 thousand,

at an interest rate based on the Euribor forward rate (option of interest periods: 1, 3 or 6 months).

On 28 June 2017 the limit of this loan became EUR 127,587 thousand.

This loan is secured through the Group's shareholdings in OHL Concesiones, S.A.U. and OHL Desarrollos, S.A. and it is subject to the fulfilment of a series of undertakings related to the compliance with the 2017 Annual Budget and the Business Plan, including the Divestment Plan, as well as a range of ratios, which, as of 30 June 2017, it has complied with in full.

This loan includes an early maturity provision in case of change of the Parent Company's majority shareholder.

At 30 June 2017, the amount drawn down of such credit was EUR 54,700 thousand.

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

Such loan still exists at 30 June 2017 for an amount of EUR 58,300 thousand, maturing in September 2036.

The loans of the Group's concessionaires at 30 June 2017 and 31 December 2016, interests not included, break down as follows:

Company	Thousands of Euros	
	30/06/2017	31/12/2016
Autopista del Norte, S.A.C.	107,198	117,901
Autopista Río Magdalena, S.A.S.	34,560	37,920
Autopista Urbana Norte, S.A. de C.V.	274,808	259,188
Autovía de Aragón-Tramo 1, S.A. (1)	-	95,116
Concesionaria Mexiquense, S.A. de C.V.	295,875	278,462
Sociedad Concesionaria Aguas de Navarra, S.A.	48,587	41,761
Terminal de Contenedores de Tenerife, S.A.	27,482	28,447
Terminales Marítimas del Sureste, S.A.	56,505	56,616
Viaducto Bicentenario, S.A. de C.V.	272,966	254,711
Total	1,117,981	1,170,122

(1) Consolidated under the equity method after the sale of 75.00% of ownership interest in June 2017.

Concessionaires' loans, which at 30 June 2017 amounted to EUR 1,117,981 thousand (EUR 1,170,122 thousand at 31 December 2016), require the concessionaires to raise certain guarantees with respect to their receivables and assets subject to the concession project.

For the loans of concession operators, the commitment of complying with some financial ratios at the end of every year is kept, and at 31 December 2016 they were fully achieved.

Debt instruments and other marketable securities

The detail of the balance of this caption in the consolidated balance sheet at 30 June 2017 and at 31 December 2016 is as follows:

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Issue of corporate bonds (non-current)	1,094,249	1,437,418
Issue of corporate bonds (current)	421,369	21,884
Issue of bills (current)	4,790	9,448
Issue of concession operators bonds (non-current)	611,307	539,994
Issue of concession operators bonds (current)	6,143	6,637
Total	2,137,858	2,051,381

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

Concept	Thousands of Euros						
	2017	2018	2019	2020	2021	Remainder	Total
Corporate bonds	22,252	399,117	-	189,843	8,842	895,564	1,515,618
Other marketable securities	4,790	-	-	-	-	-	4,790
Companies' bonds concession operators	6,143	3,755	3,958	4,773	5,380	593,441	617,450
Total	33,185	402,872	3,958	194,616	14,222	1,489,005	2,137,858

Corporate bond issues

Concept	Issuer	Thousands of Euros		Last year Expiry	Issue currency	Quotation (30/06/17)
		30/06/2017	31/12/2016			
2012	Obrascón Huarte Lain, S.A.	189,919	189,695	2020	Euros	98.817%
2014	Obrascón Huarte Lain, S.A.	394,626	394,127	2022	Euros	86.629%
2015	Obrascón Huarte Lain, S.A.	312,357	311,950	2023	Euros	86.497%
2013	OHL Investments, S.A.	402,260	401,867	2018	Euros	99.558%
2015	Organización de proyectos de infraestructuras, S.A.P.I., de C.V.	216,456	197,663	2035	Investment Units MEX	-
Total		1,515,618	1,495,302			

The corporate bond issuance includes the principal and de accrued and unpaid interests at 30 June 2017 of the three long term issues performed by the Parent Company in Europe.

Corporate bonds issuance at 30 June 2017 amounts to EUR 1,515,618 thousand (EUR 1,495,302 thousand at 31 December 2016).

"Debt instruments and other marketable securities" includes principal and accrued and unpaid interest at 30 June 2017 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.

  The annual interest rate is 7.625% payable every six months.

  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 265,463 thousand.

  In March 2016 an early repayment was performed for an amount of EUR 32,058 thousand.

  In August 2016 an early repayment was performed for an amount of EUR 13,780 thousand.

  In September 2016 a repurchase was performed for an amount of EUR 9,500 thousand.

  In October 2016 a repurchase was performed for an amount of EUR 20,000 thousand.

  The balance of this issue at 30 June 2017 is EUR 189,919 thousand (EUR 189,965 thousand at 31 December 2016).

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

The annual interest rate is 4.75% payable every six months.

In September 2016 a repurchase was performed for an amount of EUR 5,500 thousand.

The balance of this issue at 30 June 2017 is EUR 394,626 thousand (EUR 394,127 thousand at 31 December 2016).

- In March 2015 a straight bonds issuance was performed for an amount of EUR 325,000 thousand maturing in March 2023.

  The annual interest rate is 5.50% payable every six months.

  In November 2015 the early repayment of this issuance was performed, for an amount of EUR 8,137 thousand.

  In September 2016 a repurchase of this issuance was performed, for an amount of EUR 4,000 thousand.

  The balance of this issue at 30 June 2017 is EUR 312,357 thousand (EUR 311,950 thousand at 31 December 2016).

- 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%.

  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.

  The bonds would be exchangeable —at bondholders' option— for OHL México, S.A.B. de C.V.'s shares representing about 16.99% 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.

At 30 June 2017 the total amount of the bonds is EUR 400,000 thousand.

- 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.

For the issuance of corporate bonds, the commitment of complying with some financial ratios at the end of every year is kept, and at 31 December 2016 they were fully achieved.

The bond issuances of Obrascón Huarte Lain, S.A. includes an early maturity provision in case of change of the Parent Company's majority shareholder.

The average interest rate accrued during the first six months of fiscal year 2017 for the issuance of bonds was 5.87% (5.79% in 2016).

Other marketable securities

The Parent Company holds a bill issuance facility of up to EUR 500,000 thousand (EUR 500,000 thousand in 2016), for an amount of EUR 4,790 thousand at 30 June 2017 (EUR 9,448 thousand at 31 December 2016). The average interest rate accrued during the first six months of fiscal from 2017 for the issuance of bills was 1.62% (1.62% in 2016).

Bond issues of concession operators

The breakdown by company of this heading at 30 June 2017 and 31 December 2016 is shown below:

Company	Thousands of Euros		Year of maturity	Issue currency
	30/06/2017	31/12/2016		
Concesionaria Mexiquense, S.A. de C.V.	526,630	462,101	2046	Investment Units MEX
Grupo Autopistas Nacionales, S.A.	90,820	84,530	2031	Mexican pesos
Total	**617,450**	**546,631**		

The average interest rate accrued during the first six months of fiscal year 2017 for the issuance of concessionaires' bonds was 8.80% (8.50% in 2016).

For the issuance of corporate bonds of Grupo Autopistas Nacionales S.A., the commitment of complying with some financial ratios at the end of every year is kept, and at 31 December 2016 they were fully achieved.

Other financial liabilities

Obligations under finance leases

The Group's finance leases at 30 June 2017 and 31 December 2016 break down as follows:

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Non-current liabilities	3,789	2,970
Current liabilities	2,537	5,877
Total	6,326	8,847

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 in the share capital of the Parent Company in 2016 and at 30 June 2017 is as follows:

Concept	Number of shares	Par value (Thousands of Euros)
Number of shares and share capital nominal value at 1 January 2016.	298,758,998	179,255
Number of shares and share capital nominal value at 31 December 2016.	298,758,998	179,255
Number of shares and share capital nominal value at 30 June 2017.	298,758,998	179,255

The share capital of OHL, S.A. is 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 2017, the following companies had a direct and indirect interest equal to or exceeding 3% of the Parent Obrascón Huarte Lain, S.A.`s share capital.:

Company	%
Inmobiliaria Espacio, S.A.	51.124
Hengistbury	5.925
Societé Generale	4.285
Deutsche Bank	4.243
Santander.AM	3.022

Share premium

Concept	Thousands of
Balance at 1 January 2016	1,265,300
Balance at 31 December 2016	1,265,300
Balance at 30 June 2017	1,265,300

The Consolidated Spanish Limited Liability Companies Law expressly allows to allocate the balance of the share issue 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 2017 reporting period were the following:

Concept	No. of shares	Thousands of
Balance at 1 January 2017	**11,961,801**	**46,145**
Purchases	6,150,510	22,122
Sales	(5,581,602)	(20,289)
Balance at 30 June 2017	**12,530,709**	**47,978**

Reserves

Below is a breakdown by item of this heading on the consolidated balance sheets in the first six months of the year 2017 and the year 2016:

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
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	(707,504)	(189,470)
Attributable to consolidated companies	2,252,712	2,235,397
Subtotal	1,545,208	2,045,927
Total	1,561,033	2,061,752

Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, a minimum of 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, 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 2017 this heading amounts to EUR 3,856 thousand (EUR 3,856 thousand at 31 December 2016) 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 2017, the balances of the Parent Company´s headings "Share premium" and "Other reserves" were restricted for an amount of EUR 6,747 thousand.

19.- LONG-TERM PROVISIONS

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

Concept	Thousands of Euros	
	30/06/2017	31/12/2016
Provisions for further maintenance, removal or renovation of non-current assets	133,931	121,495
Provisions for taxes	9,312	9,312
Provisions for litigation and charges	18,346	63,888
Other provisions	10,785	4,657
Total	172,374	199,352

The provisions for further maintenance, removal or renovation of non-current assets relate to the concession companies and, according to the IFRIC 12, they cover contractual obligations for restoring the infrastructure and providing it with a specific service capacity for the licences or service terms, before delivering it to the awarding body at the end of the service agreement. In this line, the provisions of further maintenance of the road tranches are created, according to the estimate of the further maintenance cost, on a straight line basis since the last one performed.

The concession companies with the most significant provisions with further maintenance are:

Terminal de Contenedores de Tenerife, S.A., Terminales Marítimas del Sureste, S.A., Concesionaria Mexiquense, S.A. de C.V., Autopista del Norte, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V., representing 90.6% of the balance of the provisions of further maintenance.

The Provisions for litigation and charges are related to obligations of an undetermined amount due to disputes and/or arbitrational procedures in progress and compensations. These provisions also include the part of the additional losses of the companies consolidated under the equity method, after its zero balance in the heading "Investments accounted for using the equity method". The change in the period relates to this last concept.

20.- TAX MATTERS

Change of the income tax expense

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Consolidated profit or loss before tax	**212,429**	**185,324**
Results using the equity method	(12,962)	23,333
Subtotal	**199,467**	**208,657**
Tax charge at 25%	**(49,867)**	**(52,164)**
Net impact from other permanent differences, instalment deductions, local tax rate spread and adjustments	(51,878)	(49,678)
Income tax (expense)/income	**(101,745)**	**(101,842)**

The effective tax rate is 27.6% compared to 27.7% of the first semester of 2016.

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 of their recoverability.

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.

In 2016, the State Tax Administration Agency informed the Company the initiation of inspection and investigation proceedings in relation to the periods 2011 to 2013 in general terms. These proceedings are still on a very early stage, and all the required documents have been submitted.

The potential inspections over the reporting periods available for inspection by tax authorities and those currently undergoing, 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 material.

21.- CONTINGENT ASSETS AND LIABILITIES

Contingent assets

As at 30 June 2017, 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 basis, for the obligations of their subcontractors to the social security authorities with regard to their construction labourers. These items are not expected to result in any losses for the Group.

At 30 June 2017, the Group companies had lent guarantees to third parties for an amount of EUR 3,974,064 thousand) (EUR 3,922,822 thousand at 31 December 2016) out of which

EUR 3,848,121 thousand (EUR 3,759,089 thousand at 31 December 2016) 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 23,570 thousand at 30 June 2017 (EUR 26,435 thousand at 31 December 2016).

The Parent Company's directors don´t expect additional liabilities to arise as a result of these guarantees, that may affect the consolidated summarised financial statements at 30 June 2017.

Guarantees on financial instruments

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.

Several companies of the Group had provided guarantees to various entities, held as collateral for derivatives approved for affiliated companies, which, at 30 June 2017, amounted to EUR 2,150 thousand (EUR 4,199 thousand, at 31 December 2016).

The Parent Company Directors don´t expect those guarantees to represent a significant risk for the Group´s liquidity.

Investment commitments

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

These investments will be financed with loans granted to concessionaires, 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 2017 several different 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

- **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** a concessionaire company, filed, in June 2008 and June 2009 (the latter was reiterated on 31 July 2013), claims against the Ministry of Development, founded on the discrepancy between the actual levels of traffic and those which were stipulated in the bidding rules and in the manner in which the bid was prepared. These claims requested, respectively, the readjustment of the contract and the invalidity of the concession contract, including the restitution for the services rendered.

  To date, the Public Authorities have not issued any resolution regarding these claims.

  For the purpose of providing compensation for the shortfall of traffic during 2012, 2013, 2014, 2015, 2016 and the first quarter of 2017, the company has requested that the Ministry of Development endorse and deposit the allocated amounts into the clearing account and the approval of the annual participating loans governed by the Eighth Additional Provision of Law 43/2010. All of these claims have been rejected via administrative procedures due to a lack of budgetary allocation, and administrative contentious appeals have been lodged by the concessionaire company

before the National Court. Since the judgements handed down by this Court were not found to be partially upheld for the concessionaire, they were appealed by the State Lawyer before the Supreme Court. To date, this Court has delivered its judgment for only one of the appeals, in favour of the State, where we know that it has accepted the State Lawyer's stance for the other concessionaires. This is the reason why the Insolvency Administration had already decided not to file an appeal before the National Court with regard to the last overruling in 2017.

The total amount requested for amounts related to those years is EUR 25.7 thousand, and for participating loans, EUR 116.0 thousand.

The concessionaire company had submitted fourteen participating loan applications to the Ministry of Development for the payment of expropriations during 2012, 2013, 2014, 2015 and 2016 (implementation of the Forty-First Additional Provision of Law 26/2009), without the Administration having subjected any of these to procedure. The total amount claimed for these requests is EUR 111.7 million. This claim for the payment of participating loan applications was included as a supplemental petition under appeal 397/2014, filed by the concessionaire before the Supreme Court, claiming the concessional readjustment based on cost overruns for expropriations. The Judgment, now final, rejected the claim of the concessionaire, on the grounds of Autopista Eje Aeropuerto being found undergoing insolvency proceedings and its inability to enter into contract with the Administration or to receive public funds.

To date, for the most part, all legal proceedings have concluded regarding challenges on fair values and revaluations for expropriated property required for the concession.

To date, the appeal filed by the concessionaire in June 2014, before the Supreme Court, against the alleged rejection of the compensation claim filed by Autopista Eje Aeropuerto Concesionaria Española, S.A., on 5 December 2005, for the undertaking of project works and against the request for restoration of the economic-financial readjustment, of 2 February 2006, is still in the evidentiary phase. Moreover, with regard to the insolvency proceedings of Autopista Eje Aeropuerto Concesionaria Española, S.A.U. and Aeropistas, S.L.U., the following milestones should be highlighted:

a) Declaration of insolvency

   Autopista Eje Aeropuerto Concesionaria Española, S.A.U. was declared with the legal status of insolvent, along with its sole shareholder, Aeropistas, S.L.U., in Order of 12 December 2013, issued by the Commercial Court No. 2 of Madrid, which lead to Voluntary Insolvency Proceeding 863/13.

b) Common insolvency phase

   On 19 May 2015, the Insolvency Administration submitted the Final Texts, having made amendments to the list of creditors of Autopistas Eje Aeropuerto Concesionaria Española, S.A.U., due to: (i) the finality of most judgments on the matter of expropriations; (ii) the inclusion of the judgement given for Insolvency Proceedings 588/2014; and (iii) the recognition of credits not included by error.

   There were no amendments made to the inventory of assets and rights of the concessionaire company, where it maintained a total value of EUR 412.6 million, of which intangible assets amounted to EUR 396.1 million.

   With regard to Aeropistas S.L.U., no amendments were made to the final texts of the list of creditors, nor to the inventory of assets and rights, whose total assets amounted to EUR 336.6 million euros, where it is comprised mostly of investments in group companies and equity instruments.

   On 31 July 2015, an Order was issued for the finalisation of the common phase and for the commencement of the agreement phase, given that both SEITTSA and the companies declaring insolvency had submitted proposed agreements.

c) Commencement of the liquidation

Through Order, dated 13 October 2015, the submitted proposed agreements were rejected and, consequently, the commencement for the liquidation was ordered, along with the applicable legal effects. Furthermore, the Insolvency Administration was urged to submit the Liquidation Plan in 15 days, where the Insolvency Administration had requested an extension for this term (as of today, this petition has not been resolved).

On 23 October 2015, the Insolvency Administration urged that the Ministry of Development proceed to agree on the termination and settlement of the concession contract, to which the Ministry of Development responded, in a notification, dated 9 February 2016, stating that "the requested termination of the concession contract will only proceed when the settlement, subject of the insolvency proceedings for the concessionaire company, Autopista Eje Aeropuerto, is final, in the event that the appeal filed by the State Legal Service, on behalf of SEITTSA, is resolved in this regard."

SEITTSA had filed an appeal against the Order for the commencement of liquidation, whereby it also requested the suspension of the liquidation operations until the aforementioned Order had been declared final (to date, the appeal filed by SEITTSA has not been admitted to procedure nor has the petition for suspension been resolved; the Court requested that the Insolvency Administration elaborate a report on the matter, where the Insolvency Administration urged the Court to disregard the petition).

The commencement of the liquidation phase for both companies gave rise to the deconsolidation of the Group of these companies, as from 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.

d) The current situation following the recent judgement of the Chamber of Disputes of the Supreme Court

Recently, and in relation to the insolvency proceedings of another toll road concessionaire, the Judgment of 15 December 2016, handed down by the Chamber of Disputes of the Supreme Court (which resolved the conflict of jurisdiction arising between the Ministry of Development and the Commercial Court No. 6 of Madrid, regarding which of the two had the competence to terminate and settle the concession contract of a toll motorway found to be undergoing insolvency proceedings), establishes, among other matters, that the commencement of the settlement issued by the Judge residing over the insolvency proceedings gave rise, having being laid down by law, to the termination of the concession contract and, accordingly, the Public Administration relinquishes the faculty to declare the concession resolved, without prejudice to continuing to hold the right to liquidate the concession contract once it has terminated.

For the moment, this judgement has had no actual impact on our insolvency proceedings, where the stance to be adopted by the Court in this regard is still pending.

- On 12 June 2015 the Company **Concessionaire Cercanías Móstoles Navalcarnero, S.A.**, pursuant to Article 2 of Law 22/2003, of 9 July, on insolvency, following an agreement adopted on 19 May 2016 by its Board of Directors, filed for voluntary insolvency, on 24 May 2016, where it agreed on the budget subject to the insolvency referred to in aforementioned article on Insolvency Law.

On 12 July 2016, the Commercial Court of Madrid No. 1 issued an order admitting the aforementioned insolvency proceedings and declared it voluntary in nature, where the procedure would commence by means of an ordinary procedure.

An Insolvency Administrator was appointed in the abovementioned order.

The Company entered into insolvency proceedings due to:

a) The refusal, by the Administration, of the request to amend the concession contract and its economical readjustment.
b) The breaches of the concession contract caused by the Administration.
c) The enforcement, by the Administration, of an unjustified penalty amounting to EUR 34,080,687, pursuant to resolution of 12 February 2016.

The declaration of the insolvency proceedings entailed the interruption of the main activity that the Company had been conducting until that moment (the construction of the infrastructure). Currently, the Company only undertakes activities that are strictly necessary to defend its rights against third parties with regard to the filed claims and to continue with the normal procedures of the insolvency proceedings.

On 16 August 2016, the Official State Gazette published the ordinary voluntary insolvency proceedings for Cercanías Móstoles Navalcarnero, S.A.

On 15 March 2017, the Commercial Court No. 1 of Madrid issued an Order for the liquidation of Cercanías Móstoles Navalcarnero, S.A., whereby commencing the liquidation phase, and declaring the company dissolved, where its directors were relieved of their duties, having been replaced by the insolvency administration.

On 25 April 2017, the insolvency administrator submitted the Liquidation Plan or the realisation of property and rights comprising the assets of the insolvency proceedings, which is pending approval.

Lastly, on 20 June 2017, as a result of the aforementioned enforcement of the penalty on the Company, the Community of Madrid ordered the execution of the guarantees that OHL, S.A. and OHL Concesiones, S.A.U. had provided as collateral to ensure the fulfilment of its obligations under the concession contract of the Company. The amount of the executed guarantees stood at EUR 15,869,300.60 (EUR 12,696,240.48 from Banco Popular Español, S.A. and EUR 3,173,060.12 from Abanca Corporación Bancaria, S.A.).

Finally, on 21 July, the Concessionaire was notified of the Order issued by the Minister of Transport, Housing and Infrastructure, which declared the Concession Contract terminated, whereby seizing the collateral and declaring the obligation to provide compensation to cover damages inflicted upon the Administration in the amount determined in the corresponding contradictory procedure. This administrative decision is subject to appeal.

According to the foregoing situation, the Group deems that the concession contract upholds the right to recuperate the net investment and the amounts contributed as loans approved for the company and for those that there are no provisions for.

Construction

- 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. The claimed amount is estimated to at between EUR 270 million and EUR 376 million, which, for both cases, includes EUR 112 million corresponding to the unduly execution of guarantees.

The proceedings have continued to the date of elaborating this document, focused on the filing, by JV, of claims regarding the term, without there being any notable new developments.

- 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 138,654 thousand), which may be modified during the proceeding. In turn, TTC filed a counterclaim for CAD 40.7 million (EUR 27,528 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 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascon Huarte Lain, S.A. initiated an investment protection arbitration proceeding against the **State of Kuwait** before ICSID (International Centre for Settlement of Investment Disputes) regarding the contract **"Construction, Completion and Maintenance of Roads, Overpasses, Sanitary and Storm Water Drains, as well as other Services for Jamal Abdul Nasser Street".** OHL holds 50% of the joint venture construction company. This arbitration had been initiated under the international treaties on reciprocal protection of investments entered into by the State of Kuwait with Spain and Italy and resulting from the violation of these treaties by the State of Kuwait through its obstructive, abusive and arbitrary actions, to the detriment of the foreign investor during the performance of the aforementioned contract. In addition to compensation for the damages caused by the State of Kuwait, the arbitral tribunal has been urged to issue precautionary measures for the protection of the investor, which includes the non-enforceability of the guarantees provided by the claimants.

  A group of external consultants has been given the task of assessing the economic compensation the applicants are entitled to receive. The definitive outcome of this assessment will be made available during the evidentiary phase of the proceedings.

  At the date of elaborating this document, the procedure was in the processing phase for the request of the precautionary measures.

- On 12 May 2017, **Judlau Contracting Inc.** (a US company, wholly owned by Obrascon Huarte Lain, S.A. through OHL USA Inc.) received a payment request from Welsbach Electric Corp., for Judlau Contracting Inc. to settle an initially estimated amount of US$39.7 million (EUR 34,827 thousand). Welsbach Electric Corp. presented this claim in the capacity of subcontractor of Judlau Contracting Inc. for the project **"Construction of Part of Second Avenue Subway Route 132ª 72nd Street Station, Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan "B" Division".** The dispute has been filed before the courts of the city of New York (United States of America).

Industrial

- **Cogeneración Complejo Pajaritos, SAPI de CV (SAPI)**, an investee company 50% owned by OHL Industrial, S.L.U. and Sener Ingeniería y Sistemas, S.A. de C.V., filed, before the International Chamber of Commerce (ICC) of Mexico, a request for arbitration against **CYDSA S.A.B. de C.V.**, requesting confirmation on the legality of the termination of the public works contract, at the petition of SAPI, and the payment of US$7.0 million (EUR 6.1 million) for invoices not having been settled by CYDSA during the performance of the **Coatzacoalcos Co-Generation Plant II.**
  CYDSA has filed a counterclaim, as it deems that no liability can be attributed to it, whereby requesting the redressing of alleged breaches at the Plant, where it valued the claim at US$42.0 million (EUR 36.8 million). Currently, arbitration is in the initial phase.

- **OHL Industrial , S.L.U.** has filed a claim before the International Chamber of Commerce (ICC) of New York, against **Energía Limpia de Guatemala, S.A. (ELGUA)** requesting payment for a total of US$14.7 million (EUR 10.5 million) for costs incurred and the 284-day extension for the **Xacbal Delta Hydroelectric Facility** project, which were caused by roadblocks organised by indigenous communities and issues stemming from the geological conditions of the soil and a modification to the location of some of the key construction elements.
  Moreover, ELGUA has filed a counterclaim for the amount of $13.0 million (EUR 11.4 million) for penalties, where this amount, which is still pending, could stand at US$27.0 million (EUR 23.7 million), being the maximum for the contractual penalties.

In addition to the abovementioned litigation of each Division, 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 has sufficient provisions available.

The Directors of the Parent Company do not expect that, as a result of ongoing litigations, any significant additional liabilities would arise, affecting the summarised consolidated interim financial statements at 30 June 2017.

OHL México - 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 was notified as an interested third party of a new relief lawsuit, 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.

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.

   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.

   As a result of these investigations, the CNBV declared that there were no prosecutable actions pursuant to criminal law. It had also declared the existence of various administrative inaccuracies, for which sanctions were imposed for the amount of $71.7 million Mexican pesos (EUR 3.7 million) for several subsidiaries in 2016.

   Also, on 17 February 2017, a notice was submitted before the CNBV, informing of how the recognition of the investment in concessions would be made, along with their performance, in light of the economic nature and terms laid out in the concession titles and the applicable laws, as established under IFRS 12.

   On 21 February 2017, the Commission confirmed receipt of the notice.

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 (i.e.: 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, the same accounting treatment as that employed for the consolidated financial statements of the previous year.

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 2017 and 2016, 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.

	Thousands of Euros 30/06/2017				
TRANSACTIONS WITH RELATED PARTIES	Significant shareholders	Managers and Directors	Group individuals, companies or entities	Other Related Parties	Total
INCOME AND EXPENSE					
Finance costs	126	-	-	-	126
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Leases	-	-	-	-	-
Services received	3,252	-	-	-	3,252
Goods purchased (finished goods or work in progress)	202	-	-	-	202
Valuation adjustments for bad debts	-	-	-	-	-
Losses on derecognition or disposals of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Expenses	3,580	-	-	-	3,580
Finance income	2,667	-	-	-	2,667
Management or collaboration agreements	-	-	-	-	-
R&D transfers and licence agreements	-	-	-	-	-
Received dividends	-	-	-	-	-
Leases	-	-	-	-	-
Services rendered	672	-	-	-	672
Goods sold (finished goods or work in progress)	11,999	-	-	-	11,999
Profits from write-offs or disposals of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total Income	15,338	-	-	-	15,338

OTHER TRANSACTIONS	Thousands of Euros 30/06/2017				
	Significant shareholders	Managers and Directors	Group individuals, companies or entities	Other Related Parties	Total
Purchase of tangible, intangible or other assets	8,667	-	-	-	8,667
Financing agreements: loans and capital contributions	-	-	-	-	-
Finance leases (lessor)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessor)	-	-	-	-	-
Sale of tangible, intangible or other assets	1	-	-	-	1
Financing agreements: loans and capital contributions	-	-	-	-	-
Finance leases (lessee)	-	-	-	-	-
Amortisation or cancellation of loans and leases (lessee)	350	-	-	-	350
Guarantees and sureties granted	(5,415)	-	-	-	(5,415)
Guarantees and sureties received	-	-	-	-	-
Commitments assumed	-	-	-	-	-
Commitments / Guarantees cancelled	-	-	-	-	-
Dividends and other benefits distributed	-	-	-	-	-
Other transactions	-	-	-	-	-

TRANSACTIONS WITH RELATED PARTIES INCOME AND EXPENSE	Thousands of Euros 30/06/2016				
	Significant shareholders	Managers and Directors	Group individuals, companies or entities	Other Related Parties	Total
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 derecognition 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	Managers and Directors	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	-	-	-	-	-

The detail of the transactions performed in the first six months of the fiscal year 2017 is as follows:

Tax ID number (CIF)	Related company	ITEM	CompanyGroup	Thousands of Euros
A-28165298	Fertiberia, S.A.	Revenue	Avalora Tecnología de la Información, S.A.	62
A-28032829	Pacadar, S.A.U.	Revenue	Avalora Tecnología de la Información, S.A.	3
A-28294718	Inmobiliaria Espacio, S.A.	Revenue	Avalora Tecnología de la Información, S.A.	23
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Revenue	Avalora Tecnología de la Información, S.A.	2
A-80400351	Espacio Information Tecnology, S.A.U.	Revenue	Avalora Tecnología de la Información, S.A.	247
FR33642005177	FerroPem, SAS	Revenue	Avalora Tecnología de la Información, S.A.	2
B-22279087	Agralia Fertilizantes, S.L.	Revenue	Avalora Tecnología de la Información, S.A.	1
B-84996362	Torre Espacio Gestión, S.L.U.	Revenue	Avalora Tecnología de la Información, S.A.	18
PT50242473525	ADP Fertilizantes, S.L.	Revenue	Avalora Tecnología de la Información, S.A.	10
A-28661262	Integral Española, S.A.U.	Revenue	Avalora Tecnología de la Información, S.A.	2
B-83393066	Energía VM Gestión de Enrgía, SL.U:	Revenue	Avalora Tecnología de la Información, S.A.	2
A-80420516	Ferroatlántica, S.A.U.	Revenue	Avalora Tecnología de la Información, S.A.	46

Tax ID number (CIF)	Related company	ITEM	CompanyGroup	Thousands of Euros
A-28165298	Fertibéria, S.A.	Revenue	Chemtrol Proyectos y Sistemas, S.L.	2
A-28165298	Fertibéria, S.A.	Revenue	Chemtrol Proyectos y Sistemas, S.L.	15
B-82500257	Grupo Villar Mir, S.A.U.	Revenue	Obrascón Huarte Lain, Desarrollos, S.L.	1,000
B-86092145	Centro Canalejas Madrid, S.L:	Revenue	Obrascón Huarte Lain, Desarrollos, S.L.	960
B-86413846	Espacio Arpada Desarrollos, S.L.	Revenue	Obrascón Huarte Lain, S.A.	33
B-86092145	Centro Canalejas Madrid, S.L:	Revenue	Obrascón Huarte Lain, S.A.	7,564
A-28027399	Inmobiliaria Colonial, S.A.	Revenue	Obrascón Huarte Lain, S.A.	1,203
A-87287223	Espacio Caleido, S.A.	Revenue	Obrascón Huarte Lain, S.A.	442
A-28294718	Inmobiliaria Espacio, S.A.	Revenue	OHL Servicios-Ingesan, S.A.U.	1
A-28032829	Pacadar, S.A.U.	Revenue	OHL Servicios-Ingesan, S.A.U.	40
A-28027399	Inmobiliaria Colonial, S.A.	Revenue	OHL Servicios-Ingesan, S.A.U.	125
B-84996362	Torre Espacio Gestión, S.L.U.	Revenue	OHL Servicios-Ingesan, S.A.U.	183
B-85253888	Villar Mir Energía, S.L.U.	Revenue	OHL Servicios-Ingesan, S.A.U.	14
B-86092145	Centro Canalejas Madrid, S.L:	Other operating income	Obrascón Huarte Lain, S.A.	33
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating income	Obrascón Huarte Lain, S.A.	34
B-82500257	Grupo Villar Mir, S.A.U.	Other operating income	Obrascón Huarte Lain, S.A.	605
A-28294718	Inmobiliaria Espacio, S.A.	Finance income	Avalora Tecnología de la Información, S.A.	55
B-86092145	Centro Canalejas Madrid, S.L.	Finance income	Obrascón Huarte Lain, Desarrollos, S.L.	484
B-86830536	Alse Park, S.L.	Finance income	Finance income	24
B-82500257	Grupo Villar Mir, S.A.U.	Finance income	Obrascón Huarte Lain, S.A.	2,062
A-28032829	Pacadar, S.A.U.	Finance income	Obrascón Huarte Lain, S.A.	42
A-28032829	Pacadar, S.A.U.	Supplies	Construcciones Adolfo Sobrino, S.A.	202
B-83393066	Energya VM Gestión de Energía, S.A.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania. S.A.	5
B-83393066	Energya VM Getión de Energía, S.A.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	8
B-83393066	Energya VM Getión de Energía, S.A.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	3

Tax ID number (CIF)	Related company	ITEM	CompanyGroup	Thousands of Euros
B-86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	1
B-86830536	Alse Park, S.L.	Other operating expenses	Obrascón Huarte Lain, S.A.	12
B-83393066	Energya VM Getión de Energía, S.A.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	205
B-84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	28
B-86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	9
B-84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	OHL Concesiones, S.A.	2
B-86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	OHL Concesiones, S.A.	3
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating expenses	OHL Industrial Mining & Cement, S.A.	4
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating expenses	OHL Industrial, S.L.	29
B-86830536	Alse Park, S.L.	Other operating expenses	OHL Servicios-Ingesan, S.A.U.	1
B-84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	S.A. Trabajos y Obras	1
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Agrupación Guinovart Obras y Servicios Hispania, S.A.	54
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Asfaltos y Construcciones Elsan, S.A.	42
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Avalora Tecnología de la Información, S.A.	965
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Catalana de Seguretat i Comunicacions, S.L.	7
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Chemtrol Proyectos y Sistemas, S.L.	7
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Construcciones Adolfo Sobrino, S.A.	14
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Constructora de Proyectos Viales de México, S.A. de C.V.	17
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	EyM Instalaciones, S.A.	23
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Obrascón Huarte Lain, Desarrollos, S.L.	6
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Management or collaboration agreements	Obrascón Huarte Lain, Desarrollos, S.L.	300
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	Obrascón Huarte Lain, S.A.	1,284

Tax ID number (CIF)	Related company	ITEM	CompanyGroup	Thousands of Euros
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	OHL Arabia, L.L.C.	28
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	OHL Concesiones, S.A.	145
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	OHL Servicios-Ingesan, S.A.U.	19
A-80400351	Espacio Information Tecnology, S.A.U.	Management or collaboration agreements	S.A. Trabajos y Obras	30
B-83393066	Energya VM Getión de Energía, S.A.U.	Finance costs	Terminales Marítimas del Sureste, S.A.	126
B-86830536	Alse Park, S.L.	Amortisation or cancelation of loans granted	Obrascón Huarte Lain, Desarrollos, S.L.	350
B-86092145	Centro Canalejas Madrid, S.L.	Sale of non-current assets	Obrascón Huarte Lain, S.A.	1
B-82500257	Grupo Villar Mir, S.A.U.	Purchase of Financial Assets	Obrascón Huarte Lain, Desarrollos, S.L.	8,470
A-80400351	Espacio Information Tecnology, S.A.U.	Purchase of intangible assets	Obrascón Huarte Lain, S.A.	197
A-28027399	Inmobiliaria Colonial, S.A.	Guarantees for works	Obrascón Huarte Lain, S.A.	61
B-86092145	Centro Canalejas Madrid, S.L.	Financial guarantees decrease	Obrascón Huarte Lain, S.A.	(5,476)

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

Note 4.7 to the Group's consolidated financial statements for the reporting period ended on 31 December 2016 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 2017 and 2016 respectively:

DIRECTORS:	Thousands of Euros	
	30/06/2017	30/06/2016
Component of remuneration:		
Fixed remuneration	484	521
Variable remuneration	528	2,171
Per diems	133	119
Bylaw-stipulated directors' emoluments	-	-
Share-based transactions and/or other financial instruments	216	-
Other expenses	-	2,000
Total	1,361	4,811
Other benefits:		
Advances	300	-
Loans granted	-	-
Pension funds and plans: Contributions	132	-
Pension funds and plans: Liabilities incurred	-	-
Life insurance premiums	5	6
Guarantees granted in favour of Directors	-	-
MANAGERS:		
Total remuneration received by Managers	**6,855**	**3,556**

24.- INCOME AND EXPENSES

Segment reporting

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 2017 and 2016:

	Thousands of Euros	
	30/06/2017	30/06/2016
Domestic market	**410,535**	**403,011**
Exports:	**1,393,063**	**1,673,023**
European Union	112,402	140,222
OECD countries	1,064,330	1,205,601
Other countries	216,331	327,200
Total	1,803,598	2,076,034

	Thousands of Euros	
	30/06/2017	30/06/2016
US and Canada	583,820	633,227
Mexico	290,888	369,015
Chile	98,670	115,870
Peru	58,426	47,892
Colombia	48,547	42,229
Spain	410,535	403,011
Central and Eastern Europe	112,347	146,781
Other countries	200,365	318,009
Total	1,803,598	2,076,034

The reconciliation of revenue by segment and consolidated revenue at 30 June 2017 and 2016 is as follows:

Segments	Thousands of Euros					
	30/06/2017			30/06/2016		
	Revenue from external customers	Revenue from segments	Total Revenue	Revenue from external customers	Revenue from segments	Total Revenue
Concessions	216,397	59,638	276,035	218,902	39,835	258,737
Engineering and Construction	1,543,977	38,515	1,582,492	1,784,908	39,847	1,824,755
Development	43,224	-	43,224	72,224	-	72,224
Revenue adjustments and write-offs among segments	-	(98,153)	(98,153)	-	(79,682)	(79,682)
Total	1,803,598	-	1,803,598	2,076,034	-	2,076,034

Other operating income

At 30 June 2017, this heading totalled EUR 463,193 thousand (EUR 317,700 thousand at 30 June 2016).

Within this heading the Group has recorded an amount of EUR 370,050 thousand in the first six months of the fiscal year 2017 (EUR 209,454 thousand in the first six months of the fiscal year 2016) 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.

Staff costs

On 4 may 2017 the agreement between OHL S.A. and OHL Industrial, S.L. and the employees' representatives was ratified, involving the termination of 457 employments, which will be undertaken in the next months and under the agreed financial terms.

The item "Staff costs" includes, among others, EUR 34,159 thousand related to the expenses estimated on this procedure of collective dismissals.

Other operating expenses

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Outside services	222,531	240,609
Taxes other than income tax	10,299	9,957
Other current operating expenses	65,093	95,216
Total	297,923	345,782

Finance income

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Interest and dividend income	35,713	26,942
Income on equity	-	-
Total	35,713	26,942

Finance costs

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Of the funding of current transactions	200,255	203,050
Of leases and deferred purchases of non-current assets	100	911
Total	200,355	203,961

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Finance costs of concession companies	133,690	100,101
Finance costs of other companies	66,665	103,860
Total	200,355	203,961

The Finance costs of concession companies of the first six months of 2017 have increased significantly compared to the same period of 2016 due to the loans in Mexican Units of investments, whose cost is related to inflation and has exceeded that of the first six months of 2016.

Main companies' divestments

The main divestments of ownership interests in companies, performed in the first six months of 2017 are:

- On 24 January 2017, the 2.5% of Abertis Infraestructuras, S.A. was sold.
- On 7 April 2017 17.5% of the investment in Centro Canalejas Madrid, S.A. was sold.
- On 24 April 51% of the hotel companies and the golf course Mayakoba was sold, and on 18 May 2017 another 29% of two hotel companies (Fairmont y Rosewood) was sold.
- On 14 June 2017, 75.0% of the investment in Autovía de Aragón-Tramo 1, S.A. was sold.

The following table shows the amount recognised in every item of the income statement due to these transactions during the first six months of 2017.

Concept	Thousands of Euros				
	Abertis Infraestructuras, S.A.	Centro Canalejas Madrid, S.A.	Hotel companies and golf course Mayakoba	Autovia de Aragón-Tramo 1, S.A.	TOTAL
Sales price	329,829	78,750	186,973	50,850	646,402
Impact on Income statement					
Exchange gains/(losses)	-	-	38,255	-	38,255
Gains (Losses) on remeasurement of financial instruments at fair value	(11,605)	(1,799)	776	(10,008)	(22,636)
Result of companies accounted for using the equity method	-	-	(11,626)	5,807	(5,819)
Impairment losses and profit or loss from disposal of financial instruments	-	33,429	(24,659)	21,778	30,548
Total impact on Income statement	(11,605)	31,630	2,746	17,577	40,348

The following table shows the amount recognised in every item of the income statement due to the main transactions during the first six months of 2016.

Concept	Thousands of Euros			
	Abertis Infraestructuras, S.A.	Concession companies of Construction	Metro Ligero Oeste, S.A.	TOTAL
Sales price	814,589	142,000	51,000	1,007,589
Impact on income statement				
Gains (Losses) on remeasurement of financial instruments at fair value	-	(77,930)	(24,920)	(102,850)
Result of companies accounted for using the equity method	-	-	49,568	49,568
Impairment losses and profit or loss from disposal of financial instruments	114,668	90,912	16,658	222,238
Total impact on income statement	114,668	12,982	41,306	168,956

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

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Due to the sale of hotel companies and golf course in Mayakoba	776	-
Due to the sale of Centro Canalejas Madrid, S.A.	(1,799)	-
Due to the sale of Autovía de Aragón-Tramo 1, S.A.	(10,008)	-
Due to the sale of Abertis Infraestructuras, S.A.	(11,605)	
Due to the sale of Sociedades Concesionarias de Construcción	-	(77,930)
Due to the sale of Metro Ligero Oeste, S.A.	-	(24,920)
Derivatives	(12,323)	5,082
Total	(34,959)	(97,768)

Result of companies accounted for using the equity method

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Equity method of hotel companies and golf course in Mayakoba	(11,626)	-
Equity method of Autovía de Aragón-Tramo 1, S.A.	5,807	-
Health Montreal Colletive CJV L.P.(CHUM)	-	(102,228)
Equity method of Metro Ligero Oeste, S.A.	-	49,568
Abertis Infraestructuras, S.A.	-	37,481
Remainder	18,781	(8,154)
Total	12,962	(23,333)

Impairment losses and income from disposal of financial instruments

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

Concept	Thousands of Euros	
	30/06/2017	30/06/2016
Due to the sale of hotel companies and golf course in Mayakoba	(24,659)	-
Due to the sale of Centro Canalejas Madrid, S.A.	33,429	-
Due to the sale of Autovía de Aragón	21,778	-
Impairment of shares of Banco Popular, S.A.	(9,999)	-
Sale of 7% of Abertis Infraestructuras, S.A.	-	114,668
Sale of Concession companies of Construction	-	90,912
Sale of 14% of Metro Ligero Oeste, S.A.	-	16,658
Other	(78)	903
Total	20,471	223,141

25.- EMPLOYEES

At 30 June 2017 and 2016, the average number of employees was as follows:

Average headcount	30/06/2017	30/06/2016
Men	15,300	16,744
Women	8,464	8,113
Total	23,764	24,857

At 30 June 2017 and 2016, the average number of employees by category was as follows:

Professional Category	Average number of employees	
	30/06/2017	30/06/2016
Executives	664	819
Middle management	2,217	1,905
Technicians	3,127	3,445
Clerical staff	1,803	2,747
Manual workers	15,953	15,941
Total	23,764	24,857
Permanent staff	15,333	16,577
Temporary employees	8,431	8,280
Total	23,764	24,857

26.- EVENTS AFTER THE REPORTING PERIOD

On 27 July, the Tender Offer made for 42% of the share capital of OHL México S.A.B. de C.V. was announced, where it had acquired a total of 485,210,435 shares, representing 28.34 % of the share capital, and, along with the shares owned by the OHL Group, it achieved the ownership of **85.85% of the share capital of OHL México S.A.B. de C.V.** without treasury shares being taken into account.

Once all the conditions of the Offer have been fulfilled, and pursuant to the Applicable Provisions, the recognition and settlement dates will be announced, for 1 August and 4 August, respectively.

27. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These summarised 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.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

INTERIM DIRECTORS´ REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

1.- GROUP PERFORMANCE

On the operating level, the Profit and Loss Account for the first half of 2017 presents Sales totalling 1.8 billion euros and an EBITDA figure of 466.0 million euros signifying +20.9% growth with respect to the same period in the previous year, despite the devaluation of the currencies in which the Group operates against the euro. If the effect of the exchange rate is excluded, the growth figure would be +27.2%.

The key figures of the Profit and Loss Account are shown on the following table:

	1H17	1H16	Var. (%)
Sales	1,803.6	2,076.0	-13.1%
EBITDA	466.0	385.4	20.9%
Attributable net profit	-32.1	3.0	n.a.

Euros Mn

It is important to mention that the 1H17 EBITDA and Attributable Net Profit have been affected by the estimated total cost of the Collective Redundancy Procedure initiated in OHL, S.A. and OHL Industrial, which totals 34.2 million euros (which have been posted in full in 2Q2017). Consequently, if the extraordinary effect of that Collective Redundancy Procedure is excluded, the EBITDA figure would be placed at +500.2 million euros (+29.8% with respect to June 2016) and the Attributable Net Profit at 2.1 million euros.

Again the excellent performance of the Concessions Division stands out, presenting Sales of 216.4 million euros and an EBITDA figure of 480.8 million euros. The figures of this Division have been affected by exchange rate movements, principally with respect to the Mexican peso, which has experienced a devaluation of 4.6%. Sales and EBITDA In comparable terms, that is, at a constant exchange rate and excluding the effect of the change in the consolidation method of Metro Ligero Oeste and of Autovía de Aragón following the sale of a percentage of the stake held) grew +2.2% and +80.6% respectively. The good performance of the concessions in Mexico deserves particular mention, where Sales and EBITDA from Tolls grew +17.0% and +17.3%, respectively, in local currency.

Two significant transactions were undertaken during the second quarter of 2017:

- On 14 June, a **Takeover Bid** was launched on the total free float of **OHL México** (that is, 41.99%) at the price of 27 Mexican pesos per share subject to a minimum level of acceptance set initially at 95%, which has later been lowered to 85%. The transaction is being carried out in conjunction with IFM Global Infrastructure Fund (IFM) through the special purpose vehicle, Magenta Infraestructura, 100%-owned by OHL Concesiones.

  This transaction is neutral in terms of cash flow for the OHL Group, since the agreements reached with IFM for its launch include:

  i) The contribution by IFM to Magenta of the funds necessary for the purchase of the shares, through a capital increase, and,

ii) The granting of a loan by IFM to OHL Concesiones in the amount of 400 million euros which will be used by the latter for the full repayment of the bond issue exchangeable for OHL México shares in the same amount, maturing in April 2018. In any case, the agreements also make provision for OHL Concesiones to maintain its position as controlling shareholder in Magenta.

Finally, on 27 July, the success of the Bid was notified, upon reaching 85.85% of acceptance of the capital and having met all of the terms thereof. Likewise, in accordance with the Applicable Provisions, the registration and settlement dates were announced for the 1st and 4th of August, respectively.

This is a positive transaction and a significant reinforcement for the history of OHL México in several spheres, since it:

- Reinforces the already existing alliance with IFM by incorporating it into OHL México as a strategic partner, thereby expanding its scope from the level of an asset (which commenced in April 2015 with its entry into ConMex) to the level of company/country.

- Establishes a new price reference for OHL México substantially higher than that which it had in the market before launching the transaction.

- As IFM is an investment fund fully committed to the United Nations Socially Responsible Investment Principles (to which it has been a party since 2008), and as it had already fully experienced, as a partner of ConMex, the entire defamation campaign suffered by OHL México over the last few years, this transaction signifies a very important and visible backing of OHL México on the reputational level.

- On 22 June, an announcement was made of the launch of a **market prospecting process** for assessing the possibility of incorporating a **minority partner** into **OHL Concesiones** to support its growth and reinforce its successful business model, with OHL retaining, in any case, its majority and control.

  The resources from the transaction would be used for accelerating the Recourse Debt reduction plan.

  The incorporation of a partner would also make it possible to:

  - reduce the needs for future contributions of capital by OHL to the new concession projects.

  - increase the capacity of OHL Concesiones for bidding on new projects.

  - increase the capacity of OHL Concesiones for undertaking projects on a larger scale.

  In addition, this transaction would enable a significant crystallisation of value, establishing a market value reference for the OHL Group's concession assets which is not fully reflected within the current price of the share.

  It is estimated that the process could be concluded by the end of this financial year.

In terms of the progress in the **asset rotation** process, the following developments have taken place during the second quarter of 2017: (i) the sale of a 51% of the assets in Mayakoba (up to 80% in the most mature ones Rosewood and Fairmont), (ii) the sale of 75% of Autovía de Aragón and iii) the sale of a 17.5% of Canalejas. Consequently, the current situation would stand as follows:

Asset	Stake	Net Proceeds	Status	Collection date
abertis	2,50%	€57m	Collected	Jan-17
mavakoba	80%-51%	€181.4m + €7.9m*	Collected	Apr-17
Canalejas	17,50%	€72.3m + €5,3m*	Collected	Apr-17
Autovia Aragón	75%	c. €81m	Collected	Jun-17

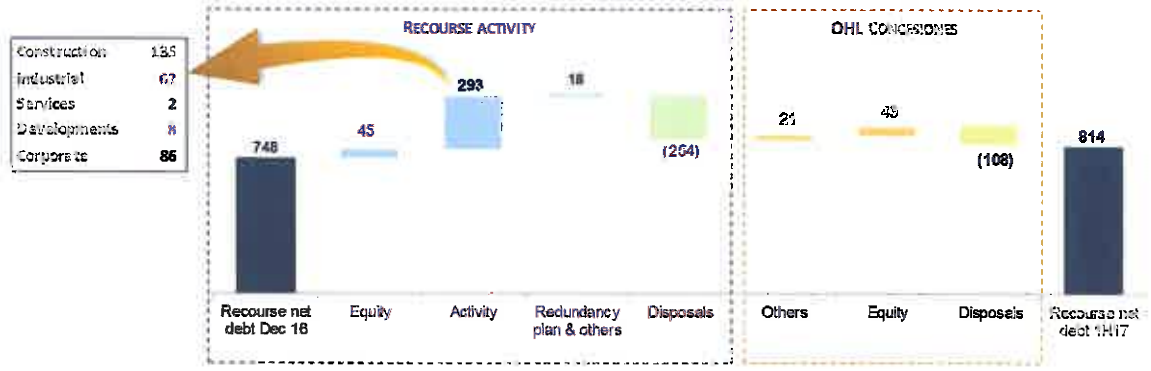
* Pending collection according to contractual terms

Furthermore, both the process for the sale of ZPSV, as well as the possible incorporation of minority partners on the asset level in the new concessions in Chile, Peru and Colombia (which could signify the inflow of up to 132 million euros, taking into account the capital already contributed by OHL Concesiones up to June 2017) continue to move ahead.

Asset	Stake	Net Proceeds	Status	Expected Collection date
ZPSV OHL GROUP	100%	c. €50m	Analyzing Binding Offer	3Q 2017
OHL Concesiones	49% at project level	c. €132m	NBOs received	4Q 2017

Several aspects stand out in the **financial sphere**:

- The **positive trend in the Net Recourse Debt** in the first half of 2017:



A significant development is that the Recourse Activity in 2Q17 consumed only -37 million euros compared to -256 million euros in 1Q17, with considerable improvement in the performance of the working capital. Likewise, mention should be made of the positive contribution to the progress in the Recourse Debt situation by asset rotation, which has contributed funds in the amount of 362 million euros.

At 30 June 2017, the intercompany loan balance of OHL Matriz with OHL Concesiones totalled 635.2 million euros, compared to 602.9 million euros at 31 December 2016.

- **Financial flexibility** thanks to an **Available Recourse Liquidity position** of 760.6 million euros at the close of accounts at the end of June 2017, including both long- and short-term instruments.

An important aspect in this context is the **backing** received by the OHL Group from its **principal reference financial institutions** with the signature on 30 March 2017 of a new **Syndicated Multi-Product Financing Agreement** for a total aggregate amount of 747 million euros, for the issue of guarantees (465 million euros) and confirming (92 million euros), which also includes a revolving credit line of 190 million euros. Later, on 28 June 2017, approval was given for the issuance, against that line, of letters of credit in a total aggregate amount of 62 million euros for the successful renewal of the Bonding Programme that hedges the entire construction business in the U.S.

The combination of this new financing package and the capacities already in place enables the OHL Group to meet the cash requirements derived from its Business Plan and, together with the debt reduction measures planned for 2017, significantly strengthens the Company's liquidity profile.

- **Comfortable schedule for the equity contribution commitments** for the **new concessions** awarded

  The OHL Group is working to facilitate the incorporation of minority partners into the new concessions awarded in Chile, Peru and Colombia, which would reduce almost by half the future commitments to the contribution of equity by OHL Concesiones and could signify a cash inflow of up to 132 million euros (corresponding to the proportionate part of the equity already contributed up to 30 June 2017 to these projects).

In the month of May, the representatives of the workers of OHL, S.A. and of OHL Industrial finally approved the terms of the Collective Redundancy Procedure proposed, which involves the elimination of a total of 457 positions with an estimated total cost of 34.2 million euros (see table below), which has been posted in full in 2Q17. It has been calculated that, once completed, this Procedure will enable cost savings totalling 38.4 million euros per year.

LAYOFF PROCEDURE	OHL SA	OHL Ind.	Total
# Staff	335	**122**	**457**
Cost €m	**28,6**	5,6	**34,2**
Est. Annual **Cost Savings** €m	**27,2**	**11,3**	**38,4**

At 30 June 2017, 58% of the planned redundancies had already been concluded, involving an outflow of cash in the amount of 15.4 million euros.

2.- HIGHLIGHTS

Main Figures	1H17	1H16	Var. (%)
Sales	**1,803.6**	**2,076.0**	**-13.1%**
EBITDA	**466.0**	**385.4**	**20.9%**
% o/ Sales	25.8%	18.6%	
EBIT	**411.2**	**270.3**	**52.1%**
% o/ Sales	22.8%	13.0%	
Attributable net profit	**-32.1**	**3.0**	**n.a.**
% o/ Sales	-1.8%	0.1%	

Euros Mn

Sales and EBITDA Breakdown	1H17	1H16	Var. (%)
Sales	**1,803.6**	**2,076.0**	**-13.1%**
Concessions	216.4	218.9	-1.1%
% o/ Total	12.0%	10.5%	
Engineering & Construction	1,544.0	1,784.9	-13.5%
% o/ Total	85.6%	86.0%	
Developments	43.2	72.2	-40.2%
% o/ Total	2.4%	3.5%	
EBITDA	**466.0**	**385.4**	**20.9%**
Concessions	480.8	330.5	45.5%
% o/ Total	103.2%	85.8%	
Engineering & Construction	14.9	33.9	-56.0%
% o/ Total	3.2%	8.8%	
Developments	4.5	21.0	-78.6%
% o/ Total	1.0%	5.4%	
Redundancy plan cost	-34.2	-	

Euros Mn

Net Debt	1H17	2016	Var. (%)
Recourse net debt	813.5	748.4	8.7%
Non-recourse net debt	2,079.4	2,162.5	-3.8%
Total net debt	**2,892.9**	**2,910.9**	**-0.6%**

Mn Euros

Order book	1H17	2016	Var. (%)
Short-term	7,090.3	6,674.9	6.2%
Long-term	63,733.1	75,674.8	-15.8%

Euros Mn

Human Resources	1H17	2016	Var. (%)
Permanent staff	14,805	15,920	-7.0%
Temporary staff	8,334	8,331	0.0%
Total	**23,139**	**24,251**	**-4.6%**

Other Magnitudes	1H17	2016
Recourse EBITDA (LTM)	177.2	204.2

Euros Mn

*Calculated in accordance with contractual terms including €50m divididends from OHL Concesiones and excluding EUR520m of non-recurring losses related to Legacy projects.

3.- PERFORMANCE BY DIVISION

OHL CONCESIONES

Main Figures	1H17	1H16	Var. (%)
Sales	**216.4**	**218.9**	**-1.1%**
EBITDA	**480.8**	**330.5**	**45.5%**
% o/ Sales	222.2%	151.0%	
EBIT	**464.9**	**311.5**	**49.2%**
% o/ Sales	214.8%	142.3%	

Euros Mn

The figures of this Division have been affected by the trend in currencies, principally the Mexican peso, which has undergone a devaluation of 4.6%. Sales and EBITDA in comparable terms (that is, at a constant exchange rate and without the effect of the change in the consolidation method of Metro Ligero Oeste and of Autovía de Aragón) grew +2.2% and +80.6%, respectively.

The performance of Sales and EBITDA of Concessions compared to the previous period is shown below:

Sales	1H17	1H16	Var. (%)
Toll revenues	197.9	186.9	5.9%
Proper construction activity	3.1	2.4	29.2%
IFRIC-12	15.4	29.6	-48.0%
TOTAL Sales	**216.4**	**218.9**	**-1.1%**

Euros Mn

EBITDA	1H17	1H16	Var. (%)
EBITDA from Tolls	110.7	138.2	-19.9%
EBITDA from Guaranteed IRR	370.1	192.3	92.5%
TOTAL EBITDA	**480.8**	**330.5**	**45.5%**

Euros Mn

The Sales and EBITDA from Tolls in comparable terms (at a constant exchange rate and excluding the effect of the change in the consolidation method of Metro Ligero Oeste and of Autovía de Aragón) grew +10.7% and +30.2%, respectively.

The key developments which have influenced the performance of Sales and EBITDA are as follows:

- The Revenues from Tolls increased 5.9% (8.7% at constant exchange rates) with respect to the same period in the previous year.
- The trend in traffic flows and toll rates of the concessions are shown on the table set out below:

	Traffic performance			Tariffs update	
	From 01/01/17 to 06/30/17	From 01/01/16 to 06/30/16	Var. (%)	% Update[5]	Last update
Mexico					
Amozoc-Perote [1]	38,557	36,414	5.9%	9.30%	January 2017
Concesionaria Mexiquense [1]	345,416	321,200	7.5%	3.30%	February 2017
Viaducto Bicentenario [2]	33,224	30,998	7.2%	3.30%	February 2017
Autopista Urbana Norte [2]	56,154	51,164	9.8%	5,65%[6]	April 2017
Spain					
Euroglosa M-45 [2]	92,752	88,421	4.9%	2.90%	March 2017
Puerto de Alicante (T.M.S.) [3]	40,073	39,736	0.8%	-	-
Terminal de Contenedores de Tenerife [3]	49,011	43,950	11.5%	-	-
Chile					
Nuevo camino Nogales-Puchuncaví [1]	6,363	-	-	4.00%	January 2017
Terminal Cerros de Valparaiso [4]	123,600	133,862	-7.7%	1.07%	January 2015
Peru					
Autopista del Norte [1]	27,920	43,004	-35.1%	1.80%	March 2017

(1) Average Equivalent Paying Traffic.
(2) Average Daily Intensity (ADI): total km travelled by all of the users of the motorway, divided by the total km in operation. This measurement represents the number of road users who would have travelled the total km in operation of the motorway.
(3) Accrued number of T.E.U. movements.
(4) Average tons of general cargo.
(5) Average increase in the rates applied at each toll plaza, resulting from the rate adjustment provisions established in each concession agreement.
(6) Average increase from the updating of rates for off-peak and peak hours.

- The appreciation/depreciation of the average exchange rate in June 2017 of the euro against the Latin American currencies, compared to June 2016:

	1H17	1H16	Var. (%)
Mexican Peso	20.94	20.01	4.6%
Chilean Peso	720.98	759.30	-5.0%
Peruvian Sol	3.56	3.76	-5.3%

As a consequence of these factors, the performance of Sales and EBITDA of the principal concession companies grouped by country is as follows:

Main Figures	Sales			EBITDA		
	1H17	1H16	Var. (%)	1H17	1H16	Var. (%)
Mexico	**139.0**	**124.3**	**11.8%**	**467.7**	**278.4**	**68.0%**
Amozoc-Perote	16.3	14.2	14.8%	9.0	7.9	13.9%
Concesionaria Mexiquense (1)	84.7	79.1	7.1%	264.8	158.2	67.4%
Viaducto Bicentenario (1)	18.4	16.4	12.2%	75.4	44.5	69.4%
Autopista Urbana Norte (1)	19.6	14.6	34.2%	118.5	67.8	74.8%
Spain	**34.8**	**35.8**	**-2.8%**	**20.6**	**67.7**	**-69.6%**
Euroglosa M-45	7.7	7.5	2.7%	6.3	6.1	3.3%
Autovía de Aragón	14.1	16.1	n.a.	11.5	19.3	n.a.
Puerto de Alicante (T.M.S.)	7.6	7.4	2.7%	1.5	1.7	-11.8%
Terminal de Contenedores de Tenerife	5.4	4.8	12.5%	1.3	0.9	44.4%
Metro Ligero Oeste (3)	-	-	-	-	39.7	n.a.
Chile	**14.8**	**11.8**	**25.4%**	**7.5**	**4.4**	**70.5%**
Nogales-Puchuncaví	2.7	-	n.a.	1.8	-	n.a.
Terminal Cerros de Valparaiso	12.1	11.8	2.5%	5.7	4.4	29.5%
Peru	**9.3**	**15.0**	**-38.0%**	**6.8**	**9.8**	**-30.6%**
Autopista del Norte	9.3	15.0	-38.0%	6.8	9.8	-30.6%
Total Concessions	**197.9**	**186.9**	**5.9%**	**502.6**	**360.3**	**39.5%**
Headquarters and others	18.5	32.0	-42.2%	-21.8	-29.8	-26.8%
Total	**216.4**	**218.9**	**-1.1%**	**480.8**	**330.5**	**45.5%**

Euros Mn

(1) Includes the EBITDA of the adjustment for guaranteed returns in accordance with the concession agreements, which is posted as Other Operating Revenues and is not included in Turnover, the same as the rest of the financial asset concession companies. The breakdown at 30 June 2017 is as follows: Concesionaria Mexiquense 200.2 million euros, Viaducto Bicentenario 63.9 million euros and Autopista Urbana Norte 106.0 million euros.
(2) Sales and EBITDA up to May are included in 1H2017, due to the sale of a 75.0% stake in June 2017.
(3) EBITDA up to May is included in 1H2016, due to the sale of a 14.0% stake and the change in recognition going on to be included under the heading of Accounted for by the equity method.

The growth in tolls in Mexico in local currency is particularly significant, with +17.0% in Sales and +17.3% in EBITDA.

The heading "Central and Others" includes the sales and costs referring to the construction activity carried out by the concession companies themselves, exclusive of "intergroup" transactions, as a consequence of the application of IFRIC 12. In line with the principle of prudence, the OHL Group has equated the sales figure of the construction work performed by the concession companies themselves to the costs of such construction activity, therefore not affecting EBITDA for those years.

OHL Concesiones manages a direct order book of 17 principal concessions including: 13 toll motorway concessions (with a total of 1,014 kilometres), 1 airport and 3 ports.

The long-term order book at 30 June 2017 totalled 63.5 billion euros.

Mexico

- Further to the Significant Event of 4 October 2016, in which the investment public was informed that the Company had reached an agreement with IFM for increasing its stake in Organización de Proyectos de Infraestructura ("OPI") by 24.01%, through its subsidiary Woodside Spain, S.L.U. ("IFM Woodside") (the "Transaction"), the Company signed a number of agreements with IFM Woodside on 12 April 2017, through which they agreed to implement the Transaction in two successive phases.

  The first phase of the Transaction consisted of the purchase by IFM Woodside of shares representing 14% of OPI's share capital. The price paid was 5.2 billion pesos. In this way, IFM increased its indirect stake in OPI from 24.99% to 38.99%, while OHL México maintained control of the company with 61.01%.

  The second phase of the Transaction will consist of an increase in IFM Woodside's stake in the share capital of OPI by an additional 10.01% in order to reach the 49% originally agreed in October of last year. This second phase is subject to fulfilment of a number of conditions and the obtaining of the relevant approvals. Once this second phase has been completed, IFM will have increased its indirect stake in OPI from 38.99% to 49%, while OHL México will maintain control of the company with a stake of 51.0%.

  This agreement is consistent with OHL México's strategy of rotating mature assets for reinforcing the Company's financial capacity.

Spain

- In June and July 2016, two sales were concluded with respect to 28.0% of Metro Ligero Oeste, posting a total net capital gain, including the value enhancement of the rest of the stake (that is, 23.3%), of 41 million euros.

- Cercanías Móstoles-Navalcarnero was notified on 14 July 2016 of the ruling of Business Court No. 1 of Madrid, declaring voluntary insolvency proceedings. The Community of Madrid, through the Department of Transport, Housing and Infrastructure, applied a penalty of 34.1 million euros on account of -in its opinion- a breach of the Concession Agreement. This penalty has been duly appealed on solid grounds by the concession company. Nevertheless, based on the principle of prudence, the Group has made a provision for this amount, which it expects to recover in the future.

  On 16 March 2017, Business Court no. 1 of Madrid decreed the commencement of the winding-up stage in the insolvency proceedings of Cercanías Móstoles-Navalcarnero. The commencement of the winding-up stage brings about, among other effects, the suspension of the powers of the management body for the management and disposition of assets of the company, its dissolution, the liquidation of all of its assets and rights, the termination of the concession agreement and the creation of the payment obligation with respect to the Government Pecuniary Liability (RPA) by the Community of Madrid.

  On 20 June 2017, the Department of Economy, Employment and Finance of the Community of Madrid enforced the sureties provided by OHL S.A. to guarantee the concession agreement of Cercanías Móstoles-Navalcarnero in the amount of 15.9 million euros.

  Later, on 21 July 2017, the Community of Madrid notified the administrative decision declaring the termination of the concession agreement.

- In June 2017, 75% of Autovía de Aragón was sold and, as a result, a total net capital gain was posted, including the value enhancement of the rest of the stake (that is, 20.0%), in the amount of 17.6 million euros. Starting from June 2017, the method of consolidation has been changed from Global Integration to Equity Method, for which reason the Sales and EBITDA figures are included only up to May 2017.

Peru

- As a consequence of the climate phenomenon known as the "El Niño Costero" this past March 2017, heavy rains occurred in Peru causing overflows and flooding that affected our concession, the Red Vial 4 Toll Motorway.

  Since the middle of March, the Ministry of Transport instructed the concession company, Autopista del Norte, to suspend the collection of tolls throughout the motorway due to the considerable damage caused by the floods.

  The concession company has an insurance policy covering both the damage to the infrastructure (material damage) as well as the loss of revenues (loss of profit) derived from the event itself. The relevant claim is being processed at the present time with the insurance company for the recovery of the amounts of compensation to be collected for the loss.

Abertis

- On 23 January 2017, the remaining 2.5% stake in Abertis was sold, obtaining net proceeds of 329.8 million euros which were used for i) the repayment of the collar financing in the amount of 272.9 million euros and ii) reducing gross recourse debt with the rest of the funds obtained.

  This last sale has not delivered significant capital gains additional to those obtained in 2016, since the value of the residual stake sold in January 2017 had been enhanced.

Magenta

- On 14 June 2017, a Takeover Bid was launched on the total free float of **OHL México** (that is, 41.99%) at the price of 27 Mexican pesos per share with a minimum level of acceptance set initially at 95% and later lowered to 85%. The transaction is being carried out in conjunction with IFM through the special purpose vehicle, Magenta Infraestructura, 100%-owned by OHL Concesiones.

  Finally, on 27 July, the success of the Bid was notified, upon reaching 85.85% of acceptance of the capital and having met all of the terms thereof. Likewise, in accordance with the Applicable Provisions, the registration and settlement dates were announced for the 1st and 4th of August, respectively.

  This transaction is neutral in terms of cash flow for the OHL Group, since the agreements reached with IFM for its launch include: i) The contribution by IFM to Magenta of the funds necessary for the purchase of the shares, through a capital increase, and ii) the granting of a loan by IFM to OHL Concesiones in the amount of 400 million euros which will be used by the latter for the full repayment of the bond issue exchangeable for OHL México shares in the same amount, maturing in April 2018. In any case, the agreements also make provision for OHL Concesiones to maintain its position as controlling shareholder in Magenta.

OHL INGENIERÍA Y CONSTRUCCIÓN

Main Figures	1H17	1H16	Var. (%)
Sales	**1,544.0**	**1,784.9**	**-13.5%**
EBITDA	**14.9**	**33.9**	**-56.0%**
% o/ Sales	1.0%	1.9%	
EBIT	**-21.1**	**-57.0**	**-63.0%**
% o/ Sales	-1.4%	-3.2%	

Euros Mn

The Engineering & Construction Division accounts for 85.6% of the Group's Sales, contributing Sales worth 1.5 billion euros and showing a 13.5% decline with respect to the same period in the previous financial year.

By segment of activity, the trend in the business is as follows:

CONSTRUCCIÓN

Main Figures	1H17	1H16	Var. (%)
Sales	**1,306.7**	**1,555.4**	**-16.0%**
EBITDA	**34.5**	**44.9**	**-23.2%**
% o/ Sales	2.6%	2.9%	
EBIT	**2.0**	**-42.5**	**104.7%**
% o/ Sales	0.2%	-2.7%	

Euros Mn

Construction, with Sales totalling 1.3 billion euros, accounts for 84.6% of the Sales of Engineering & Construction and 72.4 % of the total Sales of the Group.

The volume of activity of this segment has declined -16.0% in comparison to the same period in the previous year and is concentrated primarily in the Middle East and Africa, North America, Latin America and Spain, due to significant projects which have been gradually finalising between the two periods (i.e. Mecca-Medina, Doha Metro and others). The delay in the start of the work on new concessions also contributes to this outcome, together with the as yet highly initial status of major projects (such as the I-405 and others in the United States) which will contribute greater activity in the near future.

EBITDA was placed at 34.5 million euros and, although it has improved with respect to the first quarter in terms of margin on sales (2.6% compared to 1.5%), it is still affected by the project mix, the delay in the start of construction work for the new concessions and the greater weight of overhead costs in a sales figure 16% lower than the figure for 1H16.

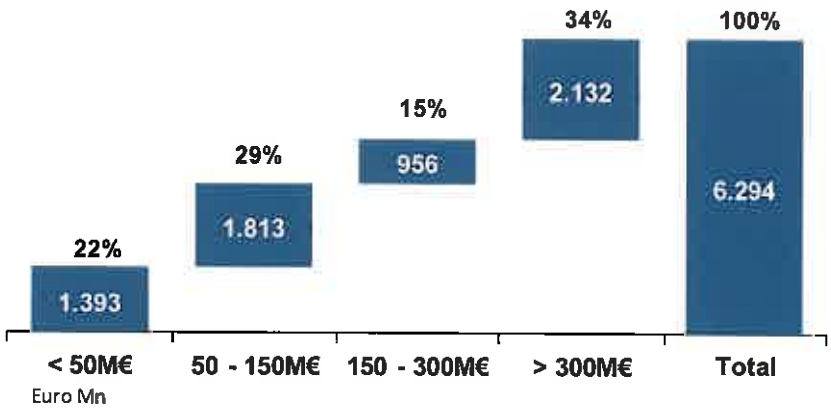
The cash consumed by the Legacy projects in the first six months of 2017 totalled -35.3 million euros.

The short-term order book at 30 June 2017 totalled 6.3 billion euros, equivalent to 30 months of sales, which guarantees greater future growth for this activity. The order book presents a balanced profile both in terms of geographical location as well as project size, with 90.6% originating from the Home Markets (where the U.S. and Canada stand out with 38.0%, and the Pacific Alliance with 33.2%) and with 33.9% of projects of a size in excess of 300 million euros (43.2% of which are projects for our own concessions).

The geographical distribution of the Construction short-term order book is as follows:

	06/30/2017
Home Markets	**90.6%**
Pacific Alliance	33.2%
USA & Canada	38.0%
Spain	15.2%
Czech Rep. and catchment area	4.2%
Other	**9.4%**

The order book, according to project size, is distributed as follows:



Of the total Construction order book, 23.3% refers to projects to be performed for our own concessions, among which the following stand out: Río Magdalena (Colombia), Américo Vespucio Oriente (Chile), Atizapán-Atlacomulco (Mexico), the Port of Valparaíso (Chile), Evitamiento de Chimbote (Peru) and Camino Nogales-Puchuncaví (Chile). The start-up of projects of this kind will contribute to improving the Division's margins.

The 10 most significant contracts in the order book[1] at 30 June 2017 are:

	Country	06/30/2017
Project I-405	USA	666.7
Autopista Vespucio Oriente*	Chile	322.8
Autopista Río Magdalena*	Colombia	319.4
New York Canarsie tunnel rehabilitation	USA	312.1
Autopista Atizapán-atlacomulco*	Mexico	278.2
Hospital de Curicó	Chile	213.9
Puerto de Valparaiso*	Chile	175.1
LAV Oslo-Ski (Follo Line Project)	Norway	156.7
Evitamiento Chimbote*	Peru	116.9
Rehabilitación túnel Queens Midtown	USA	115.3
10 largest proyects in backlog		**2,677.1**

Euro Mn

*Works for OHL Concesiones

[1] FF.CC. Marmaray Project (372,0 million euros) not included due to a c. 75% subcontract agreement

The contracting in the first six months of 2017 totalled 1.7 billion euros, with 74.9% of the projects located in the United States, compared to the 2.3 billion euros contracted for the entire 2016 financial year. The *book to bill* ratio was placed at 1.3x.

The following stand out among the new awards up to June 2017:

	Country	1H17
Project I-405	USA	679.0
New York Canarsie tunnel rehabilitation	USA	312.1
Taller de Meca	Saudi Arabia	43.3
Illinois O'Hare International Airport	USA	42.8
Florida Medical Campus Center	USA	39.8
Proyecto Quellaveco	Peru	33.4
Total principal main awards		**1,150.4**
Other		565.5
Total main awards		**1,715.9**

Mn Euros

INDUSTRIAL

Main Figures	1H17	1H16	Var. (%)
Sales	**128.6**	**137.6**	**-6.5%**
EBITDA	**-19.9**	**-11.5**	**-73.0%**
% o/ Sales	-15.5%	-8.4%	
EBIT	**-21.7**	**-14.4**	**-50.7%**
% o/ Sales	-16.9%	-10.5%	

Euros Mn

The Industrial business obtained sales worth 128.6 million euros, signifying a reduction of 6.5% with respect to the same period in the previous year. This decline is due principally to the gradual finalisation of projects included in business segments (Oil & Gas and Power) which are scheduled to be abandoned due to their lack of profitability.

EBITDA performance has been negative, affected by the situation described above, in addition to a number of fixed structural expenses which are in the process of being reduced.

At the present time, a comprehensive restructuring process of the Industrial business is underway, which is based on: (i) the orderly departure of all of those activities which are not profitable/sustainable (basically, Oil & Gas and Power) and (ii) the resizing/adjustment of their cost structure (which includes the Collective Redundancy Procedure, currently in progress) to adapt it to what is strictly necessary for providing support to the businesses which are still active. This restructuring process is being led by the Construction business (where the Industrial activity to be continued in the future will be located), and it is expected that it will reduce its size to somewhat less than one third.

The Industrial order book at 30 June 2017 was placed at 423.9 million euros and includes the construction of a cement manufacturing plant in Colombia worth 218.4 million euros.

SERVICES

Main Figures	1H17	1H16	Var. (%)
Sales	**108.7**	**91.9**	**18.3%**
EBITDA	**0.3**	**0.5**	**-40.0%**
% o/ Sales	0.3%	0.5%	
EBIT	**-1.4**	**-0.1**	**n.a.**
% o/ Sales	-1.3%	-0.1%	

Euros Mn

The Sales obtained by this Division totalled 108.7 million euros, increasing +18.3% thanks principally to the positive performance of the Facility Management segment (cleaning, maintenance and energy efficiency) on the domestic level.

The Services business obtained an EBITDA margin of 0.3%, similar to the figure obtained during the same period in the previous year, which reflects the highly competitive environment of a very mature sector.

OHL DESARROLLOS

Main Figures	1H17	1H16	Var. (%)
Sales	**43.2**	**72.2**	**-40.2%**
EBITDA	**4.5**	**21.0**	**-78.6%**
% o/ Sales	10.4%	29.1%	
EBIT	**1.6**	**15.8**	**-89.9%**
% o/ Sales	3.7%	21.9%	

Euros Mn

The figures obtained by this Division have undergone a significant change in scale following the asset rotation transactions in Mayakobá and Canalejas, as a result of which the majority of its assets have gone on to be accounted for by the equity method, upon losing the control of such assets. In this way, Sales in the amount of 43.2 million euros have been posted which in comparable terms, by adjusting the recent transactions, would be similar to those obtained during the same period in 2016.

EBITDA totalled 4.5 million euros, compared to 21.0 million in the same period of the previous year, which included the EBITDA generated by the Mayakobá companies involved in the divestiture process. In comparable terms this figure is lower by 10.0 million euros, as a consequence of the fact that significant real estate sales were posted in 2016.

The positive performance of the real estate sales in Ciudad Mayakobá is a highlight of the period.

In the context of the partial rotation of assets in Mayakobá and Canalejas during the last few months -the reason why all of the assets and liabilities of these subsidiaries were classified at the close of accounts for 2016 as Held for Sale- the following aspects stand out:

- **Mayakobá**

  On 21 December 2016, OHL Desarrollos signed a contract with RLH Properties S.A.B. de C.V. for the partial sale of the stake held by the Group in its principal hotel subsidiaries in Mayakobá. The contract of sale included a percentage of up to 80% in the case of Fairmont and Rosewood (a guaranteed minimum of 51%) and

51% in Banyan Tree, Andaz and Golf. On 24 April 2017, the purchase and sale transaction was concluded for 51% of the aforementioned assets, while on 18 May 2017, the sale was increased up to 80% in the case of the more mature assets (Fairmont and Rosewood).

The cash inflow at the end of June 2017 amounted to 181.4 million euros, with 7.9 million euros pending payment, subject to the attainment of certain milestones.

The capital gain obtained in this transaction, including the value enhancement of the stake not sold, amounted to 2.7 million euros and was posted in April 2017.

- **Canalejas**

On 9 February 2017, OHL signed a contract through which it sold 17.5% of Canalejas at the price of 78.8 million euros.

The conclusion of the transaction took place on 7 April 2017 with the payment of the amount of 72.3 million euros. Of the amount still outstanding, 1.8 million will be paid at the close of accounts for 2017 and 3.5 million upon commencement of the operation of the project.

The capital gain obtained in this transaction totalled 31.6 million euros and was posted in April 2017.

4.- FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	1H17	1H16	Var. (%)
Turnover	**1,803.6**	**2,076.0**	**-13.1%**
Other operating revenues	463.2	317.7	45.8%
Total Operating Revenues	**2,266.8**	**2,393.7**	**-5.3%**
% o/ Sales	125.7%	115.3%	
Operating expenses	-1,317.4	-1,553.0	-15.2%
Personnel expenses	-483.4	-455.3	6.2%
EBITDA	**466.0**	**385.4**	**20.9%**
% o/ Sales	25.8%	18.6%	
Amortisation	-56.0	-64.1	-12.6%
Changes in provisions	1.2	-51.0	-102.4%
EBIT	**411.2**	**270.3**	**52.1%**
% o/ Sales	22.8%	13.0%	
Financial revenues	35.7	26.9	32.6%
Financial expenses	-200.4	-203.9	-1.7%
Change in the fair value of financial instruments	-35.0	-97.8	-64.2%
Exchange differences	-32.6	-10.0	226.0%
Deterioration and result from disposals of financial instruments	20.5	223.1	n.a.
Financial profit / (loss)	**-211.8**	**-61.7**	**243.3%**
Equity accounted entities	13.0	-23.3	-155.7%
Profit / (loss) on continuing activities before taxes	**212.4**	**185.3**	**14.6%**
% o/ Sales	11.8%	8.9%	
Corporate tax	-101.7	-101.8	-0.1%
Profit / (loss) on continuing activities in the year	**110.7**	**83.5**	**32.6%**
% o/ Sales	6.1%	4.0%	
Result after taxes on discontinued operations	-	-	-
Profit / (loss) for the year	**110.7**	**83.5**	**32.6%**
% o/ Sales	6.1%	4.0%	
Minority interests	-142.8	-80.5	77.4%
Result attributed to the parent company	**-32.1**	**3.0**	**n.a.**
% o/ Sales	-1.8%	0.1%	

Euros Mn

CONSOLIDATED PROFIT AND LOSS ACCOUNT

The **turnover** of the Group in the first six months of the 2017 financial year totalled 1.8 billion euros, down 13.1% with respect to the figure obtained during the same period in 2016, due principally to the decline in activity in the Construction Division.

The turnover of the Concessions business, which amounted to 216.4 million euros, experienced a slight decline of -1.1%. An important factor was the 4.6% devaluation of the average exchange rate of the Mexican peso against the euro. Excluding this effect, and by applying the exchange rates prevailing in the previous period, Sales would have increased 1.1%.

The Engineering & Construction Division obtained turnover of 1.5 billion euros, declining 13.5%, and accounts for 85.6% of the total turnover of the Group.

The most significant business line is Construction which, with 1.3 billion euros in sales, represents 72.4% of the Group total, declining 16.0% with respect to the figure for the first half of the 2016 financial year.

The Developments Division, with a much lower relative weight, 2.4% of the total, has experienced a 40.2% decline in its turnover in relation to the figure for the same period in the previous year, principally due to the sale in April and May 2017 of the Mayakobá hotel subsidiaries and the golf course. In comparable terms (excluding the effect of the sales of the Mayakobá companies), the turnover figure would be similar between periods.

At June 2017, international sales accounted for 77.2% of turnover, in comparison to 80.6% in the first half of the 2016 financial year.

In the distribution of sales by geographical area, the U.S. and Canada represent 32.4% of the total, Spain 22.8%, Mexico 16.1% and Central and Eastern Europe 6.2%.

Under the heading of **other operating revenues**, totalling 463.2 million euros in the first half of the 2017 financial year, the Group includes mainly the revenues relating to the financial asset concessions and particularly those referring to the Mexican concession companies with a Guaranteed Returns clause.

The **total operating revenues** amounted to 2.3 billion euros, down 5.3% in relation to the figure for the first half of the 2016 financial year.

The **gross operating profit (EBITDA)** was placed at 466.0 million euros, representing 25.8% on turnover, and has undergone an increase of 20.9% over the first half of the 2016 financial year, despite the devaluation of the currencies in which the Group operates against the euro, principally the Mexican peso. Excluding the effect of the exchange rate, EBITDA would have totalled 490.3 million euros, which would have signified an increase of 27.2%.

The agreement between OHL, S.A. and OHL Industrial S.L. and the representatives of their workers was ratified in May 2017, signifying the elimination of 457 positions. The expenses estimated in relation to this Collective Redundancy Procedure, in the amount of -34.2 million euros, have diminished the EBITDA figure.

In comparable terms (excluding the effect of the Collective Redundancy Procedure), the gross operating profit (EBITDA) is placed at 500.2 million euros, that is, 27.7% of turnover and increasing 29.8% with respect to June 2016.

The EBITDA figure for Concessions totalled 480.8 million euros, up 45.5% with respect to the result in the first half of the 2016 financial year, due to the concession companies with Guaranteed Returns, affected favourably by the performance of inflation. The Guaranteed Returns contributed 370.1 million euros, while the Cash EBITDA totalled 110.7 million euros (that is, 23.0 % of the total).

The comparable EBITDA from Concesiones (at a constant exchange rate and excluding the effect of the change in the consolidation method of Metro Ligero Oeste, S.A. and Autovía de Aragón Tramo-1, S.A.) grew 80.6% with respect to the first half of 2016.

The Engineering & Construction Division obtained a result of 14.9 million euros in terms of EBITDA.

The EBITDA obtained by the Construction Division totalled 34.5 million euros, representing 2.6% on turnover, similar to the profitability registered during the same period in the previous year, that is, 2.9% on turnover, showing a decline in absolute values due to the downturn in activity in this period.

The Developments Division obtained an EBITDA figure of 4.5 million euros, that is, 10.4% on turnover.

International operations account for practically the entire EBITDA figure of the Group, which is generated primarily in Mexico.

The **net operating profit (EBIT)** totalled 411.2 million euros, that is, 22.8% on turnover, and represents an increase of 52.1% with respect to the figure for the first half of the 2016 financial year.

By excluding the effect of the Collective Redundancy Procedure, EBIT would be placed at 445.4 million euros, that is, 24.7% on turnover with an increase of 64.8% with respect to June 2016.

The net amount of **financial revenues and expenses** in the period totalled -164.7 million euros, compared to -177.0 million euros in the first half of the 2016 financial year.

The result with respect to financial expenses stands out under this heading, amounting to -200.4 million euros, and is broken down as follows:

	06/30/2017	06/30/2016
Financial expenses in concessions	133.7	100.0
Financial expenses in others	66.7	103.9
TOTAL	**200.4**	**203.9**

Euros Mn

The financial expenses of the concession companies in the first six months of the 2017 financial year increased considerably with respect to the same period in 2016 due to the loans in Mexican Investment Units (UDIs), whose cost is referenced to inflation, which has been higher than that of the first six months of 2016.

The considerable reduction in the financial expenses of the rest of the companies stands out and is due to lower borrowings.

Principal divestitures of stakes in companies

The most significant divestitures of stakes in companies, carried out in the first half of 2017, are set out below:

- The remaining 2.5% of Abertis S.A. was sold on 23 January 2017.
- A 17.5% stake in Centro Canalejas Madrid, S.A. was sold on 7 April 2017.
- On 28 April, 51% of the Mayakobá hotel companies and the golf course were sold, and on 18 May 2017, an additional 29% of two of the hotel companies (Fairmont and Rosewood) was sold.
- A 75.0% stake in Autovía de Aragón-Tramo 1, S.A. was sold on 14 June 2017.

The following tables show details of the impact on each of the headings of the Profit and Loss Account for the 2017 and 2016 financial years, respectively:

June 2017	Abertis	Canalejas	Mayakobá	Autovia Aragón	Total
Sale price	**329.8**	**78.8**	**186.9**	**50.9**	**646.4**
P&L impact					
Exchange differences	-	-	38.3	-	38.3
Change in the fair value of financial instruments	-11.6	-1.8	0.8	-10.0	-22.7
Equity accounted entities	-	-	-11.6	5.8	-5.8
Deterioration and result from disposals of fin. Instr	-	33.4	-24.7	21.8	30.5
Total P&L impacts	**-11.6**	**31.6**	**2.7**	**17.6**	**40.3**

Euros Mn

June 2016	Abertis	Construction concessions	Metro Ligero Oeste	Total
Sale price	**814.6**	**142.0**	**51.0**	**1,007.6**
P&L impact				
Exchange differences	-	-	-	0.0
Change in the fair value of financial instruments	-	-77.9	-24.9	-102.8
Equity accounted entities	-	-	49.6	49.6
Deterioration and result from disposals of fin. Instr	114.7	90.9	16.6	222.2
Total P&L impacts	**114.7**	**13.0**	**41.3**	**169.0**

Euros Mn

The amount of the **change in the fair value of financial instruments** totalled -35.0 million euros, signifying an improvement with respect to the -97.8 million euro figure in the first half of the 2016 financial year.

Losses in the amount of -22.7 million euros were included in the first half of 2017, due to the sales of: (i) Abertis Infraestructuras; (ii) Centro Canalejas Madrid, S.A.; (iii) the Mayakobá hotel companies and golf course; and (iv) Autovía de Aragón-Tramo 1, S.A., on account of the valuation of the derivatives associated with such assets, which was included as Shareholders Equity. The aforementioned transaction affected this heading negatively in the amount of 22.7 million euros, while the heading of "Adjustments for changes in value" on the Balance Sheet improved by the same amount, and Shareholders Equity remained unchanged.

In the first half of 2016, and for this same reason, the amount of -102.8 million euros was posted as a consequence of the sale of the concession companies belonging to the Construction business and of Metro Ligero Oeste, S.A.

The **exchange rate differences** amounted to -32.6 million euros, a negative outcome in comparison to the -10.0 million euros posted in the first half of 2016, stemming from the transactions made in Mexican pesos, Qatar riyals, Canadian dollars and U.S. dollars, principally.

The amount of the **impairment and result from the disposal of financial instruments** totalled 20.5 million euros and mainly includes the 30.5 million euros of the principal divestitures referred to previously and impairment in the amount of -10.0 million euros stemming from the Banco Popular, S.A. shares owned by the Group.

The first half of the 2016 financial year included: (i) the proceeds from the sale of the 7% stake in Abertis in the amount of € 114.7 MM, (ii) the proceeds from the sale of the concession companies belonging to the Construction Division in the amount of € 90.9 MM and (iii) the proceeds from the sale of 14% of Metro Ligero Oeste in the amount of € 16.6 MM.

The **result of companies valued by the equity method** totalled 13.0 million euros, increasing by 36.3 million euros, principally due to the fact that in June 2016 the following amounts were included: (i) the CHUM loss in the amount of € -102.2 MM, (ii) the result from Abertis in the amount of € 37.5 MM and (iii) Metro Ligero Oeste, S.A. in the amount of € 49.6 MM.

The **profit before taxes** reached 212.4 million euros, that is, 11.8% on turnover, increasing 14.6% with respect to the first half of 2016.

The **tax on profits** amounted to -101.7 million euros, compared to -101.8 million euros in the first half of the 2016 financial year.

The effective tax rate applicable is 27.6%, compared to 27.7% in the first half of the 2016 financial year.

For the purpose of the calculation of the tax rate, the results from the application of the equity method and other items without a tax effect were eliminated, and the fact that the Group does not recognise tax credits if their recovery is not assured must be taken into account.

The **result attributed to minority interests** totalled -142.8 million euros and increased with respect to the first half of 2016 thanks to the good performance of the Mexican concession companies.

The **result attributed to the Parent Company** amounted to -32.1 million euros, which is practically zero if we exclude the impact of the Collective Redundancy Procedure, that is, -34.2 million euros, and other impairments of financial assets.

CONSOLIDATED BALANCE SHEET

	06/30/2017	12/31/2016	Var. (%)
Non-current assets	**9,166.1**	**8,589.0**	**6.7%**
Intangible fixed assets	263.1	287.0	-8.3%
Tangible fixed assets in concessions	6,774.9	6,439.6	5.2%
Tangible fixed assets	237.2	257.0	-7.7%
Real estate investments	80.3	66.8	20.2%
Equity-accounted investments	607.8	513.6	18.3%
Non-current financial assets	549.0	402.9	36.3%
Deferred-tax assets	653.8	622.1	5.1%
Current assets	**3,604.5**	**4,331.3**	**-16.8%**
Non-current assets held for sale	0.0	492.0	n.a.
Stocks	220.9	211.9	4.2%
Trade debtors and other accounts receivable	2,185.6	2,103.2	3.9%
Other current financial assets	343.5	663.5	-48.2%
Other current assets	62.2	42.8	45.3%
Cash and cash equivalents	792.3	817.9	-3.1%
Total assets	**12,770.6**	**12,920.3**	**-1.2%**
Net shareholders' equity	**4,480.3**	**4,042.9**	**10.8%**
Shareholder's equity	**2,925.5**	**3,027.9**	**-3.4%**
Capital	179.3	179.3	0.0%
Issue premium	1,265.3	1,265.3	0.0%
Reserves	1,513.0	2,015.6	-24.9%
Result for the year attributed to the parent company	-32.1	-432.3	-92.6%
Valuation adjustments	**-444.1**	**-588.2**	**-24.5%**
Parent company shareholders' equity	**2,481.4**	**2,439.7**	**1.7%**
Minority interests	**1,998.9**	**1,603.2**	**24.7%**
Non-current liabilities	**5,226.6**	**5,453.9**	**-4.2%**
Subsidies	2.0	2.1	-4.8%
Non-current provisions	172.4	199.4	-13.5%
Non-current financial debt (*)	3,401.0	3,777.1	-10.0%
Other non-current financial liabilities	31.7	53.0	-40.2%
Deferred-tax liabilities	1,423.7	1,246.3	14.2%
Other non-current liabilities	195.8	176.0	11.3%
Current liabilities	**3,063.7**	**3,423.5**	**-10.5%**
Non-current liabilities held for sale	0.0	220.0	-100.0%
Current provisions	257.0	298.2	-13.8%
Current financial debt (*)	627.7	615.2	2.0%
Other current financial liabilities	5.6	7.1	-21.1%
Trade creditors and other accounts payable	1,801.4	1,915.4	-6.0%
Other current liabilities	372.0	367.6	1.2%
Total liabilities and net shareholders' equity	**12,770.6**	**12,920.3**	**-1.2%**

* Includes Bank debt + Bonds

Euros Mn

The principal headings of the consolidated balance sheet at 30 June 2017 and the changes therein with respect to 31 December 2016 are as follows:

Fixed assets in concession projects: this heading takes in all of the Group's concession assets, both those under the intangible asset model as well as those under the financial asset model.

The balance totalled 6.8 billion euros, increasing by 335.3 million euros with respect to the figure at 31 December 2016, due principally to the net effect of:

- A net increase of 370.1 million euros undergone by the Mexican concessionaires with Guaranteed Returns (Autopista Urbana Norte, S.A. de C.V., Concesionaría Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.).

- An increase in the amount of 325.9 million euros from the 8.0% revaluation of the final exchange rate of the Mexican peso against the euro.

- A 266.0 million euro decrease as a result of the departure of Cercanías Móstoles Navalcarnero, S.A., a company which, on commencing its winding-up phase, is no longer consolidated by global integration and has gone on to be classified under the heading of Non-current financial assets in the amount of 185.8 million euros, referring to the stake and a participation loan.

- A decrease in the amount of 147.1 million euros as a result of the sale of 75% of Autovía de Aragón Tramo-1, S.A.

- A net increase of the rest of the concessions in the amount of 52.4 million euros.

Of the total balance, 5.8 billion euros refer to Mexican concession companies under the financial asset model, that is, 85.5% of the total.

Likewise, 59.9% of the total balance, 3.4 million euros, is made up by the amount posted as Guaranteed Returns.

Investments accounted for by applying the equity method: the balance of this heading totalled 607.8 million euros, increasing by 94.2 million euros with respect to 31 December 2016, caused principally by: (i) the transfer of the stakes not sold in the Mayakobá hotel companies and golf course and in Autovía de Aragón Tramo-1, S.A. which represent 68.6 million euros, (ii) the profit for the first six months of 2017, or 13.0 million euros, and (iii) the major investments and others in the amount of 12.6 million euros.

Non-current assets and liabilities held for sale: at 31 December 2016, these headings referred to the assets and liabilities of the Mayakobá hotel companies and golf course, in Riviera Maya (Mexico), which were involved in a process of divestiture which has materialised in the months of April and May 2017.

Trade debtors and other accounts receivable: at 30 June 2017 the balance of this heading totalled 2.2 billion euros, accounting for 17.1% of the total assets.

Works certified for progress payments still outstanding and works pending certification represented 72.6% of the total of this balance and amounted to 1.6 billion euros, affected by the seasonality of the period.

This heading has declined by 36.4 million euros (53.3 million euros at 31 December 2016), on account of client receivables assignments without the possibility of recourse in the event of default in payment by such clients, which is the reason why this balance has been reduced.

Parent Company shareholders' equity: totalled 2.5 billion euros, representing 19.4% of the total assets and increasing by 41.8 million euros with respect to the figure at 31 December 2016, due to the net effect of:

- A decrease due to the attributable result of the first six months of the 2017 financial year, amounting to 32.1 million euros.

- An increase in reserves of 111.3 million euros, brought about by the conversion of financial statements in foreign currency, principally those of the Mexican companies.

- An increase in reserves of 32.7 million euros as a result of the impact of the valuation of financial instruments, taken to the Profit and Loss Account.

- A decrease of 1.8 million euros in bought-back shares. At 30 June 2017, the treasury stock was made up by 12,530,709 shares, worth 48.0 million euros.

- A decrease in the amount of 68.3 million euros from other changes in reserves, stemming from changes in the scope.

Minority interests: at 30 June 2017 were placed at 2 billion euros, increasing by 395.7 million euros with respect to the figure at 31 December 2016, due to the net effect of:

- An increase of 142.8 million euros from the result of the first six months of the 2017 financial year attributed to minority interests.

- An increase of 74.3 million euros brought about by the conversion of financial statements in foreign currency.

- A decrease of 4.0 million euros as a result of the impact of the valuation of financial instruments.

- An increase of 227.1 million euros as a consequence of the sale of the 14% stake in ConMex.

- A decrease of 31.0 million euros on account of the Mayakobá hotel companies which are now consolidated by the equity method.

- A decrease of 13.5 million euros due to other changes in the scope.

Banks and bond issues: the comparison of the borrowings at 30 June 2017 with the figure at 31 December 2016 is as follows:

Gross debt (1)	06/30/2017	%	12/31/2016	%	Var. (%)
Recourse debt	1,388.7	34.5%	1,519.9	34.6%	-8.6%
Non-recourse debt	2,640.0	65.5%	2,872.4	65.4%	-8.1%
Total	**4,028.7**		**4,392.3**		**-8.3%**

Euro Mn

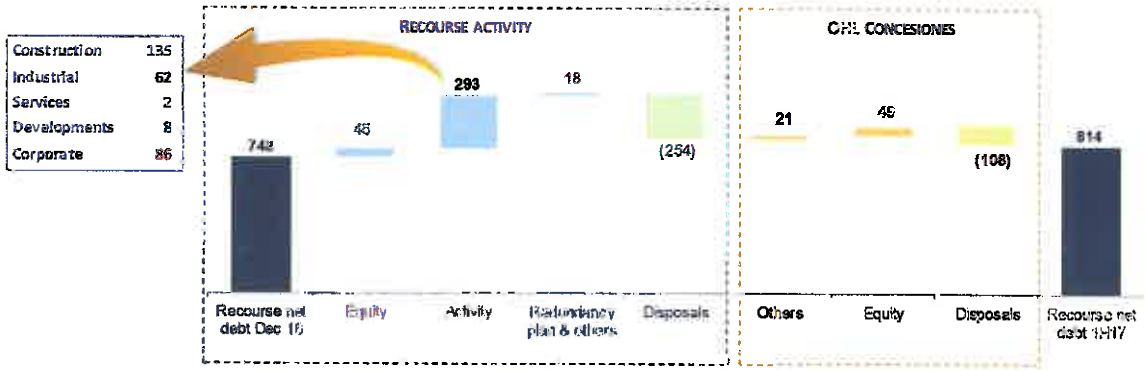
(1) The gross borrowings group together the non-current and current debt items, which include both bank debt and bonds.

Net debt (2)	06/30/2017	%	12/31/2016	%	Var. (%)
Recourse net debt	813.5	28.1%	748.4	25.7%	8.7%
Non-recourse net debt	2,079.4	71.9%	2,162.5	74.3%	-3.8%
Total	**2,892.9**		**2,910.9**		**-0.6%**

Euro Mn

(2) The net borrowings are comprised by the gross borrowings minus other financial assets and cash and cash equivalents.

The gross recourse borrowings at 30 June 2017 totalled 1.4 billion euros. The trend in the net recourse debt in the first half of 2017 is as follows.



An important note is that the Recourse Activity in 2Q17 consumed only -37 million euros compared to -256 million euros in 1Q17, showing considerable improvement in the performance of the working capital. Likewise, mention should be made of the positive contribution to the progress in the Recourse Debt situation by asset rotation, which has contributed funds in the amount of 362 million euros.

Details of the maturity dates of the Group's bonds, together with the available liquidity, are shown below:

The situation of the recourse liquidity at 30 June 2017 and at 31 December 2016 is shown below:

Recourse liquidity	1H17	12/31/2016
Bonds	894.5	894.5
Euro Commercial Paper	4.8	9.4
Syndicated Facility	250.0	250.0
Credit lines and others	425.6	491.5
Availability with recourse	**1,574.9**	**1,645.4**
Gross recourse debt	**1,388.7**	**1,519.9**
Financing with Recourse available	186.2	125.5
Cash and IFT	575.2	771.5
Recourse liquidity available	**761.4**	**897.0**

Euro Mn

(*) Includes 54.7 million euros from the revolving credit line of the syndicated multi-product financing.

The Group's recourse availability totals 1.6 billion euros.

The Group's recourse liquidity, measured as the cash and cash equivalents plus the available recourse financing, totals 761.4 million euros.

With respect to the total gross borrowings, 84.4% is long-term, while the remaining 15.6% is short-term.

The gross non-recourse financial debt totals 2.6 billion euros, 65.5% of the total gross borrowings, and has decreased by 232.5 million euros, principally due to:

i. The repayment of a loan backed by a 2.5% stake in Abertis Infraestructuras, S.A. in the amount of 272.9 million euros.

ii. A decrease of 95.4 million euros from the sale of the 75% stake in Autovía de Aragón Tramo-1, S.A.

iii. An increase in the amount of 97.3 million euros brought about by the 5.5% revaluation of the final exchange rate of the Mexican peso against the euro.

iv. The net increase of the rest in the amount of 38.5 million euros.

The gross non-recourse borrowings totalled 2.6 billion euros (2.1 billion euros in net non-recourse debt), the details of which are set out below:

Non-recourse net debt	06/30/2017		12/31/2016	
	Gross	Net	Gross	Net
Mexico				
Concesionaria Mexiquense / OPI	1,040.1	878.5	939.3	803.4
Amozoc-Perote	90.8	50.8	84.5	53.7
Viaducto Bicentenario	274.4	264.0	256.0	249.7
Autopista Urbana Norte	277.6	267.2	262.9	253.4
Atizapán-Atlacomulco	-	-33.8	-	-26.3
Spain				
Euroglosa M-45 / Euroconcesiones	105.8	95.5	106.8	105.5
Autovía de Aragón - Tramo 1 (1)	-	-	95.4	48.1
Terminal de Contenedores de Tenerife	27.6	24.0	28.5	25.1
Puerto de Alicante	56.5	55.8	56.6	55.7
Chile				
Puerto de Valparaiso	-	-8.8	-	-5.4
Puente Industrial	-	-1.0	-	-0.1
Nogales - Puchuncaví	-	-5.0	-	-6.4
Peru				
Autopista del Norte	107.5	82.2	118.2	98.2
Colombia				
Autopista Río Magdalena	34.6	10.7	37.9	14.5
Total Main Concessions	**2,014.9**	**1,680.1**	**1,986.1**	**1,669.1**
Non-recourse financing backed by the 2,5% stake in Abertis (2)	-	-	272.9	272.9
Non-recourse financing backed by the 16,99% stake in OHL Mexico	400.0	400.0	400.0	400.0
Others	175.3	-49.3	171.6	-221.1
Total OHL Concesiones	**2,590.2**	**2,030.8**	**2,830.6**	**2,120.9**
Concessions of OHL Engineering & Construction	48.6	48.3	41.8	41.6
OHL Developments	1.2	0.3	-	-
Total Non-recourse net debt	**2,640.0**	**2,079.4**	**2,872.4**	**2,162.5**

Euro Mn

(1) A 75.0% stake in Autovía de Aragón-Tramo 1 S.A. was sold on 14 June 2017.
(2) An important note is that, at 31 December 2016, the financing in the amount of 272.9 million euros was included in the Non-recourse financing backed by the stake in Abertis, and the 2.5% stake valued at 329.2 million euros posted in "Others" was included as IFT. The sale of this stake took place on 23 January 2017, together with the repayment of the loan.

CASH-FLOW

An additional breakdown is made in this section in line with the internal criteria determined by the Group for the purpose of analysing the performance of its business. In some instances, these criteria differ from the standards established in IAS 7.

	1H17	1H16
EBITDA	**466.0**	**385.4**
Adjustments	**-578.6**	**-398.4**
Financial results	-232.2	-284.8
Equity accounted results	13.0	-23.3
Deterioration and result from disposals of financial instruments	20.5	223.1
Taxes	-101.7	-101.8
Minorities	-142.8	-80.5
Guaranteed Return Adjustment	-136.5	-80.1
Changes in provisions and others	1.1	-51.0
Cash flow in operating activities	**-112.6**	**-13.0**
Changes in current capital	**-262.8**	**-215.2**
Trade and other receivables	-82.3	-128.6
Trade creditors and other payables	-114.0	-156.3
Other changes in working capital	-66.5	69.7
Cash flows from operating activities	**-375.4**	**-228.2**
Cash flow in investment activities	**393.5**	**725.1**
Minority interest	395.4	-195.3
Other	-1.9	920.4
Change in net non-recourse debt	**-83.1**	**-953.6**
Change in net recourse debt	**65.1**	**456.7**
Cash flow of financing activities	**-18.0**	**-496.9**

Euro Mn

The gross operating profit totalled 466.0 million euros, undergoing an increase of 20.9% with respect to the first half of the 2016 financial year.

The adjustments to the result totalled -578.6 million euros, due principally to effect of the financial results, impairment and the result from the sale of financial instruments, the tax on profits, the minority interests and the guaranteed returns adjustment

The funds originating from operations are placed at -112.6 million euros.

The changes in the working capital presented a negative performance to the extent of 262.8 million euros. These changes are responsible for the negative **cash flow of the operating activities**, placed at -375.4 million euros.

If we de-link the cash flow of the operating activities from the results obtained from the disposal of financial instruments, this figure would be placed at -395.9 million euros in comparison to -451.3 million euros in June 2016, evidencing an improvement in the cash generation of the operating activities, in relation to the same period in the previous year.

The **cash flow of the investment activities** consists principally of the minority interests, the changes in the net assets and the non-current assets and liabilities and totalled 393.5 million euros.

The **cash flow of the financing activities** in this period totalled -18.0 million euros, signifying greater non-recourse indebtedness to the Group to the extent of -83.1 million euros and higher net recourse borrowings in the amount of 65.1 million euros.

It is important to highlight the change in trend occurring in the second quarter of 2017, which has improved the net recourse borrowings by 179.7 million euros, due to lower consumption by the operating activities and the significant divestitures made.

5.- ORDER BOOK

At 30 June 2017, the Group's order book was worth 70.8 billion euros, decreasing by 11.5 billion euros, that is, -14.0% with respect to the figure at 31 December 2016, due to the net effect of:

- An increase in the short-term order book in the amount of 415.4 million euros, thanks to the positive performance of contracting which, in the year, has totalled 2.2 billion euros (*book-to-bil* 1.23x), driven by the Construction Division.
- A 2.9 billion euro increase from the impact of the revaluation of currencies against the euro, principally the Mexican peso.
- A 14.5 billion euro decrease in the long-term order book, as a result of the new estimates of future revenues from the Mexican concession companies, affected by inflation.
- A decrease of 333.5 million euros stemming from the departure of Autovía de Aragón Tramo-1, S.A.

Of the total order book 10.0% refers to short-term contracts, while the remaining 90.0% are long-term.

The short-term order book is worth 7.1 billion euros, representing approximately 24.5 months of sales and increasing 6.2 % over the figure at 31 December 2016, driven mainly by the contracting obtained in the area of North America in the Construction Division.

Engineering & Construction accounts for the entire short-term order book and, within this division, Construction is responsible for 88.8%.

The long-term order book stands at 63.7 billion euros, declining by 11.9 billion euros, that is, -15.8% with respect to the figure at 31 December 2016.

	06/30/2017	%	12/31/2016	%	Var. (%)
Short-term	**7,090.3**		**6,674.9**		**6.2%**
Construction	6,294.1	88.8%	5,880.9	88.1%	7.0%
Industrial	423.9	6.0%	437.3	6.6%	-3.1%
Services	372.3	5.3%	356.7	5.3%	4.4%
Long-term	**63,733.1**		**75,674.8**		**-15.8%**
Concessions	63,510.9	99.7%	75,449.4	99.7%	-15.8%
Construction	222.2	0.3%	225.4	0.3%	-1.4%
Total	**70,823.4**		**82,349.7**		**-14.0%**

Euro Mn

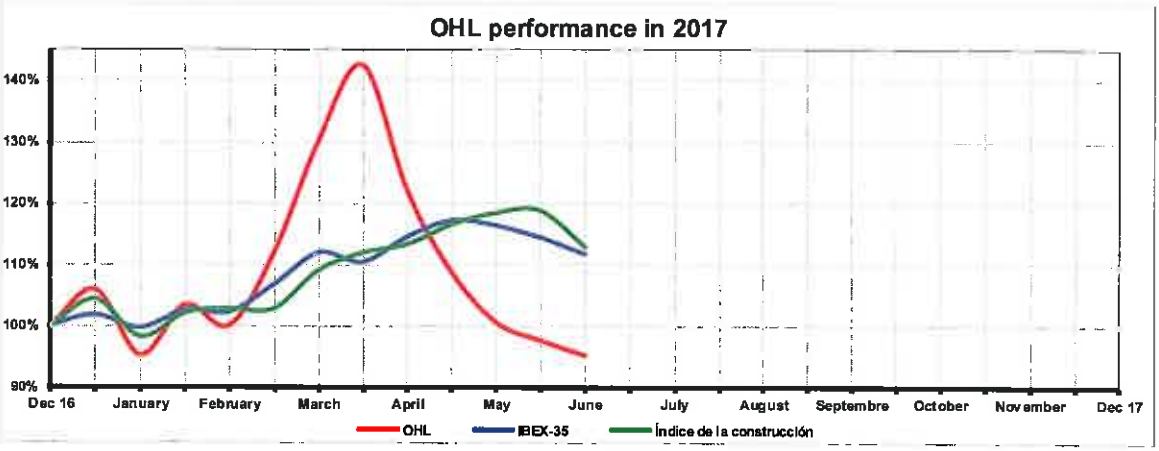
6.- SHARE PRICE PERFORMANCE

The share capital at 30 June 2017 totalled 179,255,398.80 euros, represented by 298,758,998 ordinary shares with a face value of 0.60 euros each, all belonging to a single class and series, listed at 3.14 euros per share, which signifies a share price depreciation of -4.7% in the year.

During the first half of 2017, a total of 371,627,860 shares (124.4% of the total tradable shares), were traded on stock exchanges, with a daily average of 2,926,204 securities.

OHL held treasury stock at 30 June 2017 consisting of 12,530,709 shares, equivalent to 4.194% of the company's current capital.

	06/30/2017
Closing price	3.14
OHL YtD performance	-4.7%
Number of shares	298,758,998
Market capitalization (Euro Mn)	937.8
Ibex 35 YtD performance	11.7%
Construction Index YtD performance	12.9%



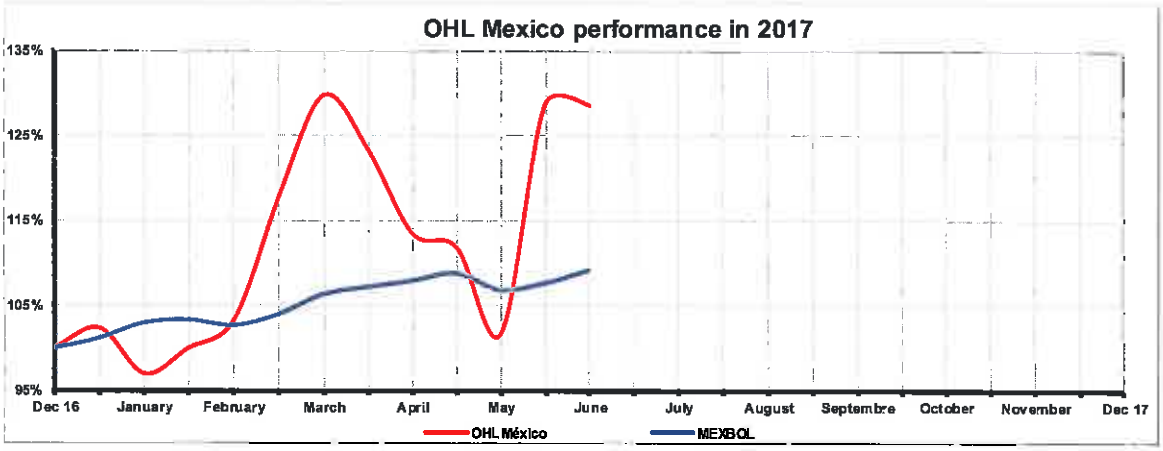
The most significant details of the bonds issued by OHL and its subsidiary OHL Investment S.A. (subsidiary of OHL Concesiones) are shown below:

Issuer	Maturity	Coupon	Amount	Price	YtM
OHL S.A.	March 2020	7.625%	187	98.817%	8.114%
OHL S.A.	March 2022	4.750%	395	86.629%	8.236%
OHL S.A.	March 2023	5.500%	313	86.497%	8.539%
OHL Investment	March 2018	4.000%	400	99.558%	4.556%

Within the Concessions Division, the OHL Group has its subsidiary OHL México S.A. de C.V., which is listed in Mexico and whose key figures are as follows:

	06/30/2017
Closing price (Mexican Pesos)	26.20
YtD performance	28.5%
Number of shares	1,732,185,269
Market capitalization (Mexican Pesos Mn)	45,383.3
56,85% stake value (Euro Mn)*	1,253.4

*Exchange rate EUR/MXN 20,0175



7.- DEVELOPMENT

During the first six months of fiscal year 2017, the Group invested EUR 906 thousand in development projects and incurred EUR 1,155 thousand expenses. In addition, in the balance sheet at 30 June 2017, it capitalised EUR 33,404 thousand related to R&D projects under "Other intangible assets".

8.- MAIN RISKS AND UNCERTAINTIES

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

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 2017, the hedges created account for 16.0% of that debt and the fixed-interest rate debt totals 61.1%.

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 1,543 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 booked in the balance sheet at 30 June 2017 under the heading "Translation differences", within "Valuation adjustments" totals EUR 418,583 thousands (EUR 529,917) thousands at 31 December 2016).

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

Concept	Thousands of
Non-current financial assets	546,889
Non- current hedging instruments	2,114
Trade and other receivables	2,167,880
Current financial assets	342,942
Current hedging instruments	571
Cash and cash equivalents	792,325

Non-current financial assets

The non-current financial assets include loans to associates amounting to EUR 102,271 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 2017.

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 1,901,654 thousand, from which 55.4% relate to official clients on which no impairments are expected by the Group, with the right to charge interests in some cases. The remaining 44.6% 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 238,729 thousand corresponding mainly to the reserve accounts related to the project funding of certain concession companies in order to guarantee the debt repayment to the financial institution.

In the first six months of the year, the value of the shares held in Banco Popular S.A. has been impaired in EUR (9,999) thousand, leaving at zero its carrying amount (notes 14 and 24).

Liquidity risk

This risk is managed by maintaining adequate levels of cash and marketable securities, as well as acquiring and keeping lines of sufficient funding to cover all financing needs, as cash maintaining, at all times, a level of financial flexibility that is adequate for its activity.

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 2017 the Group presented the debt maturity schedule which for 2017 totals EUR 180,969 thousand.

The liquidity position at 30 June 2017 was made up of::

- Current financial assets in the amount of EUR 343,513 thousand. Current financial assets include the reserve accounts of certain concession companies in the amount of EUR 238,729 thousand, of restricted availability, intended for servicing the debt.
- Cash and other equivalent liquid assets in the amount of EUR 792,325 thousand.

- Credit and negotiation facilities available in the amount of EUR 322,174 thousand.

Throughout 2016, on a total of four occasions, the credit rating was reduced for the Group, made by rating agencies.

To mitigate the risk of any repercussions to these rating downgrades made to the financial institutions that operate with the Group that could eventually lead to a possible significant negative impact on its liquidity profile, the Company, in November 2016, commenced a process for the joint dialogue and negotiation with its main related entities (the "Group of Entities"), with a two-fold purpose: i) to ensure the ongoing support for the OHL Group and (ii) to negotiate a new financing package that would allow the OHL Group to have the guaranteed coverage for its future working capital needs arising from the implementation of its Business Plan.

As a result of this process, on 30 March 2017, the OHL Group entered into a Syndicated Multiproduct Loan Agreement, novating and replacing the one signed on 30 December 2016 for a total aggregate amount of EUR 747 millions, including: (i) issuance of guarantees (EUR 465 million), (ii) confirming (EUR 92 million), and (iii) revolving credit line amounting to EUR 190 million which on 26 June 2017 was changed to EUR 128 millions.

All of such mature at 18 months, and with the guarantee of the shares of OHL Concesiones, S.A. and OHL Desarrollos, S.L as well as the implementation of a non-strategic asset divestment plan.

The combination of this new financing package, which allows the OHL Group to achieve a guaranteed coverage of its working capital needs that may arise from its Business Plan, along with the debt reduction measures envisaged for 2017, provides a very significant strengthening of the Company's liquidity profile.

9.- ALTERNATIVE PERFORMANCE MEASURES

The OHL Group presents its results in accordance with the International Financial Reporting Standards (IFRS), and also uses certain Alternative Performance Measures (APM), which facilitate a better understanding and comparability of the financial information and, in order to comply with the guidelines of the European Securities and Markets Authority (ESMA), we are defining the following terms below:

Gross operating profit (EBITDA): is the Operating Profit prior to the allocation for depreciation and changes in provisions disaffected –as the case may be- of extraordinary / non-recurring gains or losses that have no impact on the cash-flow.

Recourse gross operating profit (recourse EBITDA): is calculated as the Total gross operating profit (EBITDA) (including the financial revenues from interest and excluding the extraordinary non-recurring losses), minus the Gross operating profit (EBITDA) from project companies and including dividends –if any- paid to the Parent by the project companies.

Project companies: are those companies which do not have recourse to OHL S.A.

Net operating profit (EBIT): is calculated by taking the following items from the consolidated profit and loss account: Net turnover, Other operating revenues, Operating expenses, Personnel expenses, Allocation for depreciation and Changes in provisions.

Gross borrowings: group together items of Non-current financial debt and Current financial debt on the liabilities side of the consolidated balance sheet, including bank debt and bond issues.

Net borrowings: are made up by the Gross borrowings minus Other current assets and Cash and cash equivalents on the assets side of the consolidated balance sheet.

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

Recourse borrowings (gross or net): are made up by the Total borrowings (gross or net) minus the Non-recourse borrowings (gross or net).

Order book: the revenues pending performance of the contracts awarded, both in the short and the long term. These contracts are included in the order book once they have been formalised.

- **Short-term order book:** represents the estimated amount of the revenues of Construction, Industrial and Services, pending performance, and also includes the revenues expected on the basis of changes in the contracts or additional work units estimated in relation to the percentage of completion of the projects.
- **Long-term order book:** represents the estimated future revenues of the concessions, during the concession period, in accordance with the financial plan of each concession and includes assumptions of changes in the exchange rate between the euro and other currencies, inflation, prices, toll rates and traffic flows.

Market capitalisation: number of shares at the close of accounts for the period multiplied by the listed price at the end of the period.

Earnings per Share (EPS): is the Profit attributed to the Parent Company divided by the average number of shares in the period.

P/E Ratio: listed price at the end of the period divided by the Earnings per Share of the last twelve months.

Comparable: Occasionally, certain figures are adjusted to render them comparable between years, for example by eliminating extraordinary impairments, significant additions to or departures from the scope which could distort the comparison between years of figures such as sales, exchange rate effects, among others. The adjustments made are explained in the relevant heading in each case.