



Results Report

2016



28 February 2017

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1. GROUP PERFORMANCE

On the whole, 2016 has been a financial year of poor results strongly influenced by the one-off impact of the full recognition of the losses in the Group's legacy projects and by the adverse exchange rate trend. Nevertheless, the year has left a sound and reinforced balance sheet which constitutes a solid base on which to build the future. In this respect, the year has been marked by actions taken in two fundamental spheres:

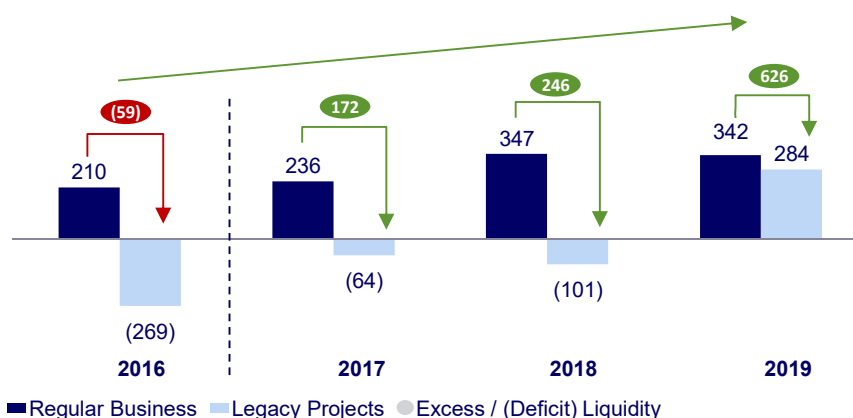
- **Debt reduction and financial structure simplification.** In this context, among other moves during the financial year, 73% of the corporate debt of Concessions was reduced, completely eliminating the borrowings with trigger risk, while bonds in the amount of 84.8 million euros were redeemed sooner.

The **rotation of non-strategic assets** was instrumental in achieving this reduction. This rotation involved 1.6 billion euros in 2016 and 627 million euros in the first two months of 2017 and became particularly intense starting in the second half of the financial year with capital gains in all cases, obtaining a net result of 330.2 million euros in 2016 and an additional 100 million euros, approximately, in the first two months of 2017.

- **In-depth analysis of the status of the legacy projects** for the purpose of neutralising their impact on the profit and loss account in the future and to curtail the impact on cash.

In this regard, a revision of the final targets of these projects has been made, which has translated into lower figures for EBITDA and for the Profit Attributed to the Parent Company totalling 520.2 and 669.6 million euros, respectively (see Chapter 4, Financial Statements - Consolidated Profit and Loss Account). Now that this situation has been resolved, the Group will be able to centre on the management of the rest of the construction business, well-focussed, on sound footing and already producing a positive cash flow.

The estimated impact on the cash flow of these projects for the next two years is:



This signifies an overall outflow of cash of 165 million euros during the next two years and an inflow of 284 million euros in 2019.

On **the operating level**, now in greater detail and additional to the effect described above, the Profit and Loss Account for 2016 has been weighted down in the period by the sharp devaluation of the exchange rate of the principal currencies with which the Group operates against the euro (particularly the Mexican peso). The key figures of the Profit and Loss Account, if de-linked from these two impacts, would be as shown on the following table:

	2016	Projects restated	Fx effect	Normalized 2016	Var. (%) 2016 / 2015	Var. (%) 2016N / 2015
Sales	3,862.6	154.8	117.0	4,134.4	-11.6%	-5.4%
EBITDA	222.9	520.2	103.4	846.5	-76.9%	-12.5%
Attributable net profit	-432.3	669.6	10.2	247.5	n.a.	345.1%

Euro M n

De-linked from the target revision and at a constant exchange rate, the Group's Sales, EBITDA and Net Profit would have varied to the extent of -5.4%, -12.5% and 345.1%, respectively.

A highlight in the period was the excellent performance of the Concessions Division, where Sales and EBITDA from Tolls (at a constant exchange rate and excluding the effect of the change in the consolidation method of Metro Ligero Oeste) grew +11.7% and +20.5% respectively, thanks to the outstanding performance of the concessions in Mexico, with growth figures in local currency of +14.7% and +14.8%, respectively.

Likewise, other significant impacts on the Net Profit include the capital gains generated through the sale of the 7.0% and 4.425% stakes in Abertis Infraestructuras, S.A. and the sale of the 28.0% stake in Metro Ligero Oeste, S.A. (and the consequent value enhancement of the remaining 23.3%), with proceeds amounting to 276.2 and 41.0 million euros, respectively.

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

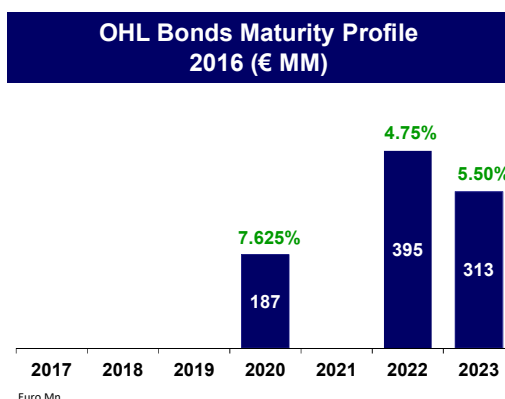
- **Transactions on the Capital Markets**

During the current financial year, OHL has had recourse to the capital markets for repurchasing bonds on two occasions:

- On 23 February 2016, through a cash buy-back offer of its bonds maturing in 2020 at a fixed price of 98%. The offer was accepted for a total of 32.0 million euros (12% of the outstanding balance on that date).
- Starting in the month of August, following the share price downturns, through Open Market Repurchases in a total nominal amount of 52.8 million euros: 43.3 million of the bonds maturing in 2020, 5.5 million euros of the 2022s and 4.0 million of the 2023s. The average buy-back price was 85.89%.

Despite the fact that relatively small amounts were involved, both of these liability management exercises have had a very positive impact on the quotation levels of the bonds on the secondary market, which evidences the scant representativity of the secondary market prices at times of high volatility.

Following these two transactions, the OHL Group now maintains an outstanding Eurobond balance in the amount of 894.5 million euros with a **comfortable maturity profile**:



- **Rotation of assets.**

- Sale of 28.0% of Metro Ligero Oeste, S.A.

Set in the framework of the asset rotation policy in Concessions, the sale of 28.0% of Metro Ligero Oeste was completed in September at a total price of 101.7 million euros. The company still maintains the ownership of 23.3%. A total result of 41.0 million euros was posted for this transaction, including the value enhancement of the rest of the stake.

- Sale of 11.425% of Abertis.

This sale was made in two stages, the first involving 7.0% on 29 June, while the second, for the remaining 4.425%, was concluded on 3 October, obtaining a total of 1.3 billion euros in net funds which have made it possible: (i) to provide OHL Concesiones with additional funds for meeting the equity commitments of the new concessions awarded, (ii) to completely eliminate its debt with trigger risk and (iii) to reduce gross recourse borrowings.

Finally, this has generated a total of 276.2 million euros in capital gains, having obtained a joint IRR of 26.7%.

In addition, the remaining 2.5% stake in Abertis was sold on 23 January 2017, obtaining net funds in the amount of 329.8 million euros which were used for i) repaying the collar financing in the amount of 272.9 million euros and ii) reducing gross recourse debt with the remainder of the funds.

- Sale of 24.01% of OPI by OHL México.

On 4 October 2016, OHL México reached an agreement with IFM Global Infrastructure Fund for the sale of 24.01% of Organización de Proyectos de Infraestructuras, S.A. de C.V. ("OPI") at the price of 8.6 billion pesos. Following the completion of the transaction, OHL México will retain ownership of 51% of OPI, while IFM will increase its shareholding from 24.99% to 49%. The resources from this transaction will improve the capital structure of OHL México with the objective of being in a position to continue investing in new concession projects. Since the OHL Group does not lose its control of that concession, this transaction will not affect the profit and loss account, and its result will be recognised in Shareholders Equity.

- Partial sale of Mayakoba assets.

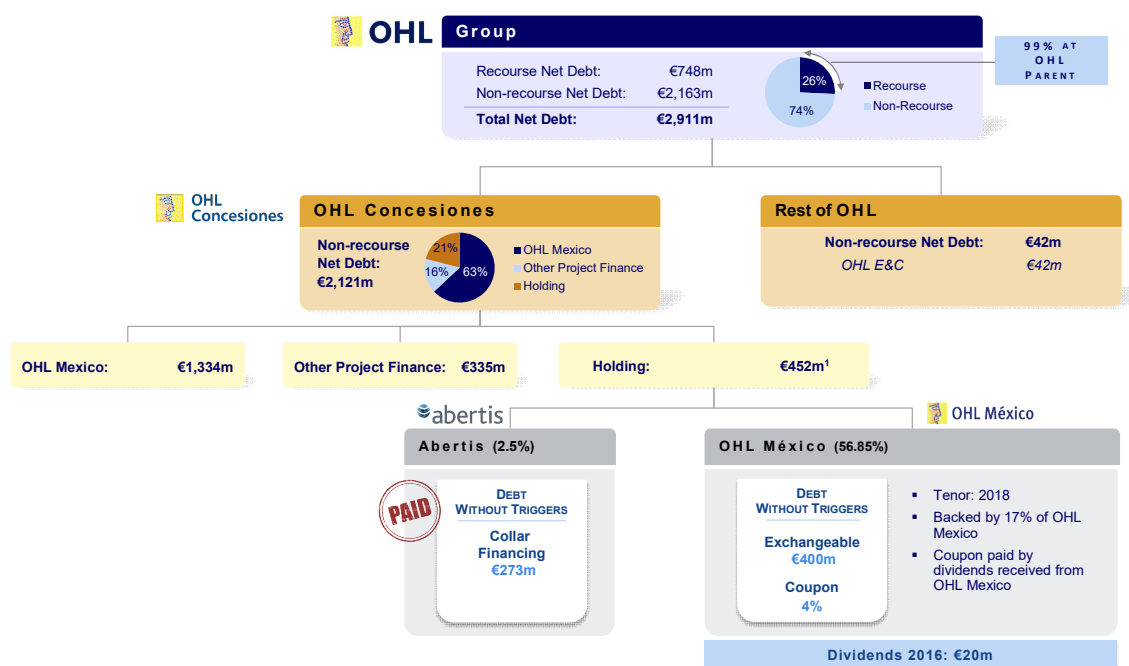
The contract of sale, dated 21 December 2016, extends specifically to a percentage of up to 80% in the Fairmont and Rosewood (minimum ensured of 51%) and 51% in the Banyan Tree, Andaz and Golf. Thanks to this transaction, between 158 and 218 millions euros will be obtained, delivering a capital gain of approximately 71 million euros. The conclusion of the transaction will be closed in 2017 and is subject to the finalisation of a number of the usual conditions to be met in transactions of this kind, including the approval of the Federal Competition Commission.

- Sale of a 17.5% stake in Canalejas

On 9 February 2017, OHL signed a contract for the sale of 17.5% of Canalejas, for which it will receive 79.0 million euros, providing a capital gain of approximately 29 million euros. The conclusion of the transaction is subject to the completion of a number of suspensive conditions to be met during the next few weeks.

- **Reinforcement and simplification of the financial structure of the Group.**

- Both the capital increase as well as the asset rotation transactions have contributed very positively to obtaining a comfortable and sustainable financial structure, without prejudice to the already stated intention to continue reducing corporate debt, both at OHL S.A. and OHL Concesiones, S.A. level.



¹ Includes €273m collar financing, €400m from OHL México exchangeable, €172m of other loans, 2.5% stake in Abertis held as cash equivalents and valued at €329m, and €64m of additional liquidity.

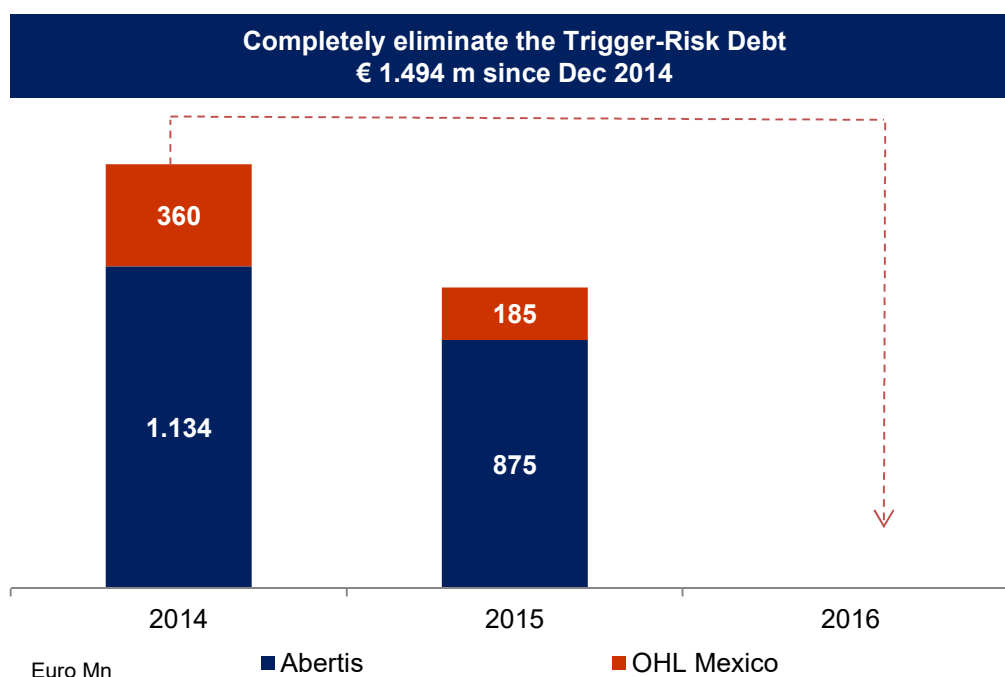
- **Reduction** in the financial year of the **corporate debt of OHL Concesiones** by 73%, which at the close of accounts for 2016 is placed at 451.8 million euros (compared to 1.7 billion euros at the 2015 annual closing).

OHL Concesiones non-recourse net debt	31/12/2015	31/12/2016
Project financing	1,837.8	1,669.1
Collar Financing (backed by 2.50% Abertis)	272.9	272.9
Margin Loan (backed by 11.43% Abertis)	874.9	-
Exchangeable Bond (backed by 16.99% OHL México)	400.0	400.0
Margin Loan (backed by 29.96% OHL México)	184.9	-
Others	-60.0	-221.1
Holding debt	1,672.7	451.8
Total OHL Concesiones	3,510.5	2,120.9

Euro Mn

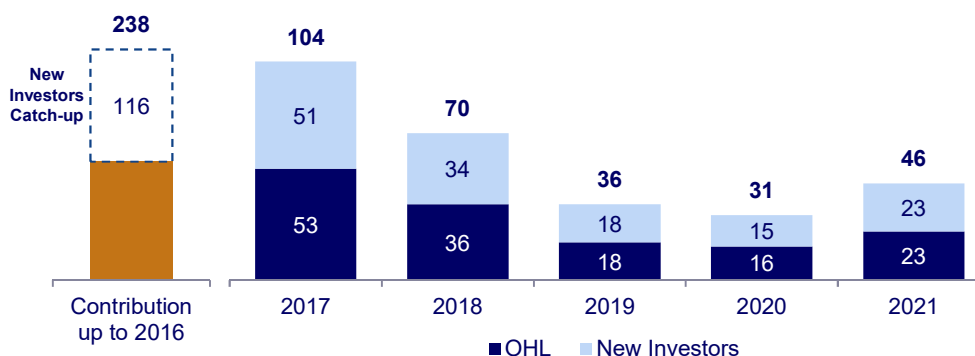
- **Complete elimination of trigger risk.**

With the sale of the 4.425% interest in Abertis on 3 October 2016 and the early repayment of the 266.3 million euro margin loan, the process for eliminating all of the borrowings with trigger risk has been completed. These borrowings, which totalled 1.5 billion euros at the start of 2015, have been fully repaid in 2016.



- **Reduction of the equity contribution commitments** for the **new concessions** awarded through: i) the removal from the schedule of the La Molina Angamos concession, and ii) the incorporation of a partner/partners with a 49% interest at the end of 2017, for which purpose talks are at an advanced stage. As shown on the graph, this incorporation would reduce these contributions by approximately half of their amount and would signify a cash inflow of around 116 million euros, corresponding to the proportionate part of the equity already contributed to these projects. In addition, the delay in obtaining environmental approvals and other administrative impediments have led to a delay in the timetable of equity contributions. On the basis of the foregoing, the timetable planned by OHL Concesiones would be as follows:

OHL Concesiones estimated equity commitments of c.€146m



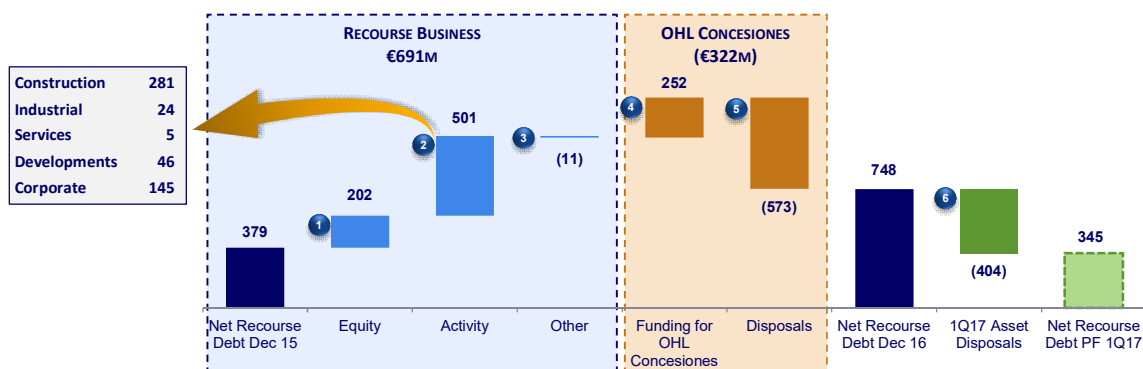
- **Financial flexibility** thanks to an **Available Recourse Liquidity position** of 897.0 million euros at the end of 2016, which combines credit lines and bond issues, with both long- and short-term instruments in both cases. The following developments have taken place in this scope during the financial year:
 - Renewal on 3 May 2016 of the **Euro Commercial Paper Programme**. This enables the Group to finance itself in the short term on the Capital Market, being able to maintain a maximum amount in circulation of up to 500.0 million euros.
 - Approval, on 2 August 2016, of the first extension (up to July 2019) of the 250.0 million euro **Long-Term Syndicated Loan**, for an amount of 209.0 million euros (84% of the initial principal). This loan provides OHL with long-term financing flexibility at a very competitive cost.
 - Recent conclusion of an **agreement with its principal financial institutions** which will add 190 million euros in credit lines to this position.

On February 27, 2017, the Company reached an agreement with this Group of Entities, to proceed before March 31, 2017 to the formal documentation and signature of a new Syndicated Multi-Product Financing Agreement (which would replace and novate in full the previous one) for an 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.

The combination of this new financing agreement, which allows OHL Group to meet the cash requirements from its Business Plan, together with debt reduction measures planned for 2017, will strengthened significantly the liquidity profile of the company.

- **Trend in Net Recourse Debt**

The trend in recourse debt in 2016 is as follows:



RECURSE BUSINESS		OHL CONCESIONES	
1	Significant equity investment of €96m in Canalejas and Old War Office and in Construction €95m of Judlau and other	4	Including, among others:
2	Construction includes a €315m impact from Legacy Projects loss recognition, (€34m) from construction regular business and Corporate includes €90m of financial costs and €55m of headquarters & others	5	Net proceeds from sale of 11.4% stake in Abertis having deducted debt associated and the repayment of the margin loan backed by OHL Mexico's stake (€472m) and 28% stake in MLO (€101m)
3	Other financial transactions including, among others:		Balance of intercompany loan at Dec-16 €603m vs €536m at Dec-15
	<ul style="list-style-type: none"> Construction assets disposal (€160m) €14m of dividends paid €22m of treasury stock and €38m adjustment of stock program 		
1Q17 ASSET DISPOSALS	6	Includes net proceeds from the sale of: 2.5% stake in Abertis (€57m), stake in Mayakoba (€218m), 17.5% stake in Canalejas (€79m) and ZPSV (€50m)	

As can be observed, the impact on cash of the legacy projects and the investments in the areas of Construction and Developments, exceptionally high in this financial year, are the principal causes of the increase in borrowings. The company has stated its commitment to the reduction of this debt which, at the 1Q17 close of accounts, with the pro-forma divestitures made in the quarter, would already be placed at levels below those at the 2015 annual closing.

• Treasury Stock plan

A treasury stock plan was launched on 2 August for a maximum of 3.0% of the capital or of 45.0 million euros. At 31 December 2016, a total of 8,202,962 shares had been purchased, representing 2.75% of the capital at a cost of 22.5 million euros. The plan finalised on 2 February of this year, with the repurchase of a total of 8,849,190 shares representing 2.96% of the capital, at a cost totalling 24.7 million euros.

• Value of OHL México

Finally, mention must be made of the **substantial value** represented by the OHL México listed shares, a liquid asset with a market value at the end of the year of approximately 922.3 million euros, or 522.3 million euros after deducting the debt associated, representing 1.2x the amount of the **Net Recourse Debt** at the close of accounts for the year in gross terms, 0.7x excluding the debt backed by OHL México shares (400 million euros of the exchangeable bond).

2. HIGHLIGHTS

Main Figures	2016	2015	Var. (%)
Sales	3,862.6	4,368.9	-11.6%
EBITDA	222.9	967.0	-76.9%
% o/ Sales	5.8%	22.1%	
EBIT	21.9	684.8	-96.8%
% o/ Sales	0.6%	15.7%	
Attributable net profit	-432.3	55.6	-877.5%
% o/ Sales	-11.2%	1.3%	

Euro Mn

Sales and EBITDA breakdown	2016	2015	Var. (%)
Sales	3,862.6	4,368.9	-11.6%
Concessions	520.3	444.9	16.9%
% o/ Total	13.5%	10.2%	
Engineering & Construction	3,211.6	3,799.5	-15.5%
% o/ Total	83.1%	87.0%	
Developments	130.7	124.5	5.0%
% o/ Total	3.4%	2.8%	
EBITDA	222.9	967.0	-76.9%
Concessions	799.2	819.8	-2.5%
% o/ Total	358.5%	84.8%	
Engineering & Construction	-604.7	139.5	-533.5%
% o/ Total	-271.3%	14.4%	
Developments	28.4	7.7	268.8%
% o/ Total	12.7%	0.8%	

Euro Mn

Net Debt	2016	2015	Var. (%)
Recourse net debt	748.4	379.4	97.3%
Non-recourse net debt	2,162.5	3,627.6	-40.4%
Total net debt	2,910.9	4,007.0	-27.4%

Euros Mn

Order book	2016	2015	Var. (%)
Short-term	6,674.9	7,151.6	-6.7%
Long-term	75,674.8	57,818.6	30.9%

Euro Mn

Human Resources	2016	2015	Var. (%)
Permanent staff	15,920	16,213	-1.8%
Temporary staff	8,331	9,765	-14.7%
Total	24,251	25,978	-6.6%

Other Magnitudes	2016	2015
Recourse EBITDA (LTM)	204,2*	303.3

Euro Mn

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

3. PERFORMANCE BY DIVISION

OHL CONCESIONES

Main Figures	2016	2015	Var. (%)
Sales	520.3	444.9	16.9%
EBITDA	799.2	819.8	-2.5%
% o/ Sales	153.6%	184.3%	
EBIT	728.0	775.0	-6.1%
% o/ Sales	139.9%	174.2%	

Euro Mn

The figures of this division have been heavily affected by the trend in currencies, principally the Mexican peso, which has undergone a devaluation of 17.1%. The comparable Sales and EBITDA (that is, without the variation in the exchange rate and without the effect of the change in the consolidation method of Metro Liger Oeste) present growth figures of +31.6% and +19.3%, respectively.

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

Sales	2016	2015	Var. (%)
Concessional activity	387.5	388.9	-0.4%
Proper construction activity	6.0	20.1	-70.1%
IFRIC-12	126.8	35.9	253.2%
TOTAL Sales	520.3	444.9	16.9%

Euro Mn

EBITDA	2016	2015	Var. (%)
EBITDA for concessional activity	256.7	285.1	-10.0%
EBITDA for returns guaranteed	542.5	534.7	1.5%
TOTAL EBITDA	799.2	819.8	-2.5%

Euro Mn

The comparable Sales and EBITDA from Tolls (without the exchange rate and scope of consolidation effect) grew +11.7% and +20.5%, respectively.

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

- Toll Revenues remained stable in euros, but grew 11.7% 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 01/01/16 to 12/31/16	From 01/01/15 to 12/31/15	Var. (%)	% Update ⁽⁵⁾	Last update
Mexico					
Amozoc-Perote ⁽¹⁾	37,664	34,936	7.8%	6.00%	July 2016
Concesionaria Mexiquense ⁽¹⁾	337,219	319,389	5.6%	8.30%	February 2016
Viaducto Bicentenario ⁽²⁾	32,764	32,000	2.4%	8.30%	July 2016
Autopista Urbana Norte ⁽²⁾	53,874	50,394	6.9%	5.1% ⁽⁶⁾	September 2016
Spain					
Euroglosa M-45 ⁽²⁾	86,024	81,626	5.4%	-0.80%	March 2016
Autovía de Aragón ⁽²⁾	108,615	105,634	2.8%	-0.80%	January 2015
Puerto de Alicante (T.M.S.) ⁽³⁾	82,056	69,337	18.3%	-	-
Terminal de Contenedores de Tenerife ⁽³⁾	92,652	83,710	10.7%	-	-
Chile					
Nuevo Camino Nogales - Puchuncaví ⁽¹⁾	5,727	-	n.a.	-	-
Terminal Cerros de Valparaíso ⁽⁴⁾	120,236	139,804	-14.0%	1.07%	January 2015
Peru					
Autopista del Norte ⁽¹⁾	48,643	35,954	35.3%	23.50%	October 2016

(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 of the euro against the Latin American currencies in December 2016, compared to December 2015:

	12/31/2016	12/31/2015	Var. (%)
Mexican Peso	20.65	17.63	17.1%
Chilean Peso	742.39	726.74	2.2%
Peruvian New Sol	3.72	3.53	5.4%

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		
	2016	2015	Var. (%)	2016	2015	Var. (%)
Mexico	261.4	267.1	-2.1%	726.6	721.2	0.7%
Amozoc-Perote	29.4	31.1	-5.5%	17.5	20.3	-13.8%
Concesionaria Mexiquense ⁽¹⁾	163.6	166.8	-1.9%	413.8	411.4	0.6%
Viaducto Bicentenario ⁽¹⁾	35.1	38.1	-7.9%	119.7	114.7	4.4%
Autopista Urbana Norte ⁽¹⁾	33.3	31.1	7.1%	175.6	174.8	0.5%
Spain	71.0	67.1	5.8%	88.8	119.0	-25.4%
Euroglosa M-45	13.3	13.2	0.8%	11.2	11.8	-5.1%
Autovía de Aragón	31.7	31.7	0.0%	32.0	25.1	27.5%
Metro Ligero Oeste	-	-	n.a.	39.7	78.3	-49.3%
Puerto de Alicante (T.M.S.)	16.0	13.3	20.3%	3.9	2.2	77.3%
Terminal de Contenedores de Tenerife	10.0	8.9	12.4%	2.0	1.6	25.0%
Chile	21.6	26.7	-19.1%	9.6	9.8	-2.0%
Nuevo Camino Nogales - Puchuncaví	1.5	-	n.a.	1.1	-	n.a.
Terminal Cerros de Valparaíso	20.1	26.7	-24.7%	8.5	9.8	-13.3%
Peru	33.5	28.0	19.6%	23.6	11.9	98.3%
Autopista del Norte	33.5	28.0	19.6%	23.6	11.9	98.3%
Total Concessions	387.5	388.9	-0.4%	848.6	861.9	-1.5%
Headquarters and others	132.8	56.0	137.1%	-49.4	-42.1	17.3%
Total	520.3	444.9	16.9%	799.2	819.8	-2.5%

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 2016 is as follows: Concesionaria Mexiquense 287.7 million euros, Viaducto Bicentenario 98.0 million euros and Autopista Urbana Norte 156.8 million euros.

The growth in tolls in Mexico in local currency is particularly significant, with +14.7% in Sales and +14.8% 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 18 principal concessions including: 14 toll motorway concessions (with a total of 1,070 kilometres), 1 airport and 3 ports.

The long-term order book at 31 December 2016 totalled 75.4 billion euros.

Mexico

- In June 2016, Amozoc-Perote obtained the Second Amendment of its Concession Title, in which Mexico's Secretariat of Communications and Transportation recognised certain additional investments. With this, the concession agreement has been balanced through the extension of the concession period by another 30 years and a gradual increase in toll rates over the next six years. In this regard, the toll rate was increased by 6% in July.
- Similarly, in June 2016, Autopista Urbana Norte obtained a new tariff schedule, in recognition of the additional investment required by the project. Toll rates will be progressively increased in the course of the financial year.
- On 4 October 2016, OHL México reached an agreement with IFM Global Infrastructure Fund ("IFM") for increasing its stake by 24.01% in Organización de Proyectos de Infraestructuras, S.A. de C.V. ("OPI"). The manner and terms in which the increase in IFM's stake in OPI will be carried out are subject to the obtaining of consents by third parties and government approvals. Once this transaction has been concluded, IFM will have increased its shareholding in OPI from 24.99% to 49%, and OHL México will maintain 51%. OPI is the company controlling Concesionaria Mexiquense.

IFM has agreed to pay 8.6 billion Mexican pesos in exchange for the increase in its stake in OPI.

This agreement is consistent with OHL México's strategy of rotating mature assets and reinforcing the financial capacity of the Company. The resources from that transaction will improve its capital position with the objective of investing in new concession projects, materialising possible opportunities for growth.

- The Northern Puebla Bypass was opened to traffic in October 2016, thereby finalising the programme for the performance of the infrastructure on time and to specification. The project has been completed in less than two years.

Spain

- At 31 December 2015, **Metro Ligero Oeste** was classified on the Balance Sheet under the "Non-Current Assets and Liabilities Held for Sale" heading, in accordance with IFRS 5, due to its inclusion in a divestiture process. In this regard, in June and July 2016, two sales were concluded with respect to 28.0% of that company, entering a net capital gain, including the value enhancement of the rest of the stake (23.3%) totalling 41.0 million euros.
- On 20 July 2016, the High Court of Justice of Madrid handed down a judgement recognising the economic-financial rebalancing of **Euroglosa M-45** on account of the higher costs of the expropriations, in excess of those set as ceiling prices in the Technical and Economic Terms & Conditions, quantifying such rebalancing at 47.4 million euros, an amount which must be paid by the government administration granting the concession. The Administration has appealed the judgement.
- **Autopista Eje Aeropuerto** Concesionaria Española S.A. and Aeropistas S.L.U. have been in a situation of voluntary bankruptcy since 27 January 2014. A Court Order determining the liquidation of both companies was issued on 21 October 2015.
- **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 a breach of the Concession Agreement, in its opinion. 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.

Chile

- On 9 June 2016, the Coordination of Public Works Concessions of the Government of Chile sent a copy of the Award Decision in the call for tenders for what has been called the “**Camino Nogales-Puchuncavi Concession** Re-tendering”.

The new concession, with a total length of 43 km, includes upgrade works on 27 km of the existing two-way carriageway, as well as the construction of an additional 16 km for the Puchuncavi and Variante Ventanas bypasses. The period for the new concession is a maximum of 38 years, and the investment which will be made totals 210 million U.S. dollars. This concession involves an existing infrastructure which will be modernised in order to provide a response to the economic growth experienced in the region. The operations of the existing infrastructure commenced on 1 September 2016, with the corresponding collection of tolls.

Peru

- On 28 January 2016, The Metropolitan Council of Lima approved the award of the private initiative promoted by OHL Concesiones called the **La Molina – Angamos Connection** consisting of a 12-km-long urban motorway, with a planned investment of 500 million U.S. dollars. Recently, a decision was reached not to perform the project since certain modifications requested by the client affects the financial feasibility of the project.
- On 22 July 2016, the addendum was signed for the performance of the **Chimbote Bypass**, set in the framework of the Northern Toll Motorway project in Peru, with an agreement for the extension of the concession period for an additional 8 years. The project will call for an investment of 520 million soles and includes a motorway with a 34-kilometre-long dual carriageway, two additional bridges and overpasses.

Abertis

In June 2016, OHL Emisiones, a 100%-owned OHL subsidiary, sold 69,326,692 Abertis shares representing 7.0% of its share capital, at the price of 11.75 euros per share. Following this transaction, OHL Emisiones continued to hold a 6.925% stake in Abertis.

Later, in October, OHL Emisiones sold 43,826,542 Abertis shares representing 4.425% of its share capital, at the price of 13.65 euros per share. Following this transaction, OHL Emisiones maintained a shareholding of 2.5% in Abertis.

The origin and destination of the funds from both transactions were as follows:

% of Abertis	June 2016 7.00%	October 2016 4.425%	TOTAL
Sale amount	814.6	598.2	1,412.8
Expenses directly associated with the sale	-14.1	-19.1	-33.2
Commissions and interests ^(*)	-10.6	-40.0	-50.6
Net funds	789.9	539.1	1,329.0
Use of proceeds:			
Funds for equity in concessions	199.6	-	199.6
Trigger-risk debt reduction	590.3	266.4	856.7
Gross recourse debt reduction	-	272.7	272.7
Net funds	789.9	539.1	1,329.0

Euro Mn

(*) Includes commissions and expenses linked to the cancellation of associated loans

The Balance Sheet has been strengthened to an extraordinary extent as a result of these transactions, as the funds have been used in their entirety for the reduction of gross debt:

- Significant reinforcement of the financial structure of OHL Concesiones, through a substantial reduction of its corporate debt and the total elimination of trigger risk.
- Contribution of additional funds to the recourse scope (272.7 million euros) to be used for the reduction of gross recourse debt.

Materialisation of a total result from both divestiture transactions in the amount of 276.2 million euros (172.1 million of which were recognised in October 2016).

In addition, 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.

OHL INGENIERÍA Y CONSTRUCCIÓN

Main Figures	2016	2015	Var. (%)
Sales	3,211.6	3,799.5	-15.5%
EBITDA	-604.7	139.5	n.a.
% o/ Sales	-18.8%	3.7%	
EBIT	-722.1	-86.8	-731.9%
% o/ Sales	-22.5%	-2.3%	

Euro Mn

The Engineering & Construction Division accounts for 83.1% of the Group's Sales, contributing Sales worth 3.2 billion euros, declining 15.5% with respect to the previous financial year.

As discussed earlier, the figures of this division have been affected by the target revision exercise with respect to the legacy projects –contracting prior to June 2014- of the Construction Division and other minor projects pertaining to the Industrial Division which, taken overall, reduce the EBITDA figure by 520.2 million euros, specifically -476.2 and -44.0 million euros in Construction and Industrial, respectively. In addition, 149.4 million euros in losses are recognised under the heading of Result of entities accounted for by the equity method and stem from the University of Montreal Hospital (CHUM) project (see Chapter 4, Financial Statements –Consolidated Profit and Loss Account).

CONSTRUCCIÓN

Main Figures	2016	2015	Var. (%)
Sales	2,773.6	3,248.2	-14.6%
EBITDA	-519.9	150.0	n.a.
% o/ Sales	-18.7%	4.6%	
EBIT	-618.1	-55.4	n.a.
% o/ Sales	-22.3%	-1.7%	

Euro Mn

Construction is the principal business line of Engineering & Construction and contributes 86.4% of its Sales (71.8% of the Group's total Sales), presenting a downturn of -14.6% in Sales.

EBITDA is placed at -18.7% on Sales and has been affected by: (i) the effect of the target revision of legacy projects mentioned previously with an impact of 476.2 million euros, (ii) the increase in the relevance of the small-medium sized projects in the project mix in the developed economies which typically have narrower margins and (iii) the delay in the start of the construction work on the new concessions awarded in Mexico, Chile and Colombia. The inclusion in Sales of larger-scale projects, such as the recent award of the I-405 in California, will improve the margins in the near future.

The short-term order book at 31 December 2016, worth 5.9 billion euros, represents 25.5 months of sales, providing significant visibility as to 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 88.1% originating from the Home Markets (where the Pacific Alliance stands out with 39.7%, and the U.S. and Canada with 28.8%) and with only 23.0% of projects of a size in excess of 300 million euros (70.2% of which are projects for our own concessions).

Recently, on 3 February 2017, the OHL Group, through its subsidiary OHL USA was awarded the design and construction contract for the I-405 in California. With a budget of close to 1.1 billion eu-

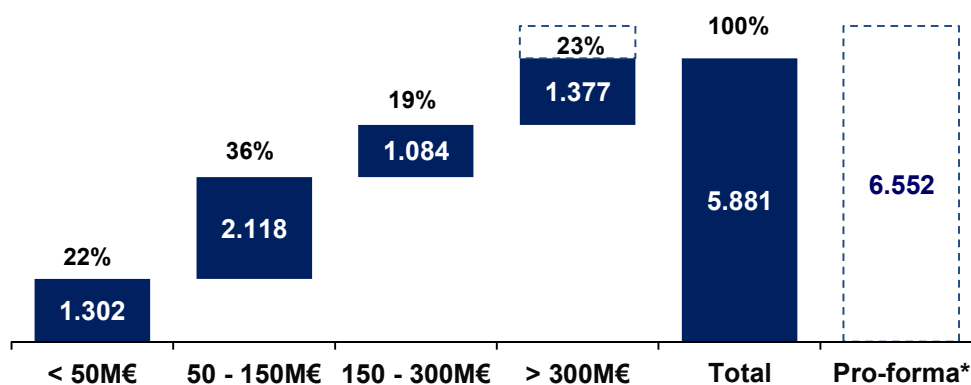
ros, this is the most important project in the history of the company in the United States. The project was awarded by the local California authority, the Orange County Transportation Authority (OCTA), to the joint venture led by OHL (60%) with Astaldi (40%). The project is for the design and construction of the upgrade of 25.7 Km of the interstate highway for increasing the capacity and safety of the infrastructure. It includes –among other aspects- work for adding an additional lane in each direction, for improving the merging lanes, exits and bridges and for building express toll lanes.

The pro-forma inclusion of this award in the order book at the close of accounts for 2016 would mean reaching a total figure of 6.6 billion euros, representing 28.4 months of sales and achieving a book to build ratio of 1.1x. Pro-forma details of the impact of this award are added to the following tables due to the particular significance of the project.

	2016	Pro-forma*
Home Markets	88.1%	89.4%
Pacific Alliance	39.7%	35.6%
USA & Canada	28.8%	36.1%
Spain	16.5%	14.8%
Czech Rep. And catchment area	3.2%	2.9%
Other	11.9%	10.6%

* Including the newly awarded I-405 in USA

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



Mn Euros

* Including the newly awarded I-405 in USA.

Of the total Construction order book, 25.6% 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 currently in the order book are the following:

	Country	2016	Pro-forma*
Interstate 405 Improvement Project	USA	-	671.0
FF.CC. Marmaray Project	Turkey	409.7	409.7
Autopista Río Magdalena	Colombia	340.0	340.0
Autopista Vespucio Oriente	Chile	317.0	317.0
Autopista Atizapán-Atlacomulco	Mexico	310.4	310.4
Hospital de Curicó	Chile	227.2	227.2
LAV Oslo-Ski (Follo Line project)	Norway	183.9	183.9
Puerto de Valparaíso	Chile	175.2	175.2
Rehabilitación túnel Queens Midtown	USA	173.8	173.8
Tren Ligero Guadalajara	Mexico	133.5	133.5
Evitamiento de Chimbote	Peru	117.0	-
10 largest projects in backlog		2,387.7	2,941.7

* Including the newly awarded I-405 in USA

Euro M n

Highlights of these contracts include: the significant focus on the Home Markets (75.1% of the total), the fact that 5 of the projects (52.8% of the total) are for our own concessions and that only one, Marmaray, is a *Legacy Project*, for the performance of which an agreement has been reached with a consortium made up by three local companies.

The contracting during the 2016 financial year totalled 2.3 billion euros, 46.5% of which are projects located in the U.S.

The following stand out among the new awards in the 2016 financial year:

	Country	2016
Hospital de Curicó	Chile	228.9
Owen's Lake Dust Mitigation project	USA	195.7
Evitamiento de Chimbote	Peru	117.0
Ellis CO. - IH 35E. Ellis North	USA	116.0
Camino Nogales Puchuncavi	Chile	115.1
Widening from North of SW 40th Street to SR-836	USA	100.5
Elevación presa Antamina	Peru	72.9
Tranque Talabre	Chile	71.1
Travis Ct - IH35 Widening at Wm Canon Dr	USA	71.0
Ampliación puerto de Bilbao - Espigón central	Spain	63.4
Total main awards in 2016		1,151.6
Interstate 405 Improvement Project	USA	671.0
Total pro-forma* in 2016		1,822.6

* Including the newly awarded I-405 in USA

Euro M n

INDUSTRIAL

Main Figures	2016	2015	Var. (%)
Sales	243.6	352.1	-30.8%
EBITDA	-87.3	-20.8	-319.7%
% o/ Sales	-35.8%	-5.9%	
EBIT	-105.9	-39.0	-171.5%
% o/ Sales	-43.5%	-11.1%	

Euro Mn

The Industrial business has experienced a 30.8% drop in sales with respect to the previous year, with a figure of 243.6 million euros. This decline is due principally to: (i) the completion of on-going projects, (ii) a temporary slowdown in the performance of certain projects, primarily in Mexico and (iii) the negative effect of the exchange rates (basically that of the Mexican peso) which explains 3.0% of that variation.

Since the foregoing figures have been consolidated under IFRS by the equity method, these figures do not include the 50% participation OHL Industrial has in the Joint Venture performing the construction of the Empalme I Combined Cycle plant in Mexico for the CFE (awarded in April 2015). Had such participation been consolidated by the proportional integration method, the Sales and Order Book figures for this period would have increased by +118.5 and +52.9 million euros, respectively, which would mean a change in performance of -9.9% in Sales and +24.8% in the Order Book, in comparison with the previous year.

EBITDA performance has been negative, affected -in addition to the above- by (i) the target revision at end of project mentioned previously in an amount of approximately -44.0 million euros and (ii) to a number of fixed structural expenses which are necessary for being in a position to take on new projects, but are not yet being absorbed by the Division.

It is important to note that, in the face of the negative trend in the current situation of the Oil & Gas segment and the significant restrictions to investment by countries in this subsector, together with the adverse results obtained in projects in this segment, participation in international calls for tenders has been restricted / limited, thereby limiting the risks of this product line in the future.

The Industrial order book at 31 December 2016 was placed at 437.3 million euros, equivalent to 21.5 months of sales, including the recent award of the construction of a cement manufacturing plant in Colombia worth 218.4 million euros. This important award in Colombia, which by itself doubles the size of the order book, will contribute to generating a change in scale and to significantly improving the profitability of this Division.

SERVICIOS

Main Figures	2016	2015	Var. (%)
Sales	194.4	199.2	-2.4%
EBITDA	2.5	10.3	-75.7%
% o/ Sales	1.3%	5.2%	
EBIT	1.9	7.6	-75.0%
% o/ Sales	1.0%	3.8%	

Euro Mn

The Sales obtained by this Division total 194.4 million euros and, in comparable terms (without including in 2015 the sales by Sacova, sold in Nov-2015), present +11.3% growth.

Having said this, the Services business (which is the smallest of the three areas comprising Engineering & Construction segment), obtained an EBITDA margin of 1.3%, in comparison to 2.5% during the previous period (in comparable terms), due to the effect of stronger competition in the domestic sector, very mature and affected by the scant market opportunities.

This situation should improve as the increased presence of this Division outside of the country (Mexico, USA and Chile, where the commercial activity is being intensified) gradually materialises.

OHL DESARROLLOS

Main Figures	2016	2015	Var. (%)
Sales	130.7	124.5	5.0%
EBITDA	28.4	7.7	268.8%
% o/ Sales	21.7%	6.2%	
EBIT	16.0	-3.4	-570.6%
% o/ Sales	12.2%	-2.7%	

Euro Mn

The Developments Division, with Sales worth 130.7 million euros, grew 5.0% with respect to the same period in the previous financial year, reflecting the good performance of the Sales by the hotels in Mayakoba and of the reference currency, the U.S. dollar. The steady output of the Mayakoba hotels is significant, with occupancy levels in 2016 of 61%, similar to the levels reached in 2015.

The EBITDA figure, which totals 28.4 million euros, shows very significant growth with respect to the previous financial year. This was largely driven by both the improvement in the EBITDA of the Mayakoba hotels, due to occupancy levels and better margins, as well as by the increased real estate sales in Mayakoba and in the Ciudad Mayakoba project.

It is important to highlight the signature of a contract in December 2016 with RLH Properties S.A.B. de C.V. for the sale of between 51% and 80% of the stake held by the Group in the principal hotel subsidiaries in Mayakoba, as well as in the Golf Course. The conclusion of the contract, subject to a number of the usual conditions to be met in transactions of this kind, is expected to be finalised in 2017 and will generate an estimated cash inflow of between 158 and 218 million euros.

For this reason, the Group has classified all of the assets and liabilities of these subsidiaries at the close of accounts for the year as Held for Sale.

4. FINANCIAL STATEMENTS (figures audited)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2015	2016	Var. (%) 16/15	Projects revision	Fx effect	Normalized 2016	Var. (%) 16N/15
Turnover	4,368.9	3,862.6	-11.6%	154.8	117.0	4,134.4	-5.4%
Other operating revenues	849.4	776.2	-8.6%	0.0	93.4	869.6	2.4%
Total Operating Revenues	5,218.3	4,638.8	-11.1%	154.8	210.4	5,004.0	-4.1%
% o/ Sales	119.4%	120.1%		4.0%	4.8%	121.0%	
Operating expenses	-3,359.9	-3,488.6	3.8%	365.4	-100.5	-3,223.7	-4.1%
Personnel expenses	-891.4	-927.3	4.0%	-	-6.5	-933.8	4.8%
EBITDA	967.0	222.9	-76.9%	520.2	103.4	846.5	-12.5%
% o/ Sales	22.1%	5.8%		13.5%	2.4%	20.5%	
Amortisation	-165.8	-137.5	-17.1%	-	-1.3	-138.8	-16.3%
Changes in provisions	-116.4	-63.5	-45.4%	-	-	-63.5	-45.4%
EBIT	684.8	21.9	-96.8%	520.2	102.1	644.2	-5.9%
% o/ Sales	15.7%	0.6%		13.5%	2.3%	15.6%	
Financial revenues	46.1	55.5	20.4%	-	-32.8	22.7	-50.8%
Financial expenses	-494.9	-462.3	-6.6%	-	-	-462.3	-6.6%
Change in the fair value of financial instruments	-14.1	-24.2	71.6%	-	-	-24.2	71.6%
Exchange differences	0.6	1.7	183.3%	-	-	1.7	183.3%
Deterioration and result from disposals of financial instruments	-15.4	364.3	n.a.	-	-	364.3	-2465.6%
Financial profit / (loss)	-477.7	-65.0	-86.4%	0.0	-32.8	-97.8	-79.5%
Equity accounted entities	226.9	-35.2	-115.5%	149.4	2.7	116.9	-48.5%
Profit / (loss) on continuing activities before taxes	434.0	-78.3	-118.0%	669.6	72.0	663.3	52.8%
% o/ Sales	9.9%	-2.0%		17.3%	1.6%	16.0%	
Corporate tax	-175.4	-157.0	-10.5%	-	-29.5	-186.5	6.3%
Profit / (loss) on continuing activities in the year	258.6	-235.3	-191.0%	669.6	42.5	476.8	84.4%
% o/ Sales	5.9%	-6.1%		17.3%	1.0%	11.5%	
Result after taxes on discontinued operations	0.0	0.0	n.a.	-	-	0.0	n.a.
Profit / (loss) for the year	258.6	-235.3	-191.0%	669.6	42.5	476.8	1475.5%
% o/ Sales	5.9%	-6.1%		17.3%	1.0%	11.5%	
Minority interests	-203.0	-197.0	-3.0%	-	-32.3	-229.3	13.0%
Result attributed to the parent company	55.6	-432.3	-877.5%	669.6	10.2	247.5	345.1%
% o/ Sales	1.3%	-11.2%		17.3%	0.2%	6.0%	

Euro M n

CONSOLIDATED PROFIT AND LOSS ACCOUNT

The **turnover** of the Group in the 2016 financial year totalled 3.9 billion euros, down 11.6% in comparison to the result for 2015, due principally to the Construction Division, as well as to the adverse effect of the average exchange rate on the currencies in which the Group operates.

The turnover of the Concessions business, which amounted to 520.3 million euros in the 2016 financial year, increased 16.9% despite the 17.1% devaluation of the average exchange rate of the Mexican peso against the euro. Without this effect and by applying the exchange rates prevailing in the previous period, the Sales would have undergone an increase of 31.6%.

The Engineering & Construction Division obtained a turnover of 3.2 billion euros, declining 15.5%, and accounts for 83.1% of the total turnover of the Group.

The most significant business line is Construction which, with 2.8 billion euros in sales, accounts for 71.8% of the total for the Group and has undergone a downturn of 14.6% with respect to the 2015 financial year.

The Developments Division, with a much lower relative weight, 3.4% of the total, has experienced 5.0% growth in turnover in relation to the figure obtained in the 2015 financial year.

In 2016, international sales accounted for 79.4% of turnover, in comparison to 82.6% in the 2015 financial year.

In the distribution of sales by geographical area, the U.S. and Canada represent 33.8% of the total, Spain 20.6%, Mexico 20.1% and Central and Eastern Europe 7.3%.

Under the heading of **other operating revenues**, totalling 776.2 million euros in the 2016 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, which have declined -8.6% with respect to 2015, principally due to the effects of the exchange rate.

The **total operating revenues** amounted to 4.6 billion euros, a figure 11.1% below the result for the 2015 financial year.

The **gross operating profit (EBITDA)** for 2016 was placed at 222.9 million euros, representing 5.8% of turnover, and has undergone a decline of 76.9% in comparison to the 2015 financial year, particularly due to the strong impact of the changes made in the estimates of revenues from projects (Legacy) in the Construction Division and in other minor projects in the Industrial Division.

The EBITDA figure for Engineering & Construction was -604.7 million euros, where -520.2 million euros referred to the projects mentioned above (-476.2 million pertaining to Construction and -44.0 million euros to Industrial). In addition, losses were recognised in the University of Montreal Hospital (CHUM) project and were posted under the heading of Result of entities accounted for by the equity method.

With the foregoing, the total revision of project estimates carried out in the 2016 financial year came to -669.6 million euros.

The EBITDA obtained by Concessions totalled 799.2 million euros, down 2.5% in comparison to the figure for 2015, due to the devaluation of the Mexican peso against the euro, since the revenues from tolls increased 11.7%. Without this impact, the EBITDA obtained by Concesiones would have reached 924.4 million euros, representing 12.8% growth.

The Developments Division obtained an EBITDA figure of 28.4 million euros, that is, 21.7% on turnover, increasing by 20.7 million euros over the figure achieved in the 2015 financial year, thanks principally to the improvement in the hotel operations in Mayakoba.

International operations account for practically the total positive EBITDA of the Group and are generated primarily in Mexico.

The **net operating profit (EBIT)** totalled 21.9 million euros, that is, 0.6% on turnover.

The net amount of **financial revenues and expenses** in the 2016 financial year amounted to -406.8 million euros, signifying an improvement of 42.0 million euros with respect to 2015, principally due to a lower volume of indebtedness and lower interest rates.

Particularly significant within this heading is the figure for financial expenses, which totalled -462.3 million euros, including 50.6 million euros associated with the divestiture of the 11.425% stake in Abertis Infraestructuras S.A. Without this effect, these expenses would total -411.7 million euros in comparison to the -494.9 million for the financial year, on account of the significant reduction in gross borrowings. Concession companies account for 50.5% or -233.3 million euros.

The amount of the **change in the fair value of financial instruments** in the 2016 financial year totalled -24.2 million euros, in comparison to -14.1 million euros in 2015. This is due to the fact that with respect to the concession companies of the Construction business and Metro Liger Oeste, S.A., which were sold in 2016, and -as required by the IFRS-, the valuation of the derivatives associated with such assets, which previously had been included as in shareholders equity, has been included as losses (-77.9 million euros and -24.9 million euros, respectively). This transaction has a negative effect on this heading in the amount of 102.8 million euros, while the heading of "Adjustments for changes in value" has improved by the same amount on the Balance Sheet, at the same time as the Shareholders Equity remains unchanged.

The **exchange rate differences** amounted to 1.7 million euros, similar to the 0.6 million euro figure recorded in the 2015 financial year.

The amount of the **impairment and result from the disposal of financial instruments** totalled 364.3 million euros and refers, principally to:

- The positive outcome obtained from the sale in 2016 of the 11.425% stake in Abertis Infraestructuras, S.A. for a total amount of 249.0 million euros.
- The positive result in the amount of 90.9 million euros obtained in the sale of the concession companies of the Construction business which were available for sale at 31 December 2015 (Superficialia Los Bermejales, S.A., Concessió Estacions Aeroport L-9, S.A., Phunciona Gestión Hospitalaria, S.A and Urbs Iudex et Causidicius, S.A.). As mentioned previously, this result was reduced by -77.9 million euros included under the heading of "Changes in the fair value of financial instruments ", whereby the sale delivered a total capital gain of 13.0 million euros. This divestiture has signified a cash inflow of 142.0 million euros.
- The positive result in the amount of 16.3 million euros obtained from the sale of 28.0% of Metro Liger Oeste, S.A.

The **result of companies valued by the equity method** totalled -35.2 million euros, with the following significant elements:

- The positive outcome from Abertis Infraestructuras, S.A. in the amount of 47.2 million euros. Following the sales concluded in June and October 2016, the percentage of the interest held by the Group in Abertis Infraestructuras, S.A. was reduced to 2.5% and, as a consequence, its significant influence was lost. This asset was no longer consolidated by the equity method and went on to be posted under the heading of "Other current financial assets".

- The loss of -149.4 million euros undergone by Health Montreal Collective CJV L.P., which is building the Centre Hospitalier de L'Université de Montreal (CHUM), in the framework of the re-estimate of revenues from projects made in 2016. The 49.6 million euro result, from the value enhancement of the 23.3% stake in Metro Liger Oeste, S.A., following the sale of the 28.0% stake. The total result of this transaction, including the valuation of the derivatives, the proceeds from the sale and this value enhancement, comes to 41.0 million euros.

The **loss before taxes** totalled -78.3 million euros, that is, -2.0% on turnover.

The **tax on profits** amounted to -157.0 million euros, compared to -175.4 million euros in the 2015 financial year.

The effective tax rate is 31.2%, compared to 29.2% in the 2015 financial year.

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

The **result attributed to minority interests** totalled -197.0 million euros, decreasing by 6.0 million euros with respect to the result obtained in the 2015 financial year.

The **loss attributed to the Parent Company** amounted to -432.3 million euros. If we de-link this result from the revised estimates of projects and from the exchange rate effect, it would be placed at 247.5 million euros.

CONSOLIDATED BALANCE SHEET

	12/31/2016	12/31/2015	Var. (%)
Non-current assets	8,589.0	10,233.6	-16.1%
Intangible fixed assets	287.0	316.3	-9.3%
Tangible fixed assets in concessions	6,439.6	6,515.6	-1.2%
Tangible fixed assets	257.0	636.0	-59.6%
Real estate investments	66.8	61.9	7.9%
Equity-accounted investments	513.6	1,668.2	-69.2%
Non-current financial assets	402.9	411.5	-2.1%
Deferred-tax assets	622.1	624.1	-0.3%
Current assets	4,331.3	5,055.3	-14.3%
Non-current assets held for sale	492.0	833.3	-41.0%
Stocks	211.9	270.4	-21.6%
Trade debtors and other accounts receivable	2,103.2	2,462.3	-14.6%
Other current financial assets	663.5	334.6	98.3%
Other current assets	42.8	56.8	-24.6%
Cash and cash equivalents	817.9	1,097.9	-25.5%
Total assets	12,920.3	15,288.9	-15.5%
Net shareholders' equity	4,042.9	4,811.7	-16.0%
Shareholder's equity	3,027.9	3,494.0	-13.3%
Capital	179.3	179.3	0.0%
Issue premium	1,265.3	1,265.3	0.0%
Reserves	2,015.6	1,993.8	1.1%
Result for the year attributed to the parent company	-432.3	55.6	-877.5%
Valuation adjustments	-588.2	-447.0	31.6%
Parent company shareholders' equity	2,439.7	3,047.0	-19.9%
Minority interests	1,603.2	1,764.7	-9.2%
Non-current liabilities	5,453.9	6,583.5	-17.2%
Subsidies	2.1	52.7	-96.0%
Non-current provisions	199.4	168.8	18.1%
Non-current financial debt (*)	3,777.1	4,723.2	-20.0%
Other non-current financial liabilities	53.0	88.6	-40.2%
Deferred-tax liabilities	1,246.3	1,211.4	2.9%
Other non-current liabilities	176.0	338.8	-48.1%
Current liabilities	3,423.5	3,893.7	-12.1%
Non-current liabilities held for sale	220.0	567.2	-61.2%
Current provisions	298.2	289.3	3.1%
Current financial debt (*)	615.2	716.3	-14.1%
Other current financial liabilities	7.1	44.9	-84.2%
Trade creditors and other accounts payable	1,915.4	1,921.4	-0.3%
Other current liabilities	367.6	354.6	3.7%
Total liabilities and net shareholders' equity	12,920.3	15,288.9	-15.5%

* Includes Bank debt + Bonds

Euro Mn

The principal headings of the consolidated balance sheet at 31 December 2016 and the changes therein with respect to 31 December 2015 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 at 31 December 2016 totalled 6.4 billion euros, decreasing by 76.0 million euros with respect to 31 December 2015, due principally to the net effect of:

- A net increase of 577.6 million euros undergone by the Mexican concessionaires with Guaranteed Returns (Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.).
- A decrease in the amount of 797.3 million euros due to the 15.1% devaluation of the final exchange rate of the Mexican peso against the euro.
- A net increase of 143.7 million euros in the rest of the concessions.

Of the total balance, 5.1 billion euros refer to Mexican concession companies under the financial asset model, that is, 79.4% of the total.

Likewise, 48.4% of the financial assets, or 3.1 billion euros, are made up by the amount posted as Guaranteed Returns.

Investments accounted for by applying the equity method: the balance of this heading at 31 December 2016 totalled 513.6 million euros, decreasing by 1.2 billion euros with respect to 31 December 2015, due principally to the fact that Abertis Infraestructuras, S.A. was no longer consolidated by the equity method following the sales made during 2016 reducing the Group's interest to 2.5%, thereby losing its significant influence and going on to post the residual stake under the heading of "Other current financial assets".

Non-current assets and liabilities held for sale: these headings, which totalled 833.3 and 567.2 million euros, respectively, at 31 December 2015, included the assets and liabilities of the concession companies of the Construction business and of Metro Ligero Oeste, S.A.

The divestiture of the concession companies of the Construction business and of 28.0% of Metro Ligero Oeste, S.A. materialised in 2016, whereby the Group retained a 23.3% stake in the latter company and proceeded to write off these balances.

At 31 December 2016, and in view of the divestiture decision reached, 492.0 and 220.0 million euros, respectively, of the assets and liabilities of the Mayakoba hotel companies and the Golf Course in Riviera Maya (Mexico) have been included under these headings.

Trade debtors and other accounts receivable: at 31 December 2016 the balance of this heading totalled 2.1 billion euros, accounting for 16.3% of the total assets.

Works certified for progress payments still outstanding and works pending certification represented 71.0% of the total of this balance and amounted to 1.5 billion euros (4.7 months of sales), in comparison to 1.7 billion in the 2015 financial year (4.8 months of sales).

An important note is that the re-estimated projects in the Construction Division accounts for 14.7% at 31 December 2016, being placed at 20.0% at 31 December 2015.

This heading has declined by 53.3 million euros (125.1 million euros at 31 December 2015), 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: at 31 December 2016 totalled 2.4 billion euros, representing 18.9% of the total assets and decreasing by 607.3 million euros with respect to 31 December 2015, due to the net effect of:

- The attributable loss for the 2016 financial year in the amount of -432.3 million euros.
- A decrease of 13.7 million euros due to the dividend paid in July 2016.
- A decrease in reserves in the amount of 272.5 million euros, brought about by the conversion of financial statements in foreign currency, principally those of the Mexican companies.
- An increase in reserves in the amount of 131.4 million euros as a result of the impact of the valuation of financial instruments, taken to the Profit and Loss Account.
- A decrease of 42.1 million euros in bought-back shares. At 31 December 2016, the treasury stock was made up by 11,961,801 shares, worth 46.1 million euros.
- An increase of 21.9 million euros from other changes in reserves, arising principally from changes in the scope of consolidation.

Minority Interests: at 31 December 2016 were placed at 1.6 billion euros, decreasing by 161.5 million euros with respect to 31 December 2015 due to the net effect of:

- An increase of 197.0 million euros from the result of the 2016 financial year attributed to minority interests.
- A decrease in the amount of 217.1 million euros brought about by the conversion of financial statements in foreign currency.
- An increase of 13.6 million euros as a result of the impact of the valuation of financial instruments.
- A decrease of 155.0 million euros in other movements, principally due to changes in the scope of consolidation, among which the sale of 28.0% of Metro Liger Oeste, S.A. stands out, with an impact of 116.7 million euros.

Banks and bond issues: the comparison of the borrowings at 31 December 2016 with those at 31 December 2015 is as follows:

Gross debt ⁽¹⁾	12/31/2016	%	12/31/2015	%	Var. (%)
Recourse debt	1,519.9	34.6%	1,238.3	22.8%	22.7%
Non-recourse debt	2,872.4	65.4%	4,201.2	77.2%	-31.6%
Total	4,392.3		5,439.5		-19.3%

Euro M n

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

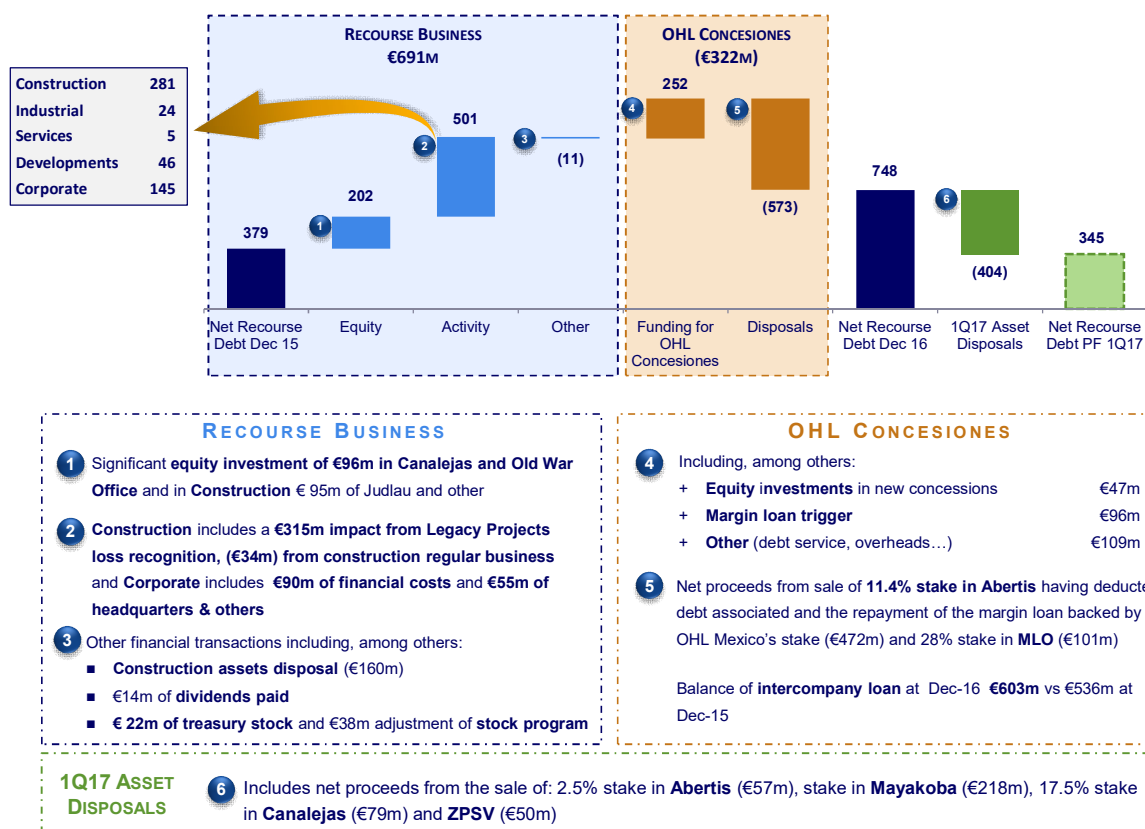
Net debt ⁽²⁾	12/31/2016	%	12/31/2015	%	Var. (%)
Recourse net debt	748.4	25.7%	379.4	9.5%	97.3%
Non-recourse net debt	2,162.5	74.3%	3,627.6	90.5%	-40.4%
Total	2,910.9		4,007.0		-27.4%

Euro M n

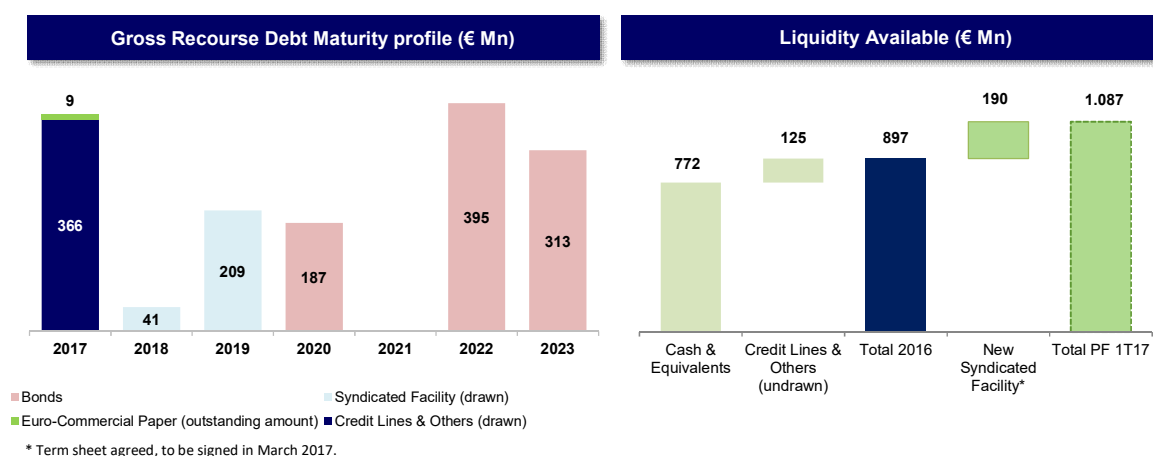
(2) The net borrowings are comprised by the gross borrowings minus other financial assets and cash and cash equivalents.

The gross recourse borrowings at 31 December 2016 totalled 1.5 billion euros.

The situation of the net recourse debt during 2016 is set out below.



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 31 December 2016 and at 31 December 2015 is shown below:

Recourse liquidity	12/31/2016	12/31/2015
Bonds	894.5	979.3
Euro Commercial Paper	9.4	180.5
Syndicated Facility	250.0	250.0
Credit lines and others	491.5	887.9
Availability with recourse	1,645.4	2,297.7
Gross recourse debt	1,519.9	1,238.3
Financing with Recourse available	125.5	1,059.4
Cash and IFT	771.5	858.9
Recourse liquidity available	897.0	1,918.3

Euro Mn

Cash repurchase offers were made during the 2016 financial year on the Bonds maturing in 2020, 2022 and 2023, totalling 84.8 million euros. The outstanding balance at 31 December 2016 was 894.5 million euros.

The recent **agreement with the principal financial institutions** will add 190 million euros in credit lines to this position.

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 897.0 million euros.

With respect to the total gross borrowings, 86.0% is long-term, while the remaining 14.0% is short-term.

The non-recourse debt totalled 2.9 million euros, that is, 65.4% of the total gross borrowings, decreasing by 1.3 billion euros, due mainly to:

- (i) the sooner repayment of a loan backed by Abertis Infraestructuras, S.A. shares in the amount of 874.9 million euros, on the occasion of the divestitures carried out,
- (ii) the sooner repayment of a loan backed by OHL México shares in the amount of 169.5 million euros,
- (iii) a decrease due to the transfer to Non-current liabilities held for sale of the debt of the hotel companies and of the golf course in Mayakoba (Mexico) in the amount of 139.7 million euros,
- (iv) a decrease in the amount of 233.3 million euros stemming from the 15.1% devaluation of the closing exchange rate of the Mexican peso against the euro and
- (v) to a net increase of 88.6 million euros in other loans.

The gross non-recourse borrowings totalled 2.9 billion euros (2.2 billion euros in net debt), the details of which are set out below:

Non-recourse net debt	12/31/2016		12/31/2015	
	Gross	Net	Gross	Net
Mexico				
Concesionaria Mexiquense / OPI	939.3	803.4	1,022.8	867.4
Amozoc-Perote	84.5	53.7	97.0	52.6
Viaducto Bicentenario	256.0	249.7	291.7	285.4
Autopista Urbana Norte	262.9	253.4	319.0	300.4
Atizapán-Atlaconulco	-	-26.3	-	-17.2
Spain				
Euroglosa M-45 / Euroconcesiones	106.8	105.5	109.9	107.6
Autovía de Aragón - Tramo 1	95.4	48.1	101.5	70.4
Terminal de Contenedores de Tenerife	28.5	25.1	29.8	26.6
Puerto de Alicante	56.6	55.7	57.3	56.6
Chile				
Puerto de Valparaíso	-	-5.4	-	-1.0
Puente Industrial	-	-0.1	-	-0.2
Nogales - Puchuncaví	-	-6.4	-	-
Peru				
Autopista del Norte	118.2	98.2	115.2	95.6
Colombia				
Autopista Río Magdalena	37.9	14.5	3.6	-6.4
Total Main Concessions	1,986.1	1,669.1	2,147.8	1,837.8
Non-recourse financing backed by the 2.5% stake in Abertis	272.9	272.9	1,147.8	1,147.8
Non-recourse financing backed by the 17% stake in OHL Mexico	400.0	400.0	584.9	584.9
Others	171.6	-221.1	166.2	-60.0
Total OHL Concesiones	2,830.6	2,120.9	4,046.7	3,510.5
OHL Engineering & Construction	41.8	41.6	14.8	13.7
OHL Developments	-	-	139.7	103.4
Total Non-recourse net debt	2,872.4	2,162.5	4,201.2	3,627.6

Euro M n

An important note is that the Non-recourse financing backed by the stake in Abertis includes the financing in the amount of 272.9 million euros, and the 2.5% of the stake valued at 329.2 million euros posted within "Others" is included as IFT. This stake was sold on 23 January, and the loan was repaid.

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.

	2016	2015
EBITDA	222.9	967.0
Adjustments	-736.7	-973.1
Financial results	-429.3	-460.5
Equity accounted results	-35.2	226.9
Deterioration and result from disposals of financial instruments	364.3	-
Taxes	-157.0	-175.5
Minorities	-197.0	-203.0
Guaranteed Return Adjustment	-218.9	-227.5
Changes in provisions and others	-63.6	-133.5
Cash flow in operating activities	-513.8	-6.1
Changes in current capital	409.6	221.1
Trade and other receivables	251.1	-89.7
Trade creditors and other payables	73.0	114.0
Other changes in working capital	85.5	196.8
Cash flows from operating activities	-104.2	215.0
Cash flow in investment activities	1,200.3	1,403.3
Minority interest	-161.5	393.4
Other	1,361.8	1,009.9
Change in net non-recourse debt	-1,465.1	-1,169.7
Change in net recourse debt	369.0	-448.6
Cash flow of financing activities	-1,096.1	-1,618.3

Euro Mn

The **gross operating profit** totalled 222.9 million euros, with a drop of 76.9% with respect to the 2015 financial year.

The **adjustments to the result** totalled -736.7 million euros, due principally to effect of the financial results, the results of the companies consolidated by the equity method, the tax on profits, the guaranteed returns adjustment, the minority interests and the effect of the positive result obtained from the sales of the 11.425% stake in Abertis Infraestructuras, S.A., of the concession companies of the Construction business and of the 28.0% stake in Metro Ligero Oeste, S.A. mentioned previously.

The **funds originating from operations** are placed at -513.8 million euros.

The **changes in the working capital** presented a positive performance to the extent of 409.6 million euros.

These changes are responsible for the negative **cash flow of the operating activities**, which stands at -104.2 million euros. It should be noted that part of this effect stems from the failure to generate cash by the Construction Division projects (Legacy) which in this financial year have signified -315.3 million euros. Without this negative effect, a positive cash flow of 211.1 million euros would have been produced by the operating activities in the amount.

The **cash flow of the investment activities** consists of the changes in the net assets and in the non-current assets and liabilities and, in the 2016 financial year, totalled 1.2 billion euros.

The impact of the sale of the 28.0% stake in Metro Liger Oeste, S.A. stands out in the changes in minority interests, giving rise to a departure of minority interests in the amount of -116.7 million euros, as a result of no longer consolidating by global integration, together with the negative effect of the conversion of financial statements in foreign currency.

A significant development in the changes in minority interests in the 2015 financial year was the impact of the sale of the 25.0% stake in ConMex, which gave rise to an increase in minority interests of 358.9 million euros.

A highlight in the Rest of investment flows was the combined impact of the divestitures through the sales of 11.425% of Abertis, of the concession companies of the Construction business and of the 28.0% of Metro Liger Oeste, S.A.

The **cash flow of the financing activities** in the 2016 financial year totalled -1.1 billion euros, signifying lower non-recourse indebtedness to the Group to the extent of -1.5 billion euros and higher net recourse borrowing in the amount of 369.0 million euros.

5. ORDER BOOK

At 31 December 2016, the Group's order book was worth 82.3 billion euros, increasing by 17.4 billion euros, that is, 26.7%, with respect to the figure at 31 December 2015, due to the net effect of:

- The deletion from the long-term order book of 2.3 billion euros on account of Metro Ligero Oeste, S.A.
- The updating of the projections of changes in toll rates and extensions of concession periods, which have signified an increase in the order book of 25.4 billion euros.
- The award of a motorway in Chile called Concesión Camino Nogales-Puchuncaví worth 438.8 million euros.
- The deletion of 5.6 billion euros due to the impact of the devaluation of currencies against the euro, principally the Mexican peso.
- The deletion from the short-term order book of 476.7 million euros.
- The deletion for others in the amount of 83.3 million euros.

Of the total order book, 8.1% refers to short-term contracts, while the remaining 91.9% are long-term.

The short-term order book is worth 6.7 billion euros, representing approximately 20.7 months of sales and declining 6.7% with respect to the figure at 31 December 2015, mainly due to the smaller volume of contracting in this period, owing to the adoption of more restrictive criteria when submitting tenders outside of the local markets and to the current economic situation in other countries.

Engineering & Construction accounts for the entire short-term order book and, within this division, Construction is responsible for 88.1%.

The long-term order book stands at 75.7 billion euros, with an increase of 17.9 billion euros, that is, 30.9% on the figure at 31 December 2015.

	12/31/2016	%	12/31/2015	%	Var. (%)
Short-term	6,674.9		7,151.6		-6.7%
Construction	5,880.9	88.1%	6,586.5	92.1%	-10.7%
Industrial	437.3	6.6%	224.3	3.1%	95.0%
Services	356.7	5.3%	340.8	4.8%	4.7%
Long-term	75,674.8		57,818.6		30.9%
Concessions	75,449.4	99.7%	57,509.8	99.5%	31.2%
Construction	225.4	0.3%	308.8	0.5%	-27.0%
Total	82,349.7		64,970.2		26.7%

Euro Mn

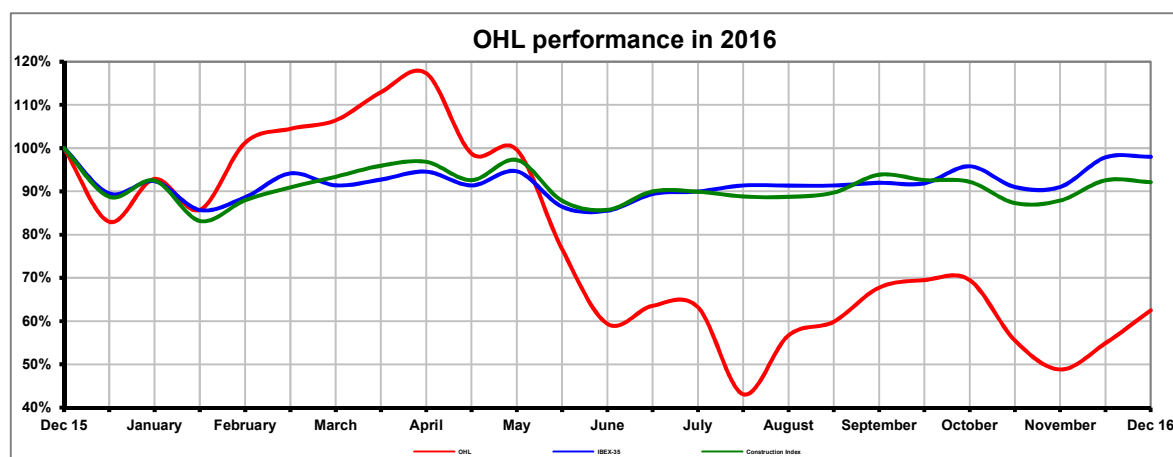
6. SHARE PRICE PERFORMANCE

The share capital at 31 December 2016 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 3.30 euros and with a P/E ratio of -2.3 on the attributable net profit for 2016.

During 2016 a total of 850,290,271 shares (284.6% of the total tradable shares) were traded on stock exchanges, with a daily average of 3,308,522 securities and a share price depreciation of -37.5% in the year.

At the end of the year, OHL held a total of 11,961,801 shares, equivalent to 4.004% of the company's current capital. This figure includes the purchase of 3,453,908 shares from the stock option plan for executives of the company, which finalised on 21 March 2016. This stock option plan has been cancelled without any income for any of the executives involved, due to the negative performance of the share.

	2016
Closing price	3.30
OHL YtD performance	-37.5%
Number of shares	298,758,998
Market capitalization (Euro Mn)	984.4
Ibex 35 YtD performance	-2.0%
Construction Index YtD performance	-7.9%



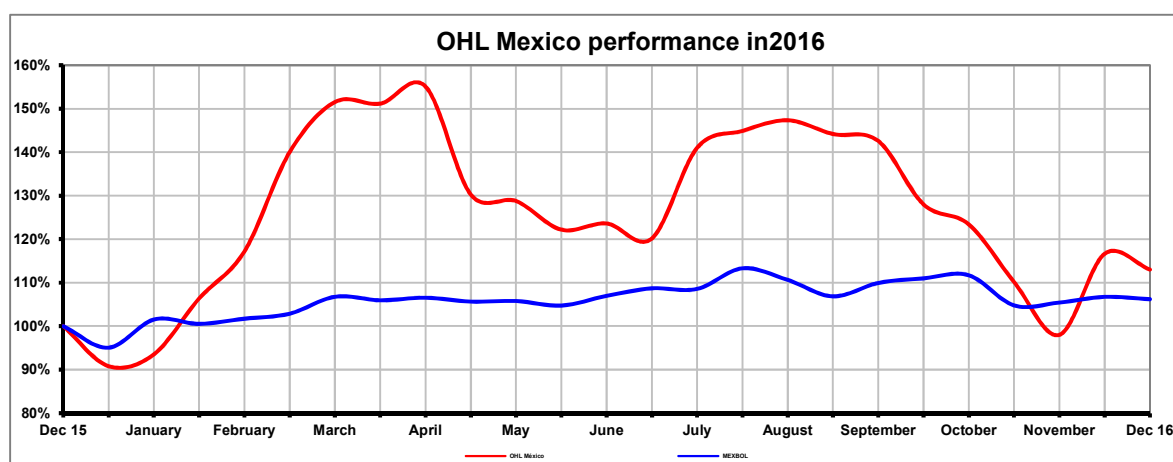
The most significant details of the bonds issued by OHL and its subsidiary OHL Investment S.A. (subsidiary of OHL Concesiones) are shown below:

Issuer	Maturity	Coupon	Amount	Price	YtM
OHL S.A.	March 2020	7.625%	187.1	89.650%	11.582%
OHL S.A.	March 2022	4.750%	394.5	73.188%	11.793%
OHL S.A.	March 2023	5.500%	312.9	73.083%	11.729%
OHL Investment	March 2018	4.000%	400.0	92.470%	10.291%

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:

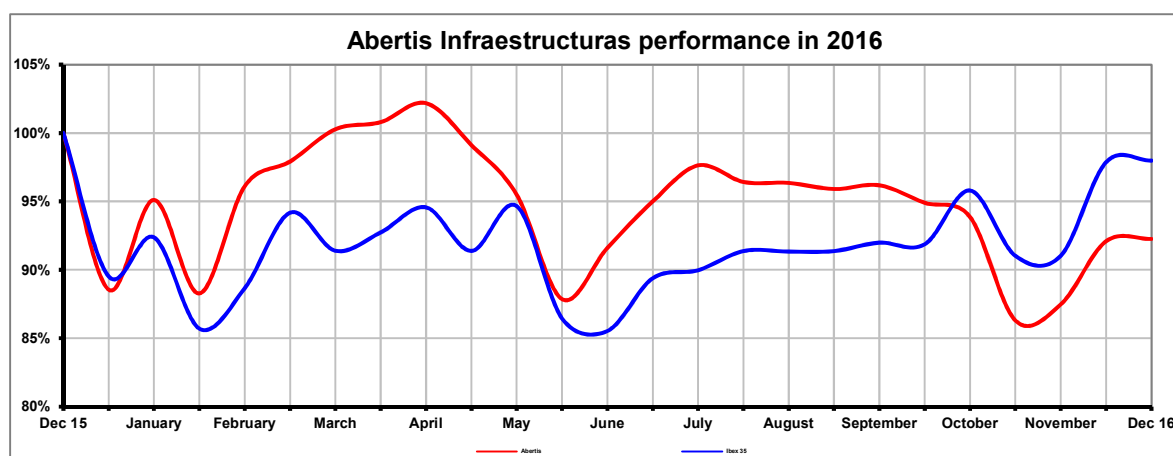
	2016
Closing price (MXN)	20.39
YtD performance	13.0%
Number of shares	1,732,185,269
Market capitalization (MXN Mn)	35,319.3
56.85% stake value (Mn Euro)*	922.3

*Exchange rate EUR/MXN 21,77



At 31 December 2016, the OHL Group also owned a stake in Abertis Infraestructuras, S.A., a company listed in Spain, whose key figures are set out below:

	2016
Closing price	13.30
YtD performance	-7.7%
Number of shares	990,381,308
Market capitalization (EUR Mn)	13,167.1
2,50% stake value (Euro Mn)	329.2



7. APPENDICES

PRINCIPAL SIGNIFICANT EVENTS

- **24 February 2016: modification of loan backed by shares of Abertis Infraestructuras S.A.**

Agreement modifying the non-recourse loan entered into by OHL Emisiones, S.A.U. with the backing of 11.425% of Abertis Infraestructuras S.A. shares, repaying a portion thereof, also changing the maturity date to February 2019 and the interest rate (Euribor at three months +4%).

- **8 March 2016: Moody's rating downgrade**

OHL S.A. announced that Moody's downgraded the corporate rating and unsecured senior debt of OHL from B1 to B2, with a stable outlook.

- **9 March 2016: buy-back of bonds (maturing in 2020)**

On 24 February 2016, OHL S.A. launched a cash buy-back offer on bonds (maturing in 2020). On 9 March, the effective result obtained was: (i) repurchased bonds in the amount of 32,058,000 euros, (ii) price 98%, (iii) payment of interest accrued in the amount of 3,686.81 euros as per 100,000 euros of nominal value.

Following this transaction, the outstanding balance of this issue is now 230,359,000 euros, at an interest rate of 7.625%.

- **28 March 2016: finalisation of the penalty process initiated by the National Banking and Securities Commission (CNBV) against OHL México and certain executives**

On 15 March 2016 the CNBV notified OHL México S.A.B de C.V and other subsidiaries decisions which finalise the administrative proceedings initiated on 23 October 2015 and conclude with the application of penalties on the Issuers and Natural Persons, but make clear the non-existence of dolus or fraud, or of any impact whatsoever on the Mexican financial system or on third parties. The principal decision refers to the different interpretation as to the entering into the accounts of the Guaranteed Returns between the Issuer and the CNBV, maintaining in the financial statements their consideration as a financial asset but including in them, to reporting effects and purposes, their presentation as an intangible asset. In turn, the Issuers and their external auditors will work in order to submit to the CNBV the best interpretation for the recognition of these amounts, in accordance with IFRIC 12.

- **4 May 2016: 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.

- **4 May 2016: notification that the Design & Build Package 5 Mushaireb Station / Education City Station (Doha) agreement will terminate within a period of 14 days**

Notice by Qatar Railways Company was received, notifying that the agreement would be terminated within a time limit of 14 days, due, in its opinion, to noncompliance with certain contractual obligations by the Consortium in which OHL has a 30% interest.

The order book of projects pending performance by OHL at 31 December 2015 totalled 247.7 million euros (3.6% of the Total Construction Order Book).

- **24 May 2016: request for voluntary insolvency proceedings by Cercanías Móstoles Navalcarnero, S.A.**

The concession company of the transport line between downtown Móstoles and Navalcarnero, in the face of the current insolvency situation following the rejection of the precautionary suspension of a 34.1-million-euro penalty imposed by the Community of Madrid, has applied for voluntary insolvency proceedings.

The concession company had applied for the termination of the concession agreement on 12 June 2015 and claimed compensation from the Community of Madrid in the amount of 369.5 million euros for the investments made and damages caused.

On 15 July 2016, Business Court No. 1 of Madrid issued a court order declaring the situation of insolvency proceedings on a voluntary basis.

- **23 June 2016: Board of Directors meeting at which the resignation of the Chairman, Juan-Miguel Villar Mir, and of the Second Deputy Chairman and Managing Director, Josep Piqué Camps, took place**

The Board of Directors accepted the above-mentioned resignations and appointed Juan Villar-Mir de Fuentes as Chairman, Silvia Villar-Mir de Fuentes as First Deputy Chairman and Tomás García Madrid as Second Deputy Chairman and Managing Director.

Likewise, there were other changes in positions on the Board of Directors due to the stepping-down of some of its members, who were replaced during the same meeting.

- **28 June 2016: sale of 7% of the capital of Abertis Infraestructuras, S.A.**

OHL Emisiones, S.A.U., subsidiary of the OHL Group, proceeded with the sale of 7% of its stake in Abertis Infraestructuras, S.A. (Abertis), at a price of 11.75 euros per share.

The net funds obtained are to be used to reduce the gearing of the Concessions Division and to provide fresh resources for financing its future growth.

Following this transaction, the OHL Group maintains a 6.93% stake in Abertis, where it continues to rank among the reference shareholders.

- **1 July 2016: distribution of the ordinary dividend for the 2015 financial year**

Following its approval by the Ordinary General Shareholders' Meeting held on 21 June 2016, the distribution of an ordinary dividend was announced, in the amount of 0.0465 gross euros for each share with the right to receive it, the payment of which was scheduled to be made starting on 7 July 2016.

- **2 August 2016: temporary suspension of the Liquidity Agreement and Treasury Stock Programme.**

The Liquidity Agreement signed on 22 October 2012 with Santander Investment Bolsa, Sociedad de Valores, S.A. was suspended on this date, and a Treasury Stock Programme was announced for the purpose of redeeming shares, if approval is given by the General Shareholders' Meeting, investing a maximum of 8,962,769 shares representing 3% of the share capital or up to a total disbursement of 45 million euros, whichever is the lesser amount.

The duration of the plan is a maximum of 6 months, and the shares will be purchased at the price established in the Regulation and, as a maximum, at 9.88€ (equivalent to the theoretical book value of the share at 30 June 2016).

- **3 August 2016: Moody's rating downgrade**

It was announced that Moody's downgraded the corporate rating and unsecured senior debt of OHL from B2 to B3, with a negative outlook.

- **22 August: audit of the Bicentennial Elevated Viaduct concession**

The State of Mexico performed an internal audit of the Highway, Airport, Related and Ancillary Services System (SAASCAEM) in relation to the Bicentennial Elevated Viaduct concession from which it can be concluded (i) that the tendering process took place in accordance with the bidding terms & conditions and the award was made in observance of the law, (ii) that the audit recommended that the concession agreement should be rebalanced to recognise the investments made by OHL México, (iii) and that the legality of the guaranteed returns is not questioned.

Other aspects relating to the investment recognised were identified which either are not significant or will be clarified by the Company.

- **28 September and 29 November 2016: repurchase of Bonds Maturing in 2020**

A total of 23.3 million euros of the Bond issue at 7.625% maturing in 2020 was bought back and, later, on 29 November, another 20.0 million were purchased. The outstanding balance of the issue, following these repurchases, totals 187.1 million euros and, in accordance with the terms and conditions of the issue, additional purchases of the Bonds could be made.

- **3 October: sale of 4.425% of the capital of Abertis Infraestructuras S.A.**

OHL Emisiones, S.A.U., a subsidiary of the OHL Group, sold 4.425% of its shareholding in Abertis Infraestructuras, S.A. (Abertis), at the price of 13.65 euros per share.

The net funds obtained will be used for reducing the gearing of the Concessions Division and the complete elimination of the risk triggers and for contributing additional funds to the recourse scope for reducing debt.

Following this transaction, the OHL Group maintains a 2.5 % stake in Abertis and no longer has a Director in that company, following the resignation of the only Director it had on the Board.

- **4 October: sale of 24.01 % of the capital of Organización de Proyectos de Infraestructura (OPI)**

OHL México, S.A.B. de C.V., a subsidiary of the OHL Group, reported the agreement with IFM Global Infrastructure Fund (IFM) for increasing its stake in OPI by 24.01 %, in exchange for the amount of 8.6 billion Mexican pesos.

The manner and terms of this transaction are subject to the obtaining of consents by third parties and government approvals and, once this transaction has been concluded, IFM will have increased its percentage in OPI to 49%.

OPI is the company controlling Concesionaria Mexiquense (ConMex).

- **15 November 2016: changes in the Board of Directors**

The resignation of the Director (independent) Macarena de Vicuña Primo de Rivera was accepted, and Juan José Nieto Bueso was appointed as a director by co-option, with independent director status.

- **16 November 2016: Moody's rating downgrade**

It was announced that Moody's has downgraded the corporate rating and unsecured senior debt of OHL from B3 to Caa1 with a negative outlook.

- **21 November 2016: amendment of the Marmaray Contract**

An amendment to the Marmaray Contract (Contract CR3 Gebze Halkali Commuter Rail Upgrading: Civil & Electrical & Mechanical Systems) was signed with the Turkish Government on 18 November, extending the completion date of the works and establishing the finalisation of the project at 31 December 2018, and OHL's commitment to the performance of the infrastructure was ratified.

The performance team has been reinforced with the entry of three Turkish construction companies.

- **28 November 2016: rating downgrade by Fitch Ratings**

OHL S.A. announced that Fitch Ratings has downgraded the corporate rating and unsecured senior debt of OHL from BB- to B+, with a negative outlook.

Despite this downgrade, of one level, the Fitch rating is still three levels above the Moody's rating, according to the last revision.

- **2 and 20 December 2016: binding offer to purchase up to 80% of Mayakoba and purchase agreement for 51%**

A binding offer by RLH Properties, S.A.B. de C.V. for up to 80% of the stake held by the Group in Mayakoba was accepted on 2 December 2016. The minimum % assured is 51% of the Rosewood and Fairmont Hotels and 51% of the companies owning the Banyan Tree and Andaz Hotels and the “El Camaleón” Golf Course, a transaction which materialised in an agreement dated 20 December 2016.

This transaction will generate an estimated cash inflow of 218 million euros (with a guaranteed minimum of 158 million in this agreement already signed) and a capital gain (including the value enhancement of the stake not sold) of approximately 71 million euros.

The conclusion is subject to the prior completion of a number of conditions typical of transactions of this kind, including the obtaining of the approval of the Federal Competition Commission of Mexico.

PRINCIPAL SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF ACCOUNTS FOR THE 2016 FINANCIAL YEAR

- **23 January 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 proceeds obtained, which total 331.9 million euros, will be used (i) to sooner repay the non-recourse financing backed by the 2.5% of this stake, in the amount of 272.9 million euros, likewise proceeding to release the existing hedge (collar), and (ii) to reduce the Group's gross recourse debt.

- **9 February 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), at the price of 78.8 million euros. The transaction will generate an estimated capital gain of approximately 29.0 million euros.

The conclusion of this transaction is subject to the completion of a number of suspensive conditions which are expected to be met shortly.

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 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 recurring dividends paid from the project companies to the Parent.

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.

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 2016

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