



Results Report

2017

28 February 2018



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1. GROUP PERFORMANCE

The 2017 financial year represents a year of transition for the OHL Group marked by the signature of the Share Purchase Agreement for the sale of 100% of the share capital of OHL Concesiones S.A.U. (OHL Concesiones) to the fund IFM Investors (IFM).

Following this transaction, the Concessions business has been classified as a Discontinued Operation in the Consolidated Annual Accounts, and the Result from these operations has been included on the Profit and Loss Account separately, together with the minority interests, and re-expressing the 2016 financial year. Both the Non-Current Assets as well as the Liabilities of this business are presented on the Balance Sheet as Held for Sale.

The Enterprise Value of the transaction is 2.8 billion euros (after deducting project finance debt) and will be paid at the settlement of the transaction, subject to the usual price adjustments in transactions of this kind (net debt, exchange rate and cash contributions to greenfield projects). The Group estimates that, following these adjustments, the net price will amount to approximately 2.2 billion euros.

The transaction was approved by the OHL Extraordinary General Shareholders' Meeting on January 9th 2018 and is subject, among others, to the obtaining of the anti-trust authorisation from the Mexican authorities, obtaining certain waivers from financial creditors and the approval and launch by IFM or a subsidiary of a Public Tender Offer for the share capital in OHL México not held by IFM as of the closing date. The obtaining of the approvals is underway, and it is expected that the closing of the transaction will take place in the first quarter of 2018.

This is a landmark transaction for the OHL Group, as it will enable the cancellation of its Gross Recourse Debt and will place it in an excellent cash situation. From this robust financial position, the Group embarks upon a new stage which will be centred on its Construction activities, strengthening its construction capabilities in the regions where it already has a presence, by concentrating its efforts on sustainable cash generation and prioritising profitability over growth.

The execution of the transaction has led to a **higher rating by Moody's** which, on December 1st, 2017, raised OHL's rating **to B3 from Caa1**, keeping it under review for assessing possible fresh upgrades, all of which represents support by a third party for the Group's wise divestiture policy.

On the **operating level**, the key figures of the Group have undergone a change in scale on eliminating Concessions and shows recovery signs in terms of EBITDA margins and cash-flow generation in Construction activity.

	2017	2016*	Var. (%)
Sales	3.216,4	3.342,4	-3,8%
EBITDA	-56,5	-576,3	-90,2%
% o/ Sales	-1,8%	-17,2%	
Attributable net profit	-12,1	-432,3	-97,2%
% o/ Sales	-0,4%	-12,9%	

Euro Mn

* Re expressed

Sales totalled 3.2 billion euros, down slightly with respect to the previous year, mainly as a result of the decline in construction activity in the U.S. due to the completion of projects in the period, which have not been offset as yet by the production of the new contracts currently in initial stages of performance. The delays in the start-up of the construction phase of a number of concession projects in Latin America have also contributed to this decline.

EBITDA for the 2017 financial year totalled -56.5 million euros, that is, -1.8% on Sales, affected principally by:

- i. Lower than expected contribution to production and EBITDA by projects in their initial stages in the U.S. (I-405 and the Canarsie Tunnel) and in Latin America (works for concessions in Chile and Colombia) set to contribute higher margins in the future but which, at the time, were unable to counteract the decline in contribution by the projects finalised in the period.
- ii. Losses recognised in projects performed by the Industrial division.
- iii. The extraordinary recognition of losses in the Gustavo Fricke Hospital project in Chile, a legacy project awarded back in year 2013.
- iv. And the costs of the Collective Redundancy Procedure (CRP) initiated by OHL, S.A. and OHL Industrial S.L. and others.

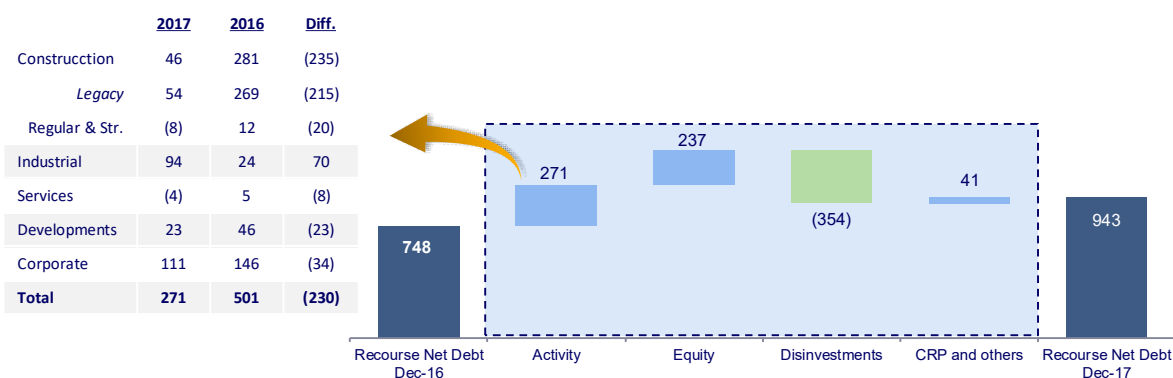
The sum of these last two one-off impacts on EBITDA, originated from the losses recognised in the Gustavo Fricke Hospital in Chile and from the cost of the CRP and others, is -76.5 million euros. Excluding this effect, the EBITDA figure would be placed at +20.0 million euros. In this context, it should be kept in mind that the EBITDA figure for the 2016 financial year came to -576.3 million euros, affected primarily by the financial restructuring process which included -520.2 million euros of one-off losses in *legacy* projects, stemming from the re expression of targets. In comparable terms, if the one-off effects are excluded, EBITDA in 2017 improved by 76.1 million euros with respect to the figure for the previous year, reaching a turning point for the company in the year, with a healthy order book which is expected to provide higher margins in the next few years.

The Attributable Net Profit stands at -12.1 million euros, negatively affected by the previously mentioned impacts. Eliminating these one-off impacts the Attributable Net Profit would be placed at +64.4 million euros.

Several aspects stand out in the financial sphere:

- **Recourse Net Debt evolution:**

The evolution in the net recourse debt in 2017 is shown below:



The Net Recourse Debt at December 31st 2017 totalled 943.5 million euros, representing an increase of 195.1 million in 2017, a significantly better outcome than the 369.0 million euro increase experienced in 2016, which was due principally to the cash depletion brought about by the *legacy* projects.

A highlight was the performance of the Net Recourse Debt in the context of the Construction business which, in the 2017 financial year, consumed cash solely in the amount of 46.4 million euros in comparison to the 281.4 million consumed in 2016, demonstrating the effort made in containing cash depletion and opening-up a new stage focussed on sustainable cash generation on the project level. On the other hand, Legacy projects have consumed less cash than expected. In the fourth quarter of 2017, the performance of the Construction business was excellent and generated 172.3 million euros in cash.

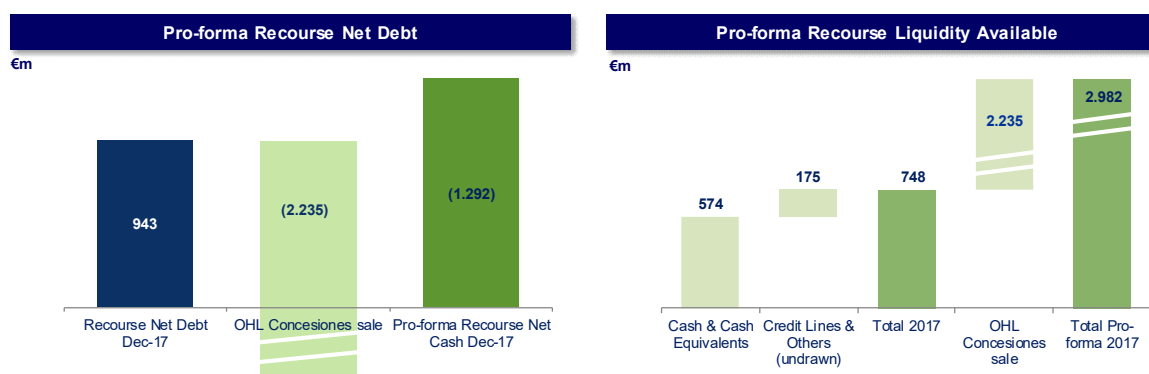
It should be noted the reduction in cash consumption of the Corporate activity, showing the first effects of the cost reduction initiatives implemented. The implementation of the asset rotation plan has contributed funds in the amount of 355.0 million euros, while the new investments in equity have signified an outflow of 236.8 million euros, with Concessions as the principal investor division with 164.6 million euros.

- **Available Recourse Liquidity:**



The company continues to enjoy **Financial Flexibility** thanks to an Available Recourse Liquidity position of 748.4 million euros at December 2017, measured as cash and cash equivalents plus the available recourse financing, making it possible to ensure that the working capital needs for the running of the business in 2018 will be met.

An important aspect in this context is the backing received by the OHL Group from its principal reference financial institutions with the signature on March 30th 2017 of a Syndicated Multi-Product Financing Agreement (novated on November 29th 2017) for a total aggregate amount of 684 million euros, for the *issue of guarantees* (402 million euros) and *confirming* (92 million euros), and which also includes a revolving credit line in the amount of 190 million euros.

In addition, the conclusion of the transaction for the sale of 100% of OHL Concesiones will enable the Group to simplify and significantly reduce its Total Gross Recourse Debt structure, placing the company in a positive cash position and in an excellent Available Recourse Liquidity situation.



- In terms of the progress in the **Asset Rotation Process**, the following divestitures have taken place in the course of the 2017 financial year:

Asset	Stake	Net Proceeds (€m)	Status	Collection date
 abertis	2.50%	57	Collected	Jan-17
 mayakoba	80%-51%	179.1 + 7.9*	Collected	Apr-17
Canalejas	17.50%	68.1 + 3.5*	Collected	Apr-17
Autovía Aragón	75%	c. 51	Collected	Jun-17

* Pending collection according to contractual terms

The processes for the possible sale of the Czech railway sleepers factory, ZPSV, and other assets in Mayakobá hotels are moving ahead and could conclude in the first half of 2018.

2. HIGHLIGHTS

Main Figures	2017	2016*	Var. (%)
Sales	3.216,4	3.342,4	-3,8%
EBITDA	-56,5	-576,3	-90,2%
% o/ Sales	-1,8%	-17,2%	
EBIT	-132,7	-706,0	-81,2%
% o/ Sales	-4,1%	-21,1%	
Attributable net profit	-12,1	-432,3	-97,2%
% o/ Sales	-0,4%	-12,9%	

Euro M n

Sales and EBITDA breakdown	2017	2016*	Var. (%)
Sales	3.216,4	3.342,4	-3,8%
Concessions	-	-	-
% o/ Total	-	-	
Engineering & Construction	3.168,2	3.211,6	-1,4%
% o/ Total	98,5%	96,1%	
Developments	48,2	130,8	-63,1%
% o/ Total	1,5%	3,9%	
EBITDA	-56,5	-576,3	-90,2%
Concessions	-	-	-
% o/ Total	-	-	
Engineering & Construction	18,0	-84,5	121,3%
% o/ Total	-31,9%	14,7%	
Developments	2,0	28,4	-93,0%
% o/ Total	-3,5%	-4,9%	
Redundancy plan cost, Legacy and others	-76,5	-520,2	-85,3%

Euro M n

Net Debt	2017	2016	Var. (%)
Recourse net debt	943,5	748,4	26,1%
Non-recourse net debt	56,4	2.162,5	-97,4%
Total net debt	999,9	2.910,9	-65,6%

Euros M n

Order book	2017	2016*	Var. (%)
Short-term	6.236,2	6.674,9	-6,6%
Long-term	224,5	225,4	-0,4%

Euro M n

Human Resources	2017	2016*	Var. (%)
Permanent staff	12.910	13.741	-6,0%
Temporary staff	8.554	8.299	3,1%
Total	21.464	22.040	-2,6%

Other Magnitudes	2017	2016
Recourse EBITDA (LTM)	203,1	204,2

Euro M n

* Re expressed

** Calculated in accordance with contractual terms, including €165 m dividends from OHL Concesiones in 2017 (€250,0 m in 2016) and excluding €76,5 m from the collective redundancy procedure, others and legacy projects in 2017 (€520,2 m in 2016 due to the legacy projects).

3. PERFORMANCE BY DIVISION

OHL CONCESSIONS

In view of the process underway for the sale of 100% of OHL Concesiones, this activity is presented as a Discontinued Operation in the Consolidated Annual Accounts.

The agreed transaction excludes the sale of the two concessions currently being wound up (Ferrocarril Móstoles - Navalcarnero and Eje Aeropuerto – T4 Access), for which reason OHL will have the right to collect all of the compensation payments to be received in the future as a result of these winding-up processes.

For information purposes, we are attaching the key operating figures of this business as an Appendix to this Report.

OHL ENGINEERING AND CONSTRUCTION

Main Figures	2017	2016	Var. (%)
Sales	3.168,2	3.211,6	-1,4%
EBITDA	18,0	-84,5	121,3%
% o/ Sales	0,6%	-2,6%	
EBIT	-54,6	-201,8	72,9%
% o/ Sales	-1,7%	-6,3%	

Euro Mn

With the departure of the division of OHL Concesiones, the Engineering & Construction Division accounts for 98.5% of the Group's Sales, posting Sales worth 3.2 billion euros, declining slightly with respect to 2016. EBITDA for the year totalled +18.0 million euros, in contrast to the -84.5 million euros in 2016, after having eliminated the one-off recognition of losses in the *legacy* projects. By segment of activity, the trend in the business is as follows:

CONSTRUCTION

Main Figures	2017	2016	Var. (%)
Sales	2.660,7	2.773,6	-4,1%
EBITDA	54,9	-43,7	225,6%
% o/ Sales	2,1%	-1,6%	
EBIT	-10,9	-141,8	92,3%
% o/ Sales	-0,4%	-5,1%	

Euro Mn

Construction, with Sales totalling 2.7 billion euros, accounts for 84.0% of the Sales of Engineering & Construction and 82.7% of the total Sales of the Group.

The volume of activity of this segment has declined -4.1% with respect to the previous year. This downturn is due principally to the recent start of production in the new projects located in North America which will contribute greater activity in the near future (i.e., the I-405, Canarsie Tunnel and others) but have not been able to counteract the decline in sales stemming from the finalisation of other projects between the two periods. This effect has been heightened by the delays in the start of work in the concessions in Latin America for reasons not attributable to OHL which have led to lower turnover in this financial year.

The *legacy* projects have achieved Sales worth 265.7 million euros, that is, 10.0% of the total.

EBITDA totalled +54.9 million euros, that is, 2.1% on sales (versus -1.6% in 2016), affected principally by the negative result of a number of projects and the finalisation of projects in the period, not offset by the margin obtained by the new contracts still in their initial stages in North America and the concessions in Latin America, all of which will contribute higher margins in the future. The improvement of the EBITDA margin reinforces the viability and sustainability of the construction regular business.

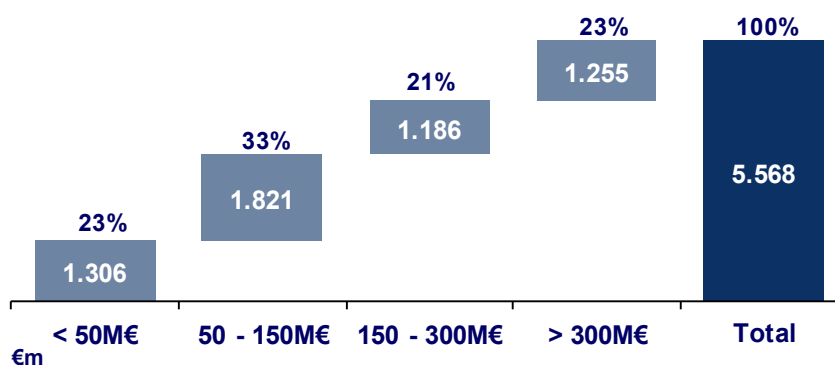
The operating cash flow consumed by the *legacy* projects in 2017 totalled -26.0 million euros (-53.9 million including the Gustavo Fricke Hospital), which is an improvement on the initial forecast of -64.0 million euros for the year.

The short-term order book at December 31st 2017 totalled 5.6 billion euros, equivalent to 25.2 months of sales, which guarantees the future growth of this activity. The order book presents a balanced profile both in terms of geographical location as well as project size, with 91.4% originating from the Home Markets (where the U.S. and Latin America stand out with 37.3% and 32.4%, respectively) and with 22.5% of projects of a size in excess of 300 million euros.

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

	12/31/2017
Home Markets	91,4%
Latin America	32,4%
USA	37,3%
Spain	17,8%
Czech Rep. and catchment area	3,9%
Other	8,6%

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



Of the total Construction order book, 22.6% refers to work to be performed for concession projects. The current order book with the 10 most significant contracts¹ at December 31st 2017 is set out below:

	Country	2017
Project I-405	USA	605,0
Autopista Vespucio Oriente*	Chile	315,4
New York Canarsie tunnel rehabilitation	USA	284,4
Autopista Atizapán-atlacomulco*	Mexico	271,2
Hospital de Curicó	Chile	219,0
Puerto de Valparaiso*	Chile	176,3
Autopista Río Magdalena*	Colombia	151,2
LAV Oslo-Ski (Follo Line Project)	Norway	133,8
Camino Nogales Puchuncavi*	Chile	118,8
Evitamiento Chimbote*	Peru	113,9
10 largest projects in backlog		2.389,0

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 diversification of the order book by type of project is significant, where 44.3% refers to roads, 21.8% to railways, 18.3% to building construction and 15.6% to the rest of the activities. The new awards in 2017 totalled 2.3 billion euros, with 64.2% of the projects located in the United States, compared to the 2.3 billion euros contracted in the 2016 financial year. The book to bill ratio was placed at 0.9x.

The following stand out among the new awards obtained in 2017:

	Country	2017
Project I-405	USA	679,0
New York Canarsie tunnel rehabilitation	USA	312,1
NY Outfall replacement contract 1	USA	66,5
Carretera Moquegua Omate arequipa	Peru	47,7
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		1.264,6
Other		1.077,7
Total main awards in 2017		2.342,3

Euro Mn

In addition to the projects mentioned above, OHL has contracted two significant projects in joint ventures without effective control, whereby these projects are consolidated by the equity method: the Expansion of the Lund-Arlov Railway in Sweden (106.3 million euros) and the National Forensic Mental Health Service Hospital in Ireland (62.0 million euros). These amounts are therefore not included in either the contracting data or the order book figures provided.

INDUSTRIAL

Main Figures	2017	2016	Var. (%)
Sales	269,8	243,6	10,8%
EBITDA	-40,5	-43,3	-6,5%
% o/ Sales	-15,0%	-17,8%	
EBIT	-44,6	-61,9	-27,9%
% o/ Sales	-16,5%	-25,4%	

Euro Mn

The Industrial business obtained sales worth 269.8 million euros, signifying 10.8% growth over the 2016 financial year.

The principal activity is based on the mining and cement EPC projects (Cementos Molins principally), as well as to the renewable energy projects such as the photovoltaic power plants in Jordan (Al Mafrag and Empire) and the condensate recovery unit in the combined cycle plant in Oman (Saih Rawl). The foregoing offsets the gradual reduction in activity in the Oil & Gas EPCs, following the decision by the Division not to participate in this market segment.

The EBITDA was placed at -40.5 million euros, that is, -15.0% on Sales, improving 6.5% with respect to the figure obtained during the previous year. The improvement in the margins of the new projects is contributing to this performance, partially offsetting the adverse margins in a number of Oil & Gas EPC projects and other services, as well as a structure of overhead expenses which are not yet being absorbed, although they are in a process of reduction.

The Industrial order book, at December 31st 2017, was worth 312.1 million euros, being Cementos Molins the main project in the order book (132.5 million euros) and is expected to finalise in the second half of 2019. The order book has suffered a reduction of 28.6% compared to December 31st 2016.

SERVICES

Main Figures	2017	2016	Var. (%)
Sales	237,7	194,4	22,3%
EBITDA	3,6	2,5	44,0%
% o/ Sales	1,5%	1,3%	
EBIT	0,9	1,9	-52,6%
% o/ Sales	0,4%	1,0%	

Euro Mn

The Sales obtained by this Division totalled 237.7 million euros, increasing +22.3% thanks principally to the positive performance of the Facility Management activities (cleaning, maintenance, energy efficiency and municipal services) in the domestic market. This last segment of municipal services, where the division is currently making an effort to introduce itself, will enable it to obtain higher returns capable of offsetting the narrower margins of all of the rest of the segments, affected by stronger competition.

EBITDA totalled 3.6 million euros, that is, 1.5% on Sales, somewhat higher than the figure in 2016 (1.3%), reflecting the highly competitive environment of a very mature sector.

The order book at 31 December 2017 stood at 355.8 million euros, with the conclusion of contracts in the financial year worth 236.8 million euros in the domestic market. Significant awards in the year included the maintenance of court buildings in Galicia, the urban waste collection service (Lot

2) in Madrid, the cleaning and maintenance service for the Town Council of Benidorm and for the stations and trains in the Barcelona Metro Network, together with the integrated cleaning service for buildings and offices of the Central Government Administration.

OHL DEVELOPMENTS

Main Figures	2017	2016	Var. (%)
Sales	48,2	130,8	-63,1%
EBITDA	2,0	28,4	-93,0%
% o/ Sales	4,1%	21,7%	
EBIT	-1,6	16,0	-110,0%
% o/ Sales	-3,3%	12,2%	

Euro Mn

The figures obtained by this Division have undergone a significant change in scale following the asset rotation transactions in Mayakobá, 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 48.2 million euros have been posted which in comparable terms, by adjusting the recent transactions, would be similar to those obtained in 2016.

EBITDA totalled +2.0 million euros, compared to +28.4 million in the previous year, and included the EBITDA generated by the Mayakobá companies involved in the divestiture process. In comparable terms this figure is approximately 12% higher as a result of the increase in real estate sales.

The assets of this division include:

- **Mayakobá**

On December 21st 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 April 24th 2017, the purchase and sale transaction was concluded for 51% of the aforementioned assets, while on May 18th 2017, the sale was increased up to 80% in the case of the more mature assets (Fairmont y Rosewood).

The cash inflow at the end of June 2017 amounted to 179.1 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, came to 2.7 million euros.

The hotel subsidiaries in which Developments holds a stake include: 49.0% Golf; 43.3% Banyan Tree; 9.0% Andaz; 9.8% Fairmont and 20.0% Rosewood.

- **Ciudad Mayakobá**

An important note is the steady pace of the projects being carried out in Ciudad Mayakobá, which have continued to move ahead with excellent performance in sales and development, reaching a figure of 90%-95% of sales of the inventory in the process of commercialisation and with recognition and awards on an international scale (the Project has been presented as a model of development at the Habitat III conference organised by the UN).

- **Canalejas**

On February 9th 2017, OHL signed a contract through which it sold 17.5% of Canalejas at the price of 78.8 million euros. The division continues to hold a 17.5% stake.

The conclusion of the transaction took place on April 7th, having collected an amount of 68.1 million euros in 2017 after deducting expenses. The amount outstanding, that is, 3.5 million euros, will be paid upon commencement of the operation of the project. The capital gain obtained in this transaction totals 31.6 million euros. At the present time, the project continues in the construction stage, while the commercialisation of a number of areas of the complex already began at the end of 2017.

- **Old War Office**

The Old War Office heritage project, in which OHL Desarrollos holds a 49% stake, has successfully completed the process for obtaining permits. The preliminary works have commenced recently.

The complete package of assets of this division had a net book value at December 31st 2017 of 369.7 million euros, as set out below:

Asset	Stake	Net Asset Value €Mn
Mayakobá	≤ 49% ¹	53.8
Ciudad Mayakobá	100%	165.4
Canalejas	17.5%	71.4
Old War Office	49%	79.1
		369.7

1. Stake in Mayakoba's affiliates: 49.0% Golf, 43.3% Banyan Tree, 9.0% Andaz, 9.8% Fairmont and 20.0% in Rosewood

4. CONSOLIDATED FINANCIAL STATEMENTS (audited figures)

As a consequence of the decision to sell 100% of OHL Concesiones, this business activity is presented as a Discontinued Operation, recognising the result obtained from these operations on the Profit and Loss Account separately, as is also the case with its minority interests, and re expressing the 2016 financial year. Likewise, the Non-current Assets and Liabilities of this activity are shown on the Balance Sheet as Held for Sale.

PROFIT AND LOSS ACCOUNT

	2017	2016*	Var. (%)
Turnover	3.216,4	3.342,4	-3,8%
Other operating revenues	166,8	181,5	-8,1%
Total Operating Revenues	3.383,2	3.523,9	-4,0%
% o/ Sales	105,2%	105,4%	
Operating expenses	-2.600,4	-3.245,4	-19,9%
Personnel expenses	-839,3	-854,8	-1,8%
EBITDA	-56,5	-576,3	-90,2%
% o/ Sales	-1,8%	-17,2%	
Amortisation	-73,4	-100,3	-26,8%
Changes in provisions	-2,8	-29,4	-90,5%
EBIT	-132,7	-706,0	-81,2%
% o/ Sales	-4,1%	-21,1%	
Financial revenues	35,5	24,7	43,7%
Financial expenses	-86,4	-93,1	-7,2%
Change in the fair value of financial instruments	32,6	-74,0	-144,1%
Exchange differences	-26,8	8,4	-419,0%
Deterioration and result from disposals of financial instruments	-1,5	99,1	-101,5%
Financial profit / (loss)	-46,6	-34,9	33,5%
Equity accounted entities	-45,5	-148,9	-69,4%
Profit / (loss) on continuing activities before taxes	-224,8	-889,8	-74,7%
% o/ Sales	-7,0%	-26,6%	
Corporate tax	7,3	32,1	-77,3%
Profit / (loss) on continuing activities in the year	-217,5	-857,7	-74,6%
% o/ Sales	-6,8%	-25,7%	
Result after taxes on discontinued operations	497,6	622,3	-20,0%
Profit / (loss) for the year	280,1	-235,4	-219,0%
% o/ Sales	8,7%	-7,0%	
Minority interests	-292,2	-197,0	48,3%
Result attributed to the parent company	-12,1	-432,4	-97,2%
% o/ Sales	-0,4%	-12,9%	

Euro Mn

* Re expressed

The **turnover** of the Group in the 2017 financial year totalled 3.2 billion euros, down 3.8% with respect to the figure obtained during 2016, due principally to the decline in activity of the Construction Division.

The Engineering & Construction Division obtained turnover of 3.2 billion euros, which represents a decline of 1.4%, and accounts for 98.5% of the total turnover of the Group.

The main business line of the Group, following the discontinuation of the Concessions business, is Construction which, with sales worth 2.7 billion euros, accounts for 82.7% of the total sales and has undergone a downturn of 4.1% with respect to the 2016 financial year, owing principally to the decline in activity in the U.S. and to the delay in the start of concession projects in Latin America.

The Developments Division, with a much lower relative weight, 1.5% of the total, has experienced a 63.2% drop in turnover in relation to 2016, primarily due to the sale in April and May 2017 of the Mayakobá hotel subsidiaries and the golf course. In comparable terms, the turnover figure would be similar between periods.

International sales accounted for 77.3% of turnover in the 2017 financial year, in comparison to 78.4% in 2016.

In the distribution of sales by geographical area, the U.S. and Canada represent 34.7% of the total, Spain 22.7%, Central and Eastern Europe 8.4% and Mexico 8.3%.

The **total operating revenues** amounted to 3.4 billion euros, down 4.0% in relation to the figure for the 2016 financial year.

The **gross operating profit (EBITDA)** was placed at -56.5 million euros, representing -1.8% on turnover.

The agreement between OHL, S.A. and OHL Industrial S.L. and the representatives of their workers in the Collective Redundancy Procedure (CRP) was ratified in May 2017, involving the elimination of 457 positions. The expenses estimated in relation to this CRP and other similar costs, in the amount of 40.1 million euros, together with the loss of 36.4 million euros in the Gustavo Fricke Hospital project (Chile), are reducing the EBITDA figure. The gross operating profit (EBITDA), without these two effects, would be placed at +20.0 million euros.

International operations account for practically the entire positive EBITDA figure of the Group which is generated primarily in Mexico and the U.S.

The **net operating profit (EBIT)** totalled -132.7 million euros and, excluding the effect of the CRP and other similar expenses, would be placed at -56.2 million euros.

The net amount of **financial revenues and expenses** totalled -50.9 million euros, compared to -68.4 million euros for the 2016 financial year, on account of lower average interest rates between the two periods.

Principal divestitures of stakes in companies

The most significant divestitures of stakes in companies, carried out in the 2017 financial year, are as follows:

- A 17.5% stake in Centro Canalejas Madrid, S.A. was sold on April 7th 2017.
- On April 28th, 51% of the Mayakobá hotel companies and the golf course were sold, and on May 18th 2017, an additional 29% of two of the hotel companies (Fairmont and Rosewood) was sold.

The following table shows the impact on each of the headings of the Profit and Loss Account:

2017	Canalejas	Mayakobá	Total
Sale price	78,8	186,9	265,7
P&L impact			
Exchange differences	-	38,3	38,3
Change in the fair value of financial instruments	-1,8	0,8	-1,1
Equity accounted entities	-	-11,6	-11,6
Deterioration and result from disposals of fin. Instr.	33,4	-24,7	8,7
Total P&L impacts	31,6	2,7	34,3

Euro Mn

2016	Soc. concesionarias de construcción
Sale price	142,0
P&L impact	
Exchange differences	-
Change in the fair value of financial instruments	-77,9
Equity accounted entities	-
Deterioration and result from disposals of fin. Instr.	90,9
Total P&L impacts	13,0

Euro Mn

The **change in the fair value of financial instruments** totalled 32.6 million euros, due to the effect of the positive valuation of the derivatives associated with exchange rates. In the 2016 financial year, the amount of -74.0 million euros was posted, mainly from the sale of concession companies belonging to the Construction division with losses due to the valuation of the derivatives associated with such assets.

The **exchange rate differences** amounted to -26.8 million euros, a negative outcome in comparison to the 8.4 million euros posted in the 2016 financial year.

In addition, the amount of +38.3 million euros has been included in the 2017 financial year as a consequence of the sale of the Mayakobá companies, which have partially offset the losses from other transactions principally in Qatar riyals, Canadian dollars and Algerian dinars.

The amount of the **deterioration and result from the disposal of financial instruments** came to -1.5 million euros and mainly includes the +8.7 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 result from the sale of the concession companies belonging to the Construction division in the amount of +90.9 million euros was included in the 2016 financial year.

The **Result of entities valued by the equity method** amounted to -45.5 million euros, where the negative figure of the value enhancement of the residual stake in Mayakobá totalling -11.6 million euros and the -26.7 million euros in losses experienced by the consortium performing the Toronto Subway stand out. Another significant development in this context is that the University of Montreal Hospital (CHUM) project incurred losses amounting to 149.4 million euros during the 2016 financial year.

The **profit before taxes** totalled -224.8 million euros.

The **tax on profits** amounted to 7.3 million euros, and the effective tax rate was 27.7%, compared to 27.9% in 2016.

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 update of tax rates in the U.S. has had practically no impact on the Group.

The **Result for the year from discontinued operations after taxes** refers to the Concessions business and totalled 497.6 million euros, compared to the figure of 622.3 million obtained in 2016. The details of the key figures are shown in the Appendices.

The **result attributed to minority interests** totalled -292.2 million euros and is broken down into 0.4 million euros from **Continuing Operations** and -292.5 million euros from **Discontinued Operations**.

The **result attributed to the Parent Company** amounted to -12.1 million euros. If the impact of the CRP, legacy projects and others, that is, -76.5 million euros, together with other impairments of financial assets totalling -10.0 million euros are excluded, this figure would be placed at 74.4 million euros, or 2.3% on turnover.

BALANCE SHEET

	12/31/2017	12/31/2016	Var. (%)
Non-current assets	1.665,3	8.589,0	-80,6%
Intangible fixed assets	243,9	287,0	-15,0%
Tangible fixed assets in concessions	66,8	6.439,6	-99,0%
Tangible fixed assets	212,1	257,0	-17,5%
Real estate investments	73,3	66,8	9,7%
Equity-accounted investments	303,1	513,6	-41,0%
Non-current financial assets	501,0	402,9	24,3%
Deferred-tax assets	265,1	622,1	-57,4%
Current assets	10.543,2	4.331,3	143,4%
Non-current assets held for sale & discontinued operations	8.023,6	492,0	1530,8%
Stocks	152,4	211,9	-28,1%
Trade debtors and other accounts receivable	1.753,5	2.103,2	-16,6%
Other current financial assets	140,1	663,5	-78,9%
Other current assets	39,4	42,8	-7,9%
Cash and cash equivalents	434,2	817,9	-46,9%
Total assets	12.208,5	12.920,3	-5,5%
Net shareholders' equity	4.183,3	4.042,9	3,5%
Shareholder's equity	2.918,0	3.027,9	-3,6%
Capital	179,3	179,3	0,0%
Issue premium	1.265,3	1.265,3	0,0%
Reserves	1.485,5	2.015,6	-26,3%
Result for the year attributed to the parent company	-12,1	-432,3	-97,2%
Valuation adjustments	-751,3	-588,2	27,7%
Parent company shareholders' equity	2.166,7	2.439,7	-11,2%
Minority interests	2.016,6	1.603,2	25,8%
Non-current liabilities	1.124,1	5.453,9	-79,4%
Subsidies	2,2	2,1	4,8%
Non-current provisions	50,1	199,4	-74,9%
Non-current financial debt (*)	893,5	3.777,1	-76,3%
Other non-current financial liabilities	4,4	53,0	-91,7%
Deferred-tax liabilities	139,5	1.246,3	-88,8%
Other non-current liabilities	34,4	176,0	-80,5%
Current liabilities	6.901,1	3.423,5	101,6%
Non-current liabilities held for sale & discontinued operations	4.141,7	220,0	1782,6%
Current provisions	225,4	298,2	-24,4%
Current financial debt (*)	680,7	615,2	10,6%
Other current financial liabilities	4,7	7,1	-33,8%
Trade creditors and other accounts payable	1.614,9	1.915,4	-15,7%
Other current liabilities	233,7	367,6	-36,4%
Total liabilities and net shareholders' equity	12.208,5	12.920,3	-5,5%

* Includes Bank debt + Bonds

Euro Mn

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

Fixed assets in concession projects: this heading takes in all of the Group's concession assets.

The balance stood at 66.8 million euros, declining by 6.4 billion euros with respect to the figure at December 31st 2016. This is due principally to the fact that the Concessions' assets, which at December 31st 2016 totalled 6.4 billion euros, were taken to the Assets heading of "Non-current assets held for sale & discontinued operations".

At December 31st 2017, the principal concession company was Sociedad Concesionaria Aguas de Navarra, S.A., with a balance under this heading of 66.2 million euros.

Investments accounted for by applying the equity method: the balance of this heading totalled 303.1 million euros, declining by 210.5 million euros with respect to December 31st 2016, caused principally by the transfer to the heading of "Non-current assets held for sale & discontinued operations" of the companies of the Concessions Division, which at December 31st 2016 totalled 296.4 million euros.

Non-current assets and liabilities held for sale & discontinued operations: at December 31st 2017, these headings referred to the assets and liabilities of the companies of the Concessions Division, in the process of divestiture.

At December 31st 2016, these headings referred to the assets and liabilities of the Mayakobá hotel companies and golf course, which were involved in a process of divestiture that materialised in the months of April and May 2017.

Trade debtors and other accounts receivable: at December 31st 2017 the balance of this heading totalled 1.8 billion euros, accounting for 13.9% of the total assets.

Works certified for progress payments still outstanding and works pending certification represented 80.4% of the total of this balance and amounted to 1.4 billion euros (5.4 months of sales).

The balance referring to the projects re expressed in the previous financial year (*legacy* projects) accounted for 14.0% at December 31st 2017 (14.7% at December 31st 2016).

This heading has declined by 40.8 million euros (53.3 million euros at December 31st 2016), on account of client receivables assignments without the possibility of recourse in the event of default in payment, which is the reason why this balance has been reduced.

Parent Company shareholders' equity: totalled 2.2 million euros, representing 17.2% of the total assets, and has declined by 273.0 million euros with respect to the figure at December 31st 2016, due to the net effect of:

- A decrease due to the attributable result of the 2017 financial year amounting to -12.1 million euros.
- A decrease in reserves of 200.7 million euros, brought about by the conversion of financial statements in foreign currency, principally those of the Mexican companies.
- An increase in reserves of 15.1 million euros as a result of the impact of the valuation of financial instruments, taken to the Profit and Loss Account.
- A decrease of 2.5 million euros in treasury stock shares. At December 31st 2017, the treasury stock was made up by 12,531,939 shares, worth 48.6 million euros.
- A decrease in the amount of 72.2 million euros from other changes in reserves, stemming from changes in the scope.

Minority Interests: at December 31st 2017 were placed at 2.0 billion euros, and referred practically in their entirety to the minority shareholders of the discontinued Concessions' business.

This balance increased by 413.4 million euros with respect to the figure at December 31st 2016, due to the net effect of:

- An increase of 292.1 million euros from the result of the 2017 financial year attributed to minority interests.
- A decrease in the amount of 233.9 million euros brought about by the conversion of financial statements in foreign currency.
- An increase of 2.0 million euros as a result of the impact of the valuation of financial instruments.
- An increase of 399.4 million euros as a consequence of the sale of the 24.01% stake in Concesionaria Mexiquense.
- 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 15.2 million euros due to other changes in the scope.

Non-current provisions: the balance of this heading amounted to 50.1 million euros, with a decrease of 149.3 million euros with respect to the figure at December 31st 2016, caused mainly by the transfer of the companies of the Concessions Division to "Non-current liabilities held for sale & discontinued operations". At December 31st 2016, this balance totalled 199.4 million euros, 134.1 million of which referred to Concessions.

Financial debt: the comparison of the borrowings at December 31st 2017 with the figure at December 31st 2016 is:

Gross debt ⁽¹⁾	12/31/2017	%	12/31/2016	%	Var. (%)
Recourse debt	1.517,0	96,4%	1.519,9	34,6%	-0,2%
Non-recourse debt	57,2	3,6%	2.872,4	65,4%	-98,0%
Total	1.574,2		4.392,3		-64,2%

Euro M n

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

Net debt ⁽²⁾	12/31/2017	%	12/31/2016	%	Var. (%)
Recourse net debt	943,5	94,4%	748,4	25,7%	26,1%
Non-recourse net debt	56,4	5,6%	2.162,5	74,3%	-97,4%
Total	999,9		2.910,9		-65,6%

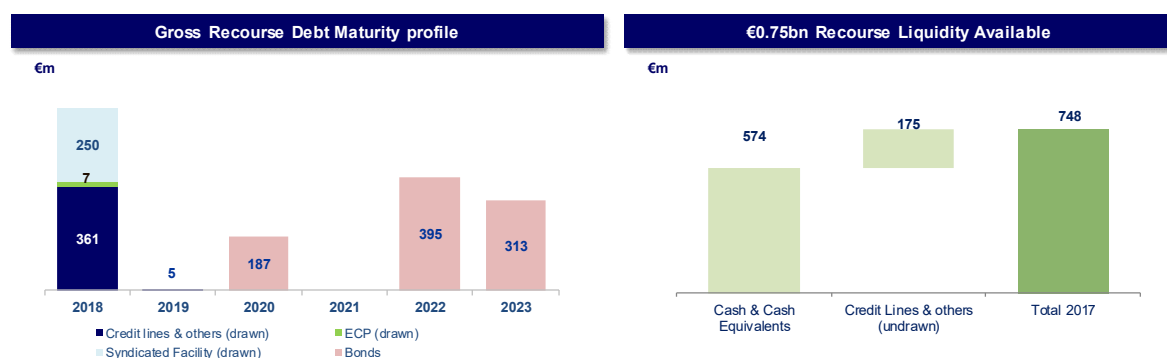
Euro M n

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

The gross recourse borrowings at December 31st 2017 totalled 1.5 billion euros, similar to the figure for the previous financial year.

Net recourse borrowings were placed at 943.5 million euros, increasing by 195.1 million euros with respect to the previous financial year. A highlight is the significant cash generation obtained through the implementation of the Group's divestiture plan, which has partially offset the investments made and the operating needs of the business activities.

Details of the maturity dates of the Group's Gross Recourse Debt, together with the Available Recourse Liquidity, are shown below:



Recourse liquidity	12/31/2017	12/31/2016
Bonds	894,5	894,5
Euro Commercial Paper	6,7	9,4
Syndicated Facility	250,0	250,0
Credit lines and others	540,7	491,5
Availability with recourse	1.691,9	1.645,4
Gross recourse debt	1.517,1	1.519,9
Financing with Recourse available	174,8	125,5
Cash and IFT	573,6	771,5
Recourse liquidity available	748,4	897,0

Euro Mn

* Includes 190.0 million euros from the revolving credit line of the syndicated multi-product financing.

The Group's recourse availability totals 1.7 billion euros.

The Group's recourse liquidity, measured as the cash and cash equivalents plus the available recourse financing, totals 748.4 million euros.

With respect to the total gross borrowings, 56.8% is long-term, while the remaining 43.2% is short-term.

Following the transfer of the gross debt of the Concessions Division to the heading of **"Non-current liabilities held for sale & discontinued operations"**, the gross non-recourse borrowings total 57.2 million euros, only 3.6% of the total gross debt.

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.

	2017	2016
EBITDA	-56,5	-576,3
Adjustments	-110,3	-198,9
Financial results	-41,3	-155,2
Equity accounted results	-45,5	-148,9
Deterioration and result from disposals of financial instruments	-1,5	99,1
Taxes	7,3	32,1
Minorities	0,3	3,0
Changes in provisions and others	-29,6	-29,0
Cash flow in operating activities	-166,8	-775,2
Changes in current capital	-61,5	453,7
Trade and other receivables	122,3	340,7
Trade creditors and other payables	-215,7	-145,0
Other changes in working capital	31,9	258,0
Cash flows from operating activities	-228,3	-321,5
Cash flow in investment activities	18,4	28,0
Minority interest	-29,0	-9,2
Other	155,6	-285,2
Discontinued operations	-108,2	322,4
Change in net non-recourse debt	14,8	-75,6
Change in net recourse debt	195,1	369,1
Cash flow of financing activities	209,9	293,5

Euro M n

The **gross operating result** totalled -56.5 million euros, improving by 519.8 million euros with respect to the figure for the 2016 financial year.

The **adjustments to the result** totalled -110.3 million euros, owing mainly to the effect of the financial results and the results calculated by applying the equity method.

The **funds originating from operations** were placed at -166.8 million euros.

The **changes in the working capital** presented a negative balance in the amount of 61.5 million euros.

All of these changes are responsible for the negative **cash flow of the operating activities**, which was placed at -228.3 million euros.

The **cash flow of the investment activities** totalled 18.4 million euros and consisted principally of the minority interests, the changes in the net assets and the non-current assets and liabilities,

together with the result from the discontinued Concessions business, the effect of which amounted to -108.2 million euros.

The **cash flow of the financing activities** totalled 209.9 million euros, signifying an increase in non-recourse indebtedness to the Group in the amount of 14.8 million euros and higher net recourse borrowings totalling 195.1 million euros.

5. ORDER BOOK

At December 31st 2017, the Group's order book was worth 6.5 billion euros, decreasing by 409.6 million euros, that is, -6.4% with respect to the figure at December 31st 2016.

Of the total order book 96.5% refers to short-term contracts, while the remaining 3.5% are long-term.

The short-term order book is worth 6.2 billion euros, representing approximately 23.6 months of sales and declining 6.6% with respect to the figure at 31 December 2016.

Construction accounts for 89.3% of the short-term order book.

The long-term order book stands at 224.5 million euros, declining by 0.9 million euros, that is, -0.4% with respect to the figure at December 31st 2016.

	12/31/2017	%	12/31/2016	%	Var. (%)
Short-term	6.236,2		6.674,9		-6,6%
Construction	5.568,3	89,3%	5.880,9	88,1%	-5,3%
Industrial	312,1	5,0%	437,3	6,6%	-28,6%
Services	355,8	5,7%	356,7	5,3%	-0,3%
Long-term	224,5		225,4		-0,4%
Concessions	224,5	100,0%	225,4	100,0%	-0,4%
Total	6.460,7		6.900,3		-6,4%

Euro M n

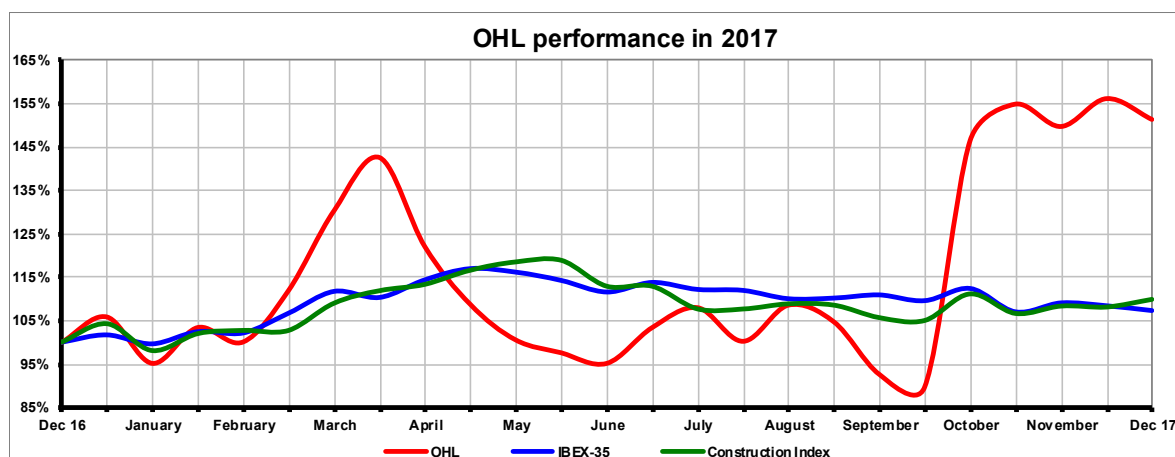
6. SHARE PRICE PERFORMANCE

The share capital at December 31st 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 4.98 euros per share, which signifies a share price appreciation of +51.2% in the year.

During the year, a total of 643,366,934 shares (215.3% of the total tradable shares) were traded on stock exchanges, with a daily average of 2,523,008 securities.

OHL held treasury stock at 31 December 2017, consisting of 12,531,939 shares, equivalent to 4.195% of the company's current capital.

	12/31/2017
Closing price	4,98
OHL YtD performance	51,2%
Number of shares	298.758.998
Market capitalization (Euro Mn)	1.488,1
Ibex 35 YtD performance	7,4%
Construction Index YtD performance	9,9%

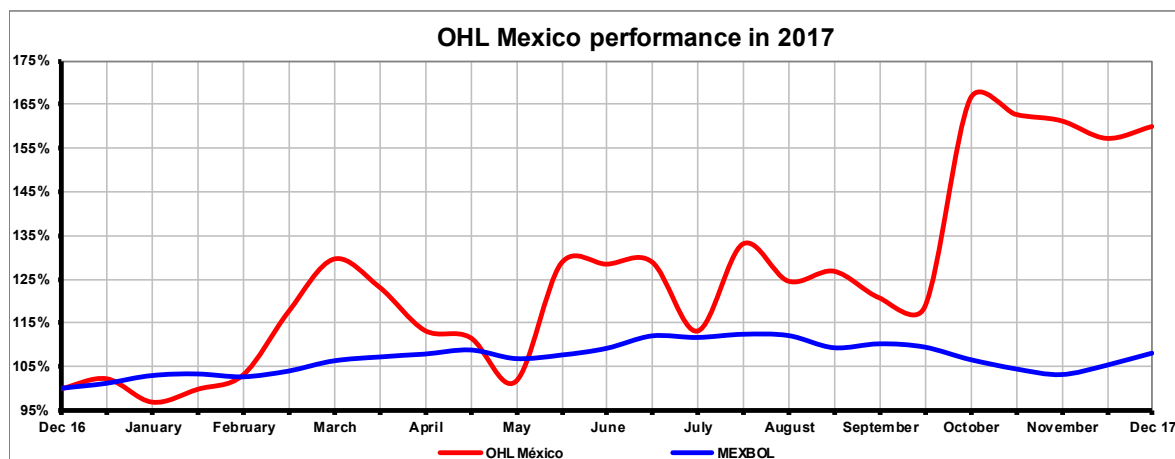


The most significant details of the bonds issued by OHL are shown below:

Issuer	Maturity	Coupon	Amount	Price	YtM
OHL S.A.	March 2020	7,625%	187	101,855%	6,695%
OHL S.A.	March 2022	4,750%	395	101,263%	4,415%
OHL S.A.	March 2023	5,500%	313	102,834%	4,874%

The OHL Group, within its Concessions Division (a Discontinued Operation), includes its subsidiary OHL México S.A. de C.V., which is listed in Mexico and whose key figures are as follows:

	12/31/2017
Closing price (Mexican Pesos)	32,63
YtD performance	60,0%
Number of shares	1.732.185.269
Market capitalization (Mexican Pesos Mn)	56.521,2
56,85% stake value (Euro Mn)*	1.358,1
*Exchange rate EUR/MXN 23,6612	



7. APPENDICES

7.1. PRINCIPAL SIGNIFICANT EVENTS

- **January 23rd 2017: sale of the 2.5% stake in the capital of Abertis Infraestructuras, S.A.**

OHL Emisiones, S.A.U., a subsidiary of the OHL Group, sold its 2.5% stake in Abertis Infraestructuras, S.A. (Abertis), at the price of 13.59 euros per share.

The net funds obtained, which total 331.9 million euros, will be used for (i) the sooner repayment of the non-recourse financing backed by this 2.5% stake, in the amount of 272.9 million euros, also removing the existing collar, and (ii) reducing the Group's gross recourse borrowings.

- **February 3rd 2017: finalisation of the Treasury Stock Plan**

The duration of the Treasury Stock Plan finalised on February 2nd 2017. During the period of the Plan, OHL repurchased: 8,849,190 shares, which represent 2.962% of the share capital.

- **March 16th 2017: winding-up stage of Cercanías Móstoles Navalcarnero S.A. (CEMONASA)**

Business Court no. 1 of Madrid decreed the commencement of the winding-up stage in the insolvency proceedings of CEMONASA, a company 100%-owned by OHL, which involves 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 the termination of the concession agreement, as well as the onset of the payment obligation of the Community of Madrid with respect to the Government Pecuniary Liability (RPA).

- **March 30th 2017: signature of a new Syndicated Multi-Product Financing Agreement**

A new Syndicated Multi-Product Financing Agreement was signed with 7 banks on March 30th 2017 for a total aggregate amount of up to 746.6 million euros (novated on November 29th 2017).

- **April 7th 2017: sale of 17.5% of the capital of Centro Canalejas Madrid S.L.**

OHL Desarrollos S.L., a subsidiary of the OHL Group, sold 17.5% of its stake in Centro Canalejas Madrid S.L. (Canalejas) on February 9th 2017, at the price of 78.8 million euros.

- **April 25th 2017: sale of stake in Mayakobá**

On April 24th 2017, the transaction was concluded for the sale through which OHL Desarrollos S.L. transferred to RLH Properties, S.A.B. de C.V. 51% of its stake in the companies owning the Rosewood, Fairmont, Banyan Tree and Andaz Hotels in Mayakoba and the "El Camaleón" golf course.

Moreover, the transfer of an additional 29% of the companies owning the Rosewood Mayakobá and Fairmont Mayakobá hotels was completed on May 19th 2017. On that date OHL Desarrollos received the payment of 54.6 million U.S. dollars (49 million euros), while the amount of an additional 1.2 million U.S. dollars (1.1 million euros) remained outstanding. This amount will be gradually paid as certain milestones relating to the financing of the Fairmont project are attained.

- **May 3rd 2017: annual renewal of the Euro Commercial Paper Programme**

The Euro Commercial Paper (ECP) Programme was renewed on the Irish Stock Exchange (ISE), enabling the issuance of short-term notes maturing between 1 and 364 days, with a maximum amount in circulation of up to 500 million euros.

- **May 4th 2017: collective redundancy procedure in OHL S.A. and OHL Industrial S.L.U.**

On May 4th 2017, the Workers' Assembly of each company ratified the agreement reached between OHL and OHL Industrial and the representatives of the employees, in relation to the collective redundancy procedure.

This agreement involves the elimination of 457 positions (335 in OHL and 122 in OHL Industrial), a process which will be carried out during 2017 and in the case of OHL Industrial up to 2018, with the economic terms & conditions covenanted.

- **June 14th / July 11th 2017: launch of a Takeover Bid in cash on the total number of the listed shares of OHL México, S.A.B. de C.V.**

Magenta Infraestructuras, S.L., a company 100%-owned by OHL Concesiones, S.A., has obtained the approval of Mexico's CNBV for launching, together with IFM Global Infrastructure Fund (IFM GIF), a takeover bid for the total number of the shares which today are not owned by the OHL Group (41.99% of its Capital) at the price of 27.00 Mexican pesos per share (Bid Price).

The Board of Directors of OHL México unanimously approved the Bid Price, which it considers fair.

The acceptance period started on June 15th and ends on July 19th and is conditioned to Magenta's obtaining of at least 95% of OHL México's capital, including the 56.86% already owned by the OHL Group.

The agreements reached with IFM GIF include:

- That IFM will contribute to Magenta the total amount of the funds necessary for the cash payment of the Takeover Bid, through a capital increase.
- The shareholders' agreement between OHL Concesiones (controlling shareholder) and IFM GIF, for the operation of Magenta.
- The 400 million euro loan which IFM will grant to OHL Concesiones upon settling the Bid, which will be used for the full repayment by the latter of the bond issue exchangeable for OHL México shares in the same amount, which matures in April 2018.

Later, on July 10th, the CNBV approved the modification of the acceptance period to enable it to start on June 15th and end on July 26th, together with a change in the minimum percentage to 85% of the capital of OHL México.

- **July 3rd / July 10th 2017: signature of a new liquidity agreement**

OHL announced that, on June 30th 2017, it terminated the Liquidity Agreement signed on October 22nd 2012 with Santander Investment Bolsa, Sociedad de Valores, S.A.U. Likewise, it announced that it had signed a liquidity agreement on 6 July 2017 for the sole purpose of favouring the liquidity of its transactions and the regularity of the listed price of its shares and for adapting to the new regulation.

- **July 27th 2017: results of the Takeover Bid in cash on the total free float of OHL México, S.A.B. de C.V.**

As a consequence of the Takeover Bid, the Bidder purchased 28.34% of the Issuer's share capital, without considering treasury shares of the Issuer, and together with the shares held by the Bidder, the Bidder and its affiliates will own, directly or indirectly, 1,470,015,243 shares of the Issuer, representing 85.85% of the share capital.

- **16th and 17th October 2017: agreement between OHL and IFM Investors for the purchase of 100% of OHL Concesiones S.A.U.**

El principal terms of the agreement signed are as follows:

- The purchase price has been set at 2.8 billion euros (Enterprise Value) and will be paid upon completion of the transaction, subject to the usual price adjustments in transactions of this kind.
 - The Group estimates that, following these adjustments, the price will be 2.2 billion euros.
 - The two concessions undergoing a winding-up process are excluded from the scope, that is, the Cercanías Móstoles Navalcarnero (CEMONASA) project and Eje Aeropuerto- Acceso a la T4. OHL will have the right to collect all amounts of compensation, including interest, which OHL Concesiones may receive as a result of the aforementioned winding-up processes.
 - The estimated capital gain from the transaction, at current exchange rates, is approximately 50 million euros, an amount which could undergo upward or downward adjustments.
 - The agreement does not include non-compete covenants that could restrict the future capacity of the OHL Group for making investments in the field of infrastructure concessions.
 - No kind of regulation of the joint activities which the company sold may carry out with OHL in the future has been considered.
- **October 22nd 2017: resignation of Tomás García Madrid as C.E.O. and Second Deputy Chairman**

On considering the stage for which he had been appointed as completed, Mr. García Madrid submitted his resignation, and the Board of Directors, following an expression of its deepest gratitude for his work, appointed Juan Osuna Gómez by co-option as the new C.E.O. and Second Deputy Chairman.

- **December 1st 2017: signature of the Share Purchase Agreement between OHL and IFM Investors for the acquisition of 100% of OHL Concesiones S.A.U.**

OHL reports that on, November 30th 2017, it has proceeded to sign with IFM Investors (through its subsidiary Global Infracore Spain, S.L.U.) the Share Purchase Agreement according to which such acquisition will become effective and whose essential terms conform to those already described and estimated in the Significant Events published on the 16th and 17th of October 2017.

- **4 December: upgrade of the corporate rating by the agency Moody's Investors Service**

The credit rating agency, Moody's Investors Service, upgraded OHL's corporate and Unsecured Senior Debt rating from Caa1 to B3 and placed the rating under review for a possible further upgrade.

PRINCIPAL SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF ACCOUNTS FOR THE 2017 FINANCIAL YEAR

- **January 9th 2018: approval at the Extraordinary General Shareholders' Meeting of a number of resolutions.**

The principal resolutions approved were:

- The transfer of 100% of OHL Concesiones S.A.U. to Global Infracore Spain, S.L.U. according to the terms of the report by the Board of Directors and the information reported to the market according to the Significant Events published on the 16th and 17th of October 2017.
- To ratify the appointment of Juan Luis Osuna Gómez as the Company's C.E.O.
- To ratify the appointment of Javier Goñi de Cacho as a nominee director of the Company.

- iv. To reduce the Share Capital by 7,326,425.4 euros through the redemption of 12,210,709 bought-back shares charged against unrestricted reserves.
- v. To modify the Directors' Compensation Policy, following a positive report by the Appointments and Compensation Committee.
- vi. To approve an extraordinary emolument to be paid to the C.E.O., Juan Osuna Gómez, in the amount of 18 million euros, for his work and leadership in the process for the sale of the shares of OHL Concesiones S.A.U.

7.2. KEY FIGURES OHL CONCESIONES (Discontinued Operation)

The key **operating figures** of this division are presented in this section for illustrative purposes:

Main Figures	2017	2016	Var. (%)
Sales	440,0	520,3	-15,4%
EBITDA	984,3	799,2	23,2%
% o/ Sales	223,7%	153,6%	
EBIT	957,8	728,0	31,6%
% o/ Sales	217,7%	139,9%	

Euro Mn

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

Sales	2017	2016	Var. (%)
Concessional activity	389,5	387,5	0,5%
Proper construction activity	7,1	6,2	14,5%
IFRIC-12	43,4	126,6	-65,7%
TOTAL Sales	440,0	520,3	-15,4%

Euro Mn

EBITDA	2017	2016	Var. (%)
EBITDA for concessional activity	223,0	256,7	-13,1%
EBITDA for returns guaranteed	761,3	542,5	40,3%
TOTAL EBITDA	984,3	799,2	23,2%

Euro Mn

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

- 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 +8.3% and +17.8%, respectively.
- 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 12/31/17	From 01/01/16 to 12/31/16	Var. (%)	% Update ⁽⁵⁾	Last update
Mexico					
Amozoc-Perote ⁽¹⁾	39.746	37.664	5,5%	9,30%	January 2017
Concesionaria Mexiquense ⁽¹⁾	347.415	337.219	3,0%	4,00%	August 2017
Viaducto Bicentenario ⁽²⁾	32.695	32.764	-0,2%	19,00%	August 2017
Autopista Urbana Norte ⁽²⁾	55.207	53.874	2,5%	5,65% ⁽⁶⁾	April 2017
Spain					
Euroglosa M-45 ⁽²⁾	91.257	86.024	6,1%	2,90%	March 2017
Puerto de Alicante (T.M.S.) ⁽³⁾	84.571	82.056	3,1%	-	-
Terminal de Contenedores de Tenerife ⁽³⁾	139.655	92.652	50,7%	-	-
Chile					
Nuevo camino Nogales-Puchuncavi ⁽¹⁾	5.814	5.727	1,5%	4,00%	January 2017
Terminal Cerros de Valparaíso ⁽⁴⁾	113.371	120.236	-5,7%	1,07%	January 2015
Peru					
Autopista del Norte ⁽¹⁾	34.697	48.643	-28,7%	1,80%	March 2017

(1) 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 drop in the IFRIC-12 sales (construction activity performed by the concession companies themselves) by 65.7% is due to the reduction in the amounts invested, principally in Concesionaria AT-AT, from one year with respect to the other.
- The appreciation/depreciation of the average exchange rate in December 2017 of the euro against the Latin American currencies, compared to December 2016:

	12/31/2017	12/31/2016	Var. (%)
Mexican Peso	21,39	20,65	3,6%
Chilean Peso	735,84	742,39	-0,9%
Peruvian Sol	3,69	3,72	-0,8%

As a 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		
	2017	2016	Var. (%)	2017	2016	Var. (%)
Mexico	284,2	261,4	8,7%	958,3	726,6	31,9%
Amozoc-Perote	33,1	29,4	12,6%	18,0	17,5	2,9%
Concesionaria Mexiquense ⁽¹⁾	173,1	163,6	5,8%	540,0	413,8	30,5%
Viaducto Bicentenario ⁽¹⁾	38,3	35,1	9,1%	155,3	119,7	29,7%
Autopista Urbana Norte ⁽¹⁾	39,7	33,3	19,2%	245,0	175,6	39,5%
Spain	57,3	71,0	-19,3%	30,4	88,8	-65,8%
Euroglosa M-45	13,7	13,3	3,0%	11,5	11,2	2,7%
Autovía de Aragón ⁽²⁾	14,1	31,7	-55,5%	11,5	32,0	-64,1%
Puerto de Alicante (T.M.S.)	16,4	16,0	2,5%	3,7	3,9	-5,1%
Terminal de Contenedores de Tenerife	13,1	10,0	31,0%	3,7	2,0	85,0%
Metro Ligero Oeste ⁽³⁾	0,0	0,0	-	0,0	39,7	n.a.
Chile	25,7	21,6	19,0%	12,0	9,6	25,0%
Nogales-Puchuncaví	4,8	1,5	220,0%	3,3	1,1	200,0%
Terminal Cerros de Valparaíso	20,9	20,1	4,0%	8,7	8,5	2,4%
Peru	22,3	33,5	-33,4%	22,6	23,6	-4,2%
Autopista del Norte	22,3	33,5	-33,4%	22,6	23,6	-4,2%
Total Concessions	389,5	387,5	0,5%	1.023,3	848,6	20,6%
Headquarters and others	50,5	132,8	-62,0%	-39,0	-49,4	-21,1%
Total	440,0	520,3	-15,4%	984,3	799,2	23,2%

Euro 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 31 December 2017 is as follows: Concesionaria Mexiquense 411.8 million euros, Viaducto Bicentenario 130.2 million euros and Autopista Urbana Norte 219.3 million euros.

(2) Sales and EBITDA are included in 2017 up to May, due to the sale of a 75.0% stake in June 2017.

(3) EBITDA is included in 2016 up to June, 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.

7.3. 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) of project companies and including dividends –if any- paid to the Parent Company by the project companies.

Project companies: are those companies whose debt does not have recourse to the Parent Company, 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): refer to 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.

Any statements appearing in this document, other than those which refer to historical data, including, on a non-restrictive basis, statements with respect to operational development, business strategy and future targets, are estimates for the future and, as such, involve known and unknown risks, uncertainties and other factors which may cause the results of the OHL Group, its actions and successes, or the outcomes and conditions of its activity, to be substantially different from such information and from the Group's estimates for the future.

This document, including the estimates for the future it contains, is provided with effects as from this day and date, and OHL expressly declines any obligation or commitment to provide any update or revision of the information contained herein, of any change in its expectations or any modification of the facts, conditions and circumstances on which these estimates with respect to the future have been based.

Results Report 2017

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