

**Sacyr Group
(Sacyr S.A. and Subsidiaries)**

**Consolidated Financial Statements and
Consolidated Management Report
AT 31 DECEMBER 2014
together with**

**THE AUDITORS' REPORT ON
THE CONSOLIDATED FINANCIAL STATEMENTS**

Independent Audit Report

SACYR, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2014

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 43)

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Sacyr, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Sacyr, S.A. (the parent company) and its subsidiaries (the Group), which comprise consolidated statement of financial position at December 31, 2014, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity, and the notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated financial position and the consolidated results of Sacyr, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Sacyr, S.A. and its subsidiaries at December 31, 2014, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated 2014 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2014 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of Sacyr, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.

Signed on the original in Spanish
Francisco V. Fernández Romero

April 24, 2015

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Sacyr Group

(Sacyr S.A. and Subsidiaries)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014 AND 2013**

Consolidated statement of financial position at 31 December (thousands of euros)

ASSETS	NOTE	2014	2013 (Restated)*	2012 (Restated)*
A) NON-CURRENT ASSETS		8.628.942	8.677.803	9.273.958
I. Property, plant and equipment	5	395.039	371.256	412.156
II. Concession projects	6	1.213.675	1.234.544	1.230.995
III. Investment property	7	1.846.596	1.860.918	2.447.468
IV. Other intangible assets	8	6.913	9.371	10.991
V. Goodwill	9	118.311	134.126	140.924
VI. Investments accounted for using the equity method	10	2.605.429	2.622.879	2.730.329
VII. Receivables from concessions	12	917.402	782.865	697.748
VIII. Non-current financial assets	13	448.105	483.224	306.319
IX. Derivative financial instruments	24	36.861	24	39
X. Deferred tax assets	14	1.039.966	1.178.593	1.295.724
XI. Other non-current assets		645	3	1.265
B) CURRENT ASSETS		3.148.818	3.819.724	4.546.292
I. Non-current assets held for sale	4	302.623	1.072.212	199.669
II. Inventories	15	386.356	402.927	1.862.368
III. Trade and other receivables	16	1.888.173	1.751.376	1.735.209
- Trade receivables for sales and services		339.080	333.092	456.993
- Receivable from construction contracts		1.161.390	1.045.551	1.000.303
- Personal		1.975	1.177	1.368
- Receivable from public entities		114.153	156.778	77.483
- Other receivables		271.575	214.778	199.062
IV. Receivables from concessions	12	49.906	81.785	76.314
V. Current financial investments	13	161.575	107.417	93.499
VI. Derivative financial instruments	24	1.710	2.435	3.255
VII. Cash and cash equivalents	17	358.475	393.917	567.940
VIII. Other current assets		0	7.655	8.038
TOTAL ASSETS		11.777.760	12.497.527	13.820.250

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

Notes 1 to 42 and the Appendices 1 and II form an integral part of this consolidated statement of financial position.

Consolidated statement of financial position at 31 December (thousands of euros)

EQUITY AND LIABILITIES	NOTE	2014	2013 (Restated)*	2012 (Restated)*
A) EQUITY	18	1.326.074	1.031.276	1.533.749
EQUITY OF THE PARENT		1.205.299	902.612	1.420.276
I. Share capital		502.212	465.915	443.728
II. Share premium		667.612	537.666	537.666
III. Reserves		130.356	578.159	1.670.916
IV. Profit for the year attributable to the Parent		32.720	(498.993)	(976.434)
V. Treasury shares		(49.301)	(47.722)	(47.559)
VI. Available-for-sale financial assets		64.302	88.067	19.719
VII. Hedging transactions		(140.680)	(102.933)	(174.458)
VIII. Translation differences		(2.000)	(118.080)	(54.814)
IX. Valuation adjustments		78	533	1.512
EQUITY OF NON-CONTROLLING INTERESTS		120.775	128.664	113.473
B) NON-CURRENT LIABILITIES		4.318.315	6.593.517	7.177.716
I. Deferred income	19	32.054	37.493	37.559
II. Non-current provisions	20.1	279.248	462.111	279.796
III. Interest-bearing loans and borrowings	22	3.411.860	5.557.672	6.225.456
IV. Non-current payables	23	243.887	271.581	390.730
V. Derivative financial instruments	24	132.704	116.768	156.045
VI. Deferred tax liabilities	14	215.275	145.423	86.575
VII. Non-current payables to associates		3.287	2.469	1.555
C) CURRENT LIABILITIES		6.133.371	4.872.734	5.108.785
I. Liabilities associated with non-current assets held for sale	4	219.771	1.048.639	0
II. Interest-bearing loans and borrowings	22	3.445.304	1.359.308	2.601.785
III. Trade and other payables	25	1.914.690	1.967.124	2.024.115
- Suppliers		1.604.348	1.682.104	1.781.117
- Personal		24.105	19.681	24.080
- Current tax liabilities		25.494	7.687	(5.911)
- Payable to public entities		108.654	113.224	104.064
- Other payables		152.089	144.428	120.765
IV. Current payables to associates	25	221.566	208.401	168.727
V. Derivative financial instruments	24	15.231	23.902	22.115
VI. Current provisions	20.2	315.908	265.360	292.043
VII. Other current liabilities		901	0	0
TOTAL LIABILITIES		11.777.760	12.497.527	13.820.250

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

Notes 1 to 42 and the Appendices 1 and II form an integral part of this consolidated statement of financial position.

Sacyr Group

(Sacyr S.A. and Subsidiaries)

**SEPARATE CONSOLIDATED INCOME STATEMENT
AT 31 DECEMBER 2014 AND 2013**

Separate consolidated income statement for the years
ended 31 December
(thousands of euros)

SEPARATE INCOME STATEMENT	NOTE	2014	2013 (Restated)*
Revenue	27	2.900.725	2.672.312
Own work capitalised		8.573	2.968
Other operating income		81.189	51.367
Government grants released to the income statement		2.476	3.115
Gain on disposal of assets	30	4.492	53.000
TOTAL OPERATING INCOME		2.997.455	2.782.762
Change in inventories		(52.118)	(78.347)
Procurements	28	(1.123.111)	(1.082.164)
Staff costs	40	(718.052)	(645.534)
Losses on disposal of assets	30	0	(7.891)
Depreciation and amortisation expense		(114.422)	(131.445)
Impairment of goodwill	9	(250)	0
Change in operating provisions		32.251	(49.051)
Change in provisions for non-current assets		28.249	(46.947)
Other operating expenses	29	(735.151)	(674.694)
TOTAL OPERATING EXPENSES		(2.682.604)	(2.716.073)
OPERATING PROFIT/(LOSS)		314.851	66.689
PROFIT/(LOSS) OF ASSOCIATES	10	171.398	170.578
GAIN/(LOSS) ON DISPOSAL OF ASSETS	31	24.312	24.022
Revenue from equity investments		3.684	0
Revenue from other marketable securities and asset-backed loans		11.855	9.036
Other interest and similar income		21.856	32.290
Exchange differences		27.734	0
TOTAL FINANCE INCOME		65.129	41.326
Finance costs and similar expenses		(320.241)	(341.007)
Change in provisions for financial investments		7.001	(54.643)
Gain/(loss) on financial instruments		(28.835)	(30.855)
Exchange differences		0	(8.967)
TOTAL FINANCE COSTS		(342.075)	(435.472)
FINANCIAL LOSS	32	(276.946)	(394.146)
CONSOLIDATED PROFIT BEFORE TAX		233.615	(132.857)
Corporate income tax	14	(194.268)	(182.127)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		39.347	(314.984)
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	4	0	(188.779)
CONSOLIDATED PROFIT FOR THE YEAR		39.347	(503.763)
NON-CONTROLLING INTERESTS		(6.627)	4.770
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		32.720	(498.993)
Basic earnings per share (euros)	33	0,07	(1,08)
Diluted earnings per share (euros)	33	0,11	(1,00)
Basic earnings per share for discontinued operations (euros)	33	0,00	(0,41)
Diluted earnings per share for discontinued operations (euros)	33	0,00	(0,41)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

Notes 1 to 42 and Appendices 1 and II form an integral part of this separate consolidated income statement.

Sacyr Group

(Sacyr S.A. and Subsidiaries)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT 31 DECEMBER 2014 AND 2013**

Consolidated statement of comprehensive income at 31 December (thousands of euros)

	NOTE	2014	2013 (Restated)*
CONSOLIDATED PROFIT FOR THE YEAR		39.347	(503.763)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY TO BE RECLASSIFIED IN THE FUTURE TO THE INCOME STATEMENT		72.031	21.185
From measurement of financial instruments	4	12.431	68.533
a) Available-for-sale financial assets		12.884	68.533
Investments accounted for on full consolidation		21.728	27.705
Investments accounted for using the equity method		(8.844)	40.828
b) Other income/(expenses)		(453)	0
Investments accounted for on full consolidation		(453)	0
From cash flow hedges		(59.083)	28.471
Investments accounted for on full consolidation	19	(56.296)	3.344
Investments accounted for using the equity method		(19.676)	26.130
Tax effect		16.889	(1.003)
Translation differences		118.683	(74.840)
Investments accounted for on full consolidation		1.441	(23.484)
Investments accounted for using the equity method		117.242	(51.356)
Other income and expense recognised directly in equity		0	(979)
TOTAL AMOUNTS TRANSFERRED TO THE SEPARATE INCOME STATEMENT		(15.214)	47.536
From measurement of financial instruments:	4	(36.649)	20.215
a) Available-for-sale financial assets		(40.403)	(185)
Investments accounted for using the equity method		(40.403)	(185)
b) Other income/expenses		3.754	20.400
Investments accounted for using the equity method		3.754	20.400
From cash flow hedges		21.793	32.398
Investments accounted for on full consolidation	19	28.835	30.855
Investments accounted for using the equity method		1.609	10.800
Tax effect		(8.651)	(9.257)
Translation differences from continuing operations		(358)	(185)
Investments accounted for using the equity method		(358)	(185)
Investments accounted for using the equity method		0	(4.892)
TOTAL COMPREHENSIVE INCOME		96.164	(435.042)
Attributable to the Parent		86.834	(423.365)
Attributable to non-controlling interests		9.330	(11.677)

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Notes 1 to 42 and Appendices 1 and II form an integral part of this consolidated statement of comprehensive income.

Sacyr Group

(Sacyr S.A. and Subsidiaries)

**CONSOLIDATED STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2014 AND 2013**

Consolidated statement of cash flows at 31 December (thousands of euros)

Thousands of euros	NOTES	2014	2013 (Restated)*
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3)			
1. Accounting loss before tax		233.615	(132.857)
2. Adjustments to profit/(loss)		163.998	426.989
(+) Depreciation and amortisation expense	5, 6, 7 and 8	114.422	131.445
(+/-) Other adjustment to profit/(loss) (net)		49.576	295.544
3. Changes in working capital		(218.330)	(87.074)
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)			
1. Payments on investments:		(608.354)	(111.712)
(-) Property, plant & equipment, intangible assets and property investments		(124.099)	(92.745)
(+) Other financial assets		(484.255)	(18.967)
2. Income from disposals		284.987	724.171
(-) Property, plant & equipment, intangible assets and property investments		67.041	550.456
(+) Other financial assets		217.946	173.715
3. Other cash flows from investing activities		308.587	158.402
(+) Cash flows from dividends		243.457	117.076
(+) Cash flows from interest		65.130	41.326
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)			
1. Cash flows and (payments) on share-based instruments		165.096	(22)
(+) Issue		166.243	0
(-) Acquisitions		(1.147)	(22)
2. Cash flows and (payments) on financial liability instruments		19.634	(718.053)
(+) Issue		467.798	453.121
(-) Redemption and amortisation		(448.164)	(1.171.174)
3. Other cash flows from finance activities		(384.675)	(433.867)
(-) Interest payments		(342.075)	(435.472)
(+/-) Other cash flows/(payments) from finance activities		(42.600)	1.605
D) INCREASE/(DECREASE) NET OF CASH AND CASH EQUIVALENTS (A+B+C)			
		(35.442)	(174.023)
E) CASH AND CASH EQUIVALENTS AT START OF YEAR			
	17	393.917	567.940
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)			
	17	358.475	393.917
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR			
(+) Cash on hand and at banks		282.342	331.174
(+) Other financial assets		76.133	62.743
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR		358.475	393.917

(*) As explained in Note 3, the consolidated statement of cash flows at 31 December 2013 has been restated.

Notes 1 to 42 and Appendices 1 and II form an integral part of this consolidated statement of cash flows.

Sacyr Group

(Sacyr S.A. and Subsidiaries)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2014 AND 2013**

Consolidated statement of changes in equity at 31 December (thousands of euros)

Thousands of euros	Equity attributable to the Parent					Valuation adjustments	Non-controlling interests	Total equity
	Shareholders' equity							
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit/(loss) for the year attributable to the Parent			
Ending balance at 31 March 2012 (Unaudited)*	443.728	537.666	1.670.916	(47.559)	(976.434)	(208.041)	113.473	1.533.749
Adjusted beginning balance	443.728	537.666	1.670.916	(47.559)	(976.434)	(208.041)	113.473	1.533.749
Total recognised income/(expense)	0	0	0	0	(498.993)	75.628	(11.677)	(435.042)
Transactions with owners	22.187	0	(22.024)	(163)	0	0	0	0
Capital increases/(reductions)	22.187	0	(22.187)	0	0	0	0	0
Transactions with treasury shares or own equity instruments (net)	0	0	163	(163)	0	0	0	0
Other changes in equity	0	0	(1.070.733)	0	976.434	0	26.868	(67.431)
Transfers between equity accounts	0	0	(976.434)	0	976.434	0	0	0
Other changes	0	0	(94.299)	0	0	0	26.868	(67.431)
Ending balance at 31 December 2013 (Unaudited)*	465.915	537.666	578.159	(47.722)	(498.993)	(132.413)	128.664	1.031.276

(*) As explained in Note 2, the interim consolidated statements of changes in equity at 31 December 2012 and 2013 have been restated.

Thousands of euros	Equity attributable to the Parent					Valuation adjustments	Non-controlling interests	Total equity
	Shareholders' equity							
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit/(loss) for the year attributable to the Parent			
Ending balance at 31 December 2013 (Unaudited)*	465.915	537.666	578.159	(47.722)	(498.993)	(132.413)	128.664	1.031.276
Adjusted beginning balance	465.915	537.666	578.159	(47.722)	(498.993)	(132.413)	128.664	1.031.276
Total recognised income/(expense)	0	0	0	0	32.720	54.113	9.330	96.163
Transactions with owners	36.297	129.946	1.579	(1.579)	0	0	0	166.243
Capital increases/(reductions)	36.297	129.946	0	0	0	0	0	166.243
Transactions with treasury shares or own equity instruments (net)	0	0	1.579	(1.579)	0	0	0	0
Other changes in equity	0	0	(449.382)	0	498.993	0	(17.219)	32.392
Transfers between equity accounts	0	0	(498.993)	0	498.993	0	0	0
Other changes	0	0	49.611	0	0	0	(17.219)	32.392
Ending balance at 31 December 2014 (Unaudited)*	502.212	667.612	130.356	(49.301)	32.720	(78.300)	120.775	1.326.074

(*) As explained in Note 2, the interim consolidated statement of changes in equity at 31 December 2013 has been restated.

Notes 1 to 42 and Appendices 1 and II form an integral part of this consolidated statement of changes in equity.

Sacyr Group

(Sacyr S.A. and Subsidiaries)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
2014**

1. Sacyr's activity

The Sacyr Group (formerly known as the Sacyr Vallehermoso Group until it changed its name following the approval of the General Shareholders' Meeting on 27 June 2013) is formed by the Parent, Sacyr, S.A. (formerly Sacyr Vallehermoso, S.A.), and its subsidiaries and associates, which are detailed in Appendix I. Sacyr, S.A. (formed in Spain) arose from the merger by absorption of the Sacyr, S.A. Group (absorbed company) into Vallehermoso, S.A. (absorbing company) in 2003, as explained in the financial statements for the year then ending.

The registered office of the Parent is Paseo de la Castellana, 83-85. The Parent is inscribed in the Madrid Mercantile Register, volume 1884, folio 165, sheet M-33841, entry 677, and its tax identification number is A-28013811.

The corporate purpose of the Parent Sacyr, S.A. is:

- a. The acquisition and construction of urban property for rent or sale.
- b. The renovation of buildings for subsequent rent or sale
- c. The purchase and sale of land, building rights and urban development lots, as well as their allocation, land transformation, development of urban infrastructure, division into lots, subdivision, compensation, etc., and, in some cases, subsequent construction of buildings, with involvement in the entire urban development process through to construction.
- d. The administration, conservation, maintenance and, in general, all activities related to the provision of urban facilities and services and the associated land, infrastructure, civil engineering works and other urban facilities provided for by local planning stipulations, either on the Company's own behalf or for third parties, and the provision of architecture, engineering and urban development services relating to the urban lots or their ownership.
- e. The provision and sale of all types of services and supplies relating to communications, IT and power distribution networks, as well as collaboration in the marketing and brokerage of insurance, security services and transport services, either on the Company's own behalf or for third parties.
- f. The management and administration of shopping centres, senior citizen homes and centres, hotels and tourist and student accommodation.
- g. The contracting, management and execution of all kinds of construction work in the broadest sense, both public and private, including roads, water supply projects, railways, port facilities, buildings, environmental projects and, in general, all activities related to construction.
- h. The purchase, administration, management, development, operation through rental or any other method, as well as the construction, purchase and sale of all types of properties, and consultancy in any of the above activities.
- i. The development of all types of engineering and architectural projects, as well as the management, oversight and advisory services on the execution of all types of construction work.
- j. The acquisition, holding, exploitation, administration and sale of all kinds of securities on the Company's own behalf, except for those activities reserved by law, and specifically by the Spanish Securities Market Act, to other types of entities.
- k. The management of public water supply, sewer systems and sewage works.

l. The management of all types of concessions, subsidies and administrative permits for projects, services and mixed ventures awarded to the Company by the central, regional, provincial and local governments, and investment in the capital of companies responsible for such concessions.

m. The operation of mines and quarries and the sale of the products extracted.

n. The manufacture, purchase, sale, import, export and distribution of equipment, and the installation of construction equipment and materials or other items for use in construction.

o. The acquisition, exploitation in any form, sale, transfer and disposal of all types of intellectual property and patents, and other kinds of industrial property.

p. The manufacture and sale of prefabricated and other products related to construction.

q. The management of Spanish and foreign subsidiaries and holdings in companies, by means of participation in the governing bodies. The strategic and administrative management of subsidiaries in Spain and abroad, together with consultancy on legal, financial, accounting, labour, budgetary, financial, fiscal, commercial and computer-related issues of these companies.

The Company may also carry out any of the activities comprised in its corporate purpose indirectly through equity investments in other entities or companies sharing similar or identical corporate purposes.

Appendix I provides a list of the subsidiaries that compose the Sacyr Group, their activities and registered addresses, and the percentage of ownership held by the Group.

2. Scope of consolidation and subsidiaries

For the purposes of preparing the consolidated financial statements, the companies that compose the Group are classified as follows:

a) Subsidiaries: those legally independent companies that form an economic unit with a unified management strategy, over which the Group exercises effective direct or indirect control.

b) Joint ventures: a joint arrangement in which the parties which have joint control over this arrangement hold rights over its net assets.

c) Jointly controlled operation: a joint arrangement in which the parties which have joint control over this arrangement hold rights over its net assets and have obligations with respect to its liabilities.

d) Associates: companies over which one or more Group companies has significant management influence.

a) Consolidated companies.

Subsidiaries have been fully consolidated, such that all the assets, rights and liabilities of subsidiaries are included in the consolidated statement of financial position of Sacyr S.A. and all the income and expenses used to determine the subsidiaries' results are included in the separate consolidated income statement.

As indicated in Note 3, under IFRS 11 (Joint arrangements), from 2014 onwards, the Group had been proportionately consolidating its investments in jointly controlled entities (a method which will not be applicable from 01 January 2014 onwards) under IAS 31 Interests in joint ventures.

Associates have been accounted for using the equity method. Under this method, an investment in an associate is initially recognised at cost and its carrying amount is then increased or decreased to reflect the Group's share in the profit or loss of the associate for the year, since the acquisition date. In the event of changes recognised directly in the associate's equity, the Group recognises its share of these changes directly in its own equity.

A1) 2013

Companies included within the scope of consolidation are listed in Appendix I, along with details of the ownership interest held, the consolidation method used, their classification group, the activity carried on, their registered office and other information.

Auditors' reports for the following companies, which are still being audited by an auditor other than the main auditor, were unavailable at the date on which these consolidated financial statements were prepared: Prinur, S.A., SIS, S.c.p.A., N6 Operation Ltd, Sacyr Concesiones Colombia, S.A.S., Tecnológica Lena, S.L., Sacyr Panamá, S.A., Sacyr Colombia, S.A., Sacyr Costa Rica, S.A., Sacyr India, S.A., Erantos, S.A., Boremer, S.A., NdP, S.c.p.A., Eurolink, S.c.p.A., N6 Construction Ltd, M50 D & C Ltd, Constructora San José – Caldera CSJC, S.A., Grupo Unido por el Canal, S.A., Sacyr Concessions Ltd, N6 Concession Holding Ltd, Sercanarias, S.A., Biorreciclaje de Cádiz, S.A., Parque Eólico La Sotonera, S.L., Valdemingómez 2000, S.A., Metrofang, S.L. and Suardiaz Servicios Marítimos de Barcelona, S.L.

The companies: Echezarreta, AIE,, Castellana Norte, S.A., Biothys, S.L., S.A., Agroconcer, S.A., Servicio de Estacionamiento Regulado, S.L., Tecnologías Medioambientales Asturianas, S.L., Sílices Turolenses, S.A. were excluded from the scope of consolidation since, as a whole, the effect of their inclusion in the consolidated Group was insignificant.

Items in the consolidated statement of financial position and separate consolidated income statement of the most significant consolidated foreign companies have been translated into euros at the following exchange rates:

Exchange rate	2013	
	Average	Year end
US dollar / euro	1,3281	1,3789
Australian dollar / euro	1,3774	1,5446
Chilean peso / euro	658,43	723,63
Libyan dinar / euro	1,6799	1,7011
Mexican peso / euro	16,9663	18,0565
Brazilian real / euro	2,8688	3,2453
New Mozambique metical / euro	40.090,53	41.369,38
Angolan kwanza / euro	128,2014	134,5516
Algerian dinar / euro	105,5828	107,4481
Peruvian nuevo sol / euro	3,5919	3,8547
Colombian peso / euro	2.483,90	2.660,55
Boliviano / euro	9,2051	9,525
Indian rupee / euro	77,8602	85,0613
Qatari rial / euro	4,8364	5,0220
Pound sterling / euro	0,8492	0,8323

A2) 2014

Companies included within the scope of consolidation are listed in Appendix I, along with details of the ownership interest held, the consolidation method used, their classification group, the activity carried on, their registered office and other information.

Auditors' reports for the following companies, which are still being audited by an auditor other than the main auditor, were unavailable at the date on which these consolidated financial statements were prepared: Prinur, S.A., SIS, S.c.p.A., N6 Operation Ltd, Sacyr Concesiones Colombia, S.A.S., Tecnológica Lena, S.L., Sacyr Panamá, S.A., Sacyr Colombia, S.A., Sacyr Costa Rica, S.A., Sacyr India, S.A., Erantos, S.A., Boremer, S.A., NdP, S.c.p.A., Eurolink, S.c.p.A., N6 Construction Ltd, M50 D & C Ltd, Constructora San José – Caldera CSJC, S.A., Grupo Unido por el Canal, S.A., Sacyr Concessions Ltd, N6 Concession Holding Ltd, Sercanarias, S.A., Biorreciclaje de Cádiz, S.A., Parque Eólico La Sotonera, S.L., Valdemingómez 2000, S.A., Metrofang, S.L. and Suardiá Services Marítimos de Barcelona, S.L.

The companies: Echezarreta, AIE,, Castellana Norte, S.A., Biothys, S.L., S.A., Agroconcer, S.A., Servicio de Estacionamiento Regulado, S.L., Tecnologías Medioambientales Asturianas, S.L., Sílices Turolenses, S.A. were excluded from the scope of consolidation since, as a whole, the effect of their inclusion in the consolidated Group was insignificant.

Items in the consolidated statement of financial position and separate consolidated income statement of the most significant consolidated foreign companies have been translated into euros at the following exchange rates:

Exchange rate	2014	
	Average	Year end
US dollar / euro	1,3289	1,2100
Australian dollar / euro	1,4728	1,4820
Chilean peso / euro	757,44	734,03
Libyan dinar / euro	1,6601	1,4494
Mexican peso / euro	17,6676	17,8443
Brazilian real / euro	3,1227	3,2164
New Mozambique metical / euro	41.656,64	41.153,00
Angolan kwanza / euro	130,6198	124,5010
Algerian dinar / euro	106,8806	105,7638
Peruvian nuevo sol/euro	3,7695	3,6097
Colombian peso / euro	2.655,61	2.876,00
Boliviano / euro	9,1822	8,352
Indian rupee / euro	81,1015	76,6271
Qatari rial / euro	4,8373	4,4070
Pound sterling / euro	0,8064	0,7766

b) Changes in the scope of consolidation

The Group files all relevant notices when its interest in any of its direct or indirect subsidiaries exceeds 10% and on any subsequent acquisitions of more than 5%.

B1) 2013

b.1.- Business combinations and other acquisitions or increases in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates

- On 11 February 2013, Sacyr Industrial, S.L.U. formed Sacyr Industrial Colombia, S.A.S., whose corporate purpose is the management and performance of R&D projects and feasibility studies; it holds a 100% interest and an investment of 211,056 euros.
- On 19 February 2013, Sacyr Concesiones, S.L. formed Sacyr Concesiones Colombia, S.A.S., whose corporate purpose is the construction and execution of all manner of infrastructure; it holds a 100% interest and an investment of 99,517 euros.
- On 07 March 2013, Sacyr Concessions Limited formed GSJ Maintenance Limited, whose corporate purpose is the performance of all manner of engineering, construction and assembly work; it holds a 45% interest and an investment of 22,500 euros.

- On 26 March 2013, Sacyr Industrial, S.L.U. formed Quatro T&D Limited, whose corporate purpose is the construction and start-up of electricity substations for the evacuation of energy from wind farms; it holds a 33% interest and an investment of 119,138 euros.
- On 01 April 2013, Sacyr Concesiones Participadas I, S.L. was included in the scope of consolidation. Its corporate purpose is the construction and execution of all manner of infrastructure; Sacyr Concesiones, S.L., its Parent, holds a 100% interest and an investment of 3,000 euros.
- On 03 April 2013, Sacyr Concesiones, S.L. and Sacyr Concesiones Participadas I, S.L. formed Sacyr Concesiones Perú, S.A.S., whose corporate purpose is the construction and execution of all manner of infrastructure; they hold interests of 99.99% and 0.01%, respectively, and an investment of 156,735.35 euros and 3.10 euros, respectively.
- At 30 April 2013, Sacyr Chile SC, S.A. was included in the scope of consolidation. Its corporate purpose is the performance of engineering, construction and assembly work; Sacyr Chile, S.A. holds a 100% interest and an investment of 72,734.33 euros.
- On 05 June 2013, Valoriza Conservación e Infraestructuras, S.A., formed Simulador Vialidad Invernal, S.L., whose corporate purpose is the preparation of training courses and programmes in new technologies; it holds a 60% interest and an investment of 7,200 euros.
- On 10 June 2013, Sacyr Concesiones Chile, S.A. and Sacyr Chile, S.A. formed S.C. Viales Andinas, S.A., whose corporate purpose is the design, construction and operation of public works; they hold an ownership interest of 98% and 2% respectively and an investment of 7,173 euros and 146 euros respectively.
- On 05 July 2013, Sacyr, S.A. formed Sacyr Gestión de Activos, S.L., whose corporate purpose is the acquisition and management of securities and the provision of advisory services; it holds a 100% interest and an investment of 4,000 euros.
- On 08 July 2013, Testa Inmuebles en Renta, S.A. formed Preim Defense 2, S.A., which engages in the real estate business; it holds a 32.3% interest and an investment of 75,005 thousand euros. This company owns the investment in Tesfran, S.A.
- On 11 July 2013, Sacyr Concesiones Chile, S.A. and Sacyr Chile, S.A. formed S.C. Rutas del Limarí S.A., whose corporate purpose is the design, construction and operation of the public works "Concession to improve and maintain Route Forty-Three of the Coquimbo Region"; it holds an ownership interest of 65% and 35% respectively and an investment of 19,031,724 euros and 10,026,499 euros respectively.
- On 24 July 2013, Sacyr Industrial, S.L.U. formed Sacyr Industrial Perú, S.A.C., whose corporate purpose is the management and performance of R&D projects and feasibility studies; it holds a 100% interest and an investment of 116,504 euros.
- On 05 August 2013, Sacyr Concesiones Chile, S.A. formed S.C. Salud Siglo XXI, S.A., whose corporate purpose is the design, construction and operation of the Antofagasta Hospital public works; it holds a 99% interest and an investment of 21,748,781 euros.
- On 06 September 2013, Sacyr Industrial, S.L.U. formed the Sainca, S.A.C. Group, whose corporate purpose is the management and performance of R&D projects and feasibility studies; it holds a 71% interest and an investment of 2,173 euros.

- On 11 October 2013, Valoriza Agua, S.L. formed Valorinima, S.L., whose corporate purpose is the management and performance of R&D projects and feasibility studies; it holds a 20% interest and an investment of 600 euros.
- On 30 October 2013, Valorinima, S.L. formed Economía Mixta de Aguas de Soria, S.L., whose corporate purpose is the storage, purification and treatment of water; it holds a 74% interest and an investment of 3,700,000 euros.

b.2.- Decrease in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates, and other similar transactions

- On 10 January 2013, as a result of having opted to receive a dividend in cash, Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. reduced its ownership interest in Repsol, S.A. by 0.2% to 9.529% as of that date. Subsequently, on 11 July 2013, Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. reduced its ownership interest in Repsol, S.A. by 0.146% to 9.23%, after once again opting to receive a cash dividend. Subsequently, on 27 November 2013, Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. performed the same operation, once again opting to receive a cash dividend, reducing its shareholding by 0.156% to 9.226% at 31 December 2013.
- On 27 February 2013, all the shares of the concession holder SyV Costa Rica Valle del Sol, S.A. were sold; the indirect holding of 35% of Autopista del Sol, S.A. was also sold.
- On 15 March 2013, the development company Habitat Network, S.A. was sold. The Group had held a 9.09% interest in this company.
- On 23 May 2013, Servicios Medioambientales y Energéticos de Valencia 2007, S.A. was dissolved, in which the Group had held a 99.83% interest.
- On 08 July 2013, Tesfran, S.A. was sold, in which the Group had held a 99.99% interest. This company became a subsidiary of Preim Defense 2, S.A.
- On 31 July 2013, the Irish concession holder M50 Concessions Holding, Ltd was sold, together with the indirect holding M50 Concessions, Ltd; the percentage of ownership therein was 45%.
- On 05 September 2013, Valoriza Proener Industrial, S.L. was dissolved, in which the Group had held a 60% interest.
- On 09 October 2013, the development company Aplicação Urbana, S.L. was sold. The Group had held a 50% interest in this company.
- On 21 November 2013, the merger took place whereby Vallehermoso División Promoción, S.A.U. absorbed the development company Tradirmi, S.L.; the percentage of ownership was 100%.
- On 26 November 2013, Biomeruelo de Energía, S.A. was dissolved, in which the Group had held a 20% interest.
- On 19 December 2013, Aeropuerto de la Región de Murcia, S.A. was dissolved, in which the Group had held a 12.86% interest.

B2) 2014

b.1.- Business combinations and other acquisitions or increases in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates

- On 08 April 2014, Sacyr Concesiones S.L. and Sacyr Concesiones Perú, S.A.C. formed Concesionaria Vial Sierra Norte, S.A., whose corporate purpose is the design, construction, renovation, improvement, periodic maintenance, conservation and operation of Stretch 2 of the Longitudinal Mountain Road; it holds an ownership interest of 35% and 32% respectively and an investment of 8,016,665.94 euros and 7,406,952.87 euros respectively.
- On 10 April 2014, Valoriza Gestión, S.A. formed Valoriza Minería, S.L., whose corporate purpose was the extraction of iron ore. Valoriza Gestión, S.A. holds a 100% holding and an investment of 500,000 euros.
- On 23 April 2014, Sacyr Concesiones Chile, S.A. formed the concessionaire Vespucio Oriente, S.A., whose corporate purpose is the execution, repair, conservation and operation of the fiscal public works known as Concesión Américo Vespucio Oriente; Sacyr Concesiones Chile S.A. holds a 50% interest and an investment of 59,792,531 euros.
- On 29 May 2014, Valoriza Facilities, S.A.U. increased its holding in Valoriza Servicios Sociosanitarios, S.L. by 24% representing an investment of 3,712,264.26 euros.
- On 30 May 2014, B.F. Constructions Limited joined the scope of consolidation. Its corporate purpose is the performance of construction and assembly work; Sacyr Construcción S.A.U. holds a 100% interest and an investment of 1,218.03 euros.
- On 30 May 2014, Sacyr Industrial UK, Ltd. was included in the scope of consolidation. Its corporate purpose is the performance of electrical and telecommunications construction projects. Sacyr Industrial, S.L.U. has a 100% holding and an investment of 122,64 euros.
- On 04 July 2014, Sacyr Construcción, S.A.U. formed Sacyr Construcción Participaciones Accionariales, S.L., whose corporate purpose is the acquisition, administration and management of securities in the capital of other companies; it holds a 100% interest and an investment of 60,463,000 euros.
- On 07 July 2014, Sacyr Industrial, S.L. and Valoriza Agua, S.L. formed Sacyr Industrial México, S.A. de C.V., whose corporate purpose is the performance of all manner of civil engineering and industrial work; they hold a 50% interest respectively and an investment of 1,410 euros respectively.
- On 10 July 2014, Valoriza Servicios Medioambientales, S.A. formed Planta de Tratamiento de Arraiz, S.L., whose corporate purpose is the construction, operation and maintenance of treatment plants and equipment; it holds a 70% interest and an investment of 2,100 euros.
- On 29 September 2014, the Italian company Consorcio Stabile Vis Società c.p.a. was formed, whose corporate purpose is the construction, management and execution of all manner of infrastructure. Its investees are Valoriza Servicios Medioambientales, S.A., Valoriza Facilities, S.A.U., Valoriza Agua, S.L. and Valoriza Conservación e Infraestructuras, S.A. with a 8% holding and an investment of 12,000 euros respectively, and Valoriza Gestión, S.A. with a 9% holding and an investment of 13,500 euros.

- On 05 June 2014, Sacyr Concesiones, S.L. and Sacyr Concesiones Perú, S.A.C. formed the company Sacyr Operación y Servicios Perú, S.A.C., whose corporate purpose is the construction, conservation and operation of all manner of road works; they hold interests of 0.004% and 99.996% respectively, and an investment of 1 euros and 6,876 euros respectively.
- On 01 September 2014, Sacyr Industrial Pty, Ltd. was included in the scope of consolidation. Its corporate purpose is the performance of electrical and telecommunications construction projects; Sacyr Industrial, S.L.U. holds a 100% interest and an investment of 2 euros.
- On 03 November 2014, Valoriza Renovables, S.L. was included in the scope of consolidation. Its corporate purpose is the management and operation of sludge or agricultural waste treatment plants, electricity and thermal combined heat and power; Sacyr Industrial, S.L.U. holds a 100% interest and an investment of 7,980,687 euros.
- On 28 August 2014, Sacyr Industrial, S.L. formed Consorcio 1420 5F Sacyrmondisa, S.A. de C.V., whose corporate purpose is the execution of the "north distribution" 253 SE 1420 project; it holds a 60% interest and an investment of 1,763 euros.
- On 25 August 2014, Sacyr Construcción México, S.A. de C.V. formed Consorcio GDL Viaducto S.A. de C.V., whose corporate purpose is the construction, operation and maintenance of civil engineering work and heavy construction work; it holds a 42% interest and an investment of 2,847 euros.
- On 12 August 2014, Sacyr Construcción México, S.A. de C.V. formed Consorcio Túnel Guadalajara S.A. de C.V., whose corporate purpose is the construction of works for electrical and railway transportation; it holds a 42% interest and an investment of 2,853 euros.

b.2.- Decrease in interests in subsidiaries, joint ventures, jointly controlled operations and/or associates, and other similar transactions

- On 27 January 2014, Gestora Canaria de Lodos de Depuradora, S.L. was dissolved, in which the Group had held a 85% interest.
- On 20 February 2014, Sacyr Industrial, S.L.U. sold Olextra, S.A. and Extragol, S.L.; The Group had held 87.59% and 68.76% interests respectively in this company.
- On 10 March 2014, Sacyr Concesiones, S.L. formalised the sale of its investee Metro de Sevilla, Sociedad Concesionaria de la Junta de Andalucía, S.A. Its ownership interest was 32.77%.
- On 14 March 2014, Sacyr Concesiones, S.L. sold 49% of its holding in Hospitales Concesionados S.L., which indirectly led to the sale of 49% of the holding in the concessionaires Hospitales de Parla, S.A.U. and Hospital del Noroeste, S.A.; the ownership interest prior to the sale was 100%.
- On 30 June 2014, Testa Inmuebles en Renta, S.A. sold 12% of its holding in Preim Defense 2, S.A.; the ownership interest after the sale was 20%; subsequently, on 25 September, it sold the remaining 20%.
- On 18 December 2014, the merger took place whereby Vallehermoso División Promoción, S.A.U. absorbed the development company Fortuna Golf, S.L.; the percentage of ownership was 100%.

3. Basis of presentation and consolidation

a) Basis of presentation

The Parent's directors have prepared these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

a.1) Standards and interpretations adopted by the European Union applicable in 2014

The accounting policies used to prepare these consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2013, except the following standards, interpretations and amendments required, where appropriate, to restate the consolidated financial statements for the previous year:

- IFRS 10 Consolidated financial statements

From 01 January 2014, under IFRS 10 Consolidated financial statements, the Sacyr Group reassessed the applicable accounting policies to determine its level of control over the concessionaires in which has an interest under the new accounting framework applicable to determine control over an investee.

In previous reporting periods, under the applicable accounting standard (IAS 27), considering that the companies involved were in the initial stages of operation and that the arrangements entered into with other venturers required joint approval of any amendments to the engineering and construction contract and the contract for the operation and maintenance of the concessions, the Group considered that for the Chilean companies (S.C. Rutas del Desierto, S.A, S.C. Valles del Bio Bio, S.A. and S.C. Valles del Desierto, S.A.) consent of shareholders was necessary for decisions regarding the operating and financial policies of the concessions. Accordingly, it was presumed that joint control existed. Under the scope of the new standard applicable from 1 January 2014 (IFRS 10) and with the new definition of control, which considers the power to direct the relevant activities of the companies, the Group reassessed its relevant activities at the foregoing companies, concluding that these entailed budgetary approvals and financing decisions. Therefore, the other shareholders only hold protective rights. Accordingly, the Group has control and fully consolidates the three Chilean concessionaires. Additionally, at Autopista del Guadalmedina Concesionaria, S.A. the voting rights held by other shareholders and controlled by the Group were considered.

As a result of both effects, the Group fully consolidated the four companies indicated.

The effect of the change of the applicable consolidation method on the consolidated statement of financial position at 31 December 2013 and 2012 and on the separate consolidated income statement for 2013 is included in Note 3-b).

- IFRS 11 Joint arrangements, IAS 28 Investments in associates and joint ventures

The Group does not consider that the application from 2014 onwards of IFRS 11 Joint arrangements will have any impact on equity in the Group's consolidated financial statements. However, this application will involve significant changes to the Group's financial statements, since up to the date of the 2013 consolidated financial statements, the Group has been proportionately consolidating its investments in jointly controlled entities (a method which will not be applicable

from 01 January 2014 onwards) under IAS 31 Interests in joint ventures. The Group analysed all the joint arrangements in order to classify them as jointly controlled operations or joint ventures, and to determine, where appropriate, the necessary reclassifications of the headings of the consolidated statement of financial position and of the separate consolidated income statement. In this connection, the effect of the applicable change of consolidation method on the consolidated statement of financial position at 31 December 2013 and 2012 and on the 2013 separate consolidated income statement is included in Note 2-b).

- IFRS 12 - Disclosure of interests in other entities

IFRS 12 establishes the disclosure requirements relating to investments of a company in its subsidiaries, joint ventures, associates and structured companies. The requirements of IFRS 12 are more detailed than those previously existing for subsidiaries.

a.2) Standards and interpretations approved by the European Union which are not of obligatory application in the year.

The Group intends to adopt the standards, interpretations and amendments issued by IASB, which are not obligatory in the European Union at the date of preparation of these consolidated financial statements, when they enter into force, if they are applicable to it. The Group is currently analysing their impact. Based on the analyses performed to date, the Group estimates that their initial application will have no significant impact on the consolidated financial statements.

The 2014 individual financial statements of each Group company will be presented for approval at the respective General Shareholders' Meetings within the periods established by prevailing legislation. The Sacyr Group's consolidated financial statements for 2014 were prepared by the Parent's Board of Directors on 26 March 2015. They are expected to be approved by the Parent's General Shareholders' Meeting without amendments.

Unless stated otherwise, the figures in these consolidated financial statements are shown in thousands of euros, rounded to the nearest thousand.

b) Comparative information

For comparison purposes, the consolidated financial statements include the figures at the end of the previous last two years in the consolidated statement of financial position and for the last year in the the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, while the the separate consolidated income statement presents the figures for 2013 and 2014. Notes to items in the separate consolidated income statement and consolidated statement of financial position show comparative information for the previous year's close.

In order to facilitate the comparison of the information for this year with that of prior years, the financial information presented for 2013 and 2012 appearing in these consolidated financial statements was unified. Such unification was made under IFRS 10 Consolidated financial statements and under IFRS 11 Joint arrangements.

The Sacyr Group reassessed the applicable accounting policies to determine its level of control over the concessionaires in which has an interest under the new accounting framework applicable to determine control over an investee (IFRS 10).

In previous reporting periods, under the applicable accounting standard (IAS 27), considering that the companies involved were in the initial stages of operation and that the arrangements entered into with other venturers required joint approval of any amendments to the engineering and construction contract and the contract for the operation and maintenance of the concessions, the Group considered that for the Chilean companies (S.C. Rutas del Desierto, S.A, S.C. Valles del Bio Bio, S.A. and S.C. Valles del Desierto, S.A.) consent of shareholders was necessary for decisions regarding the operating and financial policies of the concessions. Accordingly, it was presumed that joint control existed. Under the scope of the new standard applicable from 1 January 2014 (IFRS 10) and with the new definition of control, which considers the power to direct the relevant activities of the companies, the Group reassessed its relevant activities at the foregoing companies, concluding that these entailed budgetary approvals and financing decisions. Therefore, the other shareholders only hold protective rights. Accordingly, the Group has control and fully consolidates the three Chilean concessionaires. Additionally, the voting rights held by the Group in Autopista del Guadalmedina Concesionaria, S.A. were recalculated. The percentage of control erroneously counted was corrected, since the voting rights held by other shareholders and controlled by the Group had not been considered.

As a result of both effects, the Group fully consolidated the four concessions indicated, which had been accounted for using the equity method in 2013, with the following impact in 2013 and 2012:

<i>Thousands of euros</i>	2013		2012	
	GUADALMEDINA	CHILEAN COMPANIES	GUADALMEDINA	CHILEAN COMPANIES
ASSETS				
A) NON-CURRENT ASSETS	286.522	363.293	292.199	282.336
I. Property, plant and equipment	137	151	160	381
II. Concession projects	343.543	0	346.911	0
III. Other intangible assets	33	1	37	8
IV. Investments accounted for using the equity method	(30.502)	(70.111)	(30.477)	(74.991)
V. Receivables from concessions	0	349.455	0	295.329
VI. Non-current financial assets	(41.764)	12.553	(39.533)	35.551
VII. Deferred tax assets	15.075	71.244	15.101	26.058
B) CURRENT ASSETS	5.177	39.727	7.026	39.698
I. Trade and other receivables	154	8.323	(5.914)	(1.415)
II. Current financial investments	(2.382)	0	(2.556)	0
III. Derivative financial instruments	0	2.435	0	3.255
IV. Cash and cash equivalents	7.405	28.969	15.496	37.858
TOTAL ASSETS	291.699	403.020	299.225	322.034

<i>Thousands of euros</i>	2013		2012	
	GUADALMEDINA	CHILEAN COMPANIES	GUADALMEDINA	CHILEAN COMPANIES
LIABILITIES				
A) EQUITY	14.848	58.995	15.711	42.159
EQUITY OF THE PARENT	(8.028)	0	(7.147)	0
EQUITY OF NON-CONTROLLING INTERESTS	22.876	58.995	22.858	42.159
B) NON-CURRENT LIABILITIES	265.281	317.886	270.528	258.703
I. Non-current provisions	2.011	0	1.069	0
II. Interest-bearing loans and borrowings	152.357	265.798	152.567	249.137
III. Non-current payables	100.777	(26.548)	95.745	(22.261)
IV. Derivative financial instruments	10.136	6.980	21.147	6.315
V. Deferred tax liabilities	0	71.656	0	25.512
C) CURRENT LIABILITIES	11.570	34.695	12.986	21.172
I. Interest-bearing loans and borrowings	468	12.567	2.050	8.079
II. Trade and other payables	6.535	13.572	6.253	13.093
III. Derivative financial instruments	4.567	0	4.683	0
TOTAL LIABILITIES	291.699	411.576	299.225	322.034

Thousands of euros

	2013	
SEPARATE INCOME STATEMENT	GUADALMEDINA	CHILEAN COMPANIES
Revenue	8.060	25.770
TOTAL OPERATING INCOME	8.620	25.851
TOTAL OPERATING EXPENSES	(7.957)	1.669
OPERATING PROFIT/(LOSS)	663	27.520
PROFIT/(LOSS) OF ASSOCIATES	2.878	(5.096)
GAIN/(LOSS) ON DISPOSAL OF ASSETS	0	0
TOTAL FINANCE INCOME	(255)	2.313
TOTAL FINANCE COSTS	(11.589)	(19.339)
FINANCIAL LOSS	(11.844)	(17.026)
CONSOLIDATED PROFIT BEFORE TAX	(8.303)	5.398
Corporate income tax	3.084	(1.422)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	(5.219)	3.976
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	0	0
CONSOLIDATED PROFIT FOR THE YEAR	(5.219)	3.976
NON-CONTROLLING INTERESTS	2.158	(3.976)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	(3.061)	0

As a result of the effects of the application of IFRS 10 and IFRS 11 mentioned previously, and with regard to the presentation of these consolidated financial statements, 2013 and 2012 were unified, thereby including the effect arising from the aforementioned changes:

ASSETS	2013 Audited	2013 Restated	2012 Audited	2012 Restated
A) NON-CURRENT ASSETS	8.905.596	8.677.803	9.787.236	9.273.958
I. Property, plant and equipment	478.772	371.256	552.712	412.156
II. Concession projects	1.384.566	1.234.544	1.384.558	1.230.995
III. Investment property	1.869.197	1.860.918	2.494.075	2.447.468
IV. Other intangible assets	10.192	9.371	11.614	10.991
V. Goodwill	136.129	134.126	143.128	140.924
VI. Investments accounted for using the equity method	2.527.605	2.622.879	2.606.506	2.730.329
VII. Receivables from concessions	824.092	782.865	950.506	697.748
VIII. Non-current financial assets	499.898	483.224	316.879	306.319
IX. Derivative financial instruments	24	24	39	39
X. Deferred tax assets	1.175.118	1.178.593	1.325.174	1.295.724
XI. Other non-current assets	3	3	2.045	1.265
B) CURRENT ASSETS	4.251.676	3.819.724	5.174.013	4.546.292
I. Non-current assets held for sale	1.084.769	1.072.212	199.668	199.669
II. Inventories	483.905	402.927	1.996.548	1.862.368
III. Trade and other receivables	1.968.341	1.751.376	2.084.760	1.735.209
- Trade receivables for sales and services	457.716	333.092	486.783	456.993
- Receivable from construction contracts	1.233.767	1.045.551	1.385.683	1.000.303
- Personal	1.240	1.177	1.453	1.368
- Receivable from public entities	160.445	156.778	86.370	77.483
- Other receivables	115.173	214.778	124.471	199.062
IV. Receivables from concessions	111.523	81.785	120.589	76.314
V. Current financial investments	123.953	107.417	104.805	93.499
VI. Derivative financial instruments	1.671	2.435	2.373	3.255
VII. Cash and cash equivalents	447.930	393.917	625.337	567.940
VIII. Other current assets	29.584	7.655	39.933	8.038
TOTAL ASSETS	13.157.272	12.497.527	14.961.249	13.820.250

LIABILITIES	2013 Audited	2013 Restated	2012 Audited	2012 Restated
A) EQUITY	967.507	1.031.276	1.476.156	1.533.749
EQUITY OF THE PARENT	919.983	902.612	1.427.762	1.420.276
I. Share capital	465.915	465.915	443.728	443.728
II. Share premium	537.666	537.666	537.666	537.666
III. Reserves	592.275	578.159	1.679.503	1.670.916
IV. Profit for the year attributable to the Parent	(495.931)	(498.993)	(977.536)	(976.434)
V. Treasury shares	(47.722)	(47.722)	(47.559)	(47.559)
VI. Available-for-sale financial assets	88.067	88.067	19.719	19.719
VII. Hedging transactions	(102.933)	(102.933)	(174.458)	(174.458)
VIII. Translation differences	(117.887)	(118.080)	(54.813)	(54.814)
IX. Valuation adjustments	533	533	1.512	1.512
EQUITY OF NON-CONTROLLING INTERESTS	47.524	128.664	48.394	113.473
B) NON-CURRENT LIABILITIES	6.646.875	6.593.517	7.723.907	7.177.716
I. Deferred income	71.465	37.493	81.060	37.559
II. Non-current provisions	213.129	462.111	198.429	279.796
III. Interest-bearing loans and borrowings	5.713.856	5.557.672	6.634.815	6.225.456
IV. Non-current payables	373.079	271.581	488.025	390.730
V. Derivative financial instruments	139.071	116.768	216.756	156.045
VI. Deferred tax liabilities	134.669	145.423	103.267	86.575
VII. Non-current payables to associates	1.606	2.469	1.555	1.555
C) CURRENT LIABILITIES	5.542.890	4.872.734	5.761.186	5.108.785
I. Liabilities associated with non-current assets held for sale	1.060.378	1.048.639	0	0
II. Interest-bearing loans and borrowings	1.442.286	1.359.308	2.738.783	2.601.785
III. Trade and other payables	2.723.731	1.967.124	2.676.280	2.024.115
- Suppliers	2.357.669	1.682.104	2.350.924	1.781.117
- Personal	24.982	19.681	29.867	24.080
- Current tax liabilities	12.063	7.687	(1.654)	(5.911)
- Payable to public entities	119.893	113.224	118.990	104.064
- Other payables	209.124	144.428	178.153	120.765
IV. Current payables to associates	18.241	208.401	21.999	168.727
V. Derivative financial instruments	24.739	23.902	23.077	22.115
VI. Current provisions	273.515	265.360	301.047	292.043
TOTAL LIABILITIES	13.157.272	12.497.527	14.961.249	13.820.250

SEPARATE INCOME STATEMENT	2013 Audited	2013 Restated
Revenue	3.065.026	2.672.312
Own work capitalised	12.562	2.968
Other operating income	116.526	51.367
Government grants released to the income statement	4.221	3.115
Gain on disposal of assets	53.000	53.000
TOTAL OPERATING INCOME	3.251.335	2.782.762
Change in inventories	(79.589)	(78.347)
Procurements	(1.432.241)	(1.082.164)
Staff costs	(768.097)	(645.534)
Losses on disposal of assets	(7.891)	(7.891)
Depreciation and amortisation expense	(186.761)	(131.445)
Impairment of goodwill	(200)	0
Change in operating provisions	(52.425)	(49.051)
Change in provisions for non-current assets	(51.933)	(46.947)
Other operating expenses	(581.129)	(674.694)
TOTAL OPERATING EXPENSES	(3.160.266)	(2.716.073)
OPERATING PROFIT/(LOSS)	91.069	66.689
PROFIT/(LOSS) OF ASSOCIATES	160.137	170.578
GAIN/(LOSS) ON DISPOSAL OF ASSETS	27.864	24.022
Revenue from other marketable securities and asset-backed loans	6.017	9.036
Other interest and similar income	32.710	32.290
Exchange differences	0	0
TOTAL FINANCE INCOME	38.727	41.326
Finance costs and similar expenses	(351.947)	(341.007)
Change in provisions for financial investments	(46.270)	(54.643)
Net finance costs taken to investments	0	0
Gain/(loss) on financial instruments	(35.653)	(30.855)
Exchange differences	(9.904)	(8.967)
TOTAL FINANCE COSTS	(443.774)	(435.472)
FINANCIAL LOSS	(405.047)	(394.146)
CONSOLIDATED PROFIT BEFORE TAX	(125.977)	(132.857)
Corporate income tax	(187.667)	(182.127)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	(313.644)	(314.984)
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	(188.874)	(188.779)
CONSOLIDATED PROFIT FOR THE YEAR	(502.518)	(503.763)
NON-CONTROLLING INTERESTS	6.587	4.770
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	(495.931)	(498.993)

c) Accounting policies

The accompanying consolidated financial statements were prepared in accordance with IFRS and comprise the consolidated statement of financial position, separate consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity, and the accompanying notes, which form an integral part of the consolidated financial statements. These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments held for trading, available-for-sale financial assets and derivative financial instruments, which have been measured at fair value.

At 31 December 2014, although the Group still had a working capital deficiency, it prepared its consolidated financial statements in accordance with the going-concern principle.

The Group's directors prepared the financial statements in accordance with the going-concern principle, since this situation will not affect the Group's future development. Nevertheless, the following factors tend to reduce the effects of this situation:

- New financing obtained on the basis of long-term business plans and the quality of the Group's assets.
- Generation of cash flow from the Group's recurring activities.
- Sale of non-strategic assets in 2015.
- Refinancing of short-term borrowings. In addition, financial institutions have already rolled over debt maturing up to the date of authorisation for issue of these financial statements (REPSOL). For remaining maturities in 2015, based on negotiations with the financial institutions, the Company's directors are convinced that the loans and credit facilities will be renewed at long term.

Thanks to these factors, the Group considers that it is adapting rapidly to the market's current needs and mitigating its liquidity risk and that this process will make it stronger.

The accounting policies were applied uniformly to all Group companies.

The most significant accounting policies applied by the Sacyr Group in preparing the consolidated financial statements under IFRS are as follows:

c.1) Use of judgements and estimates

In preparing the consolidated financial statements the Group's directors have used estimates to measure certain items. These estimates are based on past experience and various other factors believed to be reasonable under the circumstances. These estimates refer to:

- The assessment of potential impairment losses on certain assets (see Notes 5, 6, 7, 8, 9 and 10).
- The useful life of property, plant and equipment and intangible assets (see Notes 5, 6, 8 and 9).
- The recoverability of deferred tax assets (see Note 14).
- Estimates for the consumption of concession assets (see Note 6).
- Provisions against liabilities (see Note 20).

The Group continuously revises its estimates. However, given the inherent uncertainty of such estimates, there is a substantial risk of significant changes in the future value of both assets and liabilities should the assumptions, facts or circumstances on which these estimates were based change significantly. The key assumptions about the future and other significant data regarding the estimation of uncertainty at the reporting date that carry a significant risk of causing material changes in the value of assets or liabilities in the coming year are as follows:

- Impairment of non-financial non-current assets

The Group assesses non-financial assets annually for indications of impairment, based on appropriate impairment tests where circumstances make it advisable to do so.

- Deferred tax assets

Deferred tax assets are recognised based on the Group's estimate of their future recoverability in light of projected future taxable profit.

- Provisions

The Group recognises provisions against risks based on judgements and estimates as to their probability and the amount of any loss, recognising the corresponding provision when the risk is considered probable.

- Measurement of fair value, value in use and present value.

Measurements of fair value, value in use and present value require the Group to calculate future cash flows and make assumptions about the future values of these flows and the discount rates to apply. Estimates and assumptions are based on past experience and other factors believed to be reasonable under the circumstances.

c.2) Basis of consolidation

The consolidated financial statements comprise the financial statements of Sacyr, S.A. and subsidiaries at 31 December 2014 and 2013. The financial statements of the subsidiaries are prepared for the same accounting period as those of the Parent, using uniform accounting policies. Adjustments are made as required to harmonise any differences in accounting policies.

Information on subsidiaries, joint ventures and associates is provided in Appendix I, which forms an integral part of these consolidated financial statements.

c.2.1 Basis of consolidation

Consolidated companies are consolidated from the date that the Group obtains control of the company and deconsolidated when the Group ceases to exercise control. When control of a subsidiary ceases during the course of a year, the consolidated financial statements report its results for that part of the year when the subsidiary was under Group control only.

c.2.2 Subsidiaries

Companies included in the scope of consolidation are fully consolidated in the following circumstances: (i) when the Parent company has a direct or indirect shareholding of over 50% and a majority of the voting rights in the corresponding

governing bodies, (ii) when the ownership interest is equal to or less than 50% but there are agreements between shareholders that allow the Sacyr Group to control the management of the subsidiary.

However in 2014 and 2013, cases arose in which, despite having met the aforementioned conditions, as a result of an agreement between the shareholders of a subsidiary obliging a reinforced majority to be obtained in certain aspects of special significance within the governing body thereof, the company was accounted for using the equity method. This situation arose at Hospitales Concesionados, S.L., Hospital del Noreste, S.A., Hospital de Parla, S.A., Autovías de Peaje en Sombra, S.L., Autovía del Noroeste Concesionaria de CARM, S.A., Autovía del Turia, Concesionaria Generalitat Valenciana S.A., Concesiones de Intercambiadores de Transporte, S.L, Intercambiador de Transportes de Moncloa, S.A., Intercambiador de Transporte de Plaza Elíptica, S.A., Autovía del Arlanzón, S.A. and Pazo de Congreso de Vigo, S.A.

c.2.3 Jointly controlled operations

Joint operations included in the scope of consolidation were proportionately consolidated: they have two or more venturers related by a contractual agreement, which establishes the existence of joint control (see Note 3.a). The Group reports its share of the assets, liabilities, income and expenses of the joint venture, line by line and at the percentage of ownership, in its financial statements.

The Sacyr Group also includes temporary joint ventures (Uniones Temporales de Empresas, or UTEs) and economic interest groupings (Agrupaciones de Interés Económico, or AIEs) under this heading.

c.2.4 Associates

The companies in which the Sacyr Group does not hold control but over which it does exercise significant influence or joint control in those cases in which the requirements of IFRS 11 are not met in order to be classified as "Jointly controlled operations" were accounted for using the equity method. In preparing these consolidated financial statements it has been assumed that the Group exercises significant influence over those companies in which it has a holding of over 20%, except in specific cases in which its holding is less than 20% but the existence of a significant influence can be clearly demonstrated.

Investments in associates are recognised in the consolidated statement of financial position at cost plus changes in the percentage of ownership subsequent to the initial acquisition, depending on the Group's interest in the net assets of the associate, less any impairment in value. The separate consolidated income statement reports the Group's percentage interest in the profit or loss of the associate. In the event of changes recognised directly in the associate's equity, the Group recognises its share of these changes directly in its own equity.

c.2.5 Transactions between companies included in the scope of consolidation

The following transactions and balances have been eliminated on consolidation:

- Positive and negative balances and costs and income arising from intra-group transactions.

- Gains and losses from buying and selling property, plant and equipment and any material unrealised gains on inventories or other assets.
- Internal dividends and interim dividends payable recognised by the company paying them.

c.2.6 Financial year-end

The reporting date for the financial statements of most Sacyr Group companies is 31 December. Companies whose financial years do not end on 31 December have prepared pro-forma financial statements as at that date.

c.2.7 Non-controlling interests

The interest of minority shareholders in the equity and profit or loss of the consolidated subsidiaries is presented under "Equity attributable to non-controlling interests" in the consolidated statement of financial position and under "Non-controlling interests" in the separate consolidated income statement, respectively.

c.2.8 Translation of financial statements of foreign subsidiaries

The consolidated statement of financial position and separate consolidated income statement items of consolidated foreign companies are translated to euros using the year-end exchange rate method, which means:

- All assets, rights and obligations are converted to euros using the exchange rate prevailing at the foreign subsidiaries' reporting date.
- Separate consolidated income statement items are translated at the average exchange rate for the year.
- The difference between the equity of foreign companies, including the separate consolidated income indicated in the preceding section, translated at historical exchange rates, and the equity arrived at by translating the assets, rights and liabilities using the above criteria, is shown with a negative or positive sign as "Translation differences" under Equity in the consolidated statement of financial position.

Transactions in currencies other than each company's functional currency are recognised at the exchange rates prevailing at the transaction date and are subsequently translated to euros as explained in this note.

c.3) Business combinations and goodwill

Business combinations are recognised using the acquisition method.

Identifiable assets acquired and liabilities assumed are recognised at their fair value at the acquisition date. In each business combination, the acquirer measures any non-controlling interests in the acquiree company at either fair value or the proportional share of minority interest in identifiable net assets of the acquiree. Acquisition costs are recognised as expenses in the income statement.

When the Group acquires a business, it will classify or designate the acquired assets and liabilities as necessary based on contractual agreements, economic circumstances, accounting and operating policies and other relevant conditions applying at the acquisition date.

If the business combination is carried out in several steps, the Group remeasures its previous interest in the equity of the acquiree previously held at fair value at the acquisition date and recognises any resulting gains or losses in income.

Any contingent consideration that the Group transfers is recognised at fair value at the acquisition date. Changes in fair value of contingent considerations classified as an asset or liability are recognised in accordance with IAS 39, with any resulting gain or loss being recognised in either income or other comprehensive income. If the contingent consideration is classified as equity it is not remeasured and subsequent settlement is accounted for within equity.

Goodwill arising from a business combination is initially measured at cost at the time of the acquisition. This is the excess of the consideration transferred plus any non-controlling interest in the acquiree over net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the acquiree's net assets, the difference is recognised in income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit(s) is less than their carrying amount, the Group recognises an impairment loss.

Impairment losses relating to goodwill cannot be reversed in future periods.

If goodwill has been allocated to a cash-generating unit and the entity sells or otherwise disposes of an activity from this unit, goodwill associated with the activity is included in the carrying amount of the business when determining the gain or loss from the disposal, and it is measured based on the relative values of the activity disposed of and the retained portion of the cash-generating unit.

c.4) Other intangible assets

These include computer software, development costs, key money and greenhouse gas emission rights. These assets are carried at acquisition or production cost, less accumulated amortisation and any accumulated impairment losses. An intangible asset is recognised only if it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Costs incurred in each development project are capitalised when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete the asset for use or sale,
- how the asset will generate future economic benefits,
- the availability of resources to complete the asset, and
- the ability to measure reliably the expenditure during development.

Capitalised development costs are amortised over the period of expected future revenue or benefit from the project.

“Computer software” shows the carrying amount of computer programmes acquired from third parties and intended for use over several years. Computer software is amortised over its useful life, which is generally four years.

“Key money” is the amount paid for the right to lease business premises. Key money is amortised over its useful life, which is generally five years.

“Greenhouse gas emission rights” are rights received under the various national allocation plans.

In light of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, which set a European Community target for reduction of greenhouse gas emissions, an emissions rights trading system has been created.

Emission rights are measured at their price of acquisition or production. On 31 December 2014, Sendeco, the Spanish CO2 emission rights trading system, published the price of a CO2 emission right at 7.24 euros (4.84 euros in 2013). These rights are measured at the start of each calendar year. A balancing entry is made under “Government grants” and released to income as the rights are used. Emission rights are not amortised but a provision for emission costs is recognised under “Provisions for contingencies and expenses” in line with the actual use of the greenhouse gas emission rights. In April of each year the rights consumed in the previous year are settled with the authorities and adjustments are made to greenhouse gas emission rights under intangible assets, provisions and government grants.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net proceeds of disposal and the carrying amount of the asset. They are recognised in the separate consolidated income statement when the asset is derecognised.

c.5) Property, plant and equipment

Property, plant and equipment is measured at cost, including all directly related costs incurred before the asset becomes available for use, net of accumulated depreciation and accumulated impairment losses.

Costs of expanding, upgrading or improving property, plant and equipment that increase its productivity, capacity or efficiency, or prolong its useful life are capitalised as an increase in the cost of the asset.

Repair and maintenance costs for the year are recognised in the separate consolidated income statement.

Leased assets in which the terms of the arrangement transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. Properties acquired through finance leases are carried at the lower of fair value and

the present value of the minimum lease payments at the inception of the lease, less any accumulated depreciation and impairment.

Depreciation is recognised in the separate consolidated income statement on a straight-line basis over the estimated useful life of each asset. Depreciation of the assets begins from the moment they become available for use.

The cost of property, plant and equipment is depreciated using the straight-line method over the period of the asset's estimated useful life, except for machinery, which is depreciated using the declining balance method in nearly all cases:

Buildings for own use	50 - 68
Machinery	5 - 10
Materials for installations	2 - 4
Tools and associated equipment	4 - 8
Transport equipment	5 - 8
Furniture and fittings	9 - 12
Data processing equipment	3 - 4
Complex pieces of plant and equipment	2 - 4
Other property, plant and equipment	5

At the end of each reporting period, the Group reviews and, where necessary, adjusts the assets' residual values, useful life and depreciation method.

Borrowing costs that are directly attributable to the acquisition or development of property, plant and equipment are capitalised when assets require more than a year to be ready for use.

c.6) Investment properties

Investment properties are recognised at cost, including directly attributable start-up costs, the initial estimate of decommissioning costs and transaction costs. Subsequent investments in the property are recognised at cost, applying the same criteria as for property, plant and equipment.

In accordance with the accounting treatment required by IAS 23, borrowing costs that are directly attributable to the acquisition or development of investment property are capitalised when assets require more than a year to be ready for their intended use.

The costs of any improvements that increase the properties' rental yield are capitalised each year. In contrast, repairs which do not prolong or improve the useful life of the assets, as well as maintenance costs, are recognised in the separate consolidated income statement as incurred.

Investment properties are derecognised when sold or permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gains or losses on the retirement or disposal of any investment property are recognised in the separate consolidated income statement of the year of the retirement or disposal.

Investment properties are depreciated based on their acquisition cost using the straight-line method over their estimated useful life, as revised annually, which is 50-68 years.

The Group remeasures its investment properties when the market value of the assets falls below their net carrying amount. Market value is appraised independently.

c.7) Concession projects

Under the various concession agreements, until each concession project becomes operational, all planning, construction, expropriation and other expenses, including the corresponding portions of administration expenses and finance costs until the start-up date, and the depreciation of other property, plant and equipment, are capitalised as investments in concession projects.

Investment in these concession projects includes any revaluations applied by any company under prevailing legislation until the date of transition to IFRS.

For certain subsidiaries where the carrying amount of equity at the date of acquisition is greater than the associated investment, the excess is recorded under "Concession projects."

Certain companies have begun to depreciate some items of returnable property, plant and equipment whose estimated useful lives are less than the concession period. These items continue to be depreciated over their estimated useful life.

In relation to other investments in concession projects, i.e., returnable assets that are not technically depreciated over the life of the concession, the Group has opted to use a depreciation method based on the economic use of the assets under concession, except for hospital concessionaire companies, which depreciate the assets on a straight-line basis over the period in question.

Service concession arrangements acquired through business combinations after 1 January 2004 (transition date to IFRS) are measured in accordance with IFRS 3 at fair value (based on discounted cash flow valuations at the acquisition date) and depreciated by the straight-line method over the concession period.

With respect to accounting methods, see Note 3.c.10).

c.8) Financial assets

Financial assets are initially measured at fair value, which generally coincides with acquisition cost, adjusted for any directly attributable transaction costs, except financial assets held for trading, for which gains or losses are recognised in profit or loss for the year.

The Group classifies financial assets into the following groups:

- Loans to Group companies accounted for using the equity method: this includes loans granted by the various Group companies to companies accounted for using the equity method.
- Available-for-sale financial assets are investments in equity instruments that do not meet IFRS criteria for consideration as investments in subsidiaries, associates or joint ventures. They are recognised in the consolidated statement of financial position at fair value where fair value can be determined. If this is not possible, the assets are recognised at cost less any impairment losses. Any gains or losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or determined to be impaired, at which time it is directly recognised in the separate consolidated income statement.
- Financial assets at fair value through profit or loss: This heading includes the financial assets held for trading, derivative financial instruments not assigned as accounting

hedges, as well as financial assets which, when initially recognised, are designated to be measured at fair value through profit or loss. They are initially measured at fair value which, unless proven otherwise, is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transaction costs will be recognised in profit and loss for the year.

Such assets are subsequently measured at fair value, recognising the gains and losses from the changes in this fair value in the income statement, without deducting transaction costs.

- Receivables from certain service concession agreements which apply the financial asset model under IFRIC 12 (see Note 3.c.10). These are initially measured at amortised cost. A credit based on an effective interest rate is then recognised as finance income at each closing date over the lifetime of the agreement.
- Other loans: after their initial measurement at the fair value of the collection rights, other loans and receivables are carried at amortised cost, which means the original carrying amount less repayments of principal, plus interest receivable and any provision for impairment or default. Accrued interest is recognised in the consolidated income statement as an increase in the amount receivable, unless paid as accrued.
- Held-for-trading financial assets: those acquired for the purpose of selling them in the near term to obtain profits from fluctuations in their prices.
- Financial instruments at fair value: the Group uses derivative financial instruments such as currency contracts and interest rate swaps to hedge its interest rate and foreign currency risks. The related explanation is detailed in Note 3.c.22).
- Hybrid financial instruments: Include financial instruments which combine a non-derivative principal contract and a financial derivative, known as an embedded derivative, which cannot be transferred separately.

The Company separately recognises and measures the principal contract and the embedded derivative when:

- a) The characteristics and economic risks inherent to the embedded derivative are not closely related to those of the principal contract.
- b) a separate instrument with the same conditions as those of the embedded derivative would comply with the definition of a derivative instrument.
- c) The hybrid instrument is not measured at fair value through profit or loss.

The embedded derivative is recognised for accounting purposes as a derivative financial instrument and the principal contract is recognised according to its type.

In the initial recognition, the Company may designate the whole hybrid (combined) contract as a financial asset or a financial liability at fair value through profit or loss unless:

- a) the embedded derivative(s) do not significantly modify the cash flows which it would otherwise have generated, or
- b) it is clear with or without a small analysis that, in considering a similar hybrid (combined) instrument for the first time, it is forbidden to separate the embedded derivative(s).

- Deposits and guarantees given: these represent the amounts posted as a guarantee of compliance with obligations or as a deposit.

Financial assets are derecognised from the statement of financial position when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset and transferred substantially all the risks and rewards incidental to ownership of the asset.

In the accompanying consolidated statement of financial position, financial assets and, in general, all assets and liabilities, are classified on the basis of their contractual or estimated maturity. For these purposes, those maturing in 12 months or less are classified as current and those maturing in over 12 months as non-current.

The Group generally recognises normal purchases and sales of financial assets at the settlement date.

There are no significant differences between the fair values and carrying amounts of the Sacyr Group's financial assets and liabilities.

c.9) Impairment

c.9.1 Impairment of property, plant and equipment and intangible assets

Impairment losses are recognised for all assets or, where appropriate, the related cash-generating units, when an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the separate consolidated income statement.

The Group assesses at each reporting date whether there is an indication that a non-current asset may be impaired. Where such indications exist, and in the case of goodwill even if they do not, the recoverable value of the assets is estimated.

Recoverable amount is the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which the asset belongs.

Impairment losses in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and, second, to reduce the carrying amount of the other assets based on a review of the individual assets that show indications of impairment.

Except in the case of goodwill, a previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal of an impairment loss is recognised in the separate consolidated income statement.

An impairment loss can only be reversed up to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset.

c.9.2 Impairment of financial assets

When a decrease in the fair value of an available-for-sale financial asset has been directly recognised in equity and there is objective evidence that the asset is impaired, the

accumulated losses previously reported in equity are recognised in the separate consolidated income statement for the year. The accumulated loss recognised in consolidated profit or loss is the difference between cost and current fair value.

An impairment loss on an investment in an equity instrument classified as available for sale is reversed through equity, without being recognised in the separate consolidated income statement.

If the fair value of a fixed-income financial instrument classified as available for sale increases and this increase can be objectively related to an event occurring after the impairment loss was recognised in the separate consolidated income statement, this loss can also be reversed in the separate consolidated income statement.

The recoverable amount of held-to-maturity investments and receivables carried at amortised cost is calculated as the present value of the expected future cash flows discounted at the original effective interest rate. Current investments are not discounted to present value.

Impairment losses on held-to-maturity financial investments or receivables carried at amortised cost are reversed if the subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognised.

c.10) Service concession assets

IFRIC 12 regulates the accounting treatment of public-private partnership agreements on service concession arrangements from the concessionaire company's point of view and prescribes accounting methods based on the nature of the agreements struck with the grantor. It applies to public-private service concession agreements when:

- the grantor controls or regulates which services the concessionaire company needs to provide in respect of infrastructure, to whom it should provide the services and at what price;
- the grantor controls all significant residual interests in the infrastructure once the concession agreement expires.

Under such agreements, the concessionaire acts as service provider, rendering construction or infrastructure upgrade services specifically, and operating and maintenance service during the lifetime of the concession.

Depending on the type of rights that the concessionaire receives as consideration for the construction or upgrade work, the following accounting methods are applied:

1. Intangible asset model

This method is usually applied when the concessionaire has the right to charge users for the use of the public service. The right is not unconditional but depends on users using the service. Therefore the concession operator assumes the demand risk.

In these cases, the asset that should be recognised as consideration for the construction or upgrade services (i.e., the value of the right to charge users for a public service under the concession) is measured in accordance with IAS 38 "Intangible assets" and amortised over the lifetime of the concession.

2. Financial asset model

Under this model, the concession operator recognises a financial asset where it has an unconditional contractual right to receive from the grantor (or from others on the grantor's behalf) cash or another financial asset as consideration for the construction and operation services provided, and the grantor has little or no possibility of avoiding the payment. This means that the grantor guarantees payment to the concession operator of a fixed or measurable sum or, in some cases, makes good on any deficit in income. In this case, the operator assumes no demand risk as it would be paid even if no-one used the infrastructure.

In this case, the asset is measured according to IAS 32, IAS 39 and IFRS 7 on Financial instruments. The financial asset is recognised under financial assets from the moment work begins, calculated using an effective interest rate equal to the project's internal rate of return.

3. Mixed model

Under the mixed model, the financial asset model is applied to the elements of the agreement where payment of a sum is guaranteed and the intangible asset model is applied to the unguaranteed portion. The key distinction is between the elements of income that offset the initial investment in the assets (intangible asset model) and those that are paid in settlement of receivables (financial asset model).

In accordance with the transitional provisions of IFRIC 12, the main implication for the consolidated financial statements is that concession projects for which income is guaranteed by the authorities are classified and measured as financial assets.

The Group separately recognises income and expenses corresponding to infrastructure construction or upgrade services for the concession, whether the construction is carried out by a Group company or by an unrelated third party; that is, it records the gross amount of such income and expenses.

c.11) Liabilities associated with non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continued use. This condition is deemed to have been met only when disposal is highly probable and the asset is available for immediate sale in its current state. The sale must be expected to occur within one year from the classification date.

These assets are measured at the lower of carrying amount and fair value less costs to sell or, where IAS 39 applies, at fair value without deducting any costs to sell.

Liabilities related to assets that meet the above definition are recognised under "Liabilities associated with non-current assets held for sale" on the liability side of the consolidated statement of financial position.

c.12) Inventories

Land lots, developments under construction and completed buildings, in each case held for sale, are measured at cost of acquisition or construction, as described below:

- Properties: measured according to the cost system indicated below for developments under construction or at cost in the case of buildings that were acquired after completion, including costs directly attributable to the acquisition.
- Developments under construction: include costs incurred for real estate developments whose construction is not yet complete. This heading includes direct construction costs certified by the relevant project managers, development costs and finance costs incurred over the construction phase. Once construction has begun, the value of buildings and other structures includes the cost of the land lots on which they are built.
- Land lots and adaptation of land: valued at cost of acquisition, which includes costs directly related to purchases. The value of land and lots also includes the capitalised cost of spending on the project, on urban development and on planning up to the point where the lot is ready for development.

"Inventories" includes the finance costs accrued during the construction phase.

Stockpiles of raw and other materials and consumables are valued at cost.

Products and work in progress are measured at their cost of production, which includes the cost of materials, labour and direct production costs.

The Group writes down the value of its inventories where the cost booked exceeds market value, based on independent appraisals.

Project start-up costs are costs incurred up to the start of construction and are recognised in profit or loss based on the stage of completion over the lifetime of the project.

In the residential development business, impairment losses are recorded to cover any estimated losses on projects.

c.13) Receivables

Discounted bills pending maturity at 31 December are included in the accompanying consolidated statement of financial position under "Trade receivables for sales and services", with a balancing entry in "Interest-bearing loans and borrowings".

c.14) Cash and cash equivalents

"Cash and cash equivalents" comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less and no exposure to significant changes in value. However, this cash may only be used by the Group company owning it.

c.15) Capital increase costs

Capital increase costs are recognised as a decrease in equity, net of any tax effect.

c.16) Treasury shares

Shares of the Parent held by the Group are shown at cost and recognised as a deduction from equity. No gain or loss is recognised in profit or loss on the purchase, sale or redemption of treasury shares. Any gains or losses on the sale of these shares are recognised directly in equity at the time they are sold.

c.17) Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Amounts recognised as provisions are the best estimate of the amounts required to offset the present value of the obligations at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the liability.

The policy on contingencies and expenses is to make provisions for the estimated amount of probable or certain liabilities arising from legal proceedings in progress, compensation or obligations pending, and for guarantees and other similar commitments. These are recorded as soon as the liability or obligation arises.

The provision for completion of construction is recorded as a liability in the statement of financial position and reflects the estimated amount of payment liabilities for completion of construction which cannot yet be determined or for which the actual settlement date is not known, being contingent upon the fulfilment of certain conditions. Provisions are made according to the best estimates of the annual accrual, which is between 0.5% and 1% of the completed project.

The Group assesses its obligations and liabilities by considering the potential obligations arising from past events whose existence must be confirmed by uncertain future events not under the Group's control as "contingent liabilities".

c.18) Financial liabilities

Financial liabilities are classified, for measurement purposes, into the following categories:

- Interest-bearing loans and borrowings and payables

These include trade payables for goods and services plus negative balances on non-trade transactions not including derivatives.

They are initially recognised in the consolidated statement of financial position at fair value, which, unless there are indications to the contrary, is the transaction price measured as the fair value of the consideration received less directly attributable transaction costs.

Subsequently, they are measured at amortised cost. Accrued interest is recognised in the separate consolidated income statement using the effective interest rate method.

However, trade payables due within a year that have no contractual interest rate and are expected to be paid in the short term are measured at their nominal value when the effect of not discounting cash flows is insignificant.

- Hedging derivatives

See Note 3.c.22).

Financial liabilities are derecognised when the corresponding obligation is discharged, cancelled or expires.

Liabilities maturing in less than 12 months from the reporting date are classified as current and those with longer maturity periods as non-current, except mortgage loans on items of inventory or related to non-current assets held for sale, which are reclassified as current regardless of their maturity date.

c.19) Foreign currency transactions

Foreign currency transactions are converted to euros at the exchange rate ruling at the date of the transaction. Gains or losses from foreign currency transactions are recognised in the separate consolidated income statement as they occur.

Accounts receivable and payable in foreign currencies are translated to euros at the year-end exchange rate. Unrealised exchange differences on transactions are recognised in the separate consolidated income statement.

c.20) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Non-repayable grants used to finance returnable assets are recognised as deferred income at their fair value. These grants are released to income in proportion to the depreciation charged for the assets financed with the grants.

Certain Chilean companies have recognised in their financial statements the annual grants receivable from the Chilean Ministry of Public Works under their respective concession contracts. These receivables are recognised in income following the same criteria as those used to depreciate the assets under concession.

c.21) Income tax

Income tax expense each year is calculated as the sum of the current tax expense, derived by applying the current tax rate to the tax base for the year after taking into account all applicable tax credits and relief, and the change in deferred tax assets and liabilities recognised in the income statement.

Income tax expense is recognised in the separate consolidated income statement except when it relates to items recognised directly in equity, in which case it is recognised in equity.

In accordance with Royal Decree 4/2004 of 5 March approving the consolidated Corporate Income Tax Law (*Ley del Impuesto sobre Sociedades*), Sacyr, S.A. and its subsidiaries have decided, with the approval of each company's corporate bodies, to file a consolidated tax return, and have duly notified the A.E.A.T. (the Spanish tax authorities), which assigned the tax identification number 20/02 to the head of the tax group.

Companies forming part of the tax group are listed in Appendix II of these consolidated financial statements.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates used are those in force at the reporting date.

Deferred income tax is recognised using the liability method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The Group recognises deferred tax assets for all deductible temporary differences, carryforwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforwards of unused tax credits and unused tax losses, can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences relating to investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be recovered.

The carrying amount of the deferred tax assets is reviewed by the Group at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be applied. The Group also reassesses unrecognised deferred tax assets at each reporting date and recognises them to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The Group recognises deferred tax liabilities for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary difference can be controlled by the Parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c.22) Hedged derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are

carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are recognised directly in profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with an asset or liability or a forecast transaction;
- hedges of a net investment in a foreign operation.

Hedges of the foreign currency risk of a firm commitment are recognised as cash flow hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

- Fair value hedges

Fair value hedges are hedges of the Group's exposure to a change in the fair value of a recognised asset or liability, or of an unrecognised firm commitment, or of an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. In fair value hedges, the carrying amount of the hedged item is adjusted to reflect gains and losses in the hedged risk, the derivative is remeasured at fair value and the gains and losses from both are recognised in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability, and the corresponding gain or loss is recognised in the separate consolidated income statement. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues the hedge accounting if the hedging instrument expires or is sold, terminated or exercised, no longer meets the criteria for hedge accounting, or the Group revokes the designation.

- Cash flow hedges

Cash flow hedges are hedges of exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while any ineffective portion is recognised in the separate consolidated income statement.

Amounts taken to equity are transferred to the separate consolidated income statement when the hedged transaction affects profit or loss, such as when the hedged finance income or expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is no longer expected to occur, the amount is taken to the separate consolidated income statement.

- Net investment hedge

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are treated similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity, while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the accumulated value of any such gains or losses recognised directly in equity is transferred to profit or loss.

c.23) Related parties

The Group defines related parties as its direct and indirect shareholders, related companies, directors and key management personnel, as well as any individuals or legal entities dependent on such persons.

c.24) Income and expense recognition

In general, revenues and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Income is only recognised when all the following criteria have been satisfied:

- the risks of ownership have been transferred,
- control over goods has been transferred,
- the amount of income and costs incurred or to be incurred can be measured reliably, and
- it is probable that the economic benefits associated with the transaction will flow to the company.

Within the Sacyr Group, the methods for recognising the results of certain business areas are as follows:

1. Construction companies

Contract income corresponds to the sum of the stipulated contract price plus the value of the changes made to original work, as well as claims or incentives which are likely to be received and can be quantified reliably.

Contract costs include:

- Net costs directly related to the contract, such as labour costs, materials, etc.
- Related contract costs, e.g., insurance, finance costs, indirect costs such as technical assistance not directly related to a specific contract. These costs are distributed equally using systematic, rational criteria.
- Other costs billable to the customer under the contract, which include certain general administration and development costs, provided that they have been specified in the contract.
- Costs that cannot be attributed to the contracting activity or allocated to specific contracts are excluded from construction contract costs.

The recognition of income or costs related to a construction contract differs depending on whether the outcome of the contract can be estimated reliably. To estimate contract outcome reliably, the following criteria must be satisfied:

- it is probable that the economic benefits budgeted in the contract will flow to the group,
- the contract costs can be identified clearly and measured reliably,
- for contracts with a fixed price, it must likewise be possible to measure the costs to complete the project and the current stage of completion reliably at the reporting date, so that actual costs incurred can be compared with the prior estimates.

If the outcome of the contract can be estimated in a sufficiently reliable manner, contract income and costs are recognised by reference to the stage of completion at the reporting date.

Where the contract outcome cannot be measured reliably, income is recognised only to the extent of the expenses incurred that are eligible for recovery, and those incurred during the year are recognised as expenses. If the outcome of a contract is expected to be a loss, the loss is recorded immediately.

To assess the stage of completion of a contract, which determines the income or profit to be recognised, the Sacyr Group uses the percentage-of-completion method. Each month the costs incurred are measured as a proportion of the total budgeted cost and the month's production recognised as income. Costs of carrying out the work are recognised as accrued.

The difference between the original production amount at the beginning of each project and the amount certified up to each reporting date is recorded as "Completed work pending certification" under "Trade and other receivables".

Auxiliary work performed for construction projects, including general and specific construction installations and study and project expenses, is allocated proportionally, in accordance with the ratio of costs incurred to total budgeted costs. The unamortised amount is recognised in "Inventories" in the consolidated statement of financial position.

The estimated costs of termination of the project or contract are provisioned on an accrual basis to "Trade provisions" in the consolidated statement of financial position over the life of the project or contract, and recognised in profit or loss based on the proportion of work completed as a percentage of estimated costs. Costs incurred after completion of the work up to its final settlement are charged against these provisions.

2. Property development companies

The Group recognises profit and loss in each year and reports sales under "Revenue" when the risks and rights incidental to ownership of the property have been substantially transferred to the buyer.

Prepayments by customers before the building is delivered are reported as "Advances received on orders" under "Trade and other payables" on the liability side of the consolidated statement of financial position.

For developments expected to generate a loss, full provisions are recorded once this circumstance becomes known.

3. Concessionaire companies

Revenues and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Income is only recognised when all the following criteria have been satisfied:

- the amount of income and costs incurred or to be incurred can be measured reliably.
- it is probable that the economic benefits of the transaction will flow to the Company.

The Group recognises foreseeable liabilities and losses arising in the current or prior years as soon as they are known, provided they comply with IFRS requirements for risk recognition.

The accounting methods of IFRS 12 are set out in Note 3.c.10.

c.25) Transferable mortgage loans

Assumable mortgage loans are recognised under "Interest-bearing loans and borrowings" in the consolidated statement of financial position and classified as current if they relate to inventory financing carried as current assets in the consolidated statement of financial position.

c.26) Advances received on orders

This account appears under "Trade and other payables" on the liability side of the accompanying consolidated statement of financial position and includes prepayments received from customers on uncompleted work and on buildings awaiting delivery.

c.27) Termination benefits

Companies must compensate employees contracted for a project or service when they cease to work on the projects for which they were contracted through no fault of their own.

As there is no foreseeable need to terminate the contracts of employees and given that employees who retire or leave the Company of their own accord are not entitled to compensation, any termination benefits are recognised in the income statement when decisions are made and notified to the employee concerned. Given that there are no plans to dismiss permanent staff in the near future, no provision has been recorded for termination benefits in 2013 and 2014.

c.28) Environment.

Costs incurred to acquire systems, equipment and installations for the purpose of eliminating, mitigating or monitoring the potential environmental impact of the Group's activities carried out in the normal course of business are recorded as investments in fixed assets.

Other environment-related expenses that do not concern the acquisition of fixed assets are recorded as expenses for the year.

The Parent company's directors consider that any contingencies arising in connection with environmental matters are adequately covered by existing insurance policies.

c.29) Segment reporting

The Group identifies segments based on the following factors:

- Similar economic characteristics of the businesses.
- The provision of consolidated financial statements, for users, with the relevant financial information on the activities of the Group's businesses and the economic environments in which it operates.

The Group's management regularly reviews the operating results of the segments individually in order to make decisions on allocating resources and to assess results and performance. Operating segments are assessed based on their operating income (see Note 41).

4. Non-current assets held for sale and discontinued operations

At 2014 year-end, the Group had classified its investment in the Vallehermoso Group as a non-current asset held for sale.

At 31 December 2013, the Group classified as non-current assets held for sale its investment in the Vallehermoso Group, Preim Defense 2, S.A. and Metro de Sevilla, S.A.

The detail of the consolidated statement of financial position in respect of these non-current assets held for sale at 31 December 2014 and 2013 is as follows:

ASSETS	2014	2013 (Restated)*
A) NON-CURRENT ASSETS	78.653	142.694
I. Property, plant and equipment	1.775	1.923
II. Concession projects	0	786
III. Investment property	806	1.204
IV. Investments accounted for using the equity method	6.073	53.394
V. Non-current financial assets	219	77.938
VI. Deferred tax assets	69.601	7.110
VII. Other non-current assets	179	339
B) CURRENT ASSETS	223.970	929.518
I. Inventories	202.054	900.449
II. Trade and other receivables	7.949	5.509
- Trade receivables for sales and services	5.066	4.511
- Personal	0	1
- Receivable from public entities	1.183	3.569
- Other receivables	5.079	12.306
- Provisions	(3.379)	(14.878)
III. Current financial investments	539	10.757
IV. Cash and cash equivalents	12.864	12.803
V. Other current assets	564	0
TOTAL ASSETS	302.623	1.072.212

Thousands of euros

LIABILITIES	2014	2013 (Restated)*
A) EQUITY	4.421	4.373
EQUITY OF NON-CONTROLLING INTERESTS	4.421	4.373
B) NON-CURRENT LIABILITIES	96.070	349.310
I. Non-current provisions	73.078	123.109
II. Interest-bearing loans and borrowings	5.474	192.605
III. Non-current payables	12.583	26.442
IV. Deferred tax liabilities	4.935	7.154
C) CURRENT LIABILITIES	119.280	694.956
I. Interest-bearing loans and borrowings	85.265	639.296
II. Trade and other payables	18.089	32.853
- Suppliers	17.346	28.814
- Personal	87	76
- Current tax liabilities	0	
- Payable to public entities	578	3.837
- Other payables	78	126
III. Current provisions	15.926	22.419
IV. Other current liabilities	0	388
TOTAL LIABILITIES	219.771	1.048.639

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Income and costs after tax under the "Profit/Loss for the year from discontinued operations" heading in the interim separate consolidated income statement at 31 December 2014 and 2013 were as follows:

SEPARATE INCOME STATEMENT	2014	2013 (Restated)*
Revenue	485.789	368.303
Other operating income	5.934	78.863
Gain on disposal of assets	13	40
TOTAL OPERATING INCOME	491.736	447.206
Change in inventories	(778.743)	(418.490)
Procurements	94.221	(60.208)
Staff costs	(2.773)	(4.613)
Losses on disposal of assets	(310)	(16.991)
Depreciation and amortisation expense	0	(65)
Change in operating provisions	32.319	(3.488)
Other operating expenses	(19.106)	(87.599)
TOTAL OPERATING EXPENSES	(674.392)	(591.454)
OPERATING PROFIT/(LOSS)	(182.656)	(144.248)
PROFIT/(LOSS) OF ASSOCIATES	0	3.903
GAIN/(LOSS) ON DISPOSAL OF ASSETS	(2)	13
Other interest and similar income	176.088	70
TOTAL FINANCE INCOME	176.088	70
Finance costs and similar expenses	(20.802)	(31.180)
Change in provisions for financial investments	26.717	(55.497)
Net finance costs taken to investments	1.655	1.512
TOTAL FINANCE COSTS	7.570	(85.165)
FINANCIAL LOSS	183.658	(85.095)
CONSOLIDATED PROFIT BEFORE TAX	1.000	(225.427)
Corporate income tax	(1.000)	36.648
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	0	(188.779)
CONSOLIDATED PROFIT FOR THE YEAR	0	(188.779)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

The cash flows arising from discontinued operations in 2014 and 2013 were as follows:

<i>Thousands of euros</i>	2014	2013
Cash flows from operating activities of discontinued operations	712.715	411.344
Cash flows from investing activities of discontinued operations	849	29.911
Cash flows from financing activities of discontinued operations	(713.503)	(450.861)
CHANGE IN CASH AND CASH EQUIVALENTS OF DISCONTINUED OPERATIONS	61	(9.606)

4.1 Preim 2, S.A.

In 2014, the 14,601 shares held by the Group in "Preim Defense 2", representing 32.3%, were disposed off. The total value of the shares sold amounted to 64.3 million euros and generated a loss of 11.8 million euros before taxes. The Parent, following the above-mentioned sales, no longer holds any shareholdings in said company.

In line with IFRS 5, the Group's investment in "Preim Defense 2" at 31 December 2013, was classified in Non-current assets held for sale, since it is considered that the value of these assets will be recovered through a sales transaction and not through the continued use thereof. Under international standards, this condition is deemed to have been met only when disposal is highly probable and the assets are available for immediate sale in their current state.

4.2 Metro de Sevilla, S.A.

In line with IFRS 5, the Group's investment in "Metro de Sevilla, S.A." was classified in non-current assets held for sale, since it is considered that the value of these assets will be recovered through a sales transaction and not through the continued use thereof. Under international standards, this condition is deemed to have been met only when disposal is highly probable and the assets are available for immediate sale in their current state.

In 2014, the full stake in Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía, S.A. was sold. The sale price totalled 58 million euros and generated a gain of 8 million euros before taxes.

4.3 Vallehermoso División Promoción, S.A.

Under IFRS 5, the Group's 100% interest in Vallehermoso División Promoción, S.A. at 31 December 2013 was classified as a non-current asset held for sale as the value of the asset is expected to be recovered through its sale rather than its continuing use. Under international standards, this condition is deemed to have been met only when disposal is highly probable and the assets are available for immediate sale in their current state.

The transaction is deemed to be a discontinued operation under international regulations, since it represents a business line which is significant and may be separated from the other lines.

Under IFRS 5, Vallehermoso is available, in its current conditions for immediate sale. This sale is highly probable since management is committed to its disposal, a programme exists to find a buyer and external advisers have been hired in this connection. The sale is being actively negotiated at fair value and the disposal is expected to take place within one year.

Under paragraph 9 of IFRS 5, events or circumstances may arise which extend the period for the sale's completion beyond one year. An extension of the period required to complete a sale does not prevent the asset from being classified as held for sale, if the delay is caused by events or circumstances beyond the entity's control. The sale process of Vallehermoso has been slowed down in recent months as a result of negotiations with financial institutions and other players interested in its real estate assets.

The independent expert Tasaciones Hipotecarias, S.A., a BNP Paribas Real Estate Group company, appraised the Group's real estate assets classified as inventories at 31 December 2014, issuing its report on 28 January 2015. The estimated value (fair value less costs to sell) of the Vallehermoso Group's inventories amounted to 251 million euros as compared with a carrying amount of 202 million euros.

The appraisal was performed on a portfolio of land, developments in progress and finished goods in conformity with the current appraisal and valuation standards of the Royal Institution of Chartered Surveyors (RICS) in the United Kingdom and with the International Valuation Standards Council (IVSC).

In order to calculate the value of the land and construction in progress in its different states of urban development earmarked to future developments, the dynamic residual method was applied in all cases. This method is based on the discounting of cash flows during the period. These flows are established based on a forecast of revenue and expenses associated with the most probable real estate development which could be built on the land in accordance with the principle of better and greater use, calculating the foreseeable development period of the whole operation. The discount rate is the expected IRR, which includes the operation's risk factor in each case. In general, for residential and commercial land, a range of rates between 9% and 13% have been applied. Rates of around 15% and 13% have been applied to industrial and tertiary uses respectively.

The appraisal of different land took into account coincidences in the same city or environment of the capacity of this nucleus in the absorption of the finished product, setting possible and probable scenarios, always within the rational forecast conditions, in which going beyond horizons exceeding 10 years represents too risky a venture. Likewise, the forming of new economic cycles which are not assimilable to past cycles in terms of developments over time were considered.

In order to calculate the value of rental property, each property was calculated under the "Free Market Value" assumption, which is defined as the best price which can reasonably be obtained from the sale of a property if it had been performed without conditions and in cash at the appraisal date, supposing: (i) a seller willing to sell, (ii) which, taking into account the nature of the property and the market situation, there was, prior to the appraisal date, a reasonable period of time for the adequate marketing of the property, to reach an agreement on price and conditions, and to perform the sale, (iii) that the market situation, level of prices and other circumstances on any previous date assumed to perform the sale, were the same as on the appraisal date, (iv) any offer exceeding that of a buyer with special interest in the acquisition is not taken into account, and (v) that the parties to the transaction have acted on an informed basis, prudently and without coercion.

The assets and liabilities of the Vallehermoso Group are recognised at their carrying amount and not at their fair value.

With regard to the warnings, restrictions, appraisal methods and key assumptions, the report contains in this section and which should be considered as a whole, all the information, assumptions and estimates conditioning it, expressly indicated in point 4.1 above in this document. It is also stated that the land appraisals were performed in the event of compliance with the development periods envisaged by law in each case, in accordance with the urban development situation at the appraisal date. In the event that any of the land appraised was involved in any of the expropriation situations envisaged by the Land Law 8/2007, the values calculated would not be valid. A new appraisal would be necessary in accordance with the methods reflected by this Law.

5. Property, plant and equipment

Movements in property, plant and equipment in 2014 and 2013 and the related accumulated depreciation were as follows:

2013 Thousands of euros	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for sale	Balance at 31 December 2013 (Restated)*
Land and buildings	106.318	5.666	(606)	(2.741)	0	(50)	(1.087)	107.500
Plant and machinery	513.761	20.474	(11.672)	3.270	0	(1.667)	(677)	523.489
Other installations, tools and furniti	80.097	3.898	(2.481)	289	0	(257)	(2.539)	79.007
Prepayments and work-in-progres	6.246	2.654	(2.291)	(2.918)	0	0	0	3.691
Other items of property, plant and	151.133	12.187	(8.627)	2.057	0	(1.869)	(260)	154.621
Cost	857.555	44.879	(25.677)	(43)	0	(3.843)	(4.563)	868.308
Impairment	(2.524)	(14.241)	223	0	0	0	0	(16.542)
Impairment	(2.524)	(14.241)	223	0	0	0	0	(16.542)
Land and buildings	(25.690)	(2.850)	291	9	0	27	263	(27.950)
Plant and machinery	(276.701)	(36.642)	9.498	89	0	1.634	593	(301.529)
Other installations, tools and furniti	(59.550)	(5.497)	2.409	(78)	0	251	1.535	(60.930)
Other items of property, plant and	(80.934)	(19.028)	7.910	23	0	1.679	249	(90.101)
Accumulated amortisation	(442.875)	(64.017)	20.108	43	0	3.591	2.640	(480.510)
TOTAL	412.156	(33.379)	(5.346)	0	0	(252)	(1.923)	371.256

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014 Thousands of euros	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31-Dec-14
Land and buildings	107.500	2.498	(2.048)	163	0	131	0	108.244
Plant and machinery	523.489	17.900	(20.454)	(712)	(11.479)	906	0	509.650
Other installations, tools and furniti	79.007	7.817	(7.436)	3.615	(623)	(1)	0	82.379
Prepayments and work-in-progres	3.691	18.116	(1.024)	(2.075)	0	0	0	18.708
Other items of property, plant and	154.621	18.072	(6.707)	727	0	1.098	0	167.811
Cost	868.308	64.403	(37.669)	1.718	(12.102)	2.134	0	886.792
Impairment	(16.542)	(663)	10.110	0	0	0	0	(7.095)
Impairment	(16.542)	(663)	10.110	0	0	0	0	(7.095)
Land and buildings	(27.950)	(2.604)	263	965	0	(102)	0	(29.428)
Plant and machinery	(301.529)	(26.164)	25.975	(1.622)	12.672	(661)	0	(291.329)
Other installations, tools and furniti	(60.930)	(7.352)	6.119	(792)	325	(24)	0	(62.654)
Other items of property, plant and	(90.101)	(14.369)	3.983	(269)	0	(491)	0	(101.247)
Accumulated amortisation	(480.510)	(50.489)	36.340	(1.718)	12.997	(1.278)	0	(484.658)
TOTAL	371.256	13.251	8.781	0	895	856	0	395.039

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

Noteworthy in 2013 were mainly the additions arising from the purchase of parking machines and the acquisition of machinery for the cleaning and collection of waste in various municipalities.

Furthermore, disposals relate mainly to the completion of works and to the subsequent sale of assets of construction companies.

Also, in 2013, impairment took place at the energy plants as a result of the application of the draft Ministerial Order of February 2014 relating to the "proposed order approving the remuneration parameters of the standard facilities applicable to certain electricity generation facilities based on renewable energy, combined heat and power and waste sources".

There was also a significant decrease in the value of the assets as a result of the change in exchange rates, especially the dollar, whose listed price rose from 1.3197 US dollars in 2012 to 1.3789 US dollars in 2013.

Lastly, the "Transfer to held for sale" column includes the reclassification of the Vallehermoso Group's assets to non-current assets held for sale.

In 2014, additions were made, mainly due to the renovation and enhancement work performed at one of the tunnelling machines owned by the Group.

Disposals in the year relate mainly to the sale of a fuel storage maritime open-sea vessel and to the sale of machinery by the Group mainly in Chile.

Lastly, decreases occurred as a result of changes in the scope following the sale of Olextra, S.A. and Extragol, S.L.

Impairment losses and corresponding reversals are reported under "Change in provision for impairment of intangible assets, property plant and equipment and securities portfolio" of the separate consolidated income statement. The main assets affected by impairment losses relate to plant at the Group's different energy plants.

The detail of property, plant and equipment located outside Spain at 31 December 2013 and 2014 is as follows:

2013 (Restated)* Thousands of euros	Portugal	Libya	Angola	Cape Verde	Chile	Ireland	Mexico	Other	TOTAL
Land and buildings	52.694	1.116	4.024	3.449	0	3.706	0	0	64.989
Plant and machinery	89.032	8.664	6.835	5.859	15.285	148	0	57	125.880
Other installations, tools and furniti	17.935	372	1.292	1.108	4.026	41	0	81	24.855
Prepayments and work-in-progres	1.045	0	78	66	0	0	0	0	1.189
Other items of property, plant and	22.593	6.483	1.548	1.327	6.410	19	0	216	38.596
Cost	183.299	16.635	13.777	11.809	25.721	3.914	0	354	255.509
Accumulated amortisation	(107.473)	(7.083)	(8.069)	(6.917)	(17.457)	(1.386)	0	(257)	(148.642)
TOTAL	75.826	9.552	5.708	4.892	8.264	2.528	0	97	106.867

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

2014 Thousands of euros	Portugal	Libya	Angola	Cape Verde	Chile	Ireland	Mexico	Other	TOTAL
Land and buildings	53.933	721	4.157	3.563	0	3.706	0	0	66.080
Plant and machinery	91.098	8.848	7.138	6.118	14.120	148	22.956	142	150.568
Other installations, tools and furniti	17.290	248	1.306	1.120	4.510	41	27	134	24.676
Prepayments and work-in-progres	4.792	0	375	322	0	0	0	0	5.489
Other items of property, plant and	24.074	6.318	1.661	1.424	6.383	20	114	299	40.293
Cost	191.187	16.135	14.637	12.547	25.013	3.915	23.097	575	287.106
Accumulated amortisation	(112.976)	(10.094)	(8.689)	(7.448)	(19.097)	(1.588)	(14)	(311)	(160.217)
TOTAL	78.211	6.041	5.948	5.099	5.916	2.327	23.083	264	126.889

At year-end 2014, the Group had 121,318 thousand euros of fully depreciated property, plant and equipment in use (131,517 thousand euros in 2013).

All items of property, plant and equipment are used in operations.

In 2014 and 2013, no finance costs were capitalised as an addition to property, plant and equipment.

Group companies take out insurance policies to adequately cover potential risks that could affect the items recognised under "Property plant and equipment".

6. Concession projects

Movements in the various items under "Investment property" in 2014 and 2013 and the related accumulated depreciation were as follows:

2013	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>							
Concession projects	1.116.980	11.189	(765)	1.793	0	(3)	1.129.194
Concession projects under construction	256.890	26.255	(4.851)	(1.505)	0	0	276.789
Cost	1.373.870	37.444	(5.616)	288	0	(3)	1.405.983
Impairment	(12.653)	(2.702)	2.556	0	0	0	(12.799)
Impairment	(12.653)	(2.702)	2.556	0	0	0	(12.799)
Depreciation	(130.222)	(28.507)	87	0	0	2	(158.640)
Accumulated amortisation	(130.222)	(28.507)	87	0	0	2	(158.640)
TOTAL	1.230.995	6.235	(2.973)	288	0	(1)	1.234.544

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31-Dec-14
<i>Thousands of euros</i>							
Concession projects	1.129.196	3.760	(24.279)	(398)	(16.849)	0	1.091.430
Concession projects under construction	276.788	18.505	(3.024)	398	(16)	117	292.768
Cost	1.405.984	22.265	(27.303)	0	(16.865)	117	1.384.198
Impairment	(12.800)	(333)	4.125	0	8.256	0	(752)
Impairment	(12.800)	(333)	4.125	0	8.256	0	(752)
Depreciation	(158.640)	(27.618)	7.878	0	8.609	0	(169.771)
Accumulated amortisation	(158.640)	(27.618)	7.878	0	8.609	0	(169.771)
TOTAL	1.234.544	(5.686)	(15.300)	0	0	117	1.213.675

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

In 2013, the main changes in "Concession projects" relate to the transfer by Somague Ambiente of water concessions from "Concession projects under construction", to additions under the Barbanza Highway as a result of modifications to the work and to the improvements made to the Cádiz Biorecycling urban waste plant in Cadiz.

"Concession projects under construction" highlights the increased investment made by the Group in Rutas Limarí to upgrade and conserve Route Forty Three in the Coquimbo Region of Chile. Noteworthy is the loss, as a result of the sale of the Group's holding in the Costa Rican company Autopistas del Sol, S.A.

In 2014, disposals related mainly to the assignment of the surface right of the dwelling for the elderly in calle Rodríguez Marín, Madrid, and to the sale of the holding owned by the Group in the Aguas de Alcalá joint venture.

Under "Concession projects under construction", additions relate mainly to the the Murcia Airport concession, in respect of expenses incurred by the Company to obtain the Certificate and start-up of the Murcia International Airport, amounting to 2,736 thousand euros which, in 2014, capitalised finance costs amounting to 10,700 thousand euros, and to Ruta del Limarí as a result of the higher percentage of completion obtained in the year.

In the same year, changes in the scope relating to concession projects, together with the related impairment provisions and depreciation were mainly due to the exclusion from the scope of consolidation of Neopistas, S.A. Under an order dated 13 November 2014, handed down by the Madrid Commercial Court number 10, the company's winding up phase was commenced. This order suspends the investee's administration and asset disposal powers.

The concession projects under construction or being operated by the Group's concessionaire companies at the reporting dates in 2013 and 2014 are as follows:

Thousands of euros	2013 (Restated)*							
	In operation				Construction			
	Cost	preciation amortisat	Provision	Net	Cost	Provision	Net	
Viasur Conc. del Principado de Asturias, S.A.	123.360	(32.555)	0	90.805	0	0	0	
Aut. del Eresma. Cons. Junta Castilla y Leon, S.A.	106.383	(15.246)	0	91.137	0	0	0	
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	109.484	(16.847)	0	92.637	0	0	0	
Aut. del Guadalmedina	351.749	(8.206)	0	343.543	0	0	0	
Neopistas, S.A.U.	16.849	(8.409)	(8.240)	0	16	(16)	0	
Total motorways in Spain	707.825	(81.463)	(8.240)	618.122	16	(16)	0	
S.C. Ruta del Limari	0	0	0	0	2.782	0	2.782	
Total other motorways	0	0	0	0	2.782	0	2.782	
Motorways	707.825	(81.463)	(8.240)	618.122	2.798	(16)	2.782	
Testa Inmuebles en Renta, S.A.	11.528	(1.446)	0	10.082	0	0	0	
Testa Residencial, S.L.U.	18.287	(3.500)	0	14.787	0	0	0	
Trade Center, S.L.	44.037	(10.742)	0	33.295	0	0	0	
Rental property	73.852	(15.688)	0	58.164	0	0	0	
Valoriza Servicios Medioambientales, S.A.	53.555	(13.570)	0	39.985	746	0	746	
Tratamientos de Residuos La Rioja, S.L.	4.387	(463)	0	3.924	0	0	0	
Waste treatment	57.942	(14.033)	0	43.909	746	0	746	
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59.000	(18.880)	0	40.120	0	0	0	
Somague Ambiente, S.A.	156.214	(19.323)	0	136.891	28.001	0	28.001	
Sacy S.A.U.(Alcudia desalination plant)	1.367	(211)	0	1.156	0	0	0	
Valoriza Agua, S.L.	17.106	(2.961)	(312)	13.833	0	0	0	
Water	233.687	(41.375)	(312)	192.000	28.001	0	28.001	
S. Concesionaria Aeropuerto Region Murcia, S.A.	3.952	(2.567)	0	1.385	245.244	(4.565)	240.679	
Sacy Construcción S.A.U (Pza. del Centenario, V. Romero and Juan Exlandiú car parks)	12.510	(884)	334	11.960	0	0	0	
Sacy Construcción S.A.U. (Plaza de la Encarnación car park)	39.426	(2.630)	0	36.796	0	0	0	
Other	55.888	(6.081)	334	50.141	245.244	(4.565)	240.679	
CONCESSION PROJECTS	1.129.194	(158.640)	(8.218)	962.336	276.789	(4.581)	272.208	

(*) As explained in Note 3, the interim consolidated statement of financial position at 31 December 2013 has been restated.

Thousands of euros	2014							
	In operation				Construction			
	Cost	preciation amortisat	Provision	Net	Cost	Provision	Net	
Viasur Conc. del Principado de Asturias, S.A.	123.360	(37.114)	0	86.246	0	0	0	
Aut. del Eresma. Cons. Junta Castilla y Leon, S.A.	106.390	(18.345)	0	88.045	0	0	0	
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	109.490	(20.608)	0	88.882	0	0	0	
Aut. del Guadalmedina	351.749	(12.006)	0	339.743	0	0	0	
Total motorways in Spain	690.989	(88.073)	0	602.916	0	0	0	
S.C. Ruta del Limari	0	0	0	0	7.895	0	7.895	
Total other motorways	0	0	0	0	7.895	0	7.895	
Motorways	690.989	(88.073)	0	602.916	7.895	0	7.895	
Testa Residencial, S.L.U.	18.290	(3.747)	0	14.543	0	0	0	
Trade Center, S.L.	44.037	(11.650)	0	32.387	0	0	0	
Rental property	62.327	(15.397)	0	46.930	0	0	0	
Valoriza Servicios Medioambientales, S.A.	46.519	(13.202)	0	33.317	245	0	245	
Tratamientos de Residuos La Rioja, S.L.	4.471	(701)	0	3.770	0	0	0	
Waste treatment	50.990	(13.903)	0	37.087	245	0	245	
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59.000	(21.240)	0	37.760	0	0	0	
Somague Ambiente, S.A.	155.364	(22.227)	0	133.137	25.951	0	25.951	
Sacy S.A.U.(Alcudia desalination plant)	1.367	(316)	0	1.051	0	0	0	
Valoriza Agua, S.L.	17.106	(3.698)	(312)	13.096	0	0	0	
Water	232.837	(47.481)	(312)	185.044	25.951	0	25.951	
S. Concesionaria Aeropuerto Region Murcia, S.A.	0	0	0	0	258.677	(440)	258.237	
Somague SGPS	300	(94)	0	206	0	0	0	
Sacy Construcción S.A.U (Pza. del Centenario, V. Romero and Juan Exlandiú car parks)	12.510	(1.211)	0	11.299	0	0	0	
Sacy Construcción S.A.U (Val market)	2.051	0	0	2.051	0	0	0	
Sacy Construcción S.A.U. (Plaza de la Encarnación car park)	39.426	(3.612)	0	35.814	0	0	0	
Other	54.287	(4.917)	0	49.370	258.677	(440)	258.237	
CONCESSION PROJECTS	1.091.430	(169.771)	(312)	921.347	292.768	(440)	292.328	

Concession projects under construction include interest on the borrowings that effectively finance investment in the motorway concerned. These finance costs were capitalised as "Concession projects under construction". "Concession projects in operation" also includes interest capitalised by the concessionaire companies.

The Group performs impairment tests on its concession assets, highlighting the following:

- Sociedad Concesionaria del Aeropuerto de la Región de Murcia:

With regard to Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A., at 31 December 2013, the Group had performed an impairment test, and considered that the carrying amount of the concession asset exceeded its recoverable amount, and accordingly, it was necessary to recognise the related impairment loss allowance.

The valuation method used to perform this impairment test was the discounted cash flow method. This method treats the asset as a cash flow generating unit, and the current value of such flows is calculated with the appropriate discount rate to obtain

the asset's value. Discounted cash flow methods are based on a detailed and careful prognosis for each period of each of the items related to the generation of cash flows. Discounted cash flows in the model are those which pay capital, i.e. dividends accrued, loans to shareholders and refunds of capital at the end of the concession, since they relate to an end-of-life asset. The discount rate used is the cost of capital (ke). The form of calculating the cost of capital is inferred from the "Capital Asset Pricing Model" (CAPM) theory in which "Ke" is defined as the risk-free rate plus the asset's beta leveraged by the profitability demanded on the market above the fixed risk-free income.

With regard to macroeconomic assumptions, inflation of 1.50% was considered for 2013 (1.50% for 2012) and of 2% for the remaining years. Interest rates were based on the 6-month Euribor curve listed on Bloomberg on 01/01/2014. With respect to operating assumptions, the traffic series considered is based mainly on the top-down approach on the forecast evolution of traffic in the geographical corridor forming the Alicante, Murcia-San Javier and Almería airports, based on the historical correlation of the GDP of the main countries of air travellers, subsequently making an initial assignment by airport based on the growth trends of each, as well as on the application of a series of corrective factors. These projections, on including the impact of the uncertainties of the economic context, involve an extension of the crisis beyond what could have been expected two years ago, and a delay in the opening of the airport, representing a decrease with respect to the demand forecasts made in preceding studies, which tend to recover at the end of the projected period. Accordingly, reasonable assumptions have been used in terms of growth.

In line with the methodology of asset appraisal, a dynamic capital rate was used, hereinafter, Ke. It is dynamic because each year it is calculated based on the project's leverage: The values used were as follows:

Risk-free (Rf) rate = 4.13% (5.00% in 2012).

Market spread (ms) = 5.50% (5.00% in 2012).

Unleveraged beta = 0.70 (0.70 in 2012).

The calculation of the Ke = Risk-free rate + market spread by leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic Ke as the discount rate instead of the WACC is based on two aspects:

1. The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
2. The debt/equity ratio changes over time. It begins with a very high leverage to end with an unlevered asset.

The estimate of recoverable value was based on the best estimates of the Company's operations. The uncertainties thereon were taken into account without having envisaged a contract termination scenario.

In order to determine a reasonably possible change in one of the key assumptions, the Company does not have historical data on the evolution of the asset in order to be able to determine it since it has not entered into operation; however, an analysis was performed on the variation of air traffic at similar Spanish airports, published by AENA since 2000, in relation to the changes in internal demand in Spain in the same period; and a reasonably possible range of variation was established for air traffic of between

3.5% and 5% (between 3.5% and 5% in 2012). In this scenario, with the spreads and unitary income per passenger considered to remain constant, the asset's value would rise from 4.3% to 6.1% (between 7.3% and 10.3% in 2012) of its carrying amount.

The outcome of the test was asset impairment of 4,565 thousand euros, arising mainly from the delay in the entry into operations of the airport.

Also, in relation to the publication of the Significant Event of 19/09/2013, Sociedad Concesionaria Aeropuerto de Murcia S.A., implemented the following procedures to defend its legal rights:

- On 03 October 2013, the concessionaire filed an administrative appeal against the Order of 16 September 2013, terminating the concession arrangement, requesting in turn the adoption of the precautionary measure consisting in the suspension of the Order Challenged, under Article 24 of the Spanish Constitution and Articles 129 and subsequent of the Administrative Appeal Courts Law ("*Ley de la Jurisdicción Contencioso-administrativa*").
- On 21 October 2013, the Administrative Appeal Court, section 1, of the Murcia High Court of Justice notified the Order 00246/2013 agreeing to suspend the enforcement of the Order to terminate the concession arrangement challenged, indicating the invalidity of the immediate delivery of the facilities.
- Subsequently, the Murcia Autonomous Community filed an appeal for reconsideration against this Order of 21 October 2013, which has not yet been resolved.

In 2014, the Company recognised 4,125 thousand euros in relation to asset impairment. The impairment test was performed taking the recoverable value of the Company's investment to be the contrast value. In order to calculate the recoverable value, the RPA value recognised in the Murcia International Airport construction contract was used, together with the cost of the additional work, the estimated cost of expropriations, the capitalised finance costs, and the expenses required to start up Murcia International Airport.

This is the calculation method considered most reasonable to determine the recoverable value. It does not mean in any way that the events required to claim the RPA at short term will arise, since as indicated in Note 3, these consolidated financial statements are prepared in accordance with the going-concern principle for the reasons set forth in this same note.

In accordance with the foregoing, at 31 December 2014, the Company had not reported any asset impairment since the estimated RPA value is significantly higher than the asset's carrying amount.

No provisions for contingencies and expenses had been recognised by the Company at 31 December 2014.

Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A. is currently holding negotiations with the Murcia Autonomous Community Government, with a view to enabling the entry into operation of Murcia International Airport before 02 April 2015. Talks were also being held to enable the Murcia Autonomous Community Government to invalidate the resolution handed down on the concession arrangement and to grant the re-establishment of the concession contract's equilibrium to the concessionaire.

On 14 November 2014, the Governing Council of the Murcia Autonomous Community Government expressly authorised the negotiation of an accord and satisfaction enabling the prompt opening and entry into operation of the airport with the concomitant upgrading of the concession arrangement. Both the Murcia Autonomous Community Government and the concessionaire are working in all areas, both in the European, to obtain the approval for the granting of a participating loan, and with the State to obtain the pertinent certifications of the Spanish Air Security Agency.

On 12 December 2014, the European Commission requested the Murcia Autonomous Community Government to provide additional information in relation to other aspects of the participating loan. This information is in the process of being furnished within the deadline provided in this regard (20 days). The concessionaire maintains its firm commitment with regard to the entry into operation of the airport and the search for alternatives enabling such start-up.

On 18 December 2014, the procedures were completed for the entry into operation of the airport, such as the granting of the airport certification by the Spanish Air Security Agency. The Murcia Autonomous Community Government decided to invalidate the negotiation process commenced on 14 February 2014, which had led to the Resolution of 14 November 2014 of the Governing Council of the Murcia Autonomous Community Government. This Resolution expressly authorised the negotiation of an accord and satisfaction enabling the prompt entry into service of the airport with the concomitant upgrading of the concession arrangement for Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A. This Resolution was granted on 23 December 2014 by the Governing Council, which agreed: 1) To conclude the negotiations with Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A.; 2) To invalidate the Resolution of the Governing Council of 14 February 2014; 3) To recommence the suspended legal procedures; 4) To commence the procedures earmarked to launch a new tender to operate Murcia International Airport.

On 08 January 2015, the Murcia Autonomous Community Government unilaterally desisted, vis-à-vis the EC Directorate-General for Competition, from the authorisation Notification of compatibility of the participating loan which the Murcia Autonomous Community Government had planned to grant to Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A., as agreed by the Governing Council on 14 February 2014. On 28 January 2015, Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A. filed an administrative appeal, with a request for precautionary measures, against this unilateral discontinuance of the Murcia Autonomous Community Government. An Order handed down by the Murcia High Court of Justice on 30 January 2015 ordered the processing of the precautionary measures,

On 28 January 2015, another administrative appeal was filed before the Court against the material act of the Murcia Autonomous Community Government, which involved notifying the discontinuance of the procedure commenced to authorise the participating loan requesting the urgent adoption of the precautionary measure consisting of: (i) suspension of the effectiveness of the discontinuance while this appeal in filed or, on a temporary basis, if the effect wished to be avoided has already occurred, (ii) the return of the situation to the state prevailing before the discontinuance was filed; (iii) an order to the Murcia Autonomous Community Government to re-promote the implementation of the procedure.

On 30 January 2015, an Order was handed down in which it was resolved to: (i) not adopt the precautionary measure requested ex parte, on considering that the causes of special urgency put forward by us do not exist; (ii) to process the precautionary measures in conformity with Article 131, also requested in the notice of appeal (the appeal filed is processed under the number P.O 49/2015).

Lastly, on 16 January 2015, the Murcia Autonomous Community Government notified the Company of the Order dated 13 January 2015 handed down by the Department for Development, Public Works and Organisation of Territory of the Murcia Autonomous Community Government. This Order resolved to commence the ex officio review to declare the nullity of the Order dated 19 May 2014 confirming the appointment of the Company as manager of Murcia International Airport, and that of 15 January appointing an instructor and commencing the inspection of the case file.

The Company objected head on to the commencement of this ex officio review process. In this regard, on 28 January 2015, it filed pleas, arguing on a timely basis that the Order dated 19 May 2014 contained no grounds for nullity and that therefore an ex officio review was not required, rather that the procedures adopted by the Murcia Autonomous Community Government should be shelved.

On 03 February 2015, the Company filed a writ to the Spanish Air Security Agency requesting the suspension of the Company's obligation to execute those procedures which may be affected by the ex officio review process of the Order of 19 May 2014 commenced by the Murcia Autonomous Community Government until such as time as the procedure is shelved.

This request was replied to by the Spanish Air Security Agency on 3 February. It notified the Company that the Manager Certificate remains in force and the Company must continue to comply with all the obligations imposed by the applicable legislation and that the commencement of the aforementioned ex officio review procedure did not empower the Company to fail to comply with certain of these obligations.

b) Autovía de Barbanza Concesionaria Xunta de Galicia, S.A.:

At 31 December 2013 and 2014, the equity of the company was less than two thirds of its share capital. In order to rectify this rate, the Company converted subordinated debt together with the unpaid capitalised interest into the participating loan arranged under contract. This loan meets the conditions referred to in Article 20 of RDL7/1996, and accordingly, it is considered to be equity for the purposes of reducing capital and winding up companies envisaged under corporate law.

In line with the methodology of asset appraisal, a dynamic capital rate was used, hereinafter, K_e . It is dynamic because each year it is calculated based on the project's leverage: The values used were as follows:

Risk-free (R_f) rate = 2.75% (4.15% in 2013).

Market spread (M_s) = 6% (5.50% in 2013).

Unleveraged beta = 0.58 (0.60 in 2013).

The calculation of the K_e = Risk-free rate + market spread by leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic K_e as the discount rate instead of the WACC is based on two aspects:

1. The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
2. The debt/equity ratio changes over time. It begins with a very high leverage to end with an unlevered asset.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. The impairment test estimated an average rise in traffic of 3.23% (3.23% in 2013).

A reasonably possible scenario of a decrease in traffic of 2% with respect to the variation envisaged, would generate a recoverable amount that is 2.60 million euros higher than the carrying amount.

In order for the carrying amount to equal the recoverable amount, traffic would need to decrease by 6.93% with respect to the expected variation.

On 05 February 2014, the Galician Government requested the economic-financial reinstatement of the concession arrangement under additional provision twenty of Law 11/2013, of 26 December, on the general budgets of the Galicia Autonomous Community for 2014. On 31 December 2014, the addendum was signed to the concession arrangement, under which the Galician Government re-establishes the economic-financial equilibrium of the contract.

c) Viastur Concesionaria del Principado de Asturias, S.A.

At 31 December 2013 and 2014, the equity of the company was less than two thirds of its share capital. In order to rectify this rate, the Company converted subordinated debt together with the unpaid capitalised interest into the participating loan arranged under contract. This loan meets the conditions referred to in Article 20 of RDL7/1996, and accordingly, it is considered to be equity for the purposes of reducing capital and winding up companies envisaged under corporate law.

In line with the methodology of asset appraisal, a dynamic capital rate was used, hereinafter, K_e . It is dynamic because each year it is calculated based on the project's leverage: The values used were as follows:

Risk-free (Rf) rate = 2.88% (4.15% in 2013).

Market spread (Ms) = 6% (5.50% in 2013).

Unleveraged beta = 0.58 (0.60 in 2013).

The calculation of the K_e = Risk-free rate + market spread by leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the deleveraged Beta, net of the tax effect.

The choice of the dynamic K_e as the discount rate instead of the WACC is based on two aspects:

1. The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
2. The debt/equity ratio changes over time. It begins with a very high leverage to end with an unlevered asset.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. The impairment test estimated an average rise in traffic of 4.50% (4.51% in 2013). This variation means that the recoverable amount is the same as the carrying amount.

A reasonably possible scenario of a decrease in traffic of 2% with respect to the variation envisaged, would generate a recoverable amount that is 5.3 million euros higher than the carrying amount.

In order for the carrying amount to equal the recoverable amount, traffic would need to decrease by 11% with respect to the expected variation.

d) Pazo Congreso de Vigo:

The Sacyr Group has a total investment in Pazo Congresos de Vigo, S.A. of 55.55%. Despite holding an ownership interest exceeding 50%, this company is accounted for using the equity method as a result of the existence of shareholders' agreements obliging a reinforced majority to be obtained in certain aspects of special significance for the company such as the appointment of the Chairman, the Secretary to the Board of Directors, the CEO, the Technical Director and the Economic-Financial Director, the approval of the annual Budgets and the entering into or amendment of contracts of any type or any type of lending exceeding 600,000 euros.

In accordance with IAS 40, the Group periodically determines the fair value of investment property, taking as reference values the appraisals performed by external independent experts such that, at year end, the fair value reflects the arm's length value of the assets at that date.

The fair value of each asset was calculated at 31 December 2014 and 2013, based on market evidence that is consistent with external information sources. The valuation techniques in the annual report subject to this requirement do not change from one year to the next.

The hierarchical level of the fair value used to classify the fair value measurements relates entirely to Level 2.

This valuation performed by appraisers was conducted in accordance with the Professional Valuation Standards issued by the Royal Institution of Chartered Surveyors (RICS) in the United Kingdom (2013) "Red Book", and with the International Valuation Standards (IVS) published by the International Valuation Standards Council (IVSC). Market value is determined through the application of the above-mentioned standards and results from a combination of various valuation methods (DCF, comparative method and income capitalisation method), which make it possible to verify the consistency of such values. Discount rates are used for these calculations which are acceptable to a potential investor and agreed upon with those applied by the market for assets of similar characteristic in respect of the type of asset, location, age, tenants, contract term, rent, etc., These are the key assumptions of the impairment test since they take into account all these variables to determine the investment's value.

e) Autopista del Guadalmedina Concesionaria Española, S.A.

In line with the methodology of asset appraisal, a dynamic capital rate was used, hereinafter, K_e . It is dynamic because each year it is calculated based on the project's leverage: The values used were as follows:

Risk-free (R_f) rate = 3.42% in 2015(4.15% in 2013).

Market spread (M_s) = 6% (5.50% in 2013).

Unleveraged beta = 0.63 (0.60 in 2013).

The calculation of the K_e = Risk-free rate + market spread by leveraged beta.

The calculation of the leveraged beta is obtained through the result of the net financial debt ratio between the value of equity for each year by the value of 1 plus the unleveraged Beta, net of the tax effect.

The choice of the dynamic K_e as the discount rate instead of the WACC is based on two aspects:

1. The concession is an end-of-life asset, accordingly, projections should be made until the end of the concession.
2. The debt/equity ratio changes over time. It begins with a very high leverage to end with an unlevered asset.

The key assumption on which the calculation of the recoverable amount should be based is the performance of traffic. In this regard, it is not considered that reasonably possible decreases will occur in the Average Daily Traffic (ADT) curves. With the current assumptions, the recoverable value significantly exceeds the carrying amount. Accordingly, no decline in value is envisaged.

In order for the carrying amount to equal the recoverable amount, traffic would need to decrease by more than 15.2% with respect to the expected variation.

The impairment tests performed at year-end 2013 and 2014 did not lead to the recognition of any impairment allowances for the company's concession assets.

f) Neopistas, S.A.:

With respect to Neopistas S.A., the Group also performed an impairment test at 2013 year-end, which revealed that the recoverable amount of the concession asset was 0. Accordingly, it was lower than the carrying amount arising from its corresponding impairment of 8,240 thousand euros.

The valuation method used to perform this impairment test was the discounted cash flow method. This method treats the asset as a cash flow generating unit, and the current value of such flows is calculated with the appropriate discount rate to obtain the asset's value. Discounted cash flow methods are based on a detailed and careful prognosis for each period of each of the items related to the generation of cash flows. Discounted cash flows in the model are those which pay capital, i.e. dividends accrued, loans to shareholders and refunds of capital at the end of the concession, since they relate to an end-of-life asset. The discount rate used is the cost of capital (k_e). The form of calculating the cost of capital is inferred from the "Capital Asset Pricing Model" (CAPM) theory in which " K_e " is defined as the risk-free rate plus the asset's beta leveraged by the profitability demanded on the market above the fixed risk-free income.

With regard to macroeconomic assumptions, inflation of 0.30 % was considered for 2013 (1% for 2014) and 2% for the remaining years. Interest rates were based on the 6-month Euribor curve listed on Bloomberg on 01/01/2014. The following operative assumptions of the Company were considered:

- 1.- Sustained growth of operating income for each of the service areas, taking growth of 0.50% in 2014, up to a maximum of 2.50% from 2022 onwards.
- 2.- The conditions included in the contracts in force with customers (Repsol and Cafestore) were considered.

With regard to operating costs, the payment of an annual concession royalty to the Administration was considered, equivalent to that approved in the related concession arrangements.

The contractual conditions of the senior loan agreement were considered, except the early repayment scenario for this loan.

At 2014 year-end, Neopistas, S.A. was excluded from the scope of consolidation.

The cumulative capitalised borrowing costs, concession periods and investments committed are as follows:

	Capitalised finance costs		Concession period		Investment committed Investment (thousands of euros)
	2014	2013 (Restated)*	Date put into service	End of concession	
Motorways					
Viastur Conc. del Principado de Asturias, S.A.	4.486	4.486	2007	2035	0
Aut. del Eresma. Cons. Junta Castilla y Leon, S.A.	4.557	4.557	2004	2041	0
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	5.465	5.465	2008	2036	0
Autop. del Guadalmedina Conc. Española, S.A.	8.547	8.547	2011	2044	0
S.C. Ruta del Limari	82	0	2016	2043	52.854
Rental property					
Testa Residencial, S.L.U.					
Bentaberri (San Sebastián)	0	0	1994	2069	0
Trade Center, S.L.	0	0	2002	2022	0
Waste treatment					
Valoriza Servicios Medioambientales, S.A.					
Underground containers	0	0	2007	2019	0
Las Calandrias waste treatment plant	0	0	2002	2023	0
Guadarrama green areas	0	0	2008	2018	0
Puertollano car park	0	0	2011	2045	0
Móstoles crane	0	0	2008	2016	0
Majadahonda SUW	0	0	2002	2012	0
Boadilla SUW	0	0	2001	Extended	0
Los Hornillos waste treatment centre	446	472	2011	2030	0
Maresme integrated waste treatment centre	0	0	2007	2024	0
Edar Cariño water treatment plant	0	0	2006	2026	0
Butarque thermal sludge-drying plant	104	105	2002	2028	0
Aranda de Duero plant	0	0	2008	2013	0
La Rioja waste treatment	0	0	2009	2029	0
Water					
Somague Ambiente, S.A.					
AGS Paços Ferreira	2.017	2.017	2004	2039	0
Aguas de Barcelos	12.728	12.728	2005	2034	0
Aguas do Marco	2.290	2.290	2005	2039	0
Emp. Mixta Aguas S. Cruz de Tenerife, S.A.	0	0	2006	2031	0
Valoriza Agua, S.L.					
Guadalajara water concession	0	0	2009	2034	4.106
Almaden water concession	0	0	2010	2035	0
Cabezon de la Sal water concession	0	0	2011	2036	627
Other					
Somague SGPS (Vila Real car park)	0	0	1999	2019	0
S. Concesionaria Aeropuerto Region Murcia, S.A.	22.921	12.221	2015	2047	0
Sacyr, S.A.U. (Plaza del Centenario car park)	0	0	2011	2051	0
Sacyr, S.A.U. (Virgen del Romero car park)	0	0	2011	2049	0
Sacyr, S.A.U. (Juan Exlandiu car park)	0	0	2011	2049	0
Sacyr Construcción S.A.U. (Val market)	0	0	2014	2030	0
Sacyr S.A.U. (Plaza de la Encarnación car park)	0	0	2011	2049	0

(*) As explained in Note 3, the interim consolidated statement of financial position at 31 December 2013 has been restated.

At 31 December 2013 and 2014, none of the items reported by Group companies under "Concession projects" were subject to guarantees, other than the terms of the project financing, or to ownership restrictions.

At 31 December 2013 and 2014, the entire investment recognised under "Concession projects" relates to returnable assets that Group companies will transfer back to the concession grantors upon expiry of the concession periods, as per the specific concession contracts. These companies do not expect to incur any additional costs on the reversion of

the infrastructures at the end of the concession periods, other than those already budgeted in the relevant economic and financial plans.

Group companies take out insurance policies to adequately cover potential risks that could affect the items recognised under "Concession projects".

There are no significant undertakings to make repairs now or in the future other than those that are usual for this type of company.

In relation to the investment in Emmasa, the Administrative Appeals Court of the Canary Islands High Court of Justice handed down the ruling 114/2009 of 15 September 2009, setting aside the plenary Agreement of the Santa Cruz de Tenerife Municipal Council dated 22 July 2005, amending the form of management of the public services related with the end-to-end water cycle.

The case report on the change in the form of managing public utilities related to the end-to-end water cycle was publicly announced on 22 November 2011 in an announcement published in the Official Province Gazette.

In a submission dated 06 February 2012, the Santa Cruz de Tenerife Municipal Council requested the Santa Cruz de Tenerife Administrative Appeal Court no.1 to declare the Ruling of the Administrative Appeals Court of the Canary Islands High Court of Justice of 15 September 2009 to have been fully and adequately enforced and complied with.

Through an Order handed down on 20 May 2013, the Administrative Appeal Court no.1 determined that Ruling 114/2009 must be enforced within two months.

On 26 July 2013, Ruling 114/2009 of the Canary Islands High Court of Justice was enforced, and the Santa Cruz de Tenerife Municipal Council resolved to ratify the change of management of the public utilities related to the end-to-end water cycle from direct management to indirect management in the form of a mixed enterprise, with retroactive effect from 22 July 2005.

7. Investment property

Movements in the various items under "Investment property" in 2014 and 2013 and the related accumulated depreciation were as follows:

2013	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>							
Rental buildings	2.972.392	8.151	(101.248)	(611.000)	(4.530)	(700)	2.263.065
Construction in progress	0	0	0	0	0	0	0
Investments in land and natural assets	38.242	4.568	(973)	0	0	(547)	41.290
Cost	3.010.634	12.719	(102.221)	(611.000)	(4.530)	(1.247)	2.304.355
Impairment	(139.740)	(14.682)	0	73.247	0	0	(81.175)
Impairment	(139.740)	(14.682)	0	73.247	0	0	(81.175)
Depreciation	(423.426)	(36.895)	38.459	58.288	1.268	44	(362.262)
Accumulated amortisation	(423.426)	(36.895)	38.459	58.288	1.268	44	(362.262)
TOTAL	2.447.468	(38.858)	(63.762)	(479.465)	(3.262)	(1.203)	1.860.918

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31-Dec-14
<i>Thousands of euros</i>							
Rental buildings	2.263.065	10.660	(5.332)	0	0	0	2.268.393
Construction in progress	0	0	0	0	0	0	0
Investments in land and natural assets	41.290	314	0	0	0	0	41.604
Cost	2.304.355	10.974	(5.332)	0	0	0	2.309.997
Impairment	(81.175)	(511)	14.125	0	0	0	(67.561)
Impairment	(81.175)	(511)	14.125	0	0	0	(67.561)
Depreciation	(362.262)	(34.331)	753	0	0	0	(395.840)
Accumulated amortisation	(362.262)	(34.331)	753	0	0	0	(395.840)
TOTAL	1.860.918	(23.868)	9.546	0	0	0	1.846.596

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

This note covers rental buildings, land and investment property in progress.

The main movements in 2013 were:

- The decrease in "Rental buildings" in 2013 was due mainly to the sale of two office blocks, one in Avenida Brickell 1111 in Miami (USA) and another in the district of la Defense in Paris (France), the latter through the sale of all the shares of the Parent in Tesfran, S.A. The sale price of the building in Miami amounted to 140.5 million euros, generating a profit of 53.0 million euros before tax, and the sale price of the building in Paris was 450.0 million euros, incurring a loss of 6.9 million euros before tax.
- The reduction in impairment loss allowances recognised in 2013 was mainly due to the write-off of the related loss allowance for the Tour Adria building in France.

The main movements in 2014 related mainly to:

- The decrease in "Rental buildings" during 2014 mainly relates to the sale of a building of residential rental properties located on calle Conde de Xiquena, in Madrid, for an approximate total of 7.4 million euros. The disposal of the aforementioned residential rental properties generated a pre-tax profit of 2.3 million euros.

The increase in "Rental buildings" for the years 2014 and 2013 mainly relates to the refurbishment work to the buildings being operated. Particular note should be made of the refurbishment work on an office building located in Campo de las Naciones (Madrid) at year end 2014 and the works to accommodate Habitat in an office building on Diagonal 514 (Barcelona) in 2013.

Noteworthy among the additions for impairment loss allowances in 2013 were those relating to Torre Sacyr, an office building located at Campo de las Naciones (Madrid), those relating

to land located in Navalcarnero (Madrid) and in Zaragoza. The most notable disposals in 2014 and 2013 were the Torre Sacyr building in Madrid and the Tour Adria building in Paris (France).

The Group has suitable insurance policies for all its assets.

“Rental buildings” also includes two leasing arrangements, as follows:

Sector	Buildings		Gross initial cost		Depreciation / Impairment		Net cost		Option price		Final maturity
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Offices	4	4	302.968	302.965	45.124	41.323	257.844	261.642	105.992	105.992	16/02/2018
Hotel	1	1	61.031	61.007	12.031	12.007	49.000	49.000	21.350	21.350	23/01/2023
TOTAL	5	5	363.999	363.972	57.155	53.330	306.844	310.642	127.342	127.342	

The schedule of principal repayments outstanding on leases at 31 December 2014 and 2013 was as follows:

<i>Thousands of euros</i>	2014	2013
2014	0	2.272
2015	2.482	2.482
2016	11.696	11.696
2017	11.913	11.913
2018	125.993	125.993
2019	1.101	1.101
Subsequent years	24.864	24.864
Total, net	178.049	180.321

There are no contingent payments beyond those described in these consolidated financial statements. There are no adjustment clauses or tiered pricing arrangements and the restrictions imposed are the standard restrictions applied to financing contracts. There are no restrictions concerning distributions of dividends, additional borrowings or further finance leases.

At year end 2014 and 2013, the terms of the leases with the tenants of the leased buildings described above included the following minimum rental payments, under the current leases, not including any charges for shared expenses, future rent increases indexed to the CPI or other future rent rises under the lease, until the end of the contract term:

<i>Thousands of euros</i>	2014	2013
Less than one year	19.081	19.039
Between one and five years	64.237	69.126
More than five years	50.855	67.447
Total	134.173	155.612

The decrease in minimum lease payments stated in the above table mainly relates to the fact that there is one year less to obtain rental income as a result of the current contract maturities.

All leases in the Testa Group, except for those signed abroad, comply with Law 29/1994, of 24 November, on Urban Leases, modified by Law 4/2013, of 4 June, on Measures to make flexible and boost the market for the rental of residential properties.

Under this Law, and based on the make-up of the Testa Group's property portfolio, there are two types of lease:

For residential use

Article 9 of the Law states that the duration of the lease shall be freely agreed upon between the parties. The Testa Group normally sets a mandatory term of one year for both parties. Article 9 also states that on expiry of this term the lease can be extended by annual stages at the discretion of the lessee for up to a minimum of 5 years, when the lease shall be terminated. At each annual extension, rent is revised by the equivalent of the National General Index of the CPI. For private homes, rent is stated in the lease as all inclusive (bills). In government-subsidised housing, rent is set at a fixed level for each class of home, but services and utilities are billed separately monthly on the same receipt. Besides one month's legal deposit, the Group required a bank guarantee for 4-6 months' rent, depending on the circumstances.

For non-residential use

The Law allows aspects such as duration and rent to be freely agreed upon between the parties.

Normally, a term is agreed with the lessee and rent is updated annually in accordance with the National General Index of the CPI. Leases for terms longer than four years normally include a provision to bring the rent into line with market prices at the annual review for years 4-5, 8-10, etc.

These leases normally specify rent plus bills and require, besides the statutory deposit of two-months' rent, a bank guarantee for six monthly payments (rent plus bills plus VAT).

The table below shows the Group's billings in future years under rental agreements outstanding at 31 December 2014 and 2013 and estimates the annual revisions in rents until expiry of the lease, which is assumed will not be renewed. In calculating the rent revisions, a rate of 2% has been used for all years.

<i>Thousands of euros</i>	2014	2013 (Restated)*
2014	0	182.798
2015	173.461	156.398
2016	144.286	133.130
2017	122.140	114.770
2018	111.252	106.709
2019	86.164	79.128
Subsequent years	555.417	597.616
Total	1.192.720	1.370.549

(*) As explained in Note 3, the interim consolidated statement of financial position at 31 December 2013 has been restated.

The fair value of investment property used to guarantee compliance with financial debts at 31 December 2014 and 2013 amounted to 2,690,400 thousand euros and 2,647,080 thousand euros, respectively, and to 1,673,437 thousand euros and 1,771,965 thousand euros at 31 December 2014 and 2013, respectively, related to loan principals. The gross carrying amounts of investment property pledged as collateral for these financial liabilities at 31 December 2014 and 2013 were 2,154,806 thousand euros and 2,149,547 thousand euros, respectively.

Rental income from investment property at 31 December 2014 and 2013 was 169,358 thousand euros and 198,092 thousand euros respectively, while direct operating expenses were 34,392 thousand euros and 37,312 thousand euros respectively.

The decrease in revenue and expenditure for 2014 mentioned in the previous paragraph mainly relates to divestments made in 2013 and 2014.

At 31 December 2014 and 2013, there were no significant commitments to acquire investment property.

In 2014 and 2013, no borrowing costs were capitalised as property construction costs. The amount capitalised in prior years totals 35,826 thousand euros.

Impairment of these assets is recognised as the difference between the net carrying amount of the asset and the value determined by the independent appraiser.

Impairment losses and reversals are reported in the separate consolidated income statement under "Change in provisions for impairment of intangible assets, property plant and equipment and securities portfolio".

Group companies take out insurance policies to adequately cover potential risks that could affect the items recognised under "Investment properties".

The market value of investment property calculated by an independent expert at 2014 and 2013 year-end was obtained in accordance with the statements of the appraisal and valuation method for assets and the observations guide of the Professional Valuation Standards of the Royal Institution of Chartered Surveyors (2013) "Red Book".

Net rents covered by the valuation method included leases in force at the valuation date and estimates of future rents, discounting a marketing period for buildings with unlet space.

The residual value of the investment was calculated by capitalising the rent estimated at the end of the forecast period based on an estimated yield. The yield was determined mainly according to the type of asset, location, tenants, type of lease and age of the asset.

The yields used to value Group assets are as follows:

<u>Sector</u>	Exit Yields			
	2014		2013	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
OFFICES	5,25%	7,95%	5,35%	7,95%
<i>Madrid</i>	5,25%	7,00%	5,35%	7,00%
<i>Barcelona</i>	5,25%	7,95%	5,50%	7,95%
INDUSTRIAL	7,50%	8,00%	7,75%	8,00%
COMMERCIAL	6,00%	6,50%	6,15%	7,00%
HOTELS	5,50%	9,00%	5,60%	9,25%
PARKING	3,40%	5,00%	3,40%	5,00%
HOUSING	3,75%	4,75%	3,50%	4,75%
SENIOR CITIZENS' HOMES	9,00%	10,00%	9,00%	10,00%

The valuation for 2014 assumes cash flows have grown by 2% in all years subject to valuation, as with the valuation received for 2013. Occupancy rates were assumed to be close to 95% in both valuations, the average level of the Group over recent years. The time horizon for both valuations was 10 years.

An independent appraiser valued the Group's property assets at 2,817 million euros at 31 December 2014, compared to a carrying amount of 1,900 million euros, giving an unrealised gain of 917 million euros. At 31 December 2013, the corresponding valuation was 2,801 million euros, giving an unrealised gain of 932 million euros.

8. Other intangible assets

Movements in "Other intangible assets" in 2014 and 2013 and the related accumulated amortisation were as follows:

2013	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>							
Industrial property	235	0	0	158	0	0	393
Goodwill	337	0	(75)	0	0	0	262
Key money	3.568	795	0	0	0	0	4.363
Computer software	29.337	1.177	(51)	(161)	0	(33)	30.269
Advances	1.063	1.320	(743)	0	0	0	1.640
Greenhouse gas emission rights	4.657	1.455	(3.574)	(1)	0	0	2.537
Cost	39.197	4.747	(4.443)	(4)	0	(33)	39.464
Industrial property	(170)	(37)	0	(116)	0	0	(323)
Goodwill	(267)	0	75	0	0	0	(192)
Key money	(1.674)	(245)	0	0	0	0	(1.919)
Computer software	(26.095)	(1.744)	52	120	0	8	(27.659)
Accumulated amortisation	(28.206)	(2.026)	127	4	0	8	(30.093)
TOTAL	10.991	2.721	(4.316)	0	0	(25)	9.371

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31-Dec-14
<i>Thousands of euros</i>							
Industrial property	393	1	0	0	0	0	394
Goodwill	262	0	0	0	0	0	262
Key money	4.363	0	0	45	0	0	4.408
Computer software	30.269	979	(386)	7	(92)	17	30.794
Advances	1.640	561	(10)	0	0	0	2.191
Greenhouse gas emission rights	2.537	1.077	(2.338)	0	(367)	0	909
Cost	39.464	2.618	(2.734)	52	(459)	17	38.958
Industrial property	(323)	(39)	0	0	0	0	(362)
Goodwill	(192)	0	(70)	0	0	0	(262)
Key money	(1.919)	(301)	(279)	(73)	0	0	(2.572)
Computer software	(27.659)	(1.644)	348	21	90	(5)	(28.849)
Accumulated amortisation	(30.093)	(1.984)	(1)	(52)	90	(5)	(32.045)
TOTAL	9.371	634	(2.735)	0	(369)	12	6.913

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Details of the main greenhouse gas emission rights are as follows:

	2014				2013			
	Balance		Consumption		Balance		Consumption	
	Number of rights	Value (thousands of euros)	Number of rights	Value (thousands of euros)	Number of rights	Value (thousands of euros)	Number of rights	Value (thousands of euros)
Compañia Energética Puente del Obispo	(21.379)	203	81.027	643	7.988	618	89.406	595
Compañia Energética Las Villas	(24.712)	291	108.712	439	8.677	787	110.715	769
Compañia Energética Pata de Mulo	5.812	426	73.236	303	5.812	426	73.236	396
Olextra			SOLD		(1.826)	367	66.624	376
Compañia Energética Linares	(38.029)	167	82.956	413	(7.988)	479	90.131	506

Given that emission rights are not amortised, a provision for liabilities and charges is recognised as they are consumed (see Note 20.1).

The detail of intangible assets located outside Spain at 31 December 2013 and 2014 is as follows:

2013 (Restated)* <i>Thousands of euros</i>	Portugal	Libya	Panama	Chile	Ireland	Other	TOTAL
Industrial property	179	0	0	0	0	0	179
Computer software	5.663	120	0	285	6	0	6.074
Cost	5.842	120	0	285	6	0	6.253
Accumulated amortisation	(5.781)	(45)	0	(202)	(5)	0	(6.033)
TOTAL	61	75	0	83	1	0	220

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

2014 <i>Thousands of euros</i>	Portugal	Libya	Panama	Chile	Ireland	Other	TOTAL
Industrial property	179	0	0	0	0	0	179
Computer software	5.651	106	0	329	6	54	6.146
Cost	5.830	106	0	329	6	54	6.325
Impairment	0	0	0	0	0	0	0
Accumulated amortisation	(5.806)	(50)	0	(209)	(5)	(1)	(6.071)
TOTAL	24	56	0	120	1	53	254

At 31 December 2014 and 2013, fully amortised intangible assets in use totalled 18,736 thousand euros and 18,011 thousand euros, respectively.

9. Goodwill

9.1. Movement

Movements in goodwill in 2014 and 2013 were as follows:

2013 <i>Thousands of euros</i>	Balance at 31 December 2012 (Restated)*	Disposals	Reclasic. and transfers	Impairment and exchange rate	Balance at 31 December 2013 (Restated)*
Valoriza Group	115.121	0	0	(66)	115.055
Valoriza Servicios Medioambientales	94.987	0	0	0	94.987
Águas de Mandaguahy	81	0	0	(12)	69
Águas de Cascais	2.206	0	0	0	2.206
Hidurbe	897	0	0	(54)	843
Águas do Marco	2.241	0	0	0	2.241
Taviraverde	23	0	0	0	23
Águas da Covilha	14.394	0	0	0	14.394
Fagar	292	0	0	0	292
Somague Group	25.803	(6.732)	0	0	19.071
Somague Engenharia (Soconstroi)	18.482	0	0	0	18.482
CVC	1.356	(1.356)	0	0	0
Neopul	5.965	(5.376)	0	0	589
TOTAL	140.924	(6.732)	0	(66)	134.126

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014 <i>Thousands of euros</i>	Balance at 31 December 2013 (Restated)*	Disposals	Reclasic. and transfers	Impairment and exchange rate	Balance at 31-Dec-14
Valoriza Group	115.055	(16.984)	2.004	(246)	99.829
Valoriza Servicios Medioambientales	94.987	0	0	0	94.987
Suardiaz	0	0	2.004	(250)	1.754
Águas de Mandaguahy	69	(69)	0	0	0
Águas de Cascais	2.206	(2.206)	0	0	0
Hidurbe	843	0	0	0	843
Águas do Marco	2.241	0	0	4	2.245
Taviraverde	23	(23)	0	0	0
Águas da Covilha	14.394	(14.394)	0	0	0
Fagar	292	(292)	0	0	0
Somague Group	19.071	(589)	0	0	18.482
Somague Engenharia (Soconstroi)	18.482	0	0	0	18.482
Neopul	589	(589)	0	0	0
TOTAL	134.126	(17.573)	2.004	(246)	118.311

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Noteworthy in 2014 were disposals at Portuguese water companies as a result of the sale thereof.

9.2. Impairment test of goodwill

At each reporting date, the Group performs an impairment test on each cash-generating unit to which goodwill has been assigned. An analysis is performed in order to identify the recoverable value. Recoverable value is the higher of the asset's fair value less costs to sell and value in use. Fair value is defined as the price for which a company could be sold between knowledgeable, willing parties in an arm's length transaction.

The recoverable amount of each cash-generating unit determined by this method is then compared to its carrying amount. Where the recoverable value is less than the carrying amount, an irreversible impairment loss is recognised in the separate consolidated income statement.

Where recoverable value cannot be measured reliably (usually because the company is not listed on an organised financial market), it is assessed using other valuation methods,

Goodwill is valued by discounting forecast future cash flows to their present value at a discount rate that reflects the time value of money and the risks specific to the asset. At each reporting date, the Group performs an impairment test on each cash-generating unit to which goodwill has been assigned. To this end, an analysis is performed in order to identify the fair value. Fair value is defined as the price for which a company could be sold between knowledgeable, willing parties in an arm's length transaction.

a) Goodwill of Valoriza Servicios Medioambientales

Valoriza Servicios Medioambientales projects the cash flows of all the projects currently in the portfolio until the end of their concession period, The cash flows of each project carry the value of the assets of each project until they end (concession projects, accounts receivable for concession assets, property, plant and equipment, etc.).

The following key assumptions are taken into account to prepare the projects' cash flows.

- a. Fees received from the customer with their possible price reviews and extensions. These fees are stipulated in each tender and in each bid and constitute the contract price. The tender specifications include the price review formulas and the periods from which they are claimable. Sometimes, as a result of extensions of towns, increases in population or new neighbourhoods, contracts are extended, but they have not been considered in the models. In the flows considered, only the contracts in force have been included, with their current prices and subsequent reviews.
- b. Evolution of operating costs. Improvements in margins when the contracts reach maturity. Contracts usually attain stability in the income statement from the third or fourth year of the contract, since at the beginning they have start-up, service preparation, labour force adjustment costs, etc. From the third year, or the fourth on occasions, services have been adjusted, retirements are covered (or otherwise) by more productive employees (more hours, lower salaries, without seniority). A considerable reduction in absenteeism is usually attained and vehicle performance is maximised (more efficient routes, service reorganisation). For all of these reasons, margins improve and greater stability is obtained.
- c. The average collection period vis-à-vis the customer and its foreseeable evolution: following the supplier payment plan, which enabled old debt to be collected and the Budget Stability Law to be approved in 2012, municipal councils are complying reasonably well with the Law. Although they are not paying services at 30 days, an average collection period of between 90 and 120 days has been considered, without much variation over the years of the concession.
- d. Replenishment investments: they do not normally exist in cleaning and collection contracts, but do exist in certain treatment projects. When they are included in our offering, they have been considered in the models.

Replenishment investments: they do not normally exist in cleaning and collection contracts, but do exist in certain treatment projects. When they are included in our offering, they have been considered in the models.

In order to prepare cash flows for the goodwill impairment test, the company adds the flows of all its individual projects. From a certain year onwards, the flows reflect the completion of certain contracts but they do not show the inclusion of new contracts. That is, in the projection of the total flows of VSM, only the contracts in force for the first five years have been considered, without including new awards. Accordingly, a perpetual income is paid in year five. Accordingly, the key assumptions to prepare the goodwill impairment test are as follows:

- a. Discount rate.
- b. Perpetual growth rate from year five.

The flows are based on the company's budgets, and on the best performance estimate of these contracts until maturity, in conformity with the contracts signed with customers, normally from the public sector. Values do reflect past experiences, since the urban service contracts are usually quite stable. Normally a fee is charged to the customer, reviewable on the basis of a series of parameters (personnel costs, fuel, CPI) associated with operating costs, and the experience indicates to us that there is usually a notable improvement in margins when the contracts reach maturity (more efficient service, stability and improved collection, use of synergies and other services in the area).

The reason for having considered extensive periods for the projects is the fact that the service concessions usually last 8-10 years in the area of cleaning and collection, and 10-15 years in the waste services area. Aside from the stability afforded by revenue and results of this extensive concession term, the public tender itself foresees maintenance of the company's contract.

For the goodwill impairment test, the flows of all the individual projects contributed each year are added together. From a certain year onwards, the flows reflect the completion of certain contracts but they do not show the inclusion of new contracts. That is, in the projection of the total flows of Valoriza Servicios Medioambientales, only the contracts in force for the first five years have been considered, without including new awards. Accordingly, in year five, instead of continuing to project and reflect a company with a declining flow (as a result of not having included new contracts), a perpetual income is paid, which is based on the amount of cash flow in year five, and which reflects the company's continuity value, via the arrangement of new contracts, which replace contracts which have ended. This assumption reflects the company's past reality. In 2010-2014, Valoriza Servicios Medioambientales had a contract portfolio of 2,200 million euros. Accordingly, the perpetual income in year 5 to validate goodwill does not represent a residual value, since the company has in its portfolio contracts with terms far exceeding five years (as previously explained: service concessions usually last 8-10 years in the area of cleaning and collection, and 10-15 years in the waste services area). But it is considered that year 5 reflects the moment to grant a value to the company based on the perpetual income, given that the non-inclusion of new contracts would distort the company's value in use. The percentage of the residual value with respect to the recoverable value, obtained from the foregoing, is 74.6%.

An analysis was performed on the variations in the key variables in the goodwill impairment test. It was established that for a perpetual growth rate of between 0% and 1% and a discount rate of between 11% and 11.5%, the company's fair value would be equal to its carrying amount.

The estimated cash flow projections are based on the budgets approved by company management, using a discount rate of 6.69% (7.03% at 31 December 2013).

Varying the perpetual growth rate between 1% and 2%, the company's valuation ranged between -7% and 7%, without giving rise to asset impairment at any time.

Varying the discount rate between 6.5% and 7.5%, the company's valuation ranged between +3.7% and -13.3%, without giving rise to asset impairment at any time.

b) Goodwill of Somague SGPS Engenharia

At 31 December 2014 and 2013, goodwill related to Somague Engenharia was 18,482 thousand euros.

Somague Engenharia's valuation was based on the price paid for Soconstroi - Sociedade de Construções, S.A. which was wholly acquired by Somague SGPS in 1997 and was merged by absorption into its wholly owned subsidiary Somague Engenharia, S.A. in December 1998.

To arrive at this valuation, the expected cash flows were discounted over a period of 5 years in line with the Group's economic-financial plans. Subsequent projections were based on perpetual cash flows equal to those forecast for the fifth year, adding an additional element of prudence into the estimates. The main assumptions underlying this valuation are as follows:

- Growth rates for cash flows over the next 5 years in a range of -4% to 3% (between 3% and 7% at 31 December 2013).
- Discount rates based on the estimated cost of capital (CAPM) calculated using a risk-free rate benchmarked to the German 10-year government bond, a beta that reflects the risk of the assets and gearing, and a country risk premium. Based on these assumptions, the discount rate K_e (Cost of Equity) falls within a range of 7.2% and 7.7% (between 8.6% and 8.9% at 31 December 2013).

Recoverable value was calculated for each concession project assessed, based on the lifetime of the concession in years. From the range of values reached in this analysis, the Group concludes that the recoverable value of its interest in the company is similar to or higher than its carrying amount at 31 December 2014 and 2013.

10. Investments accounted for using the equity method

Under IAS 28 (paragraphs 29 and 30), at companies accounted for using the equity method, once the value of the investment in equity-accounted companies is zero, any additional losses are recorded by the Group as non-current provisions, insofar as it has incurred legal or constructive obligations.

Movements in this heading in 2014 and 2013 were as follows:

2013	Balance at 31 December 2012 (Restated)*	Changes in the scope of consolidation	Share of results	Impairment	Dividends received	Change in equity	Transfer to held for sale	Additions	Disposals	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>										
Sacyr Group (Construction)	27.408	0	(1.593)	0	0	(4.545)	0	1	(3.165)	18.106
Concessions Group	94.078	(14.219)	9.331	0	(7.139)	(1.435)	(47.736)	0	(79)	32.801
Valoriza Group	93.887	15	5.072	0	(928)	2.678	0	1.401	(3.621)	98.504
Vallehermoso Group	6.575	(4.210)	3.495	0	0	(221)	(5.639)	0	0	0
Testa Group	35.840	0	(3.981)	0	(79)	(8)	0	0	(1.289)	30.483
Somague Group	4.252	0	6.845	0	0	0	0	56	(116)	11.037
Repsoil	2.468.289	0	17.999	133.410	(117.562)	(70.188)	0	0	0	2.431.948
SACYR GROUP	2.730.329	(18.414)	37.168	133.410	(125.708)	(73.719)	(53.375)	1.458	(8.270)	2.622.879

(*) As explained in Note 3, the interim consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Changes in the scope of consolidation	Share of results	Impairment	Dividends received	Change in equity	Transfer to held for Sale	Additions	Disposals	Balance at 31-Dec-14
<i>Thousands of euros</i>										
Sacyr Group (Construction)	18.106	(54)	(243)	0	0	291	0	415	0	18.515
Concessions Group	32.801	19.039	11.129	0	(3.911)	(10.966)	0	0	(1.523)	46.569
Valoriza Group	98.504	(28.785)	1.063	0	(4.714)	639	0	0	0	66.707
Testa Group	30.483	0	800	0	(970)	71	0	0	0	30.384
Somague Group	11.037	0	2.815	0	0	0	0	0	(101)	13.751
Repsol	2.431.948	0	144.092	11.742	(239.159)	80.880	0	0	0	2.429.503
SACYR GROUP	2.622.879	(9.800)	159.656	11.742	(248.754)	70.915	0	415	(1.624)	2.605.429

(*) As explained in Note 3, the interim consolidated statement of financial position at 31 December 2013 has been restated.

The assumptions and procedures used to assess impairment in the various companies are explained below:

Repsol, S.A.:

The Sacyr Group is represented on the Board of Directors of Repsol, S.A., since it holds two positions thereon, one of which is the second Deputy Chairman of the company.

Additionally, the two directors are members of the following committees, which set the financial and operating policies of the investee: Executive Committee of the Board of Directors, Appointments and Remuneration Committee and the Strategy and Investments and Corporate Social Responsibility Committee.

As a result of the foregoing, Sacyr considers that it complies with the conditioning factors of significant influence under IAS 28. Accordingly, it consolidates its investment in Repsol, S.A. using the equity method.

The Sacyr Group measures its investment in Repsol, S.A. at its recoverable amount. IFRS 36 defines the recoverable value of an asset as the higher of the asset's fair value less the costs to sell and its value in use.

At 31 December 2014, the quoted price of Repsol, S.A. shares was 15.545 euros per share (18.32 euros per share in 2013), leading to a valuation (fair value) of Sacyr's holding of 1,899.7 million euros (2,239 million euros in 2013). This is less than the average purchase price of 26.71 euros per share. Nonetheless, the value in use of Repsol, S.A.'s investment is higher than its fair value, and the stake's recoverable value is therefore considered to be its value in use.

The Sacyr Group views this shareholding as a stable long-term investment and has no plans to accept a selling price for the shares below their value in use. The Group estimates the value in use pursuant to IAS 36.

Based on the 2014 financial statements of Repsol, S.A., the 2012-2016 Strategic Plan submitted by Repsol, S.A. on 29 May 2012, the 2015 budgets and the available information relating to the foreseeable evolution of the main variables affecting the generation of flows of Repsol, S.A., the Group estimated the recoverable amount of its investment in Repsol, S.A. in order, via its comparison with the carrying amount of this investment, to assess the need to recognise an impairment loss for this interest.

Since it acquired its interest in Repsol, S.A., the Group estimates its value in use, which was based on the calculation of the value of total assets by the free discounted cash flows method (cash flows) which this Group expects to generate, subsequently deducting the value of net borrowings and the non-controlling interests at the reference date of the analysis.

The Group estimated free cash flows based on its forecasts of the cash flows it will receive as a core shareholder in Repsol, S.A. and on the Strategic Plan announced by Repsol, S.A.

Medium-term projections were used (five years), taking into account the maturity periods of the Group's major exploration and extraction projects. Likewise, perpetual income was considered from the last projected period, using the Gordon-Shapiro model. This applies a normalised free cash flow based on the cash flow for the last projected year, recurring perpetual investment in line with that of the last projected period and the maintenance of the productive capital stock. A perpetual growth rate (g) of 1% in nominal terms was applied (1% in 2013).

Projected cash flows were discounted at a rate based on the weighted average cost of capital (WACC) which, considering the weightings of each source of capital, is estimated at around 9.03% (8.28% in 2013). The key assumptions used in calculating the WACC were as follows:

- Cost of equity (ke): using a discount rate of 11.2% (10.5% in 2013), based on the capital asset pricing model (CAPM) for construction, and on the following parameters:
 - Risk-free (Rf) rate: using the average weighted risk-free rates of countries in which Repsol, S.A. operates (Spain, Argentina, Brazil, Mexico, Libya, Algeria, the United States, etc.), based on the yield on the respective long-term government fixed-income assets (generally maturing at 10 years). The average of these rates, weighted in accordance with the share of Repsol, S.A.'s net assets and exposure in each country, is approximately 4.1% (4.8% in 2013).
 - Market risk spread of 6.2% (6% in 2013), considered globally for all markets in which Repsol, S.A. operates.
 - Leveraged beta of 1 (0.86 in 2013), based on the correlation between the trading price of Repsol S.A. shares and the Spanish benchmark index.
- Specific spread: a specific spread is considered to include in the discount rate the remaining risk factors of the asset left out of the previous parameters.
- The cost of bank borrowings after tax (Kd): a rate of around 2.4% is considered (3.2% in 2013).

In addition, a sensitivity analysis is performed regarding the residual growth rate (between 0.5% and 1.5% in 2014 and between 0.5% and 1.5% in 2013) and the WACC (between 8.53% and 9.53% in 2014 and between 7.8% and 8.8% in 2013).

The range of the value per share reached with this analysis, after ruling out extreme values, lay between 19.50 and 20.29 per share, placing the central value at 19.88 per share. This analysis enabled it to be concluded that the value in use of the Group's holding in Repsol, S.A. was lower than the value in use existing at 2013 year-end (19,90 euros per share).

A cross-over of values was obtained from this analysis, which rules out extreme values, in order to calculate the sensitivity of the reasonably possible changes in any of the key assumptions. This cross-over of values shows the following underlying impact of Sacyr's profit/loss after tax (in millions of euros):

		Perpetual growth				
		0,50%	0,75%	1,00%	1,25%	1,50%
C.M.P.C.	7,38%			126,01		
	7,63%		10,68	60,62	114,49	
	7,88%	-88,96	-46,05	0,00	49,53	102,96
	8,13%		-98,92	-56,35	-10,68	
	8,38%			-108,87		

Pursuant to IAS 36, the Group assessed a reasonably possible change in two other key assumptions on which management based its calculation of the recoverable amount of Repsol, S.A.: the euro/dollar exchange rate and the price of a barrel of Brent. As a result of this analysis, it was concluded that:

- a. An appreciation of 1% of the euro against the dollar in the whole projected period led to a fall in the value per share of 0.8%.
- b. An increase of 1% in the price of a barrel of Brent in the whole projected period led to a rise in the value per share of 0.3%.

Solucia:

On 13 July 2013, Royal Decree-Law 9/2013 was published on the adoption of urgent measures to guarantee the financial stability of the electricity system. The Single Derogation Provision of this Royal Decree derogated Royal Decree 661/07, while Transitory Provision Three stated that the economic system established in Royal Decree 661/07 would continue to apply as a transitory measure until a Royal Decree was introduced to regulate the legal and economic issues of the special regime. In February 2014, the draft Ministerial Order enacting Royal Decree-Law 09/213 was published, which determines the remuneration parameters of the standard facilities applicable to certain electricity facilities. In June 2014, Ministerial Order IET/1045/2014, of 16 June was published in the Spanish Official State Gazette on 20 June 2014, approving the remuneration parameters of the standard facilities applicable to certain electricity generation facilities using renewable energy, combined heat and power and waste sources. In this regard, in the 2013 and 2014 financial statements, the equity accounting of Solucia generated a value of zero.

Solucia used the discounted cash flow method for this impairment test. This method treats the asset as a cash flow generating unit, and the current value of such flows is calculated with the appropriate discount rate to obtain the asset's value. Discounted cash flow methods are based on a detailed and careful prognosis for each period of each of the items related to the generation of cash flows. The discount rate applied to the cash flow projections is 7.19% in 2013 and 6.75% in 2014.

Autopista Madrid Sur (Radial 4):

There is no potential sales option right on this company. On 14 September 2012, the Board of Directors of the Radial 4 Motorway resolved to request the declaration of insolvency

proceedings. On 04 October 2012, an Order was received accepting such voluntary insolvency proceedings request.

The concession continues to be operative, offering a top-level service to the user.

Alongside the operation of the infrastructure, in conjunction with the Insolvency Managers, the procedures envisaged by Law are being implemented in order to establish the methods required to ensure the concession's viability.

The Group impaired its whole investment, together with the subordinated loans with both companies. It did not recognise any further provisions, nor did it consider that any additional liabilities would arise.

Inversora Autopista Madrid Levante (AP-36):

There is no potential sales option right on this company. For its part, the Ocaña-La Roda Motorway requested the declaration of insolvency proceedings on 19 October 2012. On 04 December 2012, an Order was received accepting such voluntary insolvency proceedings request.

The concession continues to be operative, offering a top-level service to the user.

Alongside the operation of the infrastructure, in conjunction with the Insolvency Managers, the procedures envisaged by Law are being implemented in order to establish the methods required to ensure the concession's viability.

The legal procedures involving the two management companies, currently under way, are in the procedural phase of dealing with and resolving certain incidental claims against the Insolvency Proceedings report which already took place in each of these procedures and relate to the challenging of the lists of Creditors, the request for inclusion of certain collection rights and the acknowledgement of the privileged nature of others, etc.

The Group impaired its whole investment, together with the subordinated loans with both companies. It did not recognise any further provisions, nor did it consider that any additional liabilities would arise.

Accesos de Madrid (R-3 and R-5 Motorways):

The insolvency procedure no. 701/2012 must be highlighted: Under an Order handed down on 16 September 2014 1) the common phase of the insolvency proceedings was declared to have ended 2) the agreement phase was opened 3) the written processing of the agreement was resolved and written agreement proposals may be submitted until 16 October 2014; and 4) in order to exercise the adhesions, a period of one month was set following the completion of the aforementioned presentation period. On 16 October 2014 Accesos de Madrid presented its proposed agreement to the Court, which granted it leave to proceed. Likewise, the grantor authority also presented its proposed agreement in the same way. Via a writ dated 30 January 2015, Accesos de Madrid challenged the appeal for reconsideration filed by the State lawyer against the Order of 06 November 2014, which granted leave to proceed to the proposal of Accesos de Madrid and urged the Administration to rectify certain aspects of its proposal. Under an Order dated 19 February 2015, it was stipulated that both Accesos de Madrid and the Administration must rectify certain defects. At the date of preparation of these consolidated financial statements, no creditors' meeting had been convened.

N6 Concession Ltd:

N6 Concession Ltd is a mixed venture, given the existence of income flows arising from the payment of users ("traffic risk"), plus payments guaranteed by the Administration.

Historically, the low level of traffic on the road made it necessary to verify year after year whether it is expected that the portion of the company's intangible assets may be borne by the discounting of future operating flows, without including the amount of traffic income, which was what gave rise to the classification as a mixed asset.

In order to calculate the operating flows, the Company considered the assumptions to be taken into account (traffic, opex, capex, etc.), always based on the reports of the company's external advisors or on contracts in force. Once calculated, the discount rate for these flows to be considered will be the 10-year German bond.

These are the main assumptions which were included in the impairment test.

At 31 December 2014, the calculation of the impairment test for this company revealed the need to recognise impairment provisions for intangible assets for a virtually immaterial amount of 3.1 million euros (0.5 million euros in 2013).

The table below presents the financial highlights of the main companies accounted for using the equity method in 2013 and 2014:

2013 Thousands of euros	Total assets	Total liabilities	Revenue ordinary	Operating income	Profit/(loss)
Alazor Inversiones, S.A.	1.239.430	1.338.800	17.035	21.340	(54.985)
SMNL Concessões Rodoviárias do Portugal, S.A.	29.591	601.607	14.650	15.524	(89.181)
Haçor - Concessionária do Edifício Hospita da Ilha Terceira, S.A.	90.051	86.192	2.803	2.898	78
Haçor Domus, Compra e Venda de Imóveis, Ltda	2.021	43	0	0	(47)
Autovía del Arlanzón, S.A.	216.707	203.553	22.704	22.864	(1.609)
A. Madrid Sur, S.A.	1.127.563	1.267.305	12.260	13.941	(21.597)
Hospital de Majadahonda, S.A.	263.981	247.171	44.254	44.254	5.936
Inversora de Autopistas de Levante, S.L.	484.265	583.729	12.181	12.706	(22.974)
Sociedad Hospital Majadahonda Explotaciones, S.A.	22.406	20.619	24.593	26.800	1.773
Tenemetro, S.L.	14.086	1.320	1.758	1.758	(122)
S.C. de Palma de Manacor, S.A.	111.290	109.776	8.879	9.003	(1.558)
Concesiones de Intercambiadores de Transporte, S.L.	38.240	30.357	0	0	1.548
Intercambiador de Transportes de Moncloa, S.A.	147.350	133.265	13.180	16.275	2.820
Interc. de Transporte de Plaza Elíptica, S.A.	78.517	55.463	6.840	7.746	1.559
Autovías de Peaje en Sombra, S.L.	65.024	50.134	1.609	1.609	2.214
Autovía del Noroeste Concesionaria de CARM, S.A.	80.619	54.810	7.773	8.161	3.445
Autov. del Turia, Conc. Generalitat Valenciana S.A	197.699	192.190	11.480	11.829	(2.400)
GSJ Maintenance Ltd	2.822	1.687	7.287	7.287	1.086
N6 Operations Ltd	1.806	791	4.774	4.874	408
N6 Concession Holding Ltd	50	0	0	0	0
N6 Concession Ltd	145.236	185.832	15.620	15.620	(5.116)
Aguas de Toledo, A.I.E.	60	60	0	0	0
Alcorec, S.L.	1.047	1.319	834	53	(100)
Biomásas del Pirineo, S.A.	301	167	0	0	0
Biorreciclaje de Cádiz, S.A.	71.866	57.661	17.099	5	1.415
Boremer, S.A.	22.699	20.332	17.172	0	(2.014)
Compost del Pirineo, S.A.	631	350	0	0	(174)
Cultivos Energéticos de Castilla, S.A.	125	43	0	0	(2)
Desarrollos Eólicos Extremeños, S.L.	2.124	590	0	0	(9)
Desgasificación de Vertederos, S.A.	2	180	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	58.509	25.879	52.200	2.120	206
Enervalor Naval, S.L.	85	0	0	0	(106)
Geida Skikda, S.L.	20.416	1.178	0	0	4.732
Geida Tlemcen, S.L.	42.695	264	0	0	3.671
Gestión de Participes del Biorreciclaje, S.A.	283	308	0	0	0
Ibervalor Energía Aragonesa, S.A.	95	15	0	0	(13)
Infoser Estacionamiento Regulado, A.I.E.	715	345	707	409	9
Iniciativas Medioambientales del Sur, S.L.	286	2	0	0	0
Inte RCD Bahía de Cádiz, S.L.	845	373	0	0	0
Inte RCD Huelva, S.L.	1.133	1.172	0	0	0
Inte RCD, S.L.	2	0	0	0	0
Metrofangs, S.L.	31.408	19.297	30.089	0	505
Parque Eólico La Sotonera, S.L.	17.710	3.109	4.421	0	1.362
Participes del Biorreciclaje, S.A.	7.934	7.993	0	0	0
Quatro T&D Limited	310	501	102	0	(257)
Reciclados y Tratamientos Andaluces, S.L.	399	368	0	0	0
Residuos de Construcción de Cuenca, S.A.	342	238	102	0	(33)
Sacorec, S.L.	2.065	3	0	0	0
Sercanarias, S.A.	4.474	4.166	7.197	0	(183)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	1.586	46	272	275	(157)
Sociedad Economía Mixta de Aguas de Soria, S.L.	13.850	8.850	168	0	3
Soleval Renovables, S.L.	40.897	38.835	4.549	4.743	(80)
Solucia Renovables, S.L.	210.334	317.910	23.337	24.782	(115.123)
Suardiá Servicios Marítimos de Barcelona, S.L.	14.106	6.457	5.714	5.749	1.852
Valdemingómez 2000, S.A.	13.791	10.414	5.528	1	(565)
Valorinima, S.L.	3.703	3.700	0	0	0
Laboratorio Regional de Tras-os-Montes LDA	856	201	671	678	18
Tratamiento de Aguas Residuales de Ave, S.A.	36.751	26.865	14.089	15.134	4.113
Tavíra Verde - Empresa Municipal de Ambiente, E.M.	13.881	11.446	8.617	8.830	39
Cascaissedenova - Actividades Inmobiliarias, S.A.	4.135	4.681	506	506	152
Fagar - Faro, Festal de Agua e Resíduos, E.M.	42.941	20.176	14.995	16.640	1.388
Aguas do Sado - Con. dos Sistemas de Abast. de Agua e de Saneamento de Setúbal, S.A.	50.001	44.221	14.326	15.162	1.244
Excehrentia - Sociedade Imobiliária, LDA	25	10	0	0	0
Gestao de Sistemas Amientais, S.A.	1.022	157	265	269	177
Somague Hidurbe ACE	1.031	1.362	2.232	2.232	(16)
Grupo Unidos por el Canal, S.A.	654.758	1.235.494	648.659	652.815	(385.815)
M 50 (D&C) Ltd	471	8.141	0	0	287
N6 Construccion Ltd	5.724	96.858	0	0	(3.278)
Sociedad Sacyr Agua Santa, S.A.	4.507	4.230	8.699	10.991	(932)
Constructora ACS-Sacyr, S.A.	1.002	935	0	0	(3)
Constructora Necso Sacyr, S.A.	74	0	0	0	(59)
Constructora Sacyr - Necso, S.A.	56	6	0	0	0
Constructora. San Jose- Caldera, S.A.	11.726	5.938	1.624	1.624	(1.769)
Constructora San Jose-San Ramon, S.A.	8.065	7.830	0	0	0
Eurolink S.C.P.A.	57.954	20.454	0	2.125	0
NDP, S.C.P.A.	58.430	18.430	0	44.372	0
Inchisacyr, S.A.	1.982	21	0	0	(83)
Sacyr Operaciones y Servicios, S.A.	2.925	2.046	5.517	5.621	(722)
Sacyr Concesiones Chile, S.A.	99.411	75.433	2.349	2.686	(4.922)
Sociedad Sacyr Agua Santa, S.A.	4.507	4.230	8.699	10.991	(932)
Superstrada Pedemontana Veneta, S.R.L.	139.388	85.537	0	37	969
SIS, S.C.P.A.	585.541	570.541	0	277.697	0
Tecnológica Lena, S.L.	530	1.360	0	111	(314)
Bardiomar, S.L.	27.411	16.336	5.026	5.026	1.917
Parking Palau, S.A.	2.455	107	735	740	61
Pazo de Congreso de Vigo, S.A.	62.906	68.778	1.266	1.266	(2.348)
Pk Hoteles 22, S.L.	22.761	18.018	1.635	1.872	92
PK Inversiones, S.L.	37	1	0	0	0
Proviae, S.L.	8.266	1.783	0	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	705	1.013	0	0	(33)
Via Expresso	346.592	278.839	10.571	24.036	7.204
Repsol, S.A.	65.086.000	37.166.000	54.683.000	56.298.000	195.000

2014 Thousands of euros	Total assets	Total liabilities	Revenue ordinary	Operating income	Profit/(loss)
Alazor Inversiones, S.A.	1.172.279	1.295.215	17.228	21.545	75.618
SMNL Concessoos Rodoviárias do Portugal, S.A.	30.202	612.202	15.461	16.448	(9.984)
Haçor - Concesionaria do Edifício Hospital da Ilha Terceira, S.A.	90.987	93.712	3.045	3.177	461
Haçor Domus, Compra e Venda de Imóveis, Ltda	2.020	51	0	0	(9)
Autovía del Arlanzón, S.A.	213.215	198.927	31.342	31.573	5.417
Hospitales Concesionados, S.L.	61.130	44.992	240	240	1.184
Hospital del Noreste, S.A.	109.931	88.006	14.577	15.043	2.677
Hospital de Parla, S.A.	91.204	75.698	13.548	14.302	2.812
A. Madrid Sur, S.A.	1.143.655	1.305.940	12.363	14.047	(22.543)
Hospital de Majadahonda, S.A.	254.812	245.941	59.713	59.713	15.309
Inversora de Autopistas de Levante, S.L.	482.668	605.777	12.641	13.151	(23.645)
Sociedad Hospital Majadahonda Explotaciones, S.A.	22.141	18.202	28.476	376.219	2.925
Tenemetro, S.L.	2.836	884	1.708	1.708	(87)
S.C. de Palma de Manacor, S.A.	106.810	107.851	10.530	10.884	(3.650)
Concesiones de Intercambiadores de Transporte, S.L.	39.110	31.033	0	0	194
Intercambiador de Transportes de Moncloa, S.A.	148.247	134.335	13.432	15.995	3.301
Interc. de Transporte de Plaza Elíptica, S.A.	76.490	52.579	6.544	7.603	2.102
Autovías de Peaje en Sombra, S.L.	65.200	50.750	1.609	1.609	3.174
Autovía del Noroeste Concesionaria de CARM, S.A.	77.080	50.179	8.515	8.573	3.963
Autov. del Turia, Conc. Generalitat Valenciana S.A	195.159	196.712	11.756	11.997	(4.644)
GSJ Maintenance Ltd	6.282	3.430	20.498	20.498	1.716
N6 Operations Ltd	1.949	654	4.781	4.926	781
N6 Concession Holding Ltd	50	0	0	0	0
N6 Concession Ltd	130.997	179.615	14.163	14.163	(5.990)
Sociedad Concesionaria Vespuccio Oriente, S.A.	128.060	5.048	5.892	5.892	389
Aguas de Toledo, A.I.E.	60	60	0	0	0
Alcorec, S.L.	959	615	798	32	23
Biomassas del Pirineo, S.A.	520	385	0	0	0
Biorreciclaje de Cádiz, S.A.	69.269	53.561	16.567	3	1.504
Boremer, S.A.	18.559	20.300	3.550	0	(4.108)
Compost del Pirineo, S.A.	547	323	0	0	(57)
Consorcio Stable VIS Societá C.P.A.	62	25	0	28	0
Cultivos Energéticos de Castilla, S.A.	348	118	0	0	(2)
Desarrollos Eólicos Extremeños, S.L.	2.219	703	0	0	(17)
Desgasificación de Vertederos, S.A.	1	181	0	0	(1)
Empresa Mixta de Aguas de Las Palmas, S.A.	57.623	25.304	51.300	2.610	(464)
Enervalor Naval, S.L.	81	0	0	0	(6)
Geida Skikda, S.L.	27.402	6.301	0	0	3.163
Geida Tlemcen, S.L.	46.334	4.699	0	0	6.984
Gestión de Participes del Biorreciclaje, S.A.	282	307	0	0	0
Ibervalor Energía Aragonesa, S.A.	2	15	0	0	(93)
Infoser Estacionamiento Regulado, A.I.E.	672	267	756	0	12
Iniciativas Medioambientales del Sur, S.L.	285	2	0	0	0
Inte RCD Bahía de Cádiz, S.L.	845	373	0	0	0
Inte RCD Huelva, S.L.	1.133	1.172	0	0	0
Inte RCD, S.L.	2	0	0	0	0
Metrofangs, S.L.	23.318	10.248	16.330	0	873
Parque Eólico La Sotonera, S.L.	16.431	8.848	2.392	30	103
Participes del Biorreciclaje, S.A.	5.520	5.580	0	0	0
Quatro T&D Limited	262	190	25	0	(302)
Reciclados y Tratamientos Andaluces, S.L.	399	368	0	0	0
Residuos de Construcción de Cuenca, S.A.	257	189	0	0	(35)
Sacorec, S.L.	2.065	3	0	0	0
Sercanarias, S.A.	4.338	4.903	7.167	5	(873)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	974	(1)	0	0	(24)
Sociedad Economía Mixta de Aguas de Soria, S.L.	16.076	10.901	4.100	0	175
Soleval Renovables, S.L.	41.262	38.642	4.933	0	207
Solucia Renovables, S.L.	206.274	315.817	27.446	37	(5.762)
Valdemingómez 2000, S.A.	13.447	13.867	1.615	0	(3.797)
Valorinima, S.L.	4.442	4.231	901	78	209
Gestao de Sistemas Amientais, S.A.	782	22	281	394	295
Somague Hidurbe ACE	34	10	13	13	(38)
Grupo Unidos por el Canal, S.A.	1.407.686	1.804.102	747.304	750.789	(30.326)
M 50 (D&C) Ltd	432	8.040	0	0	62
N6 Construicou Ltd	5.465	95.856	0	0	738
Sociedad Sacyr Agua Santa, S.A.	3.576	3.389	98	100	21
Constructora ACS-Sacyr, S.A.	1.023	953	0	14	4
Constructora Necso Sacyr, S.A.	73	0	0	0	0
Constructora Sacyr - Necso, S.A.	55	6	0	0	0
Constructora. San Jose- Caldera, S.A.	12.828	6.324	694	774	(83)
Constructora San Jose-San Ramon, S.A.	8.819	8.530	0	0	23
Eurolink S.C.P.A.	56.928	19.428	0	4.877	0
NDP, S.C.P.A.	58.748	48.748	0	24.953	0
Inchisacyr, S.A.	1.975	1	0	0	11
Sacyr Operaciones y Servicios, S.A.	3.983	2.709	9.334	9.343	486
Sacyr Concesiones Chile, S.A.	169.130	46.443	2.637	2.664	(5.089)
Sociedad Sacyr Agua Santa, S.A.	3.576	3.389	98	100	21
Superstrada Pedemontana Veneta, S.R.L.	215.752	162.233	0	0	(481)
SIS, S.C.P.A.	592.209	577.209	0	237.650	0
Tecnológica Lena, S.L.	528	1.006	23	354	351
Bardiomar, S.L.	28.077	15.455	5.892	5.892	3.260
Parking Palau, S.A.	2.455	104	735	740	61
Pazo de Congreso de Vigo, S.A.	58.246	67.142	917	970	(3.024)
Pk Hoteles 22, S.L.	22.761	18.120	1.635	1.872	92
PK Inversiones, S.L.	37	1	0	0	0
Proviae, S.L.	8.308	1.843	0	0	(17)
H.S.E. - Empreendimentos Imobiliários, Lda	3.947	1.969	2.861	0	2.339
Via Expresso	339.261	259.584	24.357	16.803	11.805
Repsol, S.A.	51.889.000	23.735.000	45.433.000	47.292.000	1.612.000

The Group classifies companies as associates when it exercises significant influence over their management, regardless of whether its holding is less than 20%, in fulfilment of the conditions set forth in IAS 28.

11. Contribution by proportionately consolidated companies

The tables below present the basic financial highlights of the proportionately consolidated companies in 2014:

<i>Thousands of euros</i>	2014					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expenses
Consortio GDL Viaducto, S.A. de C.V.	136	14.541	2.745	11.798	9.827	9.694
Consortio Túnel Guadalajara, S.A. de C.V.	49	12.271	1.286	10.989	4.005	3.964

In 2013, no company was proportionately consolidated.

There were no contingent liabilities or commitments in respect of the above businesses in 2013 and 2014.

12. Receivables from concessions

As indicated in Note 3.c.10), as a result of the application of IFRIC 12, some concession projects have been classified as financial assets and recorded under "Receivables from concessions". This item includes receivables from the public authorities granting the concessions under the various agreements.

The movements in this heading in 2013 and 2014 were as follows:

2013								
<i>Thousands of euros</i>	Balance at 31-Dec-12	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31-Dec-13
Non-current receivables from concessions	697.748	247.182	(25.935)	(95.996)	0	(40.134)	0	782.865
Current receivables from concessions	76.314	373	(90.898)	95.996	0	0	0	81.785
2014								
<i>Thousands of euros</i>	Balance at 31-Dec-13	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31-Dec-14
Non-current receivables from concessions	782.865	423.654	(52.753)	(109.111)	(131.252)	3.999	0	917.402
Current receivables from concessions	81.785	3.514	(112.730)	109.111	(31.774)	0	0	49.906

Additions to this account in 2013 and 2014 relate to the progress of the work in progress, mainly in Chilean assets (Rutas del Algarrobo, Valles del Bio Bio, Rutas del Desierto and Rutas del Limari).

In 2014, decreases due to changes in the scope relate basically to the sale of 49% of Hospital de Parla, S.A. and Hospital del Noreste, S.A., which meant that they went from being fully consolidated in 2013 to being accounted for using the equity method in 2014.

The disposals in the two years relate to the amounts received from the grantor Authority at each concessionaire.

The detail of "Receivables from concessions" is as follows:

<i>Thousands of euros</i>	2014		31-dic-13 (Restated)*	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Sociedad Concesionaria Vial Sierra Norte, S.A.	18.227	0	0	0
Sociedad Concesionaria Valles del Desierto, S.A.	168.705	0	177.573	0
Sociedad Concesionaria Ruta del Limari, S.A.	15.238	0	5.213	0
Sociedad Concesionaria Rutas del Desierto, S.A.	124.494	0	73.463	0
Sociedad Concesionaria Valles del Bio Bio, S.A.	188.699	0	98.419	0
Sociedad Concesionaria Ruta del Algarrobo, S.A.	193.936	0	69.981	0
Total motorways abroad	709.299	0	424.649	0
Motorways	709.299	0	424.649	0
Escala Braga - Sociedad Gestora do Edificio, S.A.	56.429	22.758	70.805	22.786
Escala Vila Franca - Sociedad Gestora do Edificio, S.A.	42.901	23.575	54.364	23.715
Sociedad Concesionaria Salud Siglo XXI, S.A.	30.035	0	2.363	0
Hospital de Parla, S.A.	0	0	62.944	15.259
Hospital del Noreste, S.A.	0	0	68.308	16.516
Hospitals	129.365	46.333	258.784	78.276
Testa Residencial, S.L.U.	4.772	0	5.412	0
Rental property	4.772	0	5.412	0
Valoriza Servicios Medioambientales, S.A.	54.556	3.463	57.544	3.401
Waste treatment	54.556	3.463	57.544	3.401
Somague Ambiente, S.A.	0	0	16.992	0
Desaladora de Alcudia (Sacyr Construcción, S.A.U. and Sadyt, S.A.)	1.070	110	1.180	108
Water	1.070	110	18.172	108
Sacyr Construcción, S.A.U (Gisa police stations)	18.340	0	18.304	0
Other	18.340	0	18.304	0
RECEIVABLES, CONCESSION PROJECTS	917.402	49.906	782.865	81.785

(*) As explained in Note 3, the interim consolidated statement of financial position at 31 December 2013 has been restated.

The concession periods and the committed investment are as follows:

	Concession period		Investment committed (thousands of euros)
	Date put into service	End of concession	
Motorways			
Sociedad Concesionaria Vial Sierra Norte, S.A.	2014	2039	399.861
Sociedad Concesionaria Valles del Desierto, S.A.	2011	2044	1.235
Sociedad Concesionaria Ruta del Limari, S.A.	2016	2043	140.881
Sociedad Concesionaria Rutas del Desierto, S.A.	2014	2043	8.382
Sociedad Concesionaria Valles del Bio Bio, S.A.	2015	2046	71.702
Sociedad Concesionaria Ruta del Algarrobo, S.A.	2015	2047	70.555
Hospitals			
Escala Braga - Sociedad Gestora do Edificio, S.A.	2011	2039	0
Escala Vila Franca - Sociedad Gestora do Edificio, S.A.	2013	2041	0
Sociedad Concesionaria Salud Siglo XXI, S.A.	2016	2031	176.050
Rental property			
Usera (Madrid)	2003	2020	3.466
Campo de Tiro (Leganés)	2000	2016	1.306
Waste treatment			
Valoriza Servicios Medioambientales, S.A.			
Los Hornillos waste treatment centre	2011	2030	0
La Paloma plant	2003	2022	0
Las Calandrias	2003	2023	0
Guadarrama green areas	2008	2022	0
Cleaning and solid urban waste collection, Majadahonda	2012	2022	0
Water			
Somague Ambiente, S.A.	2005	2035	0
Alcudia desalination plant	2010	2025	0
Other			
Sacyr Construcción, S.A.U (Gisa police stations)	2007	2032	0

There are no significant undertakings to make repairs now or in the future other than those that are usual for this type of company. Concession arrangements usually include the following infrastructure procedures:

- a) Major repair and replacement works when they are performed with respect to periods of use exceeding one year, which are claimable in relation to items which must be assembled by each infrastructure in order to preserve their condition so that the services and activities in which they are used may be appropriately performed.
- b) The procedures required to revert the infrastructure to the grantor entity at the end of the concession, in the state of use and operation set forth in the concession arrangement.

13. Non-current and current financial assets

The movements in the various items under this heading in 2014 and 2013 are as follows:

2013 <i>Thousands of euros</i>	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for Sale	Balance at 31 December 2013 (Restated)*
Loans to companies accounted for using the equity methc	186.264	6.018	(19.519)	0	0	0	0	172.763
Other loans and receivables	73.684	9.437	(18.256)	(5.159)	(4.714)	(2.025)	0	52.967
Available-for-sale financial assets	8.402	5.122	(2.456)	236.076	0	0	(536)	246.608
Debt securities	0	13	0	1.673	0	0	0	1.686
Financial assets held for trading	113	0	(42)	0	0	0	0	71
Non-current guarantees and deposits	55.516	2.183	(15.843)	(3)	0	(162)	(271)	41.420
Cost	323.979	22.773	(56.116)	232.587	(4.714)	(2.187)	(807)	515.515
Provision	(17.660)	0	0	(14.631)	0	0	0	(32.291)
Impairment	(17.660)	0	0	(14.631)	0	0	0	(32.291)
TOTAL	306.319	22.773	(56.116)	217.956	(4.714)	(2.187)	(807)	483.224

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014 <i>Thousands of euros</i>	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Transfer to held for sale	Balance at 31-Dec-14
Loans to companies accounted for using the equity methc	172.763	20.241	(6.521)	0	(19.477)	0	0	167.006
Other loans and receivables	52.967	9.551	(5.608)	(19.986)	0	(559)	0	36.365
Available-for-sale financial assets	246.608	33.972	(3.818)	(31.879)	0	0	0	244.883
Debt securities	1.686	8.708	(1.686)	(4.846)	0	0	0	3.862
Financial assets held for trading	71	5.985	(5.160)	0	0	0	0	896
Non-current guarantees and deposits	41.420	8.354	(2.921)	(5.186)	(14)	1.301	0	42.954
Cost	515.515	86.811	(25.714)	(61.897)	(19.491)	742	0	495.966
Provision	(32.291)	(15.570)	0	0	0	0	0	(47.861)
Provision	(32.291)	(15.570)	0	0	0	0	0	(47.861)
TOTAL	483.224	71.241	(25.714)	(61.897)	(19.491)	742	0	448.105

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

In 2013, of note was the positive transfer to "Available-for-sale financial assets", arising mainly from the transfer to this heading of the Group's 15.51% share of Itinere Infraestructuras, S.A., which, in 2012, was classified as "Non-current assets held for sale".

In 2013, Itinere Infraestructuras, S.A. ended the joint financing of the payables of its subsidiaries, Enaitinere and Participaciones AP-1, amounting to 1,176 million euros.

The new loan was granted by a banking syndicate comprising 28 Spanish and international banking entities which already participated in the previous loans to Enaitinere and Participaciones AP-1.

The refinancing took into account the current market conditions; the loan has a five-year duration maturing at the end of 2018.

All the foregoing enabled the Itinere Group's managers to reasonably estimate that the aforementioned debt may be refinanced on maturity, and consequently to consider calculating the fair value of the assets, although this estimate was conditioned by the

specific circumstances of the financial markets existing at the time of the refinancing, as well as by the approval of the financial institutions.

Attention should also be drawn to the reduction in the "Other loans and receivables" heading as a result mainly of the write-offs of the linearisation of income arising from the lease agreement relating to the buildings disposed of in the year: the "Sabadell Financial Center" in Miami (USA) and the "Tour Adria" building in Paris (France).

In 2014, noteworthy was the decrease in the scope of consolidation as a result of the sale of water companies owned by the Group in Portugal.

With respect to Itinere Infraestructuras, S.A., classified as "Available-for-sale financial assets", the Group estimates the recoverable value based on the calculation of the value of all assets by the free cash flow discounting method (cash flows), subsequently deducting the value of net financial debt at the date in question of the analysis. The assumptions used by the Group to estimate the recoverable value of the holding in Itinere Infraestructuras, S.A. are as follows:

- Cost of equity (ke): using a discount rate of around 9.09%, based on the capital asset pricing model (CAPM) for construction, and on the following parameters:
 - Risk-free rate (Rf): 2.75% (4.15% in 2013)
 - Market spread of 6.00% (5.50% in 2013).
 - Leveraged beta of 0.634 (0.73 in 2013).
- Specific risk premium: A fixed risk rate of 6% was considered.

Also, in order to calculate the recoverable value, the two main non-financial assumptions were growth in traffic and in rates. With respect to the Average Daily Traffic (ADT) on motorways, the following increases were projected for each Itinere motorway:

<u>Thousands of euros</u>	2014	2013
Audasa	4,19%	4,39%
Aucalsa	4,33%	4,43%
audenasa	4,31%	4,89%
Autoestradas	4,16%	4,10%
AP-1	3,88%	3,93%

In 2014, adjustments due to changes in value rose by 31million euros as a result of the increase in value of Itinere Infraestructuras following the new valuation provided by the impairment test. The increase in value related mainly to the estimated traffic improvement.

The Group performed a sensitivity analysis relating to the cost of equity (Ke) of +/- 0.5%. A variation in the ke of -0.5% represents a valuation increase attributable to the Sacyr Group of +141.9 million euros; on the other hand, a variation of +0.5% represents a reduction in the valuation attributable to the Sacyr Group of -128 million euros.

On 25 July 2014, the issue of subordinated bonds convertible into shares of Itinere Infraestructuras, S.A. was executed in a public deed. The number of securities issued was 11,000, with a par value of 5 thousand euros. The total amount of the bond issue launched by this company was 55 million euros. These bonds earn annual interest of 12%, except in the event of the partial obligatory early redemption which earns interest of 10% per year. The final maturity date is 31 October 2018. Via the Parent, the Group subscribed to the shares in the percentage (15.50%) it owns in the share capital of Itinere Infraestructuras, S.A. It subscribed 1,705 bonds with a par value of 5 thousand euros, paying an amount of 8,525 thousand euros.

The Group recognised these bonds under "Debt securities". On 02 January 2015, Itinere Infraestructuras, S.A. made a partial obligatory early redemption of its bonds on 02 January 2015. Consequently, the Company reclassified the principal and unmatured accrued interest at 31 December 2014, amounting to 5,047 thousand euros, at short term. Finance income recognised in the income statement for the bonds in 2014 amounted to 384 thousand euros.

As indicated in previous paragraphs, the Group subscribed to the issue of bonds convertible into shares launched by Itinere Infraestructuras, S.A. The option to convert the bonds into shares may be exercised in the first five days of each quarter from 2015 to 201, both inclusive. The conversion of such bonds would be made with newly issued shares of Itinere with a par value of 55 million euros and a preferential subscription right. The option to convert the bonds into shares is tied to each of the bonds and may not be transferred separately from the bonds.

The bonds will be measured at their par value plus the cumulative interest until the conversion date; the shares, at their present par value (0.49 euros per share) or at the lower par value in the case of a capital reduction.

The company assessed the conditions set in the regulatory accounting framework to recognise this convertibility option into shares separately from the issue of bonds (note loans and receivables section). Consequently, a financial asset at fair value through profit or loss was recognised. The variation in the fair value in 2014 was as follows:

<i>Thousands of euros Derivatives</i>	Valuation at 31-12-2014	Valuation at 29-7-2014
Itinere share conversion option	36.859	31.846
Fair value change	5.013	

The exponential method was used to measure the convertibility options into shares of Itinere (call option). This exponential method is based on a one-step binomial method via implicit probabilities and the application of an exponential function.

Firstly, an estimate is made of two values of the underlying share. One determines a rise therein and the other a fall in value with respect to the current value.

- i. The higher value is set on the basis of the expected return of the share which, in percentage terms, would be equivalent to the company's WACC. The lower is approximately half the lower amount and below the present value.
- ii. The underlying value of the option (spread) is obtained in each case by the difference between the estimated higher and lower values and the value for the year.

Based on the estimated higher and lower values, the growth factors and the decline in the underlying value are obtained, projecting an estimated probability of the value of the share.

As required by law, Group companies have disclosed all companies in which they have taken a shareholding of over 10% or, where they already held such a shareholding, any additional acquisitions or sales above 5%.

"Loans to companies accounted for using the equity method" reports the Group's loans to companies consolidated in this manner.

“Guarantees and deposits given” mainly comprises the percentage of guarantees paid by lessees that Spain’s various regional governments require as a deposit. In 2013, a disposal was made, relating mainly to the recovery of a fixed-term deposit at a financial institution.

The breakdown of current financial assets at 31 December 2014 and 2013 is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Loans to companies accounted for using the equity method	73.842	67.848
Other current assets	21.362	31.866
Debt securities	20.041	855
Loans to third parties	46.591	8.867
Short-term deposits and guarantees	8.551	6.126
Provisions	(8.812)	(8.145)
TOTAL	161.575	107.417

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

In 2013, no significant changes took place in current financial assets.

In 2014, there was an increase in the “Debt securities” heading as a consequence of the temporary investment of cash surpluses. There was also an increase in “Loans to third parties”, relating mainly to time deposits used as collateral for public Angolan bonds, received to pay Government debts.

In 2014 and 2013, “Other current financial assets” related mainly to fixed-term deposits.

14. Tax situation

14.1. Consolidated Tax Group

As indicated in Note 3.c.21, in compliance with Royal Decree 4/2004 of 5 March approving the revised Corporate Income Tax Law (*Ley del Impuesto sobre Sociedades*), Sacyr, S.A. and its subsidiaries have decided, with the approval of each company’s corporate bodies, to file a consolidated tax return, and have duly notified the A.E.A.T. (the Spanish tax authorities), which assigned the tax identification number 20/02 to the head of the Tax Group.

Companies forming part of the tax group are listed in Appendix II of these consolidated financial statements.

14.2. Years open to inspection

On 10 June 2013, the Delegation of Large Contributors of the Spanish Tax Authorities notified Sacyr, S.A. of the commencement of review proceedings in relation to:

- Corporate income tax for 2007-2010, as Parent of the Tax Group 20/02.
- VAT for the periods from 5/2009 to 12/2010, as Parent of the VAT Group 410/2008.

Aside from the years currently open for review, the Group also has 2011-2014 open for all taxes applicable to it.

The returns signed on a contested basis by Sacyr, S.A. as Parent of the Tax Group 20/02 in relation to Corporate Income Tax for the periods 2004 to 2007, totalling 75,775,090.97 euros, which relate to various companies composing the Tax Group, are currently being challenged before the National Appellate Court.

The Group's management and its tax advisers do not expect the final outcome of the inspections under way and of the appeals that have been lodged to have a significant impact on the financial statements at year-end 2014.

14.3. Tax rate

The main nominal tax rates used in calculating tax on Group companies' income for 2014 and 2013 are as follows:

- Spain: 30%
- Portugal: 24.5%
- Chile: 21%
- Panama: 25%
- Brazil: from 15% to 25%
- Ireland: 12.5%
- Costa Rica: 30%
- Italy: 27.5%
- United States: 30%
- Libya: 15% to 40%
- Algeria: 19% to 25%
- Australia: 30%
- Qatar: 10%
- India: 42%
- Colombia: 25%
- Peru: 30%
- Bolivia: 25%

The income tax expense on continuing operations recognised by the Sacyr Group at 31 December 2014 and 2013 amounted to 194,268 thousand and 182,127 thousand respectively, which represents an effective tax rate of 83.2% and -137.1% respectively.

The reconciliation between tax expense arising from multiplying the accounting profit by Spain's domestic tax rate and actual income tax is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Consolidated profit before tax	233.615	(132.857)
Income tax calculated at the domestic tax rate	70.082	(39.857)
Permanent differences and consolidation adjustments (1)	77.213	244.611
Tax deductions and relief (2)	(77.883)	(38.854)
Other adjustments (3)	124.856	16.227
Income tax on continuing operations	194.268	182.127
Effective tax rate, continuing operations	83,2%	-137,1%
Income tax on discontinued operations	(1.000)	(36.648)
Effective tax rate, discontinued operations	-100,0%	-16,3%
Corporate income tax	193.268	145.479
Effective tax rate	82,4%	-40,6%
Deferred tax assets	(121.197)	(61.037)
Deferred tax liabilities	(87.808)	(75.902)
Current tax expense	(15.737)	8.540

(*) As explained in Note 3 the separate consolidated income statement has been restated for the year ended 31 December 2013

In 2014:

(1) The permanent differences and consolidation adjustments mainly include:

- The dividend received from Repsol, S.A.: this dividend, despite being eliminated from the Group's consolidated results, is part of the tax base: +71 million euros. Subsequently, the "Tax credits and tax relief" heading is written off since it contains a double taxation tax credit.
- Non-recoverable part of the impairment of Repsol, S.A. under Law 16/2013: +40 million euros. Under Law 16/2013 of 30 October, the amount of negative income tax arising from the transfer of the share in a resident entity will be reduced by the amount of the dividends received from the investee from the start of the tax period, which commenced in 2009, provided that these dividends or shares in profit have not reduced the acquisition value thereof and have been entitled to apply tax relief on the internal double taxation of dividends at 100%.
- Elimination of the tax assigned to "Results attributable to associates", since this item does not have a tax effect: -51 million euros.
- Non-deductible provisions for tax purposes and other permanent differences.

(2) Tax credits and tax relief: relate to the double taxation tax credit in relation to the dividends received from Repsol, S.A. (71 million euros) and to other tax credits (6 million euros).

(3) Other adjustments: relate mainly to the effect of the application of Law 27/2014 on the reform of Corporate Income Tax, which establishes, among other measures, a progressive decrease in tax rates from 30% in 2014 to 25% in 2016 (28% in 2015). This drop in rates affects tax losses, double taxation tax credits and other deferred tax assets and liabilities.

In 2013:

(1) Noteworthy was the tax credit for double taxation on dividends received from Repsol, S.A.

(2) "Other adjustments" includes mainly the adjustment as a result of international tax rates.

(3) The income tax expense on discontinued operations recognised by the Sacyr Group at 31 December 2013 amounted to -35,628 thousand, representing an effective tax rate of 15.9%.

14.4. Change in deferred tax

Movements in deferred tax assets and liabilities in 2013 and 2014 were as follows:

<i>Thousands of euros</i>	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Changes in scope of consolidation	Exch. rate effect	Impact on equity	Transfer to held for sale	Balance at 31 December 2013 (Restated)*
Deferred tax assets	1.295.724	205.514	(266.562)	0	(4.187)	(14.287)	(37.609)	1.178.593
Deferred tax liabilities	86.575	103.785	(29.119)	0	(2.634)	(1.566)	(11.618)	145.423

(*) As explained in Note 2, the interim separate consolidated income statements at 31 December 2013 and 2012 have been restated.

<i>Thousands of euros</i>	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Changes in scope of consolidation	Exch. rate effect	Impact on equity	Transfer to held for sale	Balance at 31 December 2014
Deferred tax assets	1.178.593	163.896	(285.093)	(16.737)	8.975	(9.668)	0	1.039.966
Deferred tax liabilities	145.423	182.537	(94.729)	(19.312)	61	(77)	0	215.275

(*) As explained in Note 3, the interim separate consolidated income statement at 31 December 2013 has been restated.

In 2014, additions in "Deferred tax assets" were due mainly to the contribution to the Group of the balance provided by the Chilean concessionaires, which gave rise to temporary differences taxable as a result of the differences between accounting and tax values of the receivables from concessions account. Also, additions in "Deferred tax assets" include tax credits for double taxation on dividends received from Repsol in 2014 (71 million euros).

In 2014, disposals from "Deferred tax assets" relate mainly to:

- The review of the tax rate in Spain as a result of the publication of the new Corporate Income Tax Law 27/2014 on 27 November, which stipulates a drop in the tax rate to 28% in 2015 and to 25% in 2016 and successive years, which represents an expense of 158 million euros.
- Under Law 16/2013 of 30 October, the amount of negative income tax arising from the transfer of the share in a resident entity will be reduced by the amount of the dividends received from the investee from the start of the tax period, which commenced in 2009, provided that these dividends or shares in profit have not reduced the acquisition value thereof and have been entitled to apply tax relief on the internal double taxation of dividends at 100%. The deferred tax assets arising from the impairment of Repsol underwent a reduction of 40 million euros.
- Use of tax credits for the double taxation of Repsol dividends amounting to 45 million euros.

In 2014, derecognitions from "Deferred tax liabilities" were due mainly to the contribution to the Group of the balance provided by the Chilean concessionaires, which gave rise to

temporary differences taxable as a result of the differences between accounting and tax values of the receivables from concessions account.

In 2014, the change in the scope relates mainly to the sale of the Parla and Coslada hospitals. The "Impact on equity" column shows the deferred tax assets and liabilities generated by the impact on equity of the measurements of cash-flow hedge financial instruments and available-for-sale assets.

In 2013, there was an decrease in "Deferred tax assets", mainly as a result of the application of Law 16/2013 of 30 October, whereby the amount of negative income tax arising from the transfer of the share in a resident entity will be reduced by the amount of the dividends received from the investee from the start of the tax period, which commenced in 2009, provided that these dividends or shares in profit have not reduced the acquisition value thereof and have been entitled to apply tax relief on the internal double taxation of dividends at 100%. The deferred tax assets arising from the impairment of Repsol underwent a reduction of 198 million euros.

In 2014 and 2013, the amount attributed to "Deferred tax assets" relates to:

Thousands of euros	2014	2013 (Restated)*
DEFERRED TAX ASSETS	1.039.966	1.178.593
SACYR, S.A. TAX GROUP IN SPAIN	744.331	947.949
1. TOTAL DEDUCTIONS AND CARRYFORWARDS OF THE CONSOLIDATED TAX GROUP	585.653	657.833
1.1. Tax credits	300.589	299.615
Sacyr Vallehermoso Participaciones Mobiliarias SL (double taxation on dividends)	201.223	209.662
Rest of consolidated tax group	99.366	89.953
1.2. Tax loss carryforwards	285.064	358.218
Sacyr Vallehermoso Participaciones Mobiliarias SL (sale of 10% of Repsol)	171.128	206.782
Rest of consolidated tax group	113.936	151.436
2. TAX EFFECT OF FINANCIAL INSTRUMENTS	11.235	24.916
3. TEMPORARY DIFFERENCES ARISING BETWEEN ACCOUNTING AND TAXABLE PROFIT	147.444	265.200
Sacyr Vallehermoso Participaciones Mobiliarias SL (impairment of value of Repsol)	0	40.010
Other	147.444	225.190
COMPANIES NOT INCLUDED IN THE TAX GROUP	295.635	230.644

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The temporary differences between the accounting profit/loss and tax profit/loss included in "Others" in foregoing table, relate mainly to provisions and impairment, which gave rise to a deferred tax asset since it was not possible to apply these costs to the tax base.

The Sacyr Group's deferred tax on unpaid dividends from foreign companies was estimated at 14,827 thousand euros in 2014 and at 10,230 thousand euros in 2013.

The Group assessed the recoverability of the consolidated deferred tax assets relating to tax loss carryforwards and unused tax credits, based on the evaluation of the economic projections of each of the companies forming the consolidated Tax Group in line with its own business plans and with the Sacyr Group's strategic plan.

The Group has deductible temporary differences which were not recognised as deferred tax assets in the statement of financial position. These differences relate mainly to non-deductible finance costs amounting to +54 million euros. Article 20 of the consolidated

Corporate Income Tax Law stipulates a limit on the deductibility of finance costs whereby, generally, finance costs may only be deducted in an amount of up to 30% of operating profits.

14.5. Tax loss carryforwards

Some Tax Group companies have tax losses that can be carried forward and offset against taxable income of individual companies in subsequent years.

Details of unused tax loss carryforwards at 31 December 2014 applicable in future years were as follows:

Consolidated tax group		
Year generated	Thousands of euros	Cumulative
1999	4	4
2000	137	141
2001	292	433
2002	559	992
2003	0	992
2004	0	992
2005	109	1.101
2006	0	1.101
2007	3	1.104
2008	261.723	262.827
2009	3.357	266.184
2010	8.411	274.595
2011	727.674	1.002.269
2012	85.720	1.087.989
2013	44.754	1.132.743
2014	0	1.132.743
TOTAL BASE	1.132.743	

The Corporate Income Tax Law 27/2014 eliminated the temporary limit for the offset of tax losses, which had been previously set at 18 years. This will mean that tax assets will not expire. These tax losses are expected to be offset against future profits and the realisation of unrealised gains.

In 2014, the consolidated Tax Group was able to deduct all the finance costs generated in the year. At year-end, the Group had finance costs amounting to 216 million euros (generated in 2013) which were not subject to tax relief and which may be deducted in the following tax periods without a time limit existing in this connection. However, in line with the accounting principle of prudence, they were not capitalised since it is not guaranteed that they may be deducted over the coming ten years.

14.6. Unused tax credits

At 31 December 2014, the Tax Group had 300,589 thousand euros in unused tax relief, accrued in 2014 or previous years (2007 to 2013). The breakdown, by year generated, was as follows:

Year generated	Amount (thousands of euros)	Cumulative amount (thousands of euros)
2007	14.284	14.284
2008	11.232	25.516
2009	57.411	82.927
2010	66.944	149.871
2011	54.307	204.178
2012	36.109	240.287
2013	35.603	275.890
2014	24.699	300.589
TOTAL	300.589	

The main unused tax relief relates to the tax credits for the double taxation of dividends of Repsol, S.A., the 2009 reinvestment tax relief and the R&D&i tax credits. The maximum periods to apply unused tax relief are unlimited for tax credits for double taxation, 18 years for R&D&i tax credits and 15 years for the remaining tax relief, all counted from the period in which they were generated.

15. Inventories

The detail of Group inventories at 31 December 2014 and 2013 was as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Land and lots	204.771	204.773
Auxiliary work and start-up costs	55.949	49.308
Advances	27.542	16.677
Construction materials and other supplies	28.589	27.317
Work-in-progress and semi-finished goods	36.829	73.713
Goods for resale	29.856	26.967
Finished goods	5.870	6.650
By-products, waste and recycled materials	59	10
Provisions	(3.109)	(2.488)
TOTAL	386.356	402.927

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The value of the Group's inventories, including those of the Vallehermoso Group, which are classified as non-current assets held for sale, include finance costs of which 1,180 thousand euros were incorporated in 2014. In 2013, additions to finance costs amounted to 1,512 thousand euros. Total cumulative finance costs included in inventories totalled 5,198 thousand euros in 2014 and 40,574 thousand euros in 2013.

At 31 December 2014, the carrying amount of finished buildings used to secure debts, including the Vallehermoso Group, was 26,043 thousand euros (115,397 thousand euros in 2013); and the carrying amount of the land used to secure debts amounted to 128,183 thousand euros (733,349 thousand euros in 2013).

Additionally, at 2014 year-end, including the Vallehermoso Group, the debt guaranteed by finished buildings amounted to 25,978 thousand euros (114,490 thousand euros in 2013); and the debt guaranteed by the land amounted to 51,112 thousand euros (596,698 thousand euros in 2013).

All of the amounts recognised in "Developments under construction" at 31 December 2013 and 2014 were short cycle.

The Group's property assets classified as inventories with a carrying amount of 420 million euros at 31 December 2014, were valued at 471 million euros, representing an unrealised gain of 51 million euros. Of these inventories, 202 million euros are classified under "Non-current assets held for sale". At 31 December 2013, the corresponding valuation was 1,324 million euros, giving an unrealised gain of 183 million euros. Of these inventories, 900 million euros are classified under "Non-current assets held for sale".

16. Trade and other receivables

The breakdown of "Trade and other receivables" at 2014 and 2013 year-end is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Customers	943.729	1.027.337
Completed work pending certification	556.741	351.306
Personal	1.976	1.177
Receivable from companies accounted for using the equity	229.477	213.321
Other receivables	123.160	105.172
Receivable from public entities	114.153	156.778
Impairment	(81.063)	(103.715)
TOTAL	1.888.173	1.751.376

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The trade receivables balance was significant. Its breakdown by business and type of customer at 31 December 2013 and 2014 is as follows:

2013 (Restated)* Thousands of euros	Central government	Autonomous regions	Local authorities	Public sector companies	Private customers	TOTAL
Sacyr Construcción	108.336	71.924	18.375	72.376	8.754	279.765
Somagüe	44.081	96.829	10.146	45.004	249.011	445.071
Valoriza	12.540	33.104	79.740	31.656	109.669	266.709
Concessions	8.520	5.781	0	5.503	4.203	24.007
Testa	0	1.685	737	195	9.137	11.754
Adjustments and other	0	0	0	0	(69)	(69)
TOTAL	173.477	209.323	108.998	154.734	380.705	1.027.237

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

2014 Thousands of euros	Central government	Autonomous regions	Local authorities	Public sector companies	Private customers	TOTAL
Sacyr Construcción	70.959	55.400	22.775	46.404	60.157	255.695
Somagüe	69.054	68.215	17.058	38.026	206.938	399.291
Valoriza	10.562	24.824	93.466	18.840	103.689	251.381
Concessions	19.931	4.406	0	0	4.582	28.919
Testa	0	2.770	188	195	5.279	8.432
Adjustments and other	0	0	0	0	11	11
TOTAL	170.506	155.615	133.487	103.465	380.656	943.729

The average collection period for the Sacyr Group in 2014 was approximately 145 days (141 days in 2013).

The increase in "Completed work pending certification" was due mainly to the Group's construction work performance in Chile.

The line-item "Receivable from associates" includes the Group's balances at equity-accounted companies. The largest amount (150 million euros) corresponds to the commercial credits with Italian company SIS S.c.p.A. The Group consolidates its stake in SIS, S.c.p.A. under the equity method; this company is in charge of building and subsequently managing the Pedemontana-Veneto motorway which will connect Venice and Treviso. This subsidiary transfers its revenues and expenses to its partners so that its individual earnings are zero. The partners record all the expenses and revenues and recognise the commercial debts and credits arising from them.

"Receivables from public entities" at 31 December 2014 and 2013 mainly comprises VAT payments owed to the Group.

Regarding "Impairment", the Group writes down loans and receivables as impaired if payment has not been received six months after maturity or when it becomes aware that the customer has declared itself insolvent, except for public entities, which are assumed to be solvent. In 2013, there was an increase mainly as a result of classifying the Vallehermoso Group as "non-current assets held for sale".

17. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" in 2013 and 2014 is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Cash	282.342	331.174
Other cash equivalents	76.133	62.743
TOTAL	358.475	393.917

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Of that balance, 294,113 thousand euros are unrestricted (304,722 thousand euros in 2013). The unavailable portion is due mainly to the lending agreements arranged, which oblige the fixed assets to have the required amount to service the debt at the next maturity date. This situation occurs mainly in the concessions area due to the reserve accounts to service the debt (which guarantee the next debt payments).

18. Equity

The breakdown of equity in 2013 and 2014 is shown in the consolidated statement of changes in equity, which forms an integral part of the consolidated financial statements.

a) Appropriation of profit of Sacyr, S.A. (parent company)

The distribution of the 2014 earnings proposed by the Company directors and submitted for approval at the General Shareholders' Meeting is as follows:

<i>Euros</i>	2014	2013
Basis	(42.445.429,34)	(601.422.400,62)
Income statement	(42.445.429,34)	(601.422.400,62)
Application	(42.445.429,34)	(601.422.400,62)
To prior years' loss carryforwards	(42.445.429,34)	(601.422.400,62)

Limitations on the distribution of dividends

The Company is required to transfer 10% of profit for the year to a legal reserve until the reserve reaches at least 20% of share capital. As long as the reserve remains below the limit of 20% of share capital, it is not distributable to shareholders.

Once the legal or company bylaw requirements are met, dividends may only be distributed against profit for the year or against unrestricted reserves if the value of equity is not lower than that of share capital or does not fall below share capital as a result of this distribution. Accordingly, profit recognised directly in equity may not be distributed either directly or indirectly. Where losses exist from previous years that reduce the Company's equity to below the amount of share capital, profit must be allocated to offset these losses.

b) Share capital and share premium.

At 2013 and 2014 year-end, the Company's share capital amounted to 465,915 thousand euros and 502,212 thousand euros, represented by 465,914,794 and 502,212,433 shares, each with a par value of 1 euro, fully subscribed and paid up. All shares are of the same class. No shares bear founder rights. All of the shares have been admitted for trading on Spain's electronic market.

At 2013 and 2014 year-end, the share premium was 537,666 thousand euros and 667,612 thousand euros, respectively.

The share premium is subject to the same restrictions and can be used for the same purposes as voluntary reserves, including conversion to share capital.

On 18 July 2013, the Company carried out a bonus share issue charged to reserves in the amount of 22,186,418 euros by issuing 22,186,418 shares with a par value of 1 euro each. The allocation rights were exchanged at 1 new share per 20 old shares.

On 24 April 2014, the Company increased capital by 166,243,195.78 euros, where 36,297,641.0 euros corresponded to the nominal amount and 129,945,554.78 euros to the share premium. The subscription price was 4.58 euros per new ordinary share.

Therefore, 36,297,641 new shares were issued of the same class and series as those outstanding. Consequently, Sacyr's capital amounted to 502,212,433 shares from then on.

The new shares accounted for 7.79% of Sacyr before the capital increase and 7.23% after the transaction.

On 25 April 2014, the deed for the capital increase of 36,297,641 shares was filed at the Madrid Companies House.

On 29 April 2014, the 36,297,641 new Sacyr shares began effective trading on the Madrid, Barcelona, Bilbao and Valencia stock markets.

The Company's shareholders at 31 December 2014 and 2013 were as follows:

	2014	2013
Disa Corporación Petrolifera, S.A.	12,07%	13,01%
Grupo Corporativo Fuertes, S.L.	5,79%	6,24%
Cymofag, S.L.	5,27%	5,75%
Beta Asociados, S.L.	5,08%	5,35%
Prilomi, S.L.	4,66%	5,02%
Taube Hodson Stonex Partners LLP	4,61%	4,97%
Prilou, S.L.	3,16%	3,41%
Otros	59,36%	56,25%
Total	100,00%	100,00%

c) Reserves

- Reserves of the Parent

The details of the Parent's reserves at 31 December 2014 and 2013 were as follows:

<i>Thousands of euros</i>	2014	2013
Legal reserve	62.418	62.418
Voluntary reserve	978.639	978.519
Total	1.041.057	1.040.937

Companies are required to transfer at least 10% of profit for the year to a legal reserve until this reserve reaches 20% of share capital. This reserve is not distributable to shareholders and may only be used to offset losses provided no other reserves are available.

At 31 December 2014, the legal reserve amounted to 12.43% of share capital. At 31 December 2013, the legal reserve amounted to 13.40% of share capital.

The Parent's voluntary reserves are unrestricted.

- Other reserves

In 2013, the changes in reserves were due mainly to the transfer to reserves of profit for the previous year.

In 2014, the changes in reserves, as in 2013, were due mainly to the transfer to reserves of profit for the previous year. Other changes also took place in reserves which affected the Group, mainly 29 million euros as a result of issuing convertible bonds. In 2013, there was a variation of 56 million euros due to Repsol, S.A.'s asset performance.

d) Valuation adjustments

Movements in the reserve for unrealised gains and losses are recognised in the statement of comprehensive income and included:

Available-for-sale financial assets.

As explained in Note 4, in accordance with IAS 39, the interest in Itinere Infraestructuras, S.A. was recognised at fair value, without any potential costs to sell being deducted, as such costs were insignificant. Changes resulting from restatements to fair value are recognised directly in equity under "Available-for-sale financial assets" until the financial asset is derecognised from the consolidated statement of financial position or its value is considered impaired, at which point the amount recognised in equity is taken to the separate consolidated income statement.

In 2013, there was an increase due to the new valuation arising from the impairment test of Itinere Infraestructuras, S.A. and the performance of the available-for-sale financial assets at Repsol, S.A.

In 2014, there was an increase in "Available-for-sale financial assets" due mainly to Itinere Infraestructuras, S.A., amounting to 31 million euros, as stated in Note 13.

- Hedging transactions.

The reconciliation between the fair values of hedging instruments described in Note 24 and adjustments recognised in the consolidated income statement and consolidated equity is as follows:

Fair value at 31 December 2012, Restated (*)	(169.316)
Income and expense recognized directly in equity	3.344
Ineffective hedge, changes in scope and other	15.149
Transfer to separate consolidated income statement	30.855
Fair value at 31 December 2013, Restated (*)	(119.968)
Income and expense recognized directly in equity	(56.296)
Transfer to separate consolidated income statement	28.835
Ineffective hedge, changes in scope and other	23.538
Fair value at 31 December 2014	(123.891)

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

- Translation differences.

This is the difference between translating the equity of companies reported in non-euro currencies at year-end and at historical exchange rates. In 2014 and 2013, the main movements were due to Repsol YPF, S.A.

e) Treasury shares.

At 31 December 2014, the Parent held 2,766,020 treasury shares, equivalent to 0.55077% of its share capital. At the average exchange rate, the price paid was 17.80 euros per share.

Movements in treasury shares in 2013 and 2014 were as follows:

Balance at 31 December 2012	2.204.321
Shares bought (liquidity contract)	14.569.716
Shares sold (liquidity contract)	(14.462.466)
Bonus share issue	119.591
Balance at 31 December 2013	2.431.162
Shares bought (liquidity contract)	11.479.109
Shares sold (liquidity contract)	(11.144.251)
Balance at 31 December 2014	2.766.020

In 2014, Sacyr continued with the liquidity contract signed on 29 March 2012 with BEKA Finance, S.V., S.A., in accordance with CNMV Circular 3/2007, of 19 December.

From 1 January 2014 to 31 December, a total of 11,479,109 and 11,144,251 shares of Sacyr were acquired and sold, respectively.

At 31 December 2014, Sacyr was the custodian of 1,927 Sacyr shares: 754 shares that were not subscribed in the 2012 bonus issue and 1,173 shares not subscribed in the 2013 bonus issue.

Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, and pursuant to Article 59 of the Spanish Corporate Enterprises Act, it will sell and deposit the resulting amount, together with the dividend rights received during this whole period of time, in the General Deposit Fund, where it may be disposed of by its holders.

At 2014 year-end, the Sacyr share price was 2.856 euros per share, 24.18% lower than at 2013 year-end (3.767 euros per share).

f) Non-controlling interests.

“Non-controlling interests” shown under equity on the consolidated statement of financial position represents the value of all the stakes held by minority shareholders in the equity of the Group’s consolidated subsidiaries. “Minority interests” on the consolidated income statement reflects the portion of profit or loss for the year attributable to these minority shareholders.

In 2013, there was an increase in “Other changes” on the statement of changes in consolidated equity due mainly to the inclusion of several fully-consolidated companies which are not 100% owned by the Group.

In 2014, there was a decrease due largely to the sale of companies which were not 100% owned by the Group and to the acquisition of 100% of the companies that it did not fully own.

19. Deferred income

Movements in “Deferred income” in 2013 and 2014 were as follows:

2013 <i>Thousands of euros</i>	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31 December 2013 (Restated)*
Government grants	37.559	664	(4.303)	0	0	0	33.920
Other income	0	3.616	(43)	0	0	0	3.573
TOTAL	37.559	4.280	(4.346)	0	0	0	37.493

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014 <i>Thousands of euros</i>	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exch. rate effect	Balance at 31 December 2014
Government grants	33.920	2.493	(3.821)	0	(598)	60	32.054
Other income	3.573	0	0	(3.573)	0	0	0
TOTAL	37.493	2.493	(3.821)	(3.573)	(598)	60	32.054

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The balances for 2013 and 2014 correspond mainly to the concessions area due to zero interest rate loans granted by the Industrial Technology Development Centre and to the construction area due largely to the contribution made by the Seville city council, by virtue of a contract signed on 14 December 20015 between the property zoning authorities (Gerencia de Urbanismo) of Seville and the Company, to carry out renovation work at Encarnación Square and its surroundings. This subsidy entails an economic contribution for the concession to reach the expected return envisaged in the agreement’s financial study.

20. Provisions

20.1. Non-current provisions

Movements in this heading in 2013 and 2014 were as follows:

2013	Balance at 31 December 2012 (Restated)*	Additions	Disposals	Reclassifications and transfers	Changes in scope of consolidation	Transfer to held for sale	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>							
Non-current provisions	279.796	302.061	(22.396)	(15.117)	(21.810)	(60.423)	462.111

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Additions	Disposals	Reclassifications and transfers	Changes in scope of consolidation	Transfer to held for sale	Balance at 31-Dec-14
<i>Thousands of euros</i>							
Non-current provisions	462.111	27.023	(153.951)	(55.629)	(305)	0	279.248

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Non-current provisions include:

a) Provisions for losses on equity-accounted companies that exceed the investment in them, in accordance with IAS 28 (paragraphs 29 and 30), amounting to 171 million euros at 31 December 2014 (270 million euros at 31 December 2013). Once the value of the investment in equity-accounted companies is zero, any additional losses are recorded by the Group insofar as it has incurred in the legal or constructive obligations. The main one that stands out is construction company Grupo Unidos por el Canal (GUPC), the consortium in charge of designing and building a third set of locks for the Panama Canal. At 31 December 2014, the Group owned 41.6% of this equity-accounted company. This company justifies most of the decrease in 2014 as a result of the new loans granted by the Group.

At 31 December 2014, GUPC had received 2,572 million USD in construction certificates, i.e. 71% of the work had been acknowledged and paid by the client. Also, at 2014 year-end, the balance of advances made by the ACP to GUPC amounted to 900 million US dollars, which relate to advances stipulated in the agreement ("Mobilisation Security" amounting to 248 million US dollars and "Plant Security" amounting to 300 million US dollars); and the remainder (352 million US dollars) to a series of modifications signed with the ACP, for adjustments relating to the price of steel, key suppliers and specific suppliers.

GUPC has filed several objective quantified claims amounting to 2,698 million USD. These claims, due to several unforeseen costs arising from the project, are currently being resolved in accordance with that stipulated in the contract between the company and the ACP. This contract established a system for resolving claims or disputes based on three stages: 1) the claims must be notified to the ACP, which can acknowledge part or all of them; 2) the claims rejected by the ACP must be sent to the DAB (Dispute Adjudication Board), which comprises three experts, one chosen by the ACP, another by GUPC and the other by mutual agreement between the two; 3) lastly, the claims can be sent to the ICC (International Court of Arbitration based in Miami, subject to Panamanian law, which is governed by the International Chamber of Commerce regulations). The arbitration procedure that is established will make the decision regarding the liability for the unforeseen costs for which GUPC has filed several claims.

The claims which have been recorded as income in GUPC's consolidated financial statements amount to 910 million USD at 2014 year-end, i.e. 34% of the claims filed.

In 2014, the group did not recognise any income for claims rejected by the DAB.

The current situation of the main claims filed by GUPC described in the financial statements is as follows:

Regarding the ACP:

- Claim 78 Disruption: this claim, which amounts to 907 million USD, interrelates parts of many other claims. The notification was ahead of the ACP in sections during 2014. At this report's date, the ACP's resolution is still pending.
- Claim 14 regarding the change in design of the locks: a detailed notification was sent to the ACP on 20 December 2014, claiming 334 million USD.
- Claim 93 for 218 million USD regarding the delay and extra costs arising from events and circumstances related to the threat of the contract termination, which slowed the pace of work from September 2013 onwards and led to the work suspension in January 2014. A detailed notification was sent to the ACP on 20 December 2014.
- Costs for project funding and cash flow: a claim of 191 million USD since there was a delay in finalising the funding agreement for completing the construction work. A detailed notification was sent to the ACP on 20 December 2014.

Regarding the DAB:

- Claim 43 related to the features of the basalt, and claim 52 regarding the delay in approving the concrete mixes: the DAB's decision was positive at the end of 2014, and the company received 233 million USD for such claims in February 2015.

Regarding the ICC arbitration:

- Claim 6.1 Pacific Cofferdam for 180 million USD: the arbitration process began at the ICC in Miami. The claim amount is provisional and subject to changes depending on the arbitration process.

On 19 January 2015, a report was issued by an independent expert, DLF Associates Ltd. The report analyses each claim, describing each one's situation until that date, and establishes a fair estimate of the amount that the company can expect. The estimates are based on its own research and experience and on the documentation provided by GUPC. Its conclusion is that the company should reasonably expect to recover 1,398 million USD. Since the company has collected 273 million USD so far, it still needs to recoup 1.125 billion USD out of a total of 2,698 million USD in claims filed at 31 December 2014. Of that amount, Sacyr should receive 41.6%, i.e. it reasonably expects to recover 468 million USD out of a total of 1,122 million USD. At 2014 year-end, some of the claims that DLF Associates estimated were recoverable were undergoing arbitration; therefore, based on IAS 37 (paragraphs 31 to 35), such claims have not been recognised in the financial statements.

b) Provisions to cover risks associated with lawsuits in progress. They were recorded in accordance with the best estimates at year-end and there is no material amount. The main ones by business area are as follows:

- Services
 - Provisions for greenhouse gas emissions by several power companies (C.E. de Linares and C.E. de las Villas). This provision is allocated as the rights are used (see Note 8). Emission rights are not amortised.

- On 2 February 2013, the government published Royal Decree Law 2/2013 on urgent measures for the electricity system and the financial sector and, on 13 July 2013, it published Royal Decree Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system. Following application of these Royal Decrees and the Draft Ministerial Order of February 2014 concerning the "proposed order approving the remuneration parameters of standard facilities applicable to certain electricity production plants using renewable energies, cogeneration and waste", Valoriza Gestión provisioned 36.3 million euros to cover the financial obligations related to its stake in Solucia once the value of this equity-accounted company was zero.

This is in accordance with the regulatory framework published in the Official State Journal on 20 June 2014, of Ministerial Order IET/1045/2014 of 16 June, which approved the remuneration parameters for 2014 of standard facilities applicable to certain electricity production plants using renewable energies, cogeneration and waste. The remuneration parameters for 2014 are final, compared with those for 2013, which were provisional since they were based on a "Proposed Order" not yet approved by the Spanish government. This is why the Group reversed 26.8 million euros in 2014.

- Grupo Valoriza Servicios Medioambientales, Sadyt and Facilities were provisioned for onerous contracts with which the company expects a negative cash flow for construction completion and environmental actions.

- Concessions

- Based on the concession sector's circumstances and in view of the uncertainties in the regulatory and market conditions, in 2014 the Group recorded non-current provisions amounting to 34.5 million euros (73.7 million euros in 2013) for the contingencies and liabilities that it would have to assume as the shareholder vis-à-vis third parties if there was an asset impairment at its investees beyond the capital provided. The derecognitions or reversals of provisions during the year were due largely to the analysis of the concession market made by the directors at 31 December 2014 and the improvements in the economic and income outlook; therefore, they considered that it was not necessary to continue with part of the non-current provisions existing at 2013 year-end. It is estimated that, as a result of the current economic and regulatory situation, the company can reverse 45.3 million euros with sufficient guarantee.
- The provisions refer to large repairs envisaged in the concession contracts amounting to 17.7 million euros (14.5 million euros in 2013).
- In 2013, a balance of 14.6 million euros in provisions was transferred to "Impairment of loans to associates". The provision covered the Group's asset risk at the associate SMNL Concessoes Rodoviarías do Portugal, which was expected to default on the loan of that amount granted by group company Somague Concessoes, S.A. to it.

Also, the minority interest has a potential put option on subsidiaries Inversora de Autopistas del Sur, S.L. and Inversora de Autopistas de Levante, S.L., but the group believes that the conditions for exercising the option do not exist, so it did not record any liabilities in these consolidated financial statements.

The amount of financial adjustments is not significant.

c) Provisions for tax claims include tax liabilities whose amount or due date is uncertain and where an outflow of resources from the group will probably be required to settle a liability arising from a present obligation. In 2014, the main derecognitions were related to Sacyr Construcción S.A.U.'s payment for the sanction proceedings filed by the Tax Agency in the inspection for the years 2001 to 2003, which ended unfavourable to the Company.

20.2. Current provisions

Movements in current provisions in 2013 and 2014 were as follows:

2013	Balance at 31 December 2012 (Restated)*	Var. operating provisions	Additions	Disposals	Reclassif. and transfers	Exch. rate effect	Transfer to held for sale	Balance at 31 December 2013 (Restated)*
<i>Thousands of euros</i>								
Current provisions	292.043	49.051	0	(52.550)	0	(765)	(22.419)	265.360

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

2014	Balance at 31 December 2013 (Restated)*	Var. operating provisions	Additions	Disposals	Reclassif. and transfers	Exch. rate effect	Transfer to held for sale	Balance at 31-Dec-14
<i>Thousands of euros</i>								
Current provisions	265.360	(32.251)	142.572	(99.131)	39.358	0	0	315.908

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

In 2013, the Group applied current provisions amounting to 52 million euros and recorded further provisions totalling 49 million euros for potential losses at the group companies. The main item included in the provisions and reversals in 2013 was the potential impairment of the guarantees provided by the parent company to the investees in the property development area, which might not be recoverable depending on the business's valuation performance.

The operating provisions that the Parent of the Sacyr Group had recognised at year-end 2013 amounting to 162 million euros related mainly to hedging any possible risks that it had assumed as a result of being a shareholder of GUPC, as well as the possible impairment of the guarantees provided by the Parent of the Group to investees in the property development area, which might not be recoverable depending on the business's valuation performance.

As stated in Note 20.1, in 2014 the Group applied non-current provisions amounting to 45.3 million euros due to the analysis of the concession market made by the directors at 31 December 2014 and the improvements in the economic and income outlook; therefore, they considered that it was not necessary to continue with part of the non-current provisions existing at 2013 year-end. They were applied to "Change in operating provisions" on the income statement after the heading was reclassified from "Non-current provisions" to "Current provisions". Also, the Group recorded an expense for "Change in operating provisions" of 13 million euros, related to provisions for commercial transactions.

In 2014, the recognition of current provisions corresponded mainly to the provisioning, through an operating expense, for the completion, withdrawal and loss of construction work by the Chilean construction companies totalling 43.6 million euros. The general criteria for recognizing these provisions are described in Note 3.

The operating provisions that the Parent of the Sacyr Group had recognised at year-end 2014 amounting to 140 million euros related mainly to hedging any possible risks that it had assumed as a shareholder of Autopistas Radiales de Madrid in relation to the court proceedings filed by third parties, as well as the possible impairment of the guarantees

provided by the Parent of the Group to investees in the property development area, which may not be recoverable depending on the business's valuation performance.

In 2013, the property development activity was classified as "non-current assets held for sale", the same as in 2014.

21. Contingent liabilities

The Group assesses its obligations and liabilities by considering the potential obligations arising from past events whose existence must be confirmed by uncertain future events not under the Group's control as "contingent liabilities". At 31 December 2013, such risks included those related to the legal proceedings filed by third parties regarding its stake in the motorway concessions in Madrid. At 31 December 2013, the contingent liabilities were estimated to total 58 million euros. At 31 December 2014, there were no significant contingent liabilities that could have a significant impact on the Group's financial statements or which could lead to an outflow of resources.

At 31 December 2013 and 2014, the Group companies had provided guarantees of 2,050,163 thousand euros and 2,164,359 thousand euros, respectively. The breakdown of guarantees provided in each segment is as follows:

2013 <i>Thousands of euros</i>	Financial guarantees		Technical guarantees		TOTAL
	Spain	Business abroad	Spain	Business abroad	
Holding	23.486	110.659	46.386	357.629	538.160
Construction	73.614	59.785	335.335	137.420	606.154
Concessions	1.450	2.157	33.151	44.298	81.056
Valoriza	3.535	6.000	197.087	41.046	247.668
Vallehermoso	22.861	0	27.501	0	50.362
Testa	520.552	0	6.211	0	526.763
TOTAL	645.498	178.601	645.671	580.393	2.050.163

2014 <i>Thousands of euros</i>	Financial guarantees		Technical guarantees		TOTAL
	Spain	Business abroad	Spain	Business abroad	
Holding	33.219	214.859	32.447	231.807	512.332
Construction	62.343	148.724	317.296	291.609	819.972
Concessions	156	17.069	29.589	86.574	133.388
Valoriza	4.032	13.011	199.790	39.393	256.226
Vallehermoso	13.181	0	21.762	0	34.943
Testa	401.290	0	6.208	0	407.498
TOTAL	514.221	393.663	607.092	649.383	2.164.359

In the Construction divisions, guarantees correspond to the normal liability in the construction business to execute and complete project contracts.

In the Concessions division, a distinction is drawn between technical guarantees (deposits for tender, construction and operation of toll motorways) and financial guarantees (bank guarantees).

The guarantees extended by the Valoriza Group largely correspond to project completion contracts.

In the Real Estate Development division (Vallehermoso Group), a distinction is drawn between:

- Technical guarantees, relating to the contracts for completion and sale of developments, land tenders and down payments from property buyers,
- Financial guarantees, which mainly relate to deferred payments for the acquisition of land lots.
- Collateral of 2,046 thousand euros and 8,093 thousand euros in 2013 and 2014, respectively.

At the Parent company level, the technical guarantees posted abroad mainly relate to the project to build the third set of floodgates on the Panama Canal.

Financial guarantees in the Rental Property business are mostly joint and several guarantees with other Group companies for credit lines, as well as guarantees presented primarily for bids and/or contracts awarded through public tender and technical guarantees required by public bodies on the completion of work.

The amount of the deposits and guarantees provided by Sacyr directly or indirectly through Grupo Unidos por el Canal, S.A., (GUPC) in relation to the project to build the third set of floodgates on the Panama Canal, is as follows:

<u>Guarantees (millions of USD)</u>	<u>Guarantee by Sacyr</u>
Performance bond	173.3
Guarantee for the payment of suppliers and employees	21.7
Customer advances	363.4
GUPC financing guarantee for bank loans	15.5
Guarantees at 31 December 2013	573.9
Cancellation of the performance bond (for conversion into a credit guarantee)	(173.3)
Corporate credit guarantee granted to GUPC	173.3
Write-off of GUPC financing guarantees for bank loans	(15.5)
Customer advances	(4.0)
Guarantees at 31 December 2014	554.4

By virtue of the contract, the GUPC members assume a joint and several guarantee vis-à-vis the ACP (Panama Canal Authority), as stated in clause 1.7A of the contract, with a maximum amount of 600 million USD.

The performance bond for 400 million USD, which covered part of the previous guarantee, was converted in August 2014 into a corporate credit guarantee to ensure bank financing to GUPC for the same amount.

No liabilities other than those recorded and described in these Notes that would result in an outflow of resources for the Group are expected to arise.

22. Interest-bearing loans and borrowings

The breakdown of interest-bearing loans and borrowings by Group division at 31 December 2013 is shown below. The maturities are classified in the consolidated income statement based on the applicable accounting standards, which explains the differences with this schedule made solely based on their contractual maturity:

2013 (Restated)*	2014	2015	2016	2017	2018	Subsequen	TOTAL
Sacyr	428.786	32.152	327.870	1.508	0	0	790.316
- Interest-bearing loans and borrowings	426.551	32.152	127.920	1.508	0	0	588.131
- Bonds and other marketable debt securities	2.235	0	199.950	0	0	0	202.185
Sacyr Group (Construction)	98.523	6.809	1.999	950	1.042	30.545	139.869
Sacyr Concesiones Group	77.637	98.126	174.599	37.207	35.306	691.200	1.114.075
Valoriza Group	139.757	43.859	51.611	36.270	21.746	128.555	421.798
Testa Group	237.526	90.154	134.277	82.798	191.386	1.123.694	1.859.835
Somague Group	159.104	14.645	12.884	20.250	8.450	0	215.333
SVPM (Repsol)	45.073	2.403.899	0	0	0	0	2.448.972
TOTAL DEBT PAYABLE	1.186.408	2.689.644	703.240	178.982	257.930	1.973.993	6.990.197
Transaction costs to be distributed	0	0	0	0	0	0	(73.217)
TOTAL DEBT	1.186.408	2.689.644	703.240	178.982	257.930	1.973.993	6.916.980
Vallehermoso Group	56.721	699.870	2.870	18.890	0	53.549	831.900
- Interest-bearing loans and borrowings	56.721	699.870	2.870	18.890	0	53.549	831.900
TOTAL DEBT PAYABLE	56.721	699.870	2.870	18.890	0	53.549	831.900

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

* Figures include 68 million euros of accrued unpaid interest.

(1) In Vallehermoso's figures, accounting classification by term differs substantially from the contractual maturities owing to the classification of debt associated with inventories as current debt.

The gross financial borrowings at 31 December 2013 amounted to 6,917 million euros, down 21.6% on the 2012 year-end balance of 8,827 million euros.

Recording Vallehermoso as an asset available for sale explains most of this reduction due to the reclassification of its financial borrowings to "Liabilities associated with non-current assets held for sale".

The second reason is the divestments made in the year. Testa sold two unique assets, cancelling their associated borrowings: Tesfram, which owns the Tour Adria offices in Paris, and the Sabadell Financial Center on Brickell Avenue in Miami. To a lesser extent, the borrowings decreased also due to the sale of the M50 toll road concession company in Ireland and the 35% stake in Autopista del Sol (San José-Caldera in Costa Rica).

Also, the financing for the Murcia airport project was reclassified from "interest-bearing loans and borrowings" to "borrowings with the Murcia regional executive".

The detail of the Group's borrowings at 2014 year-end, by division and maturity, was as follows:

2014	2015	2016	2017	2018	2019	Subsequen	TOTAL
Sacyr	401.864	330.814	5.705	5.388	259.356	21.625	1.024.752
- Interest-bearing loans and borrowings	397.425	130.864	5.705	5.388	9.356	21.625	570.363
- Bonds and other marketable debt securities	4.439	199.950	0	0	250.000	0	454.389
Sacyr Group (Construction)	83.122	4.433	2.905	3.161	4.408	40.713	138.742
- Interest-bearing loans and borrowings	83.122	4.433	2.905	3.161	4.408	40.713	138.742
Sacyr Concesiones Group	173.882	346.866	62.877	52.037	42.247	490.247	1.168.156
Valoriza Group	129.850	35.374	35.582	27.143	24.201	105.707	357.857
Testa Group	160.534	138.164	80.697	867.806	9.423	462.096	1.718.720
Somague Group	167.476	12.058	29.263	5.956	652	0	215.405
SVPM (Repsol)	2.307.099	0	0	0	0	0	2.307.099
TOTAL DEBT PAYABLE	3.423.826	867.709	217.029	961.491	340.287	1.120.388	6.930.730
Transaction costs to be distributed	0	0	0	0	0	0	(73.565)
TOTAL DEBT	3.423.826	867.709	217.029	961.491	340.287	1.120.388	6.857.164
Vallehermoso Group	73.286	2.703	11.706	482	0	2.563	90.740
- Interest-bearing loans and borrowings	73.286	2.703	11.706	482	0	2.563	90.740
TOTAL DEBT PAYABLE	73.286	2.703	11.706	482	0	2.563	90.740

* Figures include 68 million euros of accrued unpaid interest.

(1) In Vallehermoso's figures, accounting classification by term differs substantially from the contractual maturities owing to the classification of debt associated with inventories as current debt.

The debt maturities are classified in the consolidated income statement based on the applicable accounting standards, which explains the differences with this schedule made solely based on their contractual maturity.

The gross financial borrowings at 31 December 2014 amounted to 6,857 million euros, down 60 million euros from the 6,917 million euros at 31 December 2013.

In April 2014, Sacyr, S.A. increased capital and raised 166 million euros. In June 2014, Sacyr Vallehermoso Participaciones Mobiliarias S.L.U., the special purpose vehicle which owns 9.05% of Repsol, S.A., received an extraordinary dividend of 122 million euros.

Also in 2014, there were several divestments which enabled the group to reduce borrowings by 375 million euros. Sacyr Concesiones sold the 32.77% stake in Metro de Sevilla Concesionaria de la Junta de Andalucía S.A. and 49% of its stake in the concession companies Hospital de Parla, S.A. and Hospital del Noreste, S.A. Testa finalised the sale of its 32% stake in Preim Defense 2 and some assets in Madrid: a residential building on Conde de Xiquena and the surface right to a senior citizens' home. Valoriza sold the 25% interest in the Aguas de Alcalá joint venture, the Olexta and Extragol power plants and certain water concessions in Portugal and Brazil.

Nevertheless, the Group's international expansion required investments in 2014, especially in the infrastructure concession area; this, together with maintaining the business lines in the portfolio, limited the potential reduction in borrowings to 60 million euros, which would have otherwise taken place thanks to the funds raised from the preceding transactions.

At 31 December 2013, the Group's financial borrowings were summarised under the following headings and each division had the following basic characteristics:

<u>€ million (Restated)*</u>	Amount	Current average interest rate	Date of next interest rate review	Interest rate review period
Loan for Repsol acquisition (Nominal)	2.404	4,14%	21/01/2014	6 months
Other debt				
Credit facilities	493	5,64%	As per facility	1,3,6.12 months
Loans	358	4,50%	As per loan	1,3,6.12 months
Concession project finance	1.667	4,89%	As per loan	1,3,6.12 months
Mortgage loans and leasing	1.801	2,00%	As per loan	1,3,6.12 months
Bonds and other marketable debt securities	190	6,50%	-	Fixed
Other and accrued unpaid interest	4	-	-	-
TOTAL	6.917			

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

The main characteristics of borrowings in each division at 31 December 2013 were as follows:

- Holding company: The parent company's financial borrowings include 4,000 bonds issued in April 2011 for a total nominal amount of 200 million euros, aimed at European institutional investors, thus entering the capital market as a new source of financing. They mature on 1 May 2016 and are remunerated with a fixed annual nominal coupon of 6.5%, payable every quarter. The bonds can be voluntarily converted by the existing shareholders and/or converted for new ordinary shares by the issuer during the conversion period and the initial conversion price is 10.61 euros.

The financial borrowings, which all have variable rates, include 248 million euros from bank loans linked to Itinere's shares, an available-for-sale financial asset, which will be derecognised once they are sold. The rest are working-capital credit facilities and corporate loans used by Sacyr, S.A. to coordinate and provide the financial management as the Group's parent company.

- Construction (Sacyr and Somague): The bank borrowings total 355 million euros, they are all at variable rates and 70% of them are due in the short term. They finance the net working capital generated by lengthening the average collection periods and are instrumented through credit lines and programmes for discounting receivables. A total of 60% of the borrowings come from activity outside Spain.
- Concessions (Sacyr Concesiones): The financing for concession projects at 31 December 2013 amounted to 1,092 million euros and 62% was hedged against interest rate increases. Repayment is based on the concessions' cash flows, 84% of which is claimable under the agreement from 2016 onwards. Projects located abroad, in Chile, Portugal and Ireland, were the recipients of 48% of the division's borrowings.

Sacyr Concesiones' borrowings fell by 6.5% from 1,169 million euros at 31 December 2012 due to divestments: the sale of the Irish company M50 Concession Holdings Ltd. (it had a 45% stake) and the 35% stake in Autopista del Sol (Costa Rica).

Also, the financing for the Murcia airport project was reclassified from "interest-bearing loans and borrowings" to "borrowings with the Murcia regional executive" following the termination of the airport construction and management contract.

Neopistas defaulted on the clauses of its financing contract, so the debt affected by this was classified as "current bank borrowings" since it is subject to early termination under the circumstances, regardless of the original contractual deadlines.

- Rental Property (Testa Group): its gross borrowings were reduced to 1,846 million euros from the 2,388 million euros at 31 December 2012. A total of 80% is due from 2018 onwards. The debt of the property management business is serviced with the cash flows generated from rentals thanks to the buildings' high occupancy rates.

As a result of the divestments, it redeemed 22.7% of its gross borrowings, basically with the sale of the Sabadell Financial Center in Miami in April and of the shares of Tesfran (which owns Tour Adria in Paris) in July. Likewise, Testa performed a significant refinancing project of borrowings tied to material assets (Torre Sacyr and various buildings) which mature in the coming years, significantly extending its average maturation period.

- Residential development (Vallehermoso Group): As a result of booking Vallehermoso as an available-for-sale non-current asset, its financial borrowings were reclassified to "Liabilities associated with non-current assets held for sale". Vallehermoso reduced its borrowings by 30% to the 832 million euros reported at 31 December 2013 as a result of the sales of land and completed buildings in the year, the result of the agreements sealed with the financial institutions. 83% of total borrowings mature in 2015, most of which relate to mortgage loans. The Group continues to reach agreements with creditors and considers that sales of buildings will have been concluded before the repayment dates have been reached on the associated borrowings.

Although loans mature at long term, under the lending agreements, financing is reported at short term in the statement of financial position since it is tied to the natural cycle of the inventories financed by it. In quantitative terms, of the 640 million euros recognised at short term, 583 million euros mature after 31 December 2014.

- División de servicios (Grupo Valoriza): distributes 421 million euros of the gross borrowings reported at 31 December 2013 in two blocks. Firstly, structured lending, which represents 57% of the total, 56% of which, in turn, is hedged against interest rate rises. Structured lending is acquired by the water treatment, renewable energy and environmental services concession businesses, serviced by cash flows generated by the concessions.

Secondly, borrowings tied to construction work and contracts encompass the remaining 43% of debts. Such financing has a corporate nature and finances the net working capital arising from the operation of service agreements.

Projects abroad, related with water distribution and treatment at Somague Ambiente in Portugal account for 35% of Valoriza's gross borrowings. A total of 68% of the 421 million euros are repayable from 2016 onwards.

- Repsol, S.A.: At 31 December 2013, the special purpose entity Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. continued to hold in its portfolio the 122,208,433 shares representing 9.23% of Repsol, S.A. The significant percentage held by Repsol grants it the status of core shareholder of the Group and is considered to be a stable long-term investment. The outstanding principal on the loan at 2013 year-end was 2,404 million euros.

The cost of this loan, entered into in 2006 and novated by amendment in 2011, with floating interest rates, is tied to Euribor, and is reviewed twice-yearly, having an added spread of 350 basis points. In January 2013, an IRS was arranged to hedge the

financing, protecting more than 60% of the funding against interest-rate rises. The cost of the hedged loan at 31 December 2013 was 4.14%.

In order to comply with the terms of the guarantee contract relative to the associated debt, the value to loan ratio must be above 150%. At 31 December 2013, the shares of Repsol, S.A., Testa Inmuebles en Renta S.A., and Valoriza Gestión, S.A.U. were pledged to guarantee compliance with said ratio. The market value of Repsol's shares is determined according to their share price. At 2013 year-end, Repsol's share price was 18.32 euros, which enables, with the added pledge of other assets, to place the ratio far above that requested, allowing the Group to remove surplus guarantees.

At 2013 year-end, the borrowings of Grupo Unidos por el Canal, S.A. totalled 74,380 thousand dollars, and its creditors were HSBC Bank (40,028 thousand dollars) and Caterpillar Crédito, S.A. (34,352 thousand dollars). This financing is related with the Panama Canal construction project. The Company's shareholders, including the Parent of the Sacyr Group, issued comfort letters regarding this lending for the portion corresponding to their respective shareholdings.

In addition to the pledges outlined above, other guarantees have been extended to the lending parties in the concessionaire project financing arrangements. These guarantees, typical in such arrangements, entail pledging the shares of the concessionaire holding companies, their most significant current accounts and their most significant collection rights (insurance claims, contracts, etc.).

The mortgage loans are generally secured by mortgages on the assets. Financing of operating working capital is met at short term by credit lines and sales of trade receivables and intensive strategic investments in capital performed by the Group, to be repaid at long term, with express financing associated exclusively with them. These investments, along with the non-recourse financing of concession projects, come under the Group's long-term financing policy.

The following table presents a summary of the Group's borrowings, according to their nature, at 31 December 2014:

<i>€ million</i>	Amount	Current average interest rate	Date of next interest rate review	Interest rate review period
Loan for Repsol acquisition (Nominal)	2.265	4,16%	30/01/2015	6 months
Other debt				
Credit facilities	408	5,73%	As per facility	1,3,6.12 months
Loans	384	3,73%	As per loan	1,3,6.12 months
Concession project finance	1.630	5,17%	As per loan	1,3,6.12 months
Mortgage loans and leasing	1.726	2,00%	As per loan	1,3,6.12 months
Bonds and other marketable debt securities	417	5,11%	-	Fixed
Other and accrued unpaid interest	27	-	-	-
TOTAL	6.857			

The borrowings related to the Repsol stake, the largest amount, are fully included in the special purpose vehicle Sacyr Vallehermoso Participaciones Mobiliarias.

Secondly, there are borrowings related to the financing for concession projects, where the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders. These guarantees, typical in such arrangements, entail pledging the shares of the concessionaire holding companies, their most significant current accounts and their most significant collection rights (insurance claims, contracts, etc.).

The mortgage loans are generally secured by mortgages on the assets. A total of 99.5% of the Group's mortgage assets are at Testa and are covered by a security in rem on the rental property division. Testa's property leases contribute 92% of the Group's borrowings for lease transactions at 31 December 2014.

Financing of operating working capital is met at short term by credit lines and sales of trade receivables and intensive strategic investments in capital performed by the Group, to be repaid at long term, with express financing associated exclusively with them. These investments, along with the non-recourse financing of concession projects, come under the Group's long-term financing policy.

The main characteristics of borrowings in each division at 31 December 2014 are as follows:

- Holding company: The parent company's borrowings include two issues of bonds convertible into the existing ordinary shares and/or convertible into new shares of the issuer, aimed at European institutional investors. The first one was issued in April 2011, for a nominal amount of 200 million euros, maturing on 1 May 2016, and paid with a 6.5% fixed annual nominal coupon on a quarterly basis. Its initial conversion price was 10.61 euros.

In May 2014, the company launched the second issue, for 250 million euros, with 2,500 bonds each with a value of 100,00 euros, maturing on 8 May 2019, and paid with a 4% fixed annual nominal coupon on a quarterly basis. The bonds can be converted by the holders 40 days after the closing date and until the close of the 10th day before maturity, or if the bonds are redeemed early until the close of the 10th day before the date set for the bond redemption. Its initial conversion price was 5.725 euros.

The financial borrowings, which all have variable rates, include 245 million euros from bank loans linked to Itinere's shares, an available-for-sale financial asset, which will be derecognised once they are sold. The remainder is composed of working-capital loans and corporate loans used by Sacyr, S.A. in its financial management and coordination as Parent of the Group.

- Construction (Sacyr and Somague): The bank borrowings total 354 million euros, similar to the amount at 31 December 2013, they are all at variable rates and 70% of them are due in the short term. They finance the net working capital generated by lengthening the average collection periods and are instrumented through credit lines and programmes for discounting receivables. A total of 60% of the borrowings come from activity outside Spain.
- Concessions (Sacyr Concesiones): The financing for concession projects at 31 December 2014 amounted to 1,141 million euros and 50% was hedged against interest rate increases. It will be repaid with cash flow from the concessions and 51% is contractually due from 2018 onwards. In 2014, divestments were made, with the consequent reduction in borrowing related to the sold assets but the division's investment effort outside Spain, especially in Chile, meant that borrowings increased by 4.5% on 31 December 2013.

Sacyr Concesiones sold the 32.77% stake in Metro de Sevilla Concesionaria de la Junta de Andalucía S.A. and 49% of its stake in the concession companies Hospital

de Parla, S.A. and Hospital del Noreste, S.A., and the remaining 51% was equity accounted. The overall effect meant that borrowings decreased by 216 million euros.

- Rental Property (Testa Group): its gross borrowings decreased to 1,711 million euros from the 1,846 million euros at 31 December 2013 due to applying the funds obtained from the divestments made in the year, as part of the division's selective asset turnover policy. A total of 78% is due from 2018 onwards. The debt of the property management business is serviced with the cash flows generated from rentals thanks to the buildings' high occupancy rates. In 2014, Testa sold its 32% stake in Preim Defense 2 and some assets in Madrid: a residential building on Conde de Xiquena and the surface right to a senior citizens' home.
- Residential development (Vallehermoso Group): As a result of booking Vallehermoso as an available-for-sale non-current asset, its financial borrowings were reclassified to "Liabilities associated with non-current assets held for sale". Vallehermoso reduced its borrowings by 90% to 91 million euros from the 832 million euros reported at 31 December 2013 as a result of the sales of land and completed buildings in the year, the result of the agreements sealed with the financial institutions; the liquidation process ordered for the property developer that began in 2013 has been practically completed.
- Services (Valoriza Group): the 357 million euros in gross borrowings at 31 December 2014 were provided by the structured financing and the debt related to construction work and contracts. They decreased by 15% due to the proceeds on the sale of some concessions in Portugal and Brazil, 25% of its stake in the Aguas de Alcalá joint venture and the power companies Olextra and Extragol.

The structured lending represents 58% of the total, 70% of which, in turn, is hedged against interest rate rises. Structured lending is acquired by the water treatment, renewable energy and environmental services concession businesses, serviced by cash flows generated by the concessions; 65% is due from 2018 onwards. Borrowings tied to construction work and contracts encompass the remaining 42% of debts. Such financing has a corporate nature and finances the net working capital arising from the operation of service agreements, which is why most of it matures in the short term.

- Repsol, S.A.: At 31 December 2014, the special purpose vehicle Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. owned 122,208,433 shares representing 9.05% of Repsol, S.A. The outstanding principal on the loan at 2014 year-end was 2,265 million euros, maturing on 31 January 2015. In 2014, 139 million euros were redeemed early due mainly to fully applying the extraordinary dividend of 122 million euros received by Repsol, S.A.

The cost of this loan, entered into in 2006 and novated by amendment in 2011, with floating interest rates, is tied to Euribor, and is reviewed twice-yearly, having an added spread of 350 basis points. In January 2013, an IRS was arranged to hedge the financing, protecting more than 60% of the funding against interest-rate rises. The cost of the hedged loan at 31 December 2014 was 4.16%.

In order to comply with the terms of the guarantee contract relative to the associated debt, the value to loan ratio must be above 150%. At 31 December 2014, the shares of Repsol, S.A., Testa Inmuebles en Renta S.A., and Valoriza Gestión, S.A.U. were pledged to guarantee compliance with said ratio. The market value of Repsol's shares is determined according to their share price. At 2014 year-end, Repsol's share price was 15.545 euros, which enables, with the added pledge of other assets, to

place the ratio far above that requested, allowing the Group to remove surplus guarantees.

Subsequent to 2014 year-end, Sacyr has reached an agreement with nearly all the banking syndicate to refinance the loan, extending its maturity to 31 January 2018 and under favourable market conditions.

In addition to the pledges outlined above, other guarantees were granted by the Sacyr Group to the lending parties in the concessionaire project financing arrangements. These guarantees, typical in such arrangements, entail pledging the shares of the concessionaire holding companies, their most significant current accounts and their most significant collection rights (insurance claims, contracts, etc.).

The mortgage loans are generally secured by mortgages on the assets. Financing of operating working capital is met at short term by credit lines and sales of trade receivables and intensive strategic investments in capital performed by the Group, to be repaid at long term, with express financing associated exclusively with them. These investments, along with the non-recourse financing of concession projects, come under the Group's long-term financing policy.

The Sacyr Group has non-euro borrowings taken out by companies whose cash flows are also generated in foreign currency, thereby providing a natural hedge to exchange-rate risk. The breakdown of the Group's consolidated borrowings at 31 December 2014 and 2013 is as follows:

Thousands of units

Company	Type of financing	Currency of loan	2014 currency other than	2014 thousands of euros	2013 currency other than	2014 thousands of euros
Sacyr Concesiones Chile	Project financing	CLP	11.711.449	15.955	21.880.400	30.237
Sacyr Conc.Valle del Desierto (clp)	Project financing	CLP	122.562.457	166.972	128.022.449	176.917
Rutas del Desierto (link roads to Iquique)	Project financing	CLP	68.410.128	93.198	33.960.680	46.931
Soc. Conc. Bio Bio (Concepción-Cabrero)	Project financing	CLP	102.289.283	139.353	46.954.903	64.888
Sacyr Operaciones y Servicios	Project financing	CLP	316.367	431	576.733	797
Ruta del Algarrobo (Aut. Serena-Vallenar)	Project financing	CLP	111.456.583	151.842	48.328.353	66.786
Sociedad Concesionaria Salud Siglo XXI	Project financing	CLP	18.123.935	24.691	0	0
Sociedad Concesionaria Ruta del Limari	Project financing	CLP	7.169.271	9.767	2.351.798	3.250
Chile			442.039.472	602.209	282.075.316	389.806
Sacyr Chile Suc. Colombia	Finance leases	COP	5.251.576	1.826	3.094.220	1.163
Colombia			5.251.576	1.826	3.094.220	1.163

Maturity schedules for foreign-currency-denominated borrowings of the companies operating in Chile in 2014 and 2013 are as follows:

<i>Thousands of euros</i>	2014	2015	2016	2017	Subsequent years	Total
2013	31.034	60.723	136.690	0	161.359	389.806

<i>Thousands of euros</i>	2015	2016	2017	2018	Subsequent years	Total
2014	133.641	312.921	12.859	22.718	120.070	602.209

And in Colombia:

<i>Thousands of euros</i>	2014	2015	2016	2017	Subsequent years	Total
2013	0	0	1.163	0	0	1.163

<i>Thousands of euros</i>	2015	2016	2017	2018	Subsequent years	Total
2014	0	1.826	0	0	0	1.826

Interest-bearing borrowings and loans and debt securities are recognised at amortised cost, which, unless more reliable evidence is provided, is equivalent to fair value; therefore, there are no significant differences between the fair value and the carrying amount of the Sacyr Group's financial assets and liabilities.

Most of the Group companies' floating-rate financing arrangements are benchmarked to Euribor, as are any related hedges. Their review frequency is based on the loans' characteristics: at short term, at one to three months for the working capital policies, and at six months for the longer-term structured debt associated with specific assets and project financing. In any case, interest rates on long-term financial liabilities are reviewed regularly, at intervals of less than a year. The average interest rate of the financial borrowings at 31 December 2014 was 4.20%, compared with 4.00% at 31 December 2013; this change was due more to the rate hike than to the composition of the base debt. The smaller mortgage loans were reduced and drawdowns were made from the concession project financing with a higher marginal cost.

The limit of the Group's working capital credit facilities at 31 December 2014 was 545,044 thousand euros, of which 407,939 thousand euros had been drawn down and accordingly, the Group has unused committed credit facilities available for 137,105 thousand euros.

At 31 December 2013, the limit on the Group's credit facilities was 588,301 thousand euros, of which 492,667 thousand euros had been drawn down and 95,634 thousand euros were unused.

23. Non-current payables

The breakdown of "Non-current payables" in 2014 and 2013 was as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Bills of exchange payable	2	0
Other payables	216.431	243.002
Guarantees and deposits received	27.454	28.579
TOTAL	243.887	271.581

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

"Other payables" mainly comprises payables to suppliers of property, plant and equipment where payment does not fall due for more than a year, In 2014 and 2013, the main balances were provided by Autopista del Guadalmedina Concesionaria Española, S.A., which recognise the subordinated and participating loans granted by other partners of the company.

The balances include an implied interest rate, and there is considered to be no significant difference between their carrying amount and fair value.

24. Derivative financial instruments

The Sacyr Group does not subscribe to instruments that impair its asset solvency. The group arranges derivatives which act as their hedges only if the risk can be assumed, i.e. generally long-term financing at floating rates. The objective is to always maintain prospectively effective

hedges between the derivatives and the underlying, avoiding speculative positions in the domestic and international financial markets.

The Group seeks to adapt financial liabilities to the best market conditions, and thus occasionally refinances certain liabilities. When a liability or its underlying is renegotiated, the derivative financial instrument used to hedge the related cash flow risk is adapted accordingly.

The derivative financial instruments arranged by the Group hedge exposure to changes in flows associated with financing, and almost all are cash flow hedges as defined by IAS 39. Their objective is to reduce the risk of interest rate variations and their impact on the cash flows associated with the financing hedged, specifically those arising from the increased costs thereof as a result of rising benchmark interest rates, enabling the cost of the transaction to be set.

In the overwhelming majority of cases, variable financing rates are swapped to fixed rates using interest rate swaps (IRS); other instruments such as caps and collars are not representative in the Group's portfolio. As a result, the Group transforms its variable-rate financing into fixed-rate financing for the hedged amount. Nearly all the Group's derivatives are indexed to the euro; only in Chile does the group arrange derivatives in non-euro currency. Two cross currency swaps were signed to convert the project finance in Chilean pesos (CLP) into units of account (CLF), whose interest rates are expected to be more favourable to the concession companies. The Group partially hedges the financing based on the arranged derivatives; the notional ones account for an average of 70% of the principal of the underlying debt.

In 2013, the hedged financing and the hedge instruments used could be stated as follows:

<i>Thousands of euros (Restated)*</i>	HEDGED ITEM		Nature	HEDGE	
	Principal	Benchmark rate payable		Notional	Benchmark rate hedged
Loan for acquisition of shares in Repsol	2.403.899	Euribor	IRS	1.500.000	Euribor
Rental property (Testa)	217.923	Euribor	IRS/CAP	163.580	Euribor
Loans to finance concession projects and others	884.867			726.596	
Services (Utilities)	184.932	Euribor	IRS	159.989	Euribor
Infrastructure (Motorways, Hospitals, transport hubs)	699.935	Euribor	IRS	566.607	Euribor
TOTAL	3.506.689			2.390.176	

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The main financing lines hedged and the instruments used to hedge them at year-end 2014 were as follows:

<i>Thousands of euros</i>	HEDGED ITEM		Nature	HEDGE	
	Principal	Benchmark rate payable		Notional	Benchmark rate hedged
Loan for acquisition of shares in Repsol	2.264.749	Euribor	IRS	1.500.000	Euribor
Rental property (Testa)	156.365	Euribor	IRS/CAP	118.700	Euribor
Loans to finance concession projects and others	729.892			613.317	
Services (Utilities)	170.360	Euribor	IRS	148.116	Euribor
Infrastructure (Motorways, Hospitals, transport hubs)	559.532	euribor/ICP (1)	IRS /CCS	465.201	euribor/ICP (1)
TOTAL	3.151.006			2.232.017	

(1) ICP: "Índice Cámara Promedio"

The changes in the notional amounts of derivatives tied to the financing of both hedges and the speculative ones at 31 December 2013 and 2014 were as follows:

<i>Thousands of euros</i>	2013 change (Restated)*			
	Notional at December 31, 2012	Change in current instruments at 31 December 2012	New instruments	Notional at December 31, 2013
Loan for acquisition of shares in Repsol	0		1.500.000	1.500.000
Mortgage loans (Testa)	174.160	(10.580)	0	163.580
Loans to finance Service concession projects	183.143	(23.154)	0	159.989
Loans to finance infrastructure concession projects	948.682	(275.620)	0	673.062
TOTAL	1.305.985	(309.354)	1.500.000	2.496.631

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

<i>Thousands of euros</i>	CHANGE 2014			
	Notional at December 31, 2013	Change in current instruments at 31/12/2013	New instruments	Notional at December 31, 2014
Loan for acquisition of shares in Repsol	1.500.000	0	0	1.500.000
Mortgage loans (Testa)	163.580	(44.880)	0	118.700
Loans to finance Service concession projects	159.989	(11.873)	0	148.116
Loans to finance infrastructure concession projects	673.062	(129.126)	20.836	564.772
TOTAL	2.496.631	(185.879)	20.836	2.331.588

The market value of the derivatives contracted by the Group, and which is recognised at 31 December 2014, entails a net liability of 109.4 million euros. Balances at year-end 2013 and 2014, and movements in financial asset and liability instruments, both hedging and speculative, were as follows:

<i>Thousands of euros</i>	31/12/2012 (Restated)*	Movement	31/12/2013 (Restated)*	Movement	31-dic-14
Hedging instruments	(169.316)	49.348	(119.968)	(3.923)	(123.891)
Speculative instruments	0	(4.545)	(4.545)	(4.320)	(8.865)
Call/put options (Guadalmedina, Itinere)	(5.550)	(8.148)	(13.698)	37.090	23.392
	(174.866)	36.655	(138.211)	28.847	(109.364)
Financial assets	3.294	(835)	2.459	(746)	1.713
Financial liabilities	(172.610)	45.638	(126.972)	(7.497)	(134.469)
Call/put options (Guadalmedina, Itinere)	(5.550)	(8.148)	(13.698)	37.090	23.392
	(174.866)	36.655	(138.211)	28.847	(109.364)

(*) As explained in Note 3, the consolidated statements of financial position at 31 December 2013 and 2012 have been restated.

The net value of the put and call options on Guadalmedina and Itinere, whose market value at 31 December 2014 provides an asset of 23.4 million euros, is not recognised as a hedge instrument.

The valuations of the instruments, not including the aforementioned options, represent net overall liabilities of 132.8 million euros and include all their market value. Although they were all arranged prospectively as hedges, the degree of ineffectiveness quantified afterwards in the link to the underlying financing means that 8.9 million euros were reclassified as speculative instruments at 31 December 2014, recognised in the year's earnings.

The instruments recorded as hedge transactions for financing account for net liabilities of 123.9 million euros. Of them, 120.1 million euros are pending allocation to the income statement. The remaining 3.8 million euros are due to the degree of partial ineffectiveness of several instruments which, though they help to continue with the hedge, have led to recognising part of the valuation in the earnings of the year and of the previous years.

The valuations of the interest rate derivatives, most vanilla IRS, were made in line with the calculation of the present value of all the settlements envisaged per the notional amount schedule set and with the expected interest rate curve, interpolated in line with the establishment and settlement periods. Market data were obtained from Bloomberg, both on the underlying rate curves of 3-6 month Euribor at 31 December 2014, and the volatility curve of the caps and swaptions on the different strikes.

The technique used at 31 December 2014 to calculate the valuations in line with the market curve did not vary with respect to that used at 31 December 2013. In the case of options, an insignificant percentage within the Group, their intrinsic value is separated from their temporary value, the latter affected by the volatilities and with a direct impact on results. With this mechanism, the valuations were obtained without considering the credit risk.

On 1 January 2013, IFRS 13 entered into force on the measurement of fair value with the consideration of the credit risk on the calculation of the valuation of the derivative instruments, both that relating to each of the counterparts and own credit risk. Since derivatives are involved whose market value may be positive or negative from the point of view of the Sacyr Group, a counterparty credit risk exists when the value is positive and an own credit risk when it is negative.

A consolidated net positive effect of 16.7 million euros was assessed and recognised in this connection. Without adjusting the credit risk, the valuation of the financial instruments would represent a net liability of 149.5 million euros instead of the 132.8 million euros recognised at 31 December 2014.

At 31 December 2013, the net positive adjustment was 8.3 million euros, without which the net liabilities would have totalled 132.8 million euros instead of the 124.5 million euros recognised. Accordingly, the average expected exposure was calculated taking into account the changes in the market variables, introducing volatilities as a measurement of the frequency and intensity of the changes in value. This was adjusted by the probability of non-payment of each counterparty. The implicit probability on non-payment was obtained based on market data of companies with a comparable credit rating in some cases and through the implicit quoted price on the secondary own marketable securities market. The loss rate used given the degree of non-compliance is 60% and that of recoverability 40%, which corresponds to the Credit Default Swaps market standard.

Changes in the fair value of derivative financial instruments may exert additional volatility on results, owing to non-compensation because of the hedging against variations in the underlying. To limit this risk, and in light of the requirements under IAS 39, the Group has conducted prospective and retrospective effectiveness tests on instruments designated as hedges when they were initially contracted.

The numeric measurement of effectiveness will indicate the degree to which the changes of value of the hedging instrument offset the changes in the value of the hedged risk.

In accordance with the degree of effectiveness, the valuation of hedges will be recognised in equity to the extent that they are effective, and the ineffective portion will be recognised in the income statement.

With financing in which the underlying loan and the designated instrument contain identical critical characteristics, variance reduction analyses have been conducted comparing the

cumulative variance of the hedged instrument with the variance in the hedge relationship. For each rate-renewal date, steps will be taken to ensure that the IRS notional amount does not exceed the outstanding principal on the loan. If the notional amount does exceed the outstanding principal, the hedge must be considered ineffective owing to overhedging. The variations in the cash values of the hedged instrument and of the hedging instrument will be calculated on each rate-renewal date.

- Effective hedge: when the ratio of the performance of the hedging instrument and the underlying is between 80% and 125%. In these cases, the measurement of the effective portion of these derivatives has been directly recognised in equity and the ineffective portion in the income statement.
- Ineffective hedge: the derivatives are recognised in the income statement.

When it is understood that a derivative may pose difficulties because its characteristics include terms that, a priori, cause a certain degree of ineffectiveness, such as step-up in the fixed rate, a mismatch in periods, Euribor benchmark or overhedging, the hypothetical derivative is formulated in accordance with the characteristics of the hedged item. In addition, the change in its valuation is contrasted with the change in the valuation of the actual derivative. Both data series undergo a regression analysis below, and statistics accepted in the standard are obtained. In the first place, the R2 correlation coefficient, which will measure the degree of adjustment of the two variables and which must be situated between 80-100% and, in the second place, the slope of the regression line which must range between 0.8 and 1.25. If the hedge is not 100% effective but is with the margins, it may be considered a hedge under IAS 39, but the degree of ineffectiveness should be recognised directly in the income statement.

The notional amount of derivative contracts entered into relates to the amount on which future settlement of the derivative is based and does not represent a risk assumed by the Group. Two cross currency swaps hedging two project finances in Chile were converted, for collection and payment, from Chilean pesos (CLP) into units of account (CLF), but they are not significant amounts for the Group.

The amount corresponding to the effective portion of cash flow hedge derivatives was recognised in the consolidated statement of comprehensive income for 2014 and 2013.

The breakdown is shown below of the maturity at 2014 and 2013 of the notional amounts of the interest rate derivatives of the both the assets and liabilities arranged by the Group and the valuation pending allocation to the income statement, i.e. the effective part, since the ineffective part and that related to the speculative derivatives were already included in them.

2013 (Restated)		Notional							
<i>Thousands of euros</i>		Valuation	Notionals	2014	2015	2016	2017	2018	Subsequen
DERIVATIVES									
Interest rate derivatives	(115.220)	2.496.631	(92.137)	(1.561.096)	(134.429)	(192.353)	(135.007)	(381.609)	
-Cash flow hedges (1)	(115.220)	2.390.177	(86.685)	(1.554.419)	(126.163)	(182.520)	(119.656)	(320.734)	
-Other non-hedge derivatives (2)	0	106.454	(5.452)	(6.677)	(8.266)	(9.833)	(15.351)	(60.875)	

* Positive amounts imply increases in notional amounts, while negative amounts relate to redemptions.

(1) The total measurement of derivative financial instruments accounted for as interest rate hedges was 119,968 thousands of euros. As a result of the partial ineffectiveness of several hedges at year-end 2013, an outstanding amount of 115,220 thousand (23,055 thousand maturing in 2014) euros was pending recognition in profit and loss. The other 4,748 thousand euros was recognised in the income statement of this year and of previous years.

(2) The valuation of financial instruments that have ceased to be hedged amounts to 4,545 thousand euros, an amount fully recognised in the income statement of this and previous years.

2014		Notional							
<i>Thousands of euros</i>		Valuation	Notionals	2015	2016	2017	2018	2019	Subsequen
DERIVATIVES									
Interest rate derivatives	(120.147)	2.331.588	(1.513.246)	4.192	(160.429)	(166.883)	(72.829)	(422.393)	
-Cash flow hedges (1)	(120.147)	2.232.017	(1.506.664)	12.341	(150.735)	(151.749)	(54.986)	(380.224)	
-Other non-hedge derivatives (2)	0	99.571	(6.582)	(8.149)	(9.694)	(15.134)	(17.843)	(42.169)	

* Positive amounts imply increases in notional amounts, while negative amounts relate to redemptions.

(1) The total measurement of derivative financial instruments accounted for as interest rate hedges was 123,892 thousands of euros. As a result of the partial ineffectiveness of several hedges at year-end 2014, an outstanding amount of 120,147 thousand (14,495 thousand to be reclassified as current in 2015) euros was pending recognition in profit and loss. The other 3,745 thousand euros was recognised in the income statement of this year and of previous years.

(2) The valuation of financial instruments that have ceased to be hedged amounts to 8,865 thousand euros, an amount fully recognised in the income statement of this and previous years.

The expected schedule for the pending allocation to the income statement of the valuation of the instruments recognised as hedges, as explained above, is as follows.

<i>Thousands of euros</i>	2013 (Restated)
2014	(23.055)
2015	(36.010)
2016	(20.886)
2017	(13.892)
2018	(7.228)
2019 and subsequent years	(14.149)
TOTAL	(115.220)

<i>Thousands of euros</i>	2014
2015	(14.495)
2016	(21.603)
2017	(16.669)
2018	(13.168)
2019	(8.583)
2020 and subsequent years	(45.629)
TOTAL	(120.147)

For financial instruments measured at fair value, the Group uses the following three-level hierarchy, based on the reliability of the variables used to carry out the measurements:

- Level 1: quoted price (unadjusted) in active markets for identified assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2013 (Restated)* <i>Thousands of euros</i>	Level 1	Level 2	Level 3
Financial assets measured at fair value	0	2.459	1.319.716
	0	2.459	1.319.716
Financial liabilities measured at fair value			
Hedging derivatives	0	140.670	0
Liabilities associated with non-current assets held for sale	0	0	1.048.639
	0	140.670	1.048.639

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

2014 <i>Thousands of euros</i>	Level 1	Level 2	Level 3
Financial assets measured at fair value	0	38.571	548.402
	0	38.571	548.402
Financial liabilities measured at fair value			
Hedging derivatives	0	147.936	0
Liabilities associated with non-current assets held for sale	0	0	219.771
	0	147.936	219.771

In 2013, there was an increase both in financial assets and liabilities measured at fair value, due mainly to the classification of the Vallehermoso Group as a non-current asset held for sale, as stated in Note 4.

In 2014, the financial assets and liabilities measured at fair value decreased due mainly to the lower amount contributed to both headings by the Vallehermoso Group.

In 2013 and 2014, there were no significant transfers between levels in the fair-value hierarchy.

24.1. Other options

Aside from the financial instruments described above, other options exist including most notably the following:

1. Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A.

Sales options exist granted to non-controlling shareholders of the Company, with the following characteristics:

- o Date granted: 31 May 2007

- o Conditions: Point 5 of the aforementioned shareholders agreement details the "Share purchase and sale arrangement" indicating that "During the construction period and prior to the date of entry into operations once the opening licence to civil traffic has been granted by the related authority, the non-controlling interests will have the option to sell their respective shares (plus the subordinate debt, if any) of their interest in Sacyr-Itinere Infraestructuras, S.A., and the latter will be obliged to buy them, for the amount effectively paid plus the 1-year Euribor, plus 0.50 points, provided that the transfers are authorised by the relevant granting body, in line with that envisaged in this connection in the individual administrative clauses of the tender.

This share purchase arrangement will not be applied when a situation, event, circumstance or condition has arisen, not attributable to the concessionaire, which substantially affects the project's viability.

- o Amount: "The transaction price will be determined by the arithmetic average of the valuation made by two investment banks (among the seven main banks operating in Spain) appointed by mutual agreement among the parties. It will be determined from the completion of the construction period."
- o Exercise dates: "The non-controlling interests may sell their shares in the company to Sacyr-Itinere, which will be obliged to buy them within six months following the end of the first fiscal year following the approval date of the start-up of Murcia International Airport by the competent authorities.

If the six-month period referred to in the preceding paragraph elapses without the non-controlling interests providing reliable notification of their decision to sell their shares, Sacyr-Itinere will be freed from the obligation to purchase such shares.

At 31 December 2012, the option exercised by each of the non-controlling interests was recognised as an increased investment against liabilities, since the definitive award ruled in favour thereof and, at year-end, the payment of 1.9 million euros had not been made effective.

The options issued and exercised by two of the non-controlling shareholders were recognised in 2012 as a provision for litigation for 5.2 million euros. The Group considered that it was not necessary to resort to a third party to determine whether the unconditional obligation under certain circumstances and assumptions envisaged in the shareholders agreement was being met, either because it meant that an unconditional obligation no longer existed or that there was a lack of accord on the option's exercise price.

In relation to the unexercised options issued to the three non-controlling shareholders, the Group recognised a financial liability amounting to 3.5 million euros pursuant to paragraph 23 of IAS 32, which related to the present value of the amount to be repaid in the event the sales options are exercised. The amount recognised was included in "Interest-bearing loans and borrowings".

The outcome of two of the three arbitration proceedings were favourable to the Sacyr Group. In 2013, the Group wrote off the provision recognised in 2012.

The Group estimates that the debt valuation of such options is zero for both 2013 and 2014.

2. Autovía del Barbanza, Concesionaria de la Xunta de Galicia, S.A.

A sales option was granted to the Company's non-controlling shareholders. The shareholders agreement was entered into on 1 June 2012. The conditions are summarised as follows:

- o The non-controlling shareholder may exercise the sale option at any time from 31 May 2015 onwards, in one turn or on several occasions, with respect to all the shares of a part of them, up to 24 hours on 31 May 2016.
- o The price per share is the result of dividing the full investment made by the non-controlling shareholder in the Company (Autovía de Barbanza), as capital or similar to the 1-year Euribor plus one percentage point from the disbursement date until the payment date, divided between the number of shares held by it at each moment.
- o Simultaneously to the granting of the purchase and sale deed involving the separation of the shareholder, Sacyr Concesiones, S.L. will be subrogated to the debtor position in the loan agreements held by it vis-à-vis the Company.

3. Autopista de Guadalmedina, Concesionaria Española, S.A.

A sales option was granted to the Company's non-controlling shareholders. The shareholders' agreement was arranged on 3 February 2011 (on 1 June 2012, a novation was signed on the contracts for the put options, participating loans and subordinated debt between Sacyr Concesiones, S.L.U., Sacyr Vallehermoso, S.A., Caixa Nova Invest S.C.R. de régimen simplificado, S.A.U. and NCG Banco, S.A.). The conditions are summarised as follows:

- o On 3 February 2011, the framework agreement for the investments to be made between Sacyr Vallehermoso, S.A. and Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (hereinafter, UNICAJA) was converted into a public deed; the latter owns 30% of Autopista del Guadalmedina, Sociedad Concesionaria, S.A. This agreement establishes that Sacyr Vallehermoso, S.A. will guarantee a minimum return of 5% on the paid-up capital, provided that UNICAJA owns at least 15% of the company. A put option was also agreed on the participating loans, which can be exercised between 1 January and 30 September 2015.
- o On 3 February 2011, the put option was agreed on the participating and subordinated loans and shares of Autopista del Guadalmedina, Sociedad Concesionaria, S.A., between Sacyr Vallehermoso, S.A., Sacyr Concesiones, S.L. and Caixa Nova Invest de Régimen Simplificado, S.A.U. (hereinafter, CAIXA NOVA INVEST). CAIXA NOVA INVEST owns 30%. On 1 June 2012, the put option contract was novated, establishing a validity period for 50% of the shares and loans between 28 October 2017 and 28 October 2018 and for the other 50% between 28 October 2018 and 28 October 2019.
- o Pursuant to paragraph 23 of IAS 32, the Group recognised a financial liability for the present value of the amount to be repaid in the event the put options are exercised. The amount recognised was included under "Other non-current liabilities" for 39.8 million euros (38 million euros in 2013).

25. Trade and other payables and current payables to associates

The breakdown of "Trade and other payables" in 2014 and 2013 is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Advances received on orders	270.053	189.371
Certified work pending execution	105.530	154.228
Trade payables	978.968	1.107.630
Bills of exchange payable	249.797	230.875
SUPPLIERS	1.604.348	1.682.104
Bills of exchange payable	1.267	1.787
Other payables	150.125	141.811
Current guarantees and deposits	697	830
OTHER PAYABLES	152.089	144.428
PAYABLE TO EMPLOYEES	24.105	19.681
CURRENT TAX LIABILITIES	108.654	113.224
INCOME TAX PAYABLE	25.494	7.687
TOTAL	1.914.690	1.967.124

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

"Trade payables" mainly relates to balances from the Construction and Services divisions, which contributed 542,607 thousand euros and 170,588 thousand euros, respectively (592,080 thousand euros and 160,570 thousand euros in 2013, respectively). Of the construction balance at 31 December 2014 and 2013, 208,853 thousand euros and 280,760 thousand euros, respectively, was owed by Sacyr Construcción, S.A.U. and was accrued in the normal course of its business.

The increase in "Advances received on orders" is due mainly to the performance of the construction business itself.

"Other tax liabilities" at 31 December 2014 and 2013 related mainly to VAT owed by the Group.

The line-item "Current payables to associates" includes the Group's balances at equity-accounted companies. The largest amount (203 million euros) corresponds to the commercial credits with Italian company SIS S.c.p.A. The Group consolidates its stake in SIS, S.c.p.A. under the equity method; this company is in charge of building and subsequently managing the Pedemontana-Veneto motorway which will connect Venice and Treviso. This subsidiary transfers its revenues and expenses to its partners so that its individual earnings are zero. The partners record all the expenses and revenues and recognise the commercial debts and credits arising from them.

25.1 Average period for payments to suppliers

Information related to Act 15/2010 of 5 July, which amends Act 3/2004 of 29 December, establishing the measures to fight default:

In 2014, the average period for payments to suppliers was 60 days (60 days in 2013).

In 2014, payables to suppliers included no significant amounts that exceeded the deadline under Act 15/2010, amending the Act on measures to combat late payments.

26. Risk management policy

The management control policy implemented by the Sacyr Group companies enable compliance with the corporate regulations and procedures established in each of its activity areas to be verified, identifying the risks to which they are exposed and assessing the Group's sensitivity to different scenarios caused by the changes in current conditions.

The financial risk management policy is conditioned by the specific legislation and causes of the activity sectors in which the Group operates and by the climate of the financial markets.

The Group's main financial liabilities include the financing received from credit institutions and trade and other payables. Financial assets included trade and other receivables, and cash and cash equivalents arising directly from the transactions performed. The Group has available for sale investments and participates in transactions with derivatives.

The Group is exposed, to a greater or lesser extent, depending on the business area, to the risks detailed below, particularly credit, liquidity and market risks, and especially to fluctuations in interest rates and, to a lesser extent, in exchange rates.

At year-end, the Group performed impairment tests on all its non-financial assets. However, should any sign of impairment be detected, the recoverable value of the asset will be re-assessed in order to identify the scope of the impairment losses.

In accordance with these policies, the Group may not perform speculative transactions with derivatives.

Following is a summary of each risk:

26.1. Credit risk

Credit risk is the risk that one of the counterparties does not comply with the obligations arising from a financial instrument or purchase agreement, thereby giving rise to a financial loss. The Group is exposed to credit risk in its operating activities, mainly in relation to trade payables, and in its financing activities.

Each business unit performs an assessment prior to arrangement which includes a solvency study. During the life of its contracts, it monitors its receivables on an ongoing basis, reviewing recoverable amounts and recognising impairments as required.

Customer concentration risk is mitigated by the Group's diverse customer base, 49% (48% in 2013) of which is backed by public sector bodies (central government, regional and local governments, and public sector companies), as explained in Note 16.

The credit risk of the balances with banks and financial institutions is managed by the Group's Cash department. Investments of cash surpluses are made in low-risk liquid instruments at highly solvent entities.

- **Rental property:** credit risk from the Group's ordinary operations is virtually zero or immaterial, mainly because leases with tenants or other lessees require rents to be paid in advance and stipulate legal financial and other guarantees on signing and renewing the rental agreements, which cover the Company against defaults.

Average collection periods (in days) from customers for sales and services rendered, based on the statements of financial position at the reporting date 2014 and 2013, were as follows:

Thousands of euros	2014	2013 (Restated)*
Trade receivables (net of VAT)	6.969	9.716
Revenue	187.977	216.609
Average collection period (in days)	14	16

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

Credit risk is further mitigated by the diverse range of products in which the Group invests, giving it a wide range of customer types.

- **Concessions:** credit risk is modest as revenues are largely derived from national, regional and local tiers of government in Spain and other countries where the Group operates (see Note 16 and 42). These administrative authorities have been settling their debts on a regular basis. Average collection periods have been lengthening recently, giving rise to increased working capital requirements, although these receivables are acknowledged and covered by the contractual relationship enshrined in the various service and concession agreements. In transport infrastructure, road tolls are paid in cash eliminating credit risk on a large part of the division's revenue.

At the year end, there were no significant financial assets in default or impaired. Nor had any guarantees been accepted against payment.

- **Services:** Credit risk in the Services division is analysed individually for the Group's different businesses. The distribution of clients in this division by type is detailed in Note 16. Within Valoriza (Services) we find four basic activities.

Industrial

The credit risks are practically nil since the company acts as a holding of other power companies and most of its revenues are with the other group companies.

Environmental issues

Credit risk can be considered to be minimal since the breakdown of customer receivables is as follows:

- Public sector customers: 90.8 % (85.1% in 2013)
- Private customers: 9.2 % (14.9% in 2013)

Nearly 84% of public sector customers are city councils (90% in 2013), with the central or regional government making up the remainder. The credit risk is practically non-existent since, although the public sector companies do not stand out for scrupulously complying with the contract payment conditions, and on occasions commit default or generate delays, the public authorities are not insolvent by nature, and any delays or defaults are compensated with late-payment interest under the law governing public administration contracts ("*Ley de Contratos con las Administraciones Públicas*") and with Royal Decree-Law 8/2013, hence most of the default problems arising to date at certain companies have been resolved.

Naturally, the balance corresponding to Group companies (joint ventures, investees, and other companies of the SyV Group) poses no risk.

Private customers with payables aged over six months do not present major problems of insolvency, as credit reports are required before signing the majority of contracts. At the end of each year, provisions for doubtful debts are recorded for private customer balances aged over six months. Balances in recent years have not been particularly significant.

Water

The drinking water distribution business is exposed to specific credit risk, as supply is associated with the collection of the rate. Experience in this business indicates a default rate of below 2%.

Multiservices

Valoriza Facilities' credit risk is minimal given that 72% of average balances payable to the Company are from the public sector customers, 21% from Group customers and associates and 7% from private customers (the same percentages as in 2013). The Company's structure will continue to emphasise a larger percentage of public sector customers in its client base. In the private sector, tougher contracting conditions and pro-active collection management leave a minimal level of risk.

At Valoriza Conservación de Infraestructuras, S.A.U., the distribution of receivables is largely guaranteed due to the nature of the debtor: public institutions, the central and local governments represent 47% of the total (58% in 2013), with Group companies making up the remaining 53% (42% in 2013).

At Cafestore, the credit risk is low, since most of the transactions are collected in cash; collections are made in cash on the date of the sale or provision of a service.

- **Construction:** credit risk in the Construction division is analysed for each type of customer (see Note 17):

- Public sector with good credit ratings: public institutions, regional governments and local councils.

The whole of the public sector represented 76% of the receivable balance at 31 December 2014 (76% at 31 December 2013).

- Private customers: To mitigate risks of default, the Group implements control mechanisms before awarding contracts based on studies of customer solvency. The financial and legal departments continuously monitor this risk throughout project execution in order to control collections; the average collection period is 139 days (111 days in 2013).

At the year end, no significant financial assets were in default or impaired. Nor had it been considered necessary to provide any guarantees against payment.

- **Residential development:** To mitigate credit risk in the development business, the Group looks at the breakdown of the companies' revenue by customer type.

Revenue for this division in 2014 is broken down as follows:

- Sale of housing units: 15.13% (2013: 35.23%)
- Sale of land and provision of services: 84.87% (2013: 64.77%).

An analysis of credit risks requires understanding the mechanics of the home selling process. The customer pays between 10% and 20% of the price before delivery, and upon delivery, the customer pays the remainder in cash and assumes the mortgage loan. Consequently, these sales entail no credit risk.

With land sales, the Group generally collects payment up front in cash or through guaranteed bills. In most cases, collections on instalment sales are guaranteed through guaranteed promissory notes or with cancellation clauses whereby the land is recovered in the event of default. Consequently, when collection is in doubt, the operating margin is provisioned if there is an assurance that the land will be recovered, and if not, the entire amount is provisioned. Atypical sales conditions must be approved by senior management.

26.2. Liquidity risk

The factors causing liquidity risk are a working capital deficiency, investments based on business plans, which require additional funding, and the excessive concentration of short-term loan maturities which require immediate financing. These circumstances may damage, albeit it temporarily, the financial capacity to meet payment commitments.

At 31 December 2014, the Group had negative working capital due mainly to the short-term classification of the financing associated with the stake in Repsol, S.A. and the short-term debt maturities associated with income-generating assets during the year, such as the concession, rental and urban service assets.

The Group identified the possible scenarios through the monitoring and control of the annual budget and of the daily update of its monthly case projections, enabling it to get ahead in decision making:

Factors contributing to reduce this risk are the recurring cash generation of businesses in which the Group bases its activity and the Group's capacity to sell assets. The rotation strategy thereof enables the Sacyr Group to reap the fruits of the maturation of high-quality investments, and to manage the liquidity obtained in the interests of a potential improvement in its competitiveness and profitability.

The obtainment of new external financing lines, be it via the banks or through the issuance of marketable securities, based on long-term business plans of the Company continue to be the natural vehicle to obtain liquidity, but both access and the financial conditions have been severely tightened as a result of the crisis.

The Group considers that it can continue negotiating the maturities presented at short and medium term with its financial institutions, as in previous years.

Liquidity risk in each of the Sacyr Group's business areas is as follows:

- **Rental property:** At the date of authorisation for issue of these consolidated financial statements and on the basis of the 2015 cash flow projections, the Group will be fully able to meet its commitments with suppliers, employees and public administrations.

In addition, and given the sector in which the Testa Group operates, the investments that it makes, the finance that it obtains to make these investments, the EBITDA it generates and the occupancy rates of its buildings, liquidity risk is virtually zero and in some cases the Group is cash positive. Short-term cash surpluses are invested in highly-liquid and risk-free deposits. The Group is not considering the option of acquiring equity options or futures or any other high-risk deposit as a means of investing its short-term cash surpluses.

Investments in buildings are partly financed using resources generated by the Group and partly through non-current loans. These investments generate sufficient cash flow to meet operating costs, service debt (payment of interest and principal), pay the Group's overheads and remunerate equity.

The ratio of net debt to the fair value of assets in 2014 and 2013 was as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Financial debt	1.710.790	1.845.871
Financial liabilities	10.585	11.758
Current financial investments	(14.075)	(10.713)
Cash and cash equivalents	(21.932)	(74.696)
NET FINANCIAL DEBT	1.685.368	1.772.220
ASSET VALUATION	3.180.075	3.287.460
LOAN TO VALUE	53,00%	53,91%

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The change in the analysed ratio is mainly due to the reduction in cash and cash equivalents, as well as in borrowings.

The average total occupancy rate for all buildings in 2014 and 2013, in terms of the number of square metres occupied, was 94.8% and 94%, respectively. In terms of revenue generation, it was 97% and 96.8%.

- **Concessions:** Liquidity risk is low at the concessionaires that make up Sacyr Concessions, due to the nature and characteristics of the businesses' collections and payments structure, EBITDA, project financing, toll systems and clearly defined, systematic investment upgrade programmes. Consequently, the concessionaires do not require credit facilities. Nevertheless, the parent company of the Itinere Group has assigned working capital credit facilities to cover possible timing differences causing gaps in cash flow at its subsidiaries and to meet any unexpected demands for capital for projects underway or in newly awarded concessions.

The financing structure, financing products, hedging arrangements, guarantees and the most appropriate financing instruments are selected on the basis of the nature and extent of the risks inherent to each project, with a view to eliminating or mitigating the risks to the extent possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender assumes substantially all the transaction risks in exchange for the receipt of guarantees, so that the financing is non-recourse to the developers and shareholders.

Note 22 provides a detailed breakdown of the maturities of the liabilities with lending institutions.

Notes 2, 10 and 21 contain information on the various financial options with non-controlling shareholders and financial entities.

- **Services:** liquidity risk in services is analysed individually for the Group's different businesses.

Energy

The financing structure, financing products, hedging arrangements, guarantees and the most appropriate financing instruments are selected on the basis of the nature and extent of the risks inherent to each project, with a view to eliminating or mitigating the risks to the extent possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender assumes substantially all the transaction risks in exchange for the receipt of guarantees, so that the financing is non-recourse to the developers and shareholders.

Environmental issues

The Group's business requires hefty investment at the beginning of the concessions, including investment in machinery, containers, treatment plants, purifiers and other items of property, plant and equipment. These investments are recovered over the concession period in accordance with repayments and financing, at interest rates that are considerably above the Company's cost of capital.

To finance these investments, the Group structures debt in such a way as to allow the project to finance the initial requirements, through project financing for the contracts entailing the largest investments (the urban solid waste processing plant in Los Hornillos, the thermal sludge drying plant in Butarque and the incinerator in Maresme) or by lease lines to finance the acquisition of machinery and equipment, which are paid with the cash generated by the project.

EBITDA of the businesses ensures that liquidity risk is low, as the various projects are financed with the cash flow they generate.

Regarding working capital, public sector clients cannot be classified as solvent pursuant to the legislation, but sometimes they are very slow to pay, thus generating short-term cash requirements. To meet these needs, the Group has its own credit lines, currently 66% drawn down (97.4% in 2013). Credit terms offered to customers can be traded via factoring lines or by discounting construction certificates. In the event that a risk were to arise because the Company were unable to secure sufficient credit lines, it could trade the certificates and use with-recourse factoring lines already contracted.

Water

The Group estimates that there is no liquidity risk in this business as investments are financed with the cash flow generated by projects.

Multiservices

Valoriza Facilities has sufficient credit facilities to meet its payment obligations. It can also resort to debt factoring as most of its contracts are with public entities. Therefore, liquidity risk is minimal.

Valoriza Conservación de Infraestructuras has not had any problems in raising financing. The composition of its financial liabilities is as follows:

- Credit facilities and loans: 22%
- Finance leases: 4%
- Government-subsidised loans: 74%

Cafestore has no liquidity risk as it has bank loans and receives financing from the Sacyr Group.

- **Construction:** the Group has adequate liquidity to cover its forecast short-term obligations by arranging credit facilities with banks and short-term financial investments. Nevertheless, particularly as a result of current market volatility, lenders are being affected by liquidity tensions, which occasionally affects the renewal of loans. Details of the credit facilities arranged, by amounts drawn down and undrawn at year end, are given in the corresponding note to the financial statements.

Short-term cash surpluses are occasionally invested in highly liquid short-term risk-free deposits, provided this is in line with the best financial management practice. The Group is not considering the option of acquiring equity options or futures or any other high-risk deposit as a means of investing its short-term cash surpluses.

- **Residential development:** The Sacyr Group has decided to put up its real estate development division for sale. In this regard, negotiations began in 2013 with financial institutions and with other interested parties and the division has been recognised as an asset held for sale. At 31 December 2014, this business had been practically divested.

26.3. Market risk

Interest rate risk: to ensure a balanced financing structure and reduce the exposure of its businesses to the risk of interest-rate fluctuations, the Group needs to have a reasonable balance between loans that have variable rates and loans that have fixed rates, either because they are inherently fixed-rate loans or because they are insured with derivative financial instruments.

The underlying debt requiring the greatest coverage vis-à-vis interest rate fluctuations are the project financing loans and those associated with specific assets since they are exposed during longer periods, given the deadlines, and due to their strong correlation with the projects' cash flows.

The schedule and conditions of these derivatives are tied to the characteristics of the underlying debt they cover, accordingly, their repayment date is the same or slightly earlier than that of the debt, and the notional amount is the same or less than the loan's outstanding principal. Virtually all these derivatives relate to interest rate swaps (IRS). These financial instruments guarantee payment of a fixed rate on loans required to finance projects in which the Group participates.

The structure of Group borrowings at 31 December 2014 and 31 December 2013, distinguishing between fixed-rate and hedged borrowings - after taking into consideration hedging arrangements - and floating-rate borrowings, is as follows:

<i>Thousands of euros</i>	2014		2013 (Restated)*	
	Amount	%	Amount	%
Fixed-rate or hedged borrowings	2.753.367	40,15%	2.691.117	38,91%
Floating-rate debt	4.103.796	59,85%	4.225.863	61,09%
TOTAL	6.857.163	100,00%	6.916.980	100,00%

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

The proportion of fixed-interest loans, because of their nature or since they were hedged, was around 40%, similar to 2013.

Interest-rate risk has been mitigated, almost exclusively by the use of derivatives, 95% of which are interest rate swaps. Cross currency swaps and caps account for a very small percentage.

The generic benchmark interest rate for variable-rate loans is the Euribor. About 40% of a 100 basis point change in this index is mitigated by the effect of interest-rate hedges.

To gauge this impact, net finance expense having a tax effect is recalculated, considering the tax rate in force and that the outstanding balances of borrowings would accrue interest as a result of upward changes of 100 basis points. The same procedure is used with derivatives: taking into account the outstanding notionals, the impact of such a change on their variable portion is simulated. The aggregate of the two financial settlements indicates the impact on income and therefore on equity.

In 2014 and 2013, a sensitivity analysis was not performed with regard to the reduction in rates, since the 3- and 6-month Euribor benchmark rates, used in most of the borrowings and derivatives, stand at under 1% and therefore it does not make sense to perform a simulation.

The market valuations of the derivatives recognised at year-end would undergo a change as a result of the fluctuations in the expected Euribor curve. The new present value of the derivatives portfolio, considering that the remaining contractual conditions and the tax rate in force are maintained each year, would have an impact on the Group's earnings and equity.

The sensitivity of profit and equity to interest rates, when the analysis is conducted with outstanding balances on borrowings at 31 December, is as follows:

<i>Thousands of euros</i>	2014		2013 (Restated)*	
Borrowing cost at current average rate (Co)	298.930		285.741	
	(Co)+1%	(Co)-1%	(Co)+1%	(Co)-1%
Borrowing cost at average cost + 100 bp / -100 bp	340.945	n/s	329.199	n/s
Changes in profit:	(29.640)	0	(30.418)	0
Changes in equity:	(3.712)	0	13.064	0

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

* Finance cost is an estimate based on the debt at the current interest rate; It does not represent actual income statement figures.

(*) No analysis of sensitivity to a fall in interest rates was carried out as the 3-month and 6-month Euribor used mainly in the Group were below 1%, making it useless to carry out a simulation.

Note 24 on derivative financial instruments includes their composition and breakdown.

Exchange rate risk: since the Group operates abroad, it is exposed to exchange rate risks on currency transactions, but it did not present a significant decrease in this connection in 2014 and 2013. The bulk of foreign investment, apart from other euro zone countries, is in Chile and Panama, both countries characterized by a high degree of economic, political and social stability.

Within this category, it is worth highlighting the impact of currency fluctuations on the translation of the financial statements of foreign entities whose functional currency is not the euro: corporate policy is to mitigate this risk by means of natural hedging, namely by purchasing materials and contracting services in the currency in which the cash flows are generated.

That said, the Group's rapid geographic expansion in recent years means that in the future it may encounter situations that give rise to exchange rate risk. Under such circumstances, it will consider how this risk can best be minimised through the use of hedging instruments under the umbrella of conservative corporate policy.

The Group is not presenting an exchange rate sensitivity analysis as this risk is not deemed material at 31 December 2014.

Slowdown in the real-estate sector: At 31 December 2014, this business had been practically divested.

Risk to demand for concession projects: the main source of revenue in the motorway concessions business is the tolls paid by travellers, which depends on the number of vehicles using the toll roads and the capacity of the motorways to absorb traffic. Daily traffic volumes and toll revenue depend, in turn, on a number of factors, including the quality, convenience and duration of travel by alternative, toll-free roads or on other toll roads not run by the Group, the quality and upkeep of the motorways of the Group's concessions, the economic scenario and the price of fuel. Volumes can also be affected by natural disasters such as earthquakes and forest fires, weather conditions in the countries where the Group operates, environmental laws (including pollution-control measures restricting motor-vehicle use), and the viability and existence of alternative means of transport, such as planes, trains, buses

or other public-transport services. The Group has measured the recoverability of the investment by continuously reviewing its valuation models in light of traffic flow and the economic growth outlook for the market where each concession operates.

Of the Group's other concessions, the drinking water distribution business is not exposed to specific credit risk, as supply is associated with the collection of the tariff.

Risks associated with international expansion: the Group plans to continue expanding its business in other countries, seeing this as a way to raise growth and profitability. However, prior to making any foreign investment, the Group conducts an exhaustive on-site suitability analysis, which can take several years. Nonetheless, any expansion into new geographical regions carries some risk as it involves working in markets in which the Group does not have the same degree of experience as it has in its current markets.

Other risks to which the Group is exposed are:

- Risks of damage caused during infrastructure construction and maintenance work;
- Risks associated with workplace health and safety;
- Risks of loss of assets.

The Group has adequate control systems to identify, quantify, evaluate and rectify all these risks, so as to minimize or eliminate the consequences. The Group also contracts and renews insurance policies to cover these issues, among other risks.

Regulatory risk: the Group seeks to serve society in all its business areas by applying a sustainable and profitable business model that adds value for all stakeholders through innovation, technological progress and excellence in delivery.

To this end, the Group has drawn up the Corporate Responsibility Master Plan which lays down guidelines on each unit's commitments to employees and the environment.

The Group invests appropriate resources to ensure that the Plan guidelines are met, and is constantly extending the scope of certifications, the number of audits, environmental quality management systems and initiatives to improve energy efficiency and manage emissions, waste and spills.

In the energy business, based on the publication of Royal Decree-Law 9/2013, of 13 July, adopting urgent measures to guarantee the financial stability of the electricity system. The Single Derogation Provision of this Royal Decree derogated Royal Decree 661/07, while Transitory Provision Three stated that the economic system established in Royal Decree 661/07 would continue to apply as a transitory measure until a Royal Decree was introduced to regulate the legal and economic issues of the special regime. This provisional application of the economic system of RD 661/07 expressly eliminates the Reactive Energy Supplement.

26.4. Capital management policy

The principal aim of the Group's capital management policy is to ensure that the financial structure complies with prevailing standards in the countries in which the Group operates.

The policy also aims to maintain stable credit ratios and maximise shareholder value.

The Group's gearing ratio at the reporting date 2014 and 2013 is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Gross debt	6.857.164	6.916.980
Cash on hand	(358.475)	(393.917)
Current financial investments	(161.575)	(107.417)
Net debt	6.337.114	6.415.646
Equity	1.326.074	1.031.276
Total equity + net debt	7.663.188	7.446.922
Gearing ratio	82,70%	86,15%
Net debt / equity	4,8	6,2

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

27. Revenue

The breakdown of revenue from the Group's ordinary activities in 2013 and 2014, by division and geographic market, is as follows:

<i>2013 (Restated)*</i> <i>Thousands of euros</i>	Holding	Sacyr Group (Construction)	Concessions Group	Valoriza Group	Vallehermoso Group	Testa Group	Somague Group	TOTAL
Spain	27.766	683.753	67.881	786.992	0	196.742	19.213	1.782.347
Portugal	0	0	35.407	38.042	0	0	128.524	201.973
Ireland	0	55	0	0	0	0	2.864	2.919
Angola	0	0	0	0	0	0	274.288	274.288
Italy	0	123.831	1.226	0	0	0	0	125.057
Costa Rica	0	293	20	0	0	0	0	313
Algeria	0	0	0	12.704	0	0	0	12.704
France	0	0	0	0	0	16.629	0	16.629
Cape Verde	0	0	0	0	0	0	29.864	29.864
Australia	0	0	0	37.437	0	0	0	37.437
US	0	0	0	0	0	3.238	0	3.238
Brazil	0	0	0	6.221	0	0	43.680	49.901
Panama	0	23.554	0	0	0	0	0	23.554
Mexico	0	1.110	0	0	0	0	0	1.110
Bolivia	0	0	0	28.069	0	0	0	28.069
Israel	0	0	0	66.864	0	0	0	66.864
Mozambique	0	0	0	0	0	0	6.795	6.795
Colombia	0	3.636	0	0	0	0	0	3.636
Qatar	0	1.825	0	0	0	0	0	1.825
Togo	0	0	0	0	0	0	12.009	12.009
Chile	0	257.942	202.265	15.483	0	0	0	475.690
TOTAL	27.766	1.095.999	306.799	991.812	0	216.609	517.237	3.156.222
Consolidation adjustments	(27.766)	(231.907)	(185.533)	(32.707)	0	(5.373)	(624)	(483.910)
CONTINUING OPERATIONS	0	864.092	121.266	959.105	0	211.236	516.613	2.672.312
DISCONTINUED OPERATIONS	0	0	0	0	368.303	0	0	368.303

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

2014	Holding	Sacyr Group (Construction)	Concessions Group	Valoriza Group	Vallehermoso Group	Testa Group	Somague Group	TOTAL
<i>Thousands of euros</i>								
Spain	32.510	445.748	37.046	835.778	0	187.977	20.832	1.559.891
Portugal	0	0	23.937	33.646	0	0	57.219	114.802
Ireland	0	0	1.256	0	0	0	2.036	3.292
Angola	0	0	0	0	0	0	319.690	319.690
Italy	0	118.056	0	0	0	0	0	118.056
Costa Rica	0	131	0	0	0	0	0	131
Algeria	0	0	0	10.085	0	0	0	10.085
Cape Verde	0	0	0	0	0	0	21.265	21.265
Australia	0	0	0	12.268	0	0	0	12.268
Brazil	0	0	0	2.390	0	0	59.342	61.732
Panama	0	30.920	0	0	0	0	0	30.920
Mexico	0	19.954	0	0	0	0	0	19.954
Bolivia	0	0	0	10.541	0	0	0	10.541
Israel	0	0	0	20.882	0	0	0	20.882
Mozambique	0	0	0	0	0	0	30.989	30.989
Colombia	0	26.252	0	0	0	0	0	26.252
Qatar	0	28.632	0	0	0	0	0	28.632
Togo	0	0	0	0	0	0	42.433	42.433
UK	0	3.116	0	212	0	0	0	3.328
Peru	0	22.557	28.283	0	0	0	0	50.840
India	0	388	0	0	0	0	0	388
Chile	0	447.484	328.654	52	0	0	0	776.190
TOTAL	32.510	1.143.238	419.176	925.854	0	187.977	553.806	3.262.561
Consolidation adjustments	(32.510)	(31.768)	(274.111)	(16.894)	0	(5.317)	(1.236)	(361.836)
CONTINUING OPERATIONS	0	1.111.470	145.065	908.960	0	182.660	552.570	2.900.725
DISCONTINUED OPERATIONS	0	0	0	0	485.789	0	0	485.789

In accordance with IAS 11 Construction Contracts, the table below the following disclosures for existing contracts at year end: aggregate costs incurred and recognized profit (less recognized losses), the amount of advances received and the amount of withholding:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Cumulative revenue on contracts in progress at year end	6.825.415	6.542.508
Contracts in progress at year end		
Cumulative costs incurred	(6.319.865)	(6.079.677)
Cumulative income recognised	505.550	462.831
Advances received	270.053	189.371
Withholdings	29.945	30.258
Completed work pending approval, net	451.211	197.078
Advanced certification	105.530	154.278

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

28. Supplies

The breakdown of "Supplies" in 2014 and 2013, by item and business area, is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Sacyr Construcción	706.794	528.756
Valoriza	316.124	411.103
Somague	112.112	76.626
Concessions	120	195
Other and adjustments	(12.039)	65.484
TOTAL	1.123.111	1.082.164

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

<i>Thousands of euros</i>	2014	2013 (Restated)*
Consumption of commercial inventories	109.042	157.852
Consumption of raw material and other consumables	426.865	293.963
Other external expenses	587.204	630.349
TOTAL	1.123.111	1.082.164

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

29. Other operating expenses

The detail of this heading in 2014 and 2013, by item and business area, is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Sacyr Construcción	196.301	353.213
Somague	330.407	327.978
Concessions	340.185	221.779
Valoriza	135.436	125.193
Testa	50.331	46.037
Other and adjustments	(317.509)	(399.506)
TOTAL	735.151	674.694

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

The Group has no significant payments to make under operating leases in the next five years.

30. Gains and losses on disposal of property

Disposals in 2014 comprised the following:

- The assignment of the surface right to the senior citizens' home located on calle Rodríguez Marín in Madrid. The assignment price totalled 12.8 million euros and generated a gain of 2.2 million euros before taxes.
- The sale of a residential building on Conde de Xiquena in Madrid. The sale price totalled 7.3 million euros and generated a gain of 2.3 million euros before taxes.

Disposals in 2013 comprised the following:

- The sale of an office block located in Miami (USA). The sale price totalled 140.5 million euros and generated a gain of 53.0 million euros before taxes.
- The sale of an office block located in the district of la Defense in Paris (France). This sale took place through the sale of all the shares held by the Parent in Tesfran, S.A.

The sale price of the building was 450.0 million euros, generating a loss of 6.9 million euros before tax.

31. Gains and losses on disposal of assets

In 2014, the gains and losses on the sale of assets were mainly as follows:

- The sale of 49% of the Group's stake in Hospital de Parla, S.A. and Hospital del Noroeste, S.A. The sale price totalled 24.6 million euros and generated a gain of 15 million euros before taxes.
- The sale of all the stake in Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía, S.A. The sale price totalled 58 million euros and generated a gain of 8 million euros before taxes.
- The sale of all the stake in Preim Defense 2, S.A. The sale price totalled 64 million euros and generated a loss of 11.8 million euros before taxes.

In 2013, the gains and losses on the sale of assets were mainly as follows:

- The sale of Autopista del Sol, S.A. and of the concession rights on Autopistas del Valle, S.A. for 48 million euros, generating a gain of 21.2 million euros.
- The sale of M50 Concessions Ltd. for 18 million euros, generating a gain of 7 million euros.

32. Finance income and costs

The breakdown of finance income and costs in 2014 and 2013 is as follows:

Thousands of euros	2014	2013 (Restated)*
Revenue from equity investments	3.684	0
Income from other marketable securities	11.855	9.036
Other interest and income	21.856	32.290
Exchange differences	27.734	0
TOTAL INCOME	65.129	41.326
Finance costs	(313.240)	(395.650)
From bank loans, credits and obligations	(320.241)	(341.007)
Change in provisions for financial investments	7.001	(54.643)
Gain/(loss) on financial instruments	(28.835)	(30.855)
Exchange differences	0	(8.967)
TOTAL COSTS	(342.075)	(435.472)
FINANCIAL LOSS	(276.946)	(394.146)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

The Sacyr Group uses derivative financial instruments to eliminate or significantly reduce its interest rate, foreign currency and market risk in monetary transactions, asset positions and other transactions. In general, these instruments are treated as hedges when they qualify for hedge accounting. Those that do not are classified as held for trading, with gains or losses recognised directly in the separate consolidated income statement.

The reduction in finance costs in 2014 and 2013 was caused by the Group's debt reduction policy and by the drop in interest rates.

Under "Change in provisions for financial investments", due to the entry into force of Royal Decree 9/2013 which affects Solucia Renovables, S.L. in which the Group has a 50% ownership interest, the base case was recalculated as a result of the application of a lower rate to that included previously. This led to a financial provision of 36.3 million euros.

33. Earnings per share

Basic earnings per share are calculated by dividing the Group's attributable profit for the year by the average weighted number of shares outstanding during the year, excluding the average number of treasury shares held.

	2014	2013 (Restated)*
Net profit/(loss) attributable to equity holders of the parent (thousands of euros)	32.720	(498.993)
Weighted average number of shares outstanding (thousands of shares)	502.212	465.914
Less: average number of treasury shares held ('000)	(2.590)	(2.499)
Average number of shares used to calculate basic earnings per share	499.622	463.415
Basic earnings per share (euros)	0,07	(1,08)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the Parent (after adjusting the interest of potentially dilutive shares) by the weighted average number of additional ordinary shares that would have been outstanding if all of the potential ordinary shares with dilutive effect had been converted to ordinary shares. Dilution is assumed to happen either at the start of the period or at the issue date of the potential ordinary shares if these came into circulation during the year.

	2014	2013 (Restated)*
Net profit/(loss) attributable to equity holders of the parent (thousands of euros)	32.720	(498.993)
Plus: Convertible bond interest (thousands of euros)	29.078	16.728
Adjusted net profit/(loss) attributable to equity holders of the parent (thousands of eur	61.798	(482.265)
Weighted average number of shares outstanding (thousands of shares)	502.212	465.914
Less: average number of treasury shares held (thousands of shares)	(2.590)	(2.499)
Plus: average number of convertible bond shares held (thousands of shares)	43.684	19.413
Average number of shares used to calculate basic earnings per share	543.306	482.828
Diluted earnings per share (euros)	0,11	(1,00)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

Earnings per share in discontinued operations are as follows:

	2014	2013 (Restated)*
Net profit/(loss) on discontinued operations att. to equity holders of the parent (thousan	0	(188.779)
Weighted average number of shares outstanding (thousands of shares)	502.212	465.914
Less: average number of treasury shares held ('000)	(2.590)	(2.499)
Average number of shares used to calculate basic earnings per share	499.622	463.415
Basic and diluted earnings per share for discontinued operations (euros)	0,00	(0,41)

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

34. Order book by activity

The breakdown of the order book by activity and nature of business at 31 December 2014 and changes since 2013 are as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*	Var. Abs.	Var. %
Sacyr (total construction backlog)	3.877.439	3.635.527	241.912	6,65%
Civil work backlog	3.715.969	3.463.929	252.040	7,28%
Construction backlog	161.470	171.598	(10.128)	(5,90%)
<i>Residential building</i>	25.097	34.628	(9.531)	(27,52%)
<i>Non-residential building</i>	136.373	136.970	(597)	(0,44%)
Somague (total construction backlog)	1.110.020	760.944	349.075	45,87%
Civil work backlog	513.814	483.175	30.639	6,34%
Construction backlog	596.206	277.769	318.436	114,64%
<i>Residential building</i>	35.550	61.339	(25.789)	(42,04%)
<i>Non-residential building</i>	560.655	216.430	344.225	159,05%
Sacyr Concesiones (revenue backlog)	11.402.703	12.244.246	(841.543)	(6,87%)
Valoriza (revenue backlog)	8.676.959	9.291.611	(614.652)	(6,62%)
Testa (leases to due date)	1.193.021	1.415.425	(222.404)	(15,71%)
TOTAL	26.260.142	27.347.754	(1.087.612)	(3,98%)

The implementation of IFRS 11 has had a very significant impact on the Group's construction and service backlog since certain investees which were previously considered to be jointly controlled and, therefore, their backlog was proportionally consolidated, are now equity accounted, which means that it has dispensed with their backlogs.

We have applied IFRS 11 retrospectively as required, so the comparable information with 2013 has been restated.

The following are the most significant contracts, among others, in the construction backlog (Sacyr Construcción and Somague) included in the year: line 2 of Sao Paulo Metro (Brazil) for 502.14 million euros; the Américo Vespucio Oriente motorway in Santiago (Chile) for 305 million euros; the second phase of the Santiago Centro Oriente Plan in Costanera Norte (Chile) for 175.52 million euros; line 3 of Guadalajara Metro (Mexico) for 151.78 million euros; two 25-storey towers at the Kinaxixi MxD Business Centre in Luanda (Angola) for 151.02 million euros; two buildings for the new National Assembly, also in Luanda (Angola), for 98.92 million euros; and two hospitals in Peru for a total of 81 million euros.

The services backlog also included major contracts in 2014, such as: the design, construction, assembly and implementation of a cement plant in the Oruro region (Bolivia) for 180 million euros; the design, construction and implementation of an LNG (liquefied natural gas) import plant in Cartagena de Indias (Colombia) for 85.05 million euros; the cleaning services for buildings, premises and offices of the General State Administration in the Nuevos Ministerios and Arturo Soria areas in Madrid (Spain) for 18.7 million euros; the street cleaning and waste collection services in Leganés (Spain) for 18.26 million euros; the upkeep services for the Atlántico (AP-9), A Coruña-Carballo (AG-55) and Val Miñor (AG-57) motorways (Spain) for 12 million euros; the cleaning services for Madrid Metro's rolling stock for 11.9 million euros; the construction and installation of two electricity transmission lines and substations in Monterrey (Mexico) for 11.5 million euros; the operation, maintenance and upkeep services for the Alto Nalón water sanitation system and the Sobrescobio drinking water treatment plant in Asturias (Spain) for 11.4 million euros; and the home help services for Avila province for 9.14 million euros.

Also, Testa's rental portfolio partially decreased due to the sale of a rental building on Conde de Xiquena in Madrid and the surface right on a senior citizens' home on calle Rodríguez Marín, also in Madrid.

The decrease in the Group's total portfolio was due to own billings in 2014 of the various divisions.

<i>Thousands of euros</i>	2014	%	2013 (Reexpresado)*	%
International backlog	11.460.611	43,64%	15.891.631	58,11%
Backlog in Spain	14.799.531	56,36%	11.456.122	41,89%
TOTAL	26.260.142	100,00%	27.347.753	100,00%

International business made up 43.64% of the Group's order book at 31 December 2014, and Spanish business the remaining 56.36%. International business made up 58.11% of the Group's order book at 31 December 2013, and Spanish business the remaining 41.89%.

35. Directors' remuneration and other benefits

35.1. 2013

In 2013, the following changes were made to the Board of Directors:

- On 6 March 2013, Nueva Compañía de Inversiones, S.A. (represented by Juan Abelló Gallo) tendered its resignation as director and deputy chairman.
- On 06 March 2013, B.F. On 6 March 2013, Austral B.V. (represented by Pedro Del Corro García-Lomas) tendered its resignation as proprietary director.
- On 27 June 2013, Grupo Satocán Desarrollos, S.L. (represented by Juan Miguel Sanjuan Jover) was appointed as a proprietary director following the resignation tendered by Grupo Satocán, S.A.
- On 27 June 2013, Juan María Aguirre Gonzalo was appointed as an independent director.

- On 27 June 2013, Isabel Martín Castellá was appointed as an independent director, however, for administrative reasons beyond the control of Sacyr, S.A. she was unable to take up her post.
- On 27 June 2013, Augusto Delkader Teig was appointed as an independent director.
- On 27 June 2013, Raimundo Baroja Rieu was appointed as an proprietary director.

Under Article 43.1 of the by-laws, amended at the General Shareholders' Meeting on 21 June 2012, the directors of Sacyr, S.A., as members of the Board of Directors, are entitled to receive remuneration from the Company consisting of "remuneration for attendance fees" of up to 75% of the total remuneration agreed upon by the Board and 25% will be considered "other remuneration"; this last item would be required to reform the Company in full in the event it ended the year with losses or such remuneration exceeded 2.5% of the Group's consolidated profits.

For 2013, the remuneration agreed by the Board was as follows:

- As a Board member: 59,400 euros gross per year.
- As member of the Executive Committee: 39,600 euros gross per year.
- As member of the Audit Committee or Appointments and Remuneration Committee: 19,800 euros gross per year.

Following is an itemized breakdown of the accounts receivable recognized at year-end 2013:

<i>Euros</i>						
By-law-stipulated emoluments	2012 allowances return	Audit Committee	App. and Remun. Comm.	Executive Committee	Total 2013 allowances	Gross amounts due
Manuel Manrique Cecilia				(29.700,00)	(74.250,00)	(74.250,00)
Demetrio Carceller Arce	7.435,97		(7.425,00)	(29.700,00)	(81.675,00)	(74.239,03)
Matias Cortés Domínguez	22.747,97		(7.425,00)		(48.262,50)	(25.514,53)
Francisco Javier Adroher Biosca					(44.550,00)	(44.550,00)
Juan M ^a Aguirre Gonzalo		(7.425,00)			(35.268,75)	(35.268,75)
Augusto Delkader Teig					(27.843,75)	(27.843,75)
Raimundo Baroja Rieu					(27.843,75)	(27.843,75)
Diogo Alves Diniz Vaz Guedes	11.847,00	(14.850,00)			(59.400,00)	(47.553,00)
Austral, B.V. (Pedro del Corro García-Lomas) (cease on 03/13)		(1.237,50)		(3.712,50)	(7.734,38)	(7.734,38)
Nueva Compañía de Inversiones, S.A. (J. Abelló Gallo) (cease on 03/13)	20.790,00				(2.784,38)	18.005,63
Prilou, S.L. (J.M. Loureda Mantilián)			(7.425,00)	(29.700,00)	(81.675,00)	(81.675,00)
Prilomi, S.L. (J.M. Loureda López)	18.810,00				(44.550,00)	(25.740,00)
Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jover) (Added on 06/13)		(7.425,00)			(29.700,00)	(29.700,00)
Grupo Satocán, S.A. (Juan Miguel Sanjuan Jover) (ceased on 06/13)	24.353,97	(7.425,00)			(29.700,00)	(5.346,03)
Beta Asociados, S.L. (José del Pilar Moreno Carretero)					(44.550,00)	(44.550,00)
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)			(7.425,00)		(51.975,00)	(51.975,00)
NCG Banco, S.A. (Fernando Vazquez de la Puerta) (ceased on 06/13)		(7.425,00)			(24.131,25)	(24.131,25)
NCG Corporacion Industrial, S.L. (Luis Camares Viéitez) (cased on 06/13)			(5.568,75)		(22.275,00)	(22.275,00)
Cymofag, S.L. (Gonzalo Manrique Sabatel)					(44.550,00)	(44.550,00)
TOTAL	105.984,91	(45.787,50)	(35.268,75)	(92.812,50)	(782.718,75)	(676.733,84)

The remuneration, by type, received by the Company's senior management team in 2013 was as follows:

<i>Euros</i>				
	Fixed	Floating	Life insurance	Total
Manuel Manrique Cecilia	1.400.000,00	1.071.376,00	554,00	2.471.930,00
Management team	2.491.830,00	1.011.297,00	2.880,00	3.506.007,00
TOTAL	3.891.830,00	2.082.673,00	3.434,00	5.977.937,00

Senior management includes the managers and executives directly accountable to the Board or the Company's CEO, considering the CEOs of the Parent's direct subsidiaries and their Managing Directors as such, including the internal auditor.

This description, given solely for informative purposes, is not an interpretation of the classification for the purposes of regulations that apply to the Company (such as the regulation contained in Royal Decree 1382/1985), nor does it have the effect of creating, recognising, modifying or cancelling legal or contractual rights or obligations. Provided members of the senior management team have not expressly entered into a written contract pursuant to the provisions of Royal Decree 1382/1985, they will be considered to be fully subject, for all purposes, to a standard employment contract. At 31 December 2013, four members of the senior management team had indemnity or golden parachute clauses.

At year-end the Group had no obligations to members of the Board of Directors in respect of pensions or life insurance premiums or any share-based payments, as they were all outsourced. Nor were there any arrangements entitling the Company's directors to receive compensation upon their removal from the Board.

In 2013 no loans were granted to senior management.

The detail of loans and advances outstanding and amounts repaid by Company directors and senior management in 2013 is as follows:

LOANS:	Amount outstanding 31/12/2013	Interest rate	Maturity	Amount repaid during the year
Management team	276	Euribor 3m+1	5 years	174

35.2. 2014

There were no changes in the Board of Directors in 2014.

For 2014, the remuneration agreed by the Board was as follows:

- As a Board member: 59,580 euros gross per year.
- As member of the Executive Committee: 39,720 euros gross per year.
- As member of the Audit Committee or Appointments and Remuneration Committee: 19,860 euros gross per year.

Following is an itemized breakdown of the remuneration earned at year-end 2014:

By-law-stipulated emoluments	Board of Directors	Audit Committee	Executive Committee	App. and Remun. Comm.	Total 2014 allowances
Manuel Manrique Cecilia	59.580,00		39.720,00		99.300,00
Demetrio Carceller Arce	59.580,00		39.720,00	19.860,00	119.160,00
Matias Cortés Dominguez	59.580,00			19.860,00	79.440,00
Francisco Javier Adroher Biosca	59.580,00				59.580,00
Juan M ^o Aguirre Gonzalo	59.580,00	19.860,00			79.440,00
Augusto Delkader Teig	59.580,00				59.580,00
Raimundo Baroja Rieu	59.580,00				59.580,00
Diogo Alves Diniz Vaz Guedes	59.580,00	19.860,00			79.440,00
Prilou, S.L. (J.M. Loureda Mantiñán)	59.580,00		39.720,00	19.860,00	119.160,00
Prilomi, S.L. (J.M. Loureda López)	59.580,00				59.580,00
Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jov)	59.580,00	19.860,00			79.440,00
Beta Asociados, S.L. (José del Pilar Moreno Carretero)	59.580,00				59.580,00
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	59.580,00			19.860,00	79.440,00
Cymofag, S.L. (Gonzalo Manrique Sabatel)	59.580,00				59.580,00
TOTAL	834.120,00	59.580,00	119.160,00	79.440,00	1.092.300,00

The remuneration, by type, received by the Company's directors and senior management in 2014 is as follows:

<i>Euros</i>	Fixed	Floating	Life insurance	Total
Manuel Manrique Cecilia	1.404.200,00	1.352.245,00	590,00	2.757.035,00
Senior management	2.421.769,00	974.475,00	2.919,00	3.399.163,00
TOTAL	3.825.969,00	2.326.720,00	3.509,00	6.156.198,00

In 2014 there were changes to the number of members and persons forming part of the senior management team, which is considered to include managers and executives directly accountable to the Board or the Company's CEO, considering the CEOs of the Parent's direct subsidiaries and the Group's Managing Directors, including the internal auditor.

In addition to life insurance benefits provided to Group employees that meet certain requirements regarding length of service and professional category, at year-end the Group had assumed obligations regarding the payment of life insurance premiums to members of the Executive Committee that cover death and total permanent disability, with an annual group premium of 63,416 euros.

In accordance with the relevant corporate resolutions, payment obligations for defined contribution insurance premiums were assumed in favour of the Chairman of the Board of Directors to cover the survival contingency, the initial premium of which was 1,071,140 euros, and coverage of the contingencies of death and permanent disability are insured by a premium that amounts to a total of 16,976 euros. The Chairman of the Board of Directors is entitled to receive termination benefits in the event of dismissal on grounds other than breach of duty by the director or resignation on grounds out of the control of the director, consisting of a total gross amount equal to 2.5 times the sum of the fixed remuneration and the variable remuneration received during the year immediately prior to when the event that gave rise to such termination took place. Similarly, a non-competition obligation is established for a period of two years following the date on which the employment contract is terminated on grounds other than retirement, death or disability, or dismissal on grounds attributed to the director. As compensation for this obligation, the director will receive economic compensation equal to 1.5 times the fixed remuneration received over the twelve months prior to the date on which the employment contract is terminated, which will be distributed pro rata on a monthly basis over the two years of the term of the agreement.

At 31 December 2014, one member of the senior management team had indemnity or golden parachute clauses.

No loans had been granted to senior management 2014.

The detail of balances outstanding and amounts repaid by the Company's directors and senior management in 2014 is as follows:

LOANS:	Amount outstanding 31/12/2014	Interest rate	Maturity	Amount repaid during the year
Senior management	237	Euribor 3m+1	5 years	214

Pursuant to Articles 229, 230 and 231 of the Spanish Corporate Enterprises Act, the Group has reported the following activities, holdings, posts, functions and possible conflicts of interests of those serving as directors in 2014 and of the persons related thereto in the same period, in

companies engaging in an identical, similar or complementary activity to that of the Company or of its Group

- Manuel Manrique Cecilia reports that within the Group, he is a member of the Boards of Directors of Somague SGPS, S.A. (Deputy Chairman); Testa Inmuebles en Renta, S.A. (Director); Sacyr Construcción, S.A.U. (Chairman); Valoriza Gestión, S.A.U. (Director); Sacyr Concesiones, S.L. (Chairman); Inchisacyr, S.A. (Chairman); representative of Sacyr, S.A., Sole Director of Sacyr Vallehermoso Participaciones Mobiliarias, S.L., and representative of Sacyr, S.A., Sole Director of Sacyr Gestión de Activos, S.L.

He also reports that outside the Group, he is the Sole Director of Telbasa Construcciones e Inversiones, S.L. and Cymofag, S.L., with a 100% holding, and the Second Deputy Chairman of Repsol, S.A.

- Demetrio Carceller Arce reports that does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, he is the Chairman of the Board of Directors of Syocsa-Inarsa, S.A.
- Augusto Delkader Teig reports that he does not hold any posts or carry out any functions in other companies outside the Sacyr Group.
- Raimundo Baroja Rieu reports that does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, he is the Chairman of Archipiélago y Turismo, S.A. and Deputy Chairman of Syocsa- Inarsa, S.A.
- Diogo Alves Diniz Vaz Guedes reports that within the Sacyr Group he is a member of the Board of Directors of Somague Engenharia, S.A. (Director) and reports that does not hold any posts or carry out any functions outside the Sacyr Group.
- Juan María Aguirre Gonzalo reports that he does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, he is a member of the Board of Directors of Grupo Eom (Director), with a 10.7% interest; Compañía General Urbana (Director), with a 11.8% interest; Compañía General de Edificación (Director) with a 17.2% interest and Mantbraca Corporation (Director), with a 47.4% interest.
- Matias Cortés Domínguez reports that he does not hold any posts or carry out any functions in other companies outside the Sacyr Group.
- Prilou, S.L. reports that it does not hold any posts or carry out any functions in other companies in or outside the Sacyr Group.

José Manuel Loureda Mantiñán (representing Prilou, S.L. in Sacyr), within the Group, is a member of the Boards of Directors of Testa Inmuebles en Renta, S.A. (Director), Sacyr, Construcción, S.A.U. (Director), Valoriza Gestión, S.A.U. (Chairman), and Somague SGPS, S.A. (Deputy Chairman). Outside the Group, he is also a director of Repsol, S.A.

- Prilomi, S.L. reports that it does not hold any posts or carry out any functions in other companies in or outside the Sacyr Group.

José Manuel Loureda López (representing Prilomi, S.L. in Sacyr), within the Group, is a member of the Boards of Directors of Sacyr México, Sacyr Irlanda, Sacyr Costa Rica, Sacyr Perú, Somague Engenharia and Chairman of the Board of Directors of GUPC.

- Cymofag, S.L. reports that it does not hold any posts or carry out any functions in other companies of the Sacyr Group. With regard to companies outside the Group, parties related to Cymofag, S.L. have a 100% interest in Telbasa Construcciones e Inversiones, S.L. (Sole Director).
- Beta Asociados, S.L. reports that it does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, it holds a 4.3% interest in Altec Empresa de Construcción y Servicios, S.A.; a 1.3% interest in Altyum Proyectos y Obras, S.A.; a 3.3 % interest in CLM Infraestructuras y Servicios, S.L. and a 41.8% interest in Balpia, S.A.

With regard to companies outside the Group, parties related to Beta Asociados, S.L. have a 50% interest in Altec Empresa de Construcción y Servicios, S.A. (Director), a 16.4% interest in Altyum Proyectos y Obras, S.A. (member); a 44.8% interest in CLM Infraestructuras y Servicios, S.L. and a 29.3% interest in Balpia, S.A.

Beta Asociados reports a possible conflict of interest with the Sacyr Group for actions in the construction sector exclusively within Spanish territory, as a result of belonging to the group of companies of Altec Empresa de Construcción y Servicios, S.A., of which, the representative of BETA ASOCIADOS, S.L., as a director of Sacyr, José del Pilar Moreno Carretero, is a joint director and directly or indirectly controls its share capital. CLM Infraestructuras y Servicios, S.L. and Balpia, S.A. also belongs to this group of companies.

- Javier Adroher Biosca reports that he does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, he is a member of the Board of Directors of Syocsa- Inarsa, S.A., (Director) with a 13.67% interest.
- Grupo Corporativo Fuertes, S.L. reports that within the Sacyr Group it holds a 6.66% interest in Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A., and that outside the Group, it is a member of the Board of Profu, S.A. (Director) with a 100% interest; Projota, S.L. (joint director) with a 50% interest; Promociones Diseño y Calidad, S.A. (Director) with a 50% interest and Autopista del Sureste, C.E.A., S.A. with a 20% interest.
- Grupo Satocan Desarrollos, S.L. reports that it does not hold any posts or carry out any functions in the Sacyr Group, and that outside the Group, it is a member of the Board of Directors of Satocan, S.A., (CEO), with a 58.58% interest, with regard to which it reports the possible conflict of interest with the Sacyr Group for actions in the construction sector and in the territory of the Canary Islands Autonomous Community, as a result of its position as director and shareholder with a 99.76% interest in Grupo Satocán, S.A., as well as its position as CEO and its direct and indirect interest through Grupo Satocán, S.A. in Satocán, S.A. (a construction company that operates in the Canary Islands).

36. Related party transactions

Transactions with related parties are carried out and recognised at fair value.

The prices of transactions with related parties are appropriately determined and the Company's directors consider that there is no risk they could generate material tax liabilities.

The detail of the most significant transactions with related parties in 2013 is as follows, in addition to the income indicated in Note 27 and the remuneration indicated in Note 34:

December 2013 Thousands of euros		RELATED-PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Services received	999	0	0	0	27	1.026
POZO ALIMENTACION	0	0	0	0	27	27
MATIAS CORTES DOMINGUEZ	999	0	0	0	0	999
2) Purchase of goods	0	0	0	0	1	1
ALCOREC, S.L.	0	0	0	0	1	1
3) Other expenses	498	0	0	0	0	498
INFU-CAPITAL	498	0	0	0	0	498
TOTAL COSTS	1.497	0	0	0	28	1.525
1) Management or collaboration contracts	6.065	0	0	0	0	6.065
POZO ALIMENTACION	6.026	0	0	0	0	6.026
PROFU, S.A.	39	0	0	0	0	39
TOTAL INCOME	6.065	0	0	0	0	6.065

Diciembre 2013 Miles de euros		RELATED-PARTY TRANSACTIONS				
OTHER TRANSACTIONS FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Financing agreements: Loans and capital contributions:	1.620	0	0	0	0	1.620
INFUCAPITAL	1.620	0	0	0	0	1.620

Diciembre 2013 Miles de euros		BALANCES WITH RELATED PARTIES				
OTHER BALANCES FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Other transactions	140	0	0	0	0	140
MATIAS CORTES DOMINGUEZ	140	0	0	0	0	140

Diciembre 2013 Miles de euros		RELATED-PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Services received	0	0	0	3	0	3
AUTOPISTAS DEL ATLANTICO	0	0	0	3	0	3
TOTAL COSTS	0	0	0	3	0	3
2) Services rendered	538	0	0	8.282	0	8.820
AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U.	0	0	0	446	0	446
AUTOPISTA ASTUR LEONESA (AUCALSA)	0	0	0	2.062	0	2.062
AUTOPISTAS DE GALICIA (AUTOESIRADAS)	0	0	0	1.282	0	1.282
AUTOPISTAS DEL ATLANTICO (AUDASA)	0	0	0	4.492	0	4.492
EL POZO	538	0	0	0	0	538
TOTAL INCOME	538	0	0	8.282	0	8.820

Diciembre 2013 Miles de euros		RELATED-PARTY TRANSACTIONS				
OTHER TRANSACTIONS - DISCONTINUED OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1. Sale of items of PPE, intangible assets and other assets	538	0	0	0	0	538
EL POZO	538	0	0	0	0	538

The transactions with related parties in 2014 are reported in greater detail below:

December 2014 Thousands of euros		RELATED-PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Services received		4.594	0	0	0	4.594
LUIS JAVIER CORTES DOMINGUEZ		4.594	0	0	0	4.594
TOTAL COSTS		4.594	0	0	0	4.594
1) Services rendered		956	0	0	0	956
PROFU, S.A.		19	0	0	0	19
EL POZO ALIMENTACION		937	0	0	0	937
2) Sale of goods (finished goods and work in progress)		13.646	0	0	0	13.646
DAMM		2.756	0	0	0	2.756
SEDIATLANTIC		1.329	0	0	0	1.329
PROFU, S.A.		1.236	0	0	0	1.236
EL POZO ALIMENTACION		8.325	0	0	0	8.325
TOTAL INCOME		14.602	0	0	0	14.602

Diciembre 2014 Miles de euros		RELATED-PARTY TRANSACTIONS				
OTHER TRANSACTIONS FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Other transactions		0	0	0	0	0

Diciembre 2014 Miles de euros		BALANCES WITH RELATED PARTIES				
OTHER BALANCES FROM CONTINUING OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Other transactions		105	0	0	0	105
LUIS JAVIER CORTES DOMINGUEZ		105	0	0	0	105

Diciembre 2014 Miles de euros		RELATED-PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS		Significant shareholders	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
TOTAL COSTS		0	0	0	0	0
1) Services rendered		0	0	9.178	0	9.178
AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U.		0	0	573	0	573
AUTOPISTA ASTUR LEONESA (AUCALSA)		0	0	1.884	0	1.884
AUTOPISTAS DE GALICIA (AUTOESTRADAS)		0	0	1.874	0	1.874
AUTOPISTAS DEL ATLANTICO (AUDASA)		0	0	4.847	0	4.847
TOTAL INCOME		0	0	9.178	0	9.178

36.1. Contracts with related parties

The main contracts with related parties are as follows:

- Sacyr, S.A. has signed a consultancy contract with the law firm of Luis Javier Cortés, a related party of Matias Cortés (director of Sacyr), for a variable amount which in 2014 totalled 4,594 thousand euros a month.
- In 2014 Sacyr Construcción, S.A.U. expanded and reformed the El Pozo Alimentación facilities, mainly in the Alhama de Murcia plant, related to Grupo Corporativo Fuertes, S.L. (director of Sacyr) in the amount of 7,580 thousand euros.

36.2. Other information

In 2014, no value adjustments were made on uncollectible debts relating to amounts included in the outstanding balances and in expenditure recognised in the year regarding related-party borrowings.

37. Events after the reporting date

The most significant events occurring subsequent to 31 December 2014, in chronological order, were as follows:

- On 1 January 2015, the DAB (Dispute Adjudication Board), an independent technical body established within the framework of the agreement between Grupo Unidos por el Canal (GUPC) and the ACP (Panama Canal Authorities), handed down a ruling in favour of the former with regard to two of the most important claims submitted by the consortium in relation to the poor quality of the basalt (a concrete-based material used in the construction) and the delay attributed to the ACP in obtaining approval for the concrete mixture used in the project. The ruling stipulated that the ACP must pay GUPC a total of 234 million dollars and also granted a six-month extension of the agreement.
- On 1 January 2015, the new agreements that amended the shareholders agreements existing in several Group companies entered into force: Hospitales Concesionados S.L. (and its subsidiaries Hospital de Parla, S.A. and Hospital del Noreste, S.L.), Autovía del Arlanzón, S.A., Carretera Palma-Manacor, Concesionaria del Consell Insular de Mallorca, S.A., Concesiones de Intercambiadores de Transporte, S.L. (and its subsidiaries Intercambiador de Transportes de Moncloa, S.A. and Intercambiador de Transporte de Plaza Elíptica, S.A) and Autovías de Peaje en Sombra, S.L. (and its subsidiaries Autovía del Noroeste Concesionaria de la Comunidad Autónoma de la Región de Murcia, S.A. and Autovía del Turia Concesionaria de la Generalitat Valenciana, S.A.). These agreements entailed the full consolidation of all these companies based on the concept of control described in IFRS 10 (Consolidated Financial Statements) effective as of 1 January 2015.
- On 13 January 2015, Sacyr, via its subsidiary Sacyr Vallehermoso Participaciones Mobiliarias, S.L., received from Repsol a 0.472 euros per share gross dividend, generating total net income of 57.68 million euros.
- In February 2015 the Sacyr Group, with 98% of the financial institutions, entered into and approved the agreement to refinance the debt associated with the investment in Repsol. The agreement consisted of an extension for an additional three years of the total debt of 2,265 million euros, improving current conditions.

On 25 March 2015, the commercial court in charge of the matter reported that one of the financial institutions had challenged the approval. However, the Company's directors consider that it will not affect the refinancing agreement reached with virtually all of the entities that entered into this agreement.

- On 3 February 2015, Testa Inmuebles en Renta held its General Shareholders' Meeting on first call. At this Meeting, the shareholders approved each and every one of the resolutions proposed by the Board of Directors submitted in relation to the various items on the agenda that were subject to consideration at this General Meeting. Among others:
 - A share capital reduction of 669,759,570.40 euros, leaving the share capital at 23,095,157.60 euros, for the purpose of returning contributions to shareholders, by reducing the par value of all shares by 5.80 euros per share. As a result of this reduction, the new par value would become 0.20 euros, down from the current 6 euros. The deadline for the execution of this agreement shall not be later than 2 February 2016 (one year from the approval at the General Shareholders' Meeting).

- o Payment of an extraordinary dividend amounting to 527,724,351.16 euros with a charge to unrestricted reserves, at 4.57 euros gross per share.
- o The execution of the agreement to distribute funds (share capital reduction and payment of an extraordinary dividend) is subject to the express condition of the successful outcome of a transaction to obtain equity from the market, for a minimum amount of 300 million euros, under terms that are satisfactory to Testa, where both transactions must be performed at the same time, or as close together as reasonably possible. If this equity is not raised in the terms and within the deadlines set out, the fund distribution agreement would be rendered null and void and would not be implemented.

38. Environmental issues

In line with its environmental policy, the Group has a number of ongoing activities and projects to ensure compliance with environmental legislation. Regarding contingencies in the environmental area, the Group considers that these are adequately covered by the civil liability insurance policies taken out, and has therefore set aside no provision in this connection in the consolidated statement of financial position at 31 December 2013 and 2014.

39. Audit fees

Audit fees paid to all the auditors of the Parent and its subsidiaries in the scope of consolidation in 2014 amounted to 2,055 thousand euros and 1,769 thousand euros in 2013. Of these, Ernst & Young received 1,992 thousand and 1,608 thousand euros, respectively.

The Group's auditors also invoiced the Group 676 thousand euros in 2014 and 659 thousand euros in 2013 for other work unrelated to audit or audit advisory services.

The amounts paid to Ernst & Young made up less than 1% of its revenue.

40. Personnel

The average number of employees by gender and professional category in 2014 and 2013 was as follows:

Average number of employees	2014		2013 (Restated)	
	Women	Men	Women	Men
Senior executives	12	184	10	165
University graduates	453	1.035	461	966
Other qualified employees	336	651	320	643
Skilled technicians	210	1.730	187	1.667
Administrative staff	1.161	685	1.226	662
Other	6.107	9.259	5.601	8.075
TOTAL	8.279	13.544	7.805	12.178

At 31 December 2014, 16,385 employees of the total headcount were assigned to Spain (15,062 in 2013).

The number of employees by gender and professional category at 31 December 2014 and 2013 was as follows:

Employees at year-end	2014		2013 (Restated)	
	Women	Men	Women	Men
Senior executives	9	158	10	173
University graduates	479	1.071	473	989
Other qualified employees	339	647	336	650
Skilled technicians	216	1.739	208	1.727
Administrative staff	1.160	721	1.108	671
Other	5.984	9.225	5.802	9.357
TOTAL	8.187	13.561	7.937	13.567

The detail of employee benefits expense incurred by the Group in 2014 and 2013 is as follows:

<i>Thousands of euros</i>	2014	2013 (Restated)*
Wages, salaries and similar exp	555.719	507.014
Social security costs, et al.	162.333	138.520
TOTAL	718.052	645.534

(*) As explained in Note 3 the separate consolidated income statement at 31 December 2013 has been restated.

“Wages, salaries and similar expenses” for senior management and directors in 2013 totalled 29,498 thousand euros (32,669 thousand euros in 2013) and “Social security costs” were 2,767 thousand euros (3,139 thousand euros in 2013).

41. Segment information

The Group is managed through a structure based around the following operating segments:

- Holding: the Group’s corporate structure represented by its holding company, Sacyr, S.A.
- Construction (Sacyr Group and Somague Group): civil engineering and building construction business in Spain, Portugal, Italy, Angola, Panama, Chile, the Green Cape, Costa Rica, Peru, Colombia, Mexico, Ireland, India, the UK, Brazil and Qatar.
- Concessions (Sacyr Concesiones Group): motorway, transport hub, airport and hospital concession business.

- Services (Valoriza Group): multi-services business.
- Development (Vallehermoso): real estate development business.
- Rental property (Testa Group): rental property business.
- Repsol, S.A.: 8.93% of Repsol, S.A. (9.23% in 2013) and its Parent, Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U.

Segment reporting also includes a column for “Consolidation adjustments”.

The Group identified these segments based on the following factors:

- Similar economic characteristics of the businesses.
- The provision of consolidated financial statements, for users, with the relevant financial information on the activities of the Group’s businesses and the economic environments in which it operates.

The Group’s management regularly reviews the operating results of the segments individually in order to make decisions on allocating resources and assess results and performance. Operating segments are assessed based on their operating income.

The tables below show the separate consolidated income statement and the consolidated statement of financial position for each of the Group’s operating segments at year-end 2013 and 2014, in thousands of euros.

2013 (Restated)*									
A S S E T S	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
A) NON-CURRENT ASSETS	3,621,329	429,420	2,168,484	861,543	17,020	2,683,496	3,088,690	(4,192,179)	8,677,803
I. Property, plant and equipment	3,991	131,220	3,766	232,278	1,923	0	0	(1,922)	371,256
II. Concession projects	0	51,299	861,581	263,501	0	0	58,163	0	1,234,544
III. Investment property	0	0	0	0	1,204	0	2,029,258	(169,544)	1,860,918
IV. Other intangible assets	908	249	63	8,071	0	0	81	(1)	9,371
V. Goodwill	0	19,071	0	115,055	0	0	0	0	134,126
VI. Investments accounted for using the equity method	0	37,554	32,801	98,504	5,637	2,431,948	30,484	(14,049)	2,622,879
VII. Receivables from concessions	0	18,895	683,433	75,127	0	0	5,412	(2)	782,865
VIII. Non-current financial assets	2,951,861	99,677	335,308	35,685	807	0	959,038	(3,899,152)	483,224
IX. Derivative financial instruments	0	0	0	0	0	0	24	0	24
X. Deferred tax assets	588,978	71,455	251,532	33,319	7,110	251,548	6,230	(31,579)	1,178,593
XI. Other non-current assets	75,591	0	0	3	339	0	0	(75,930)	3
B) CURRENT ASSETS	270,776	2,857,912	292,024	548,522	1,057,068	292,853	182,826	(1,682,257)	3,819,724
I. Non-current assets held for sale	0	0	49,147	0	0	0	75,005	948,060	1,072,212
II. Inventories	309	177,792	97	19,957	900,449	0	0	(695,677)	402,927
III. Trade and other receivables	169,263	1,798,706	78,826	440,073	129,389	231,061	22,024	(1,117,966)	1,751,376
IV. Receivables from concessions	0	54	78,275	3,455	0	0	0	1	81,785
V. Current financial investments	84,310	735,808	2,194	9,004	10,759	58,293	10,713	(803,664)	107,417
VI. Derivative financial instruments	0	0	2,435	0	0	0	0	0	2,435
VII. Cash and cash equivalents	16,894	145,380	81,050	75,861	12,803	19	74,696	(12,786)	393,917
VIII. Other current assets	0	172	0	172	3,668	3,480	388	(225)	7,655
TOTAL ASSETS	3,892,105	3,287,332	2,460,508	1,410,065	1,074,088	2,976,349	3,271,516	(5,874,436)	12,497,527
E Q U I T Y A N D L I A B I L I T I E S	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
A) EQUITY	431,692	622,351	468,372	305,774	(152,869)	(155,777)	1,356,475	(1,844,742)	1,031,276
EQUITY OF THE PARENT	431,692	613,853	366,433	291,279	(157,242)	(155,777)	1,356,475	(1,844,101)	902,612
EQUITY OF NON-CONTROLLING INTERESTS	0	8,498	101,939	14,495	4,373	0	0	(641)	128,664
B) NON-CURRENT LIABILITIES	1,396,844	519,527	1,462,773	477,938	465,204	3,083,915	1,610,154	(2,422,838)	6,593,517
I. Deferred income	0	23,926	82	9,912	0	0	3,573	0	37,493
II. Non-current provisions	1,449	331,046	111,185	87,576	60,423	0	6,445	(136,013)	462,111
III. Interest-bearing loans and borrowings	346,369	107,624	888,968	276,121	192,605	2,381,239	1,557,350	(192,604)	5,557,672
IV. Non-current payables	1,006,119	34,540	268,605	70,181	205,022	699,703	27,595	(2,040,184)	271,581
V. Derivative financial instruments	0	0	82,151	22,498	0	2,973	9,146	0	116,768
VI. Deferred tax liabilities	42,907	5,036	110,176	11,650	7,154	0	6,045	(37,545)	145,423
VII. Non-current payables to associates	0	17,355	1,606	0	0	0	0	(16,492)	2,469
C) CURRENT LIABILITIES	2,063,569	2,145,454	529,363	626,353	761,753	48,211	304,887	(1,606,856)	4,872,734
I. Liabilities associated with non-current assets held for sale	0	0	0	0	0	0	0	1,048,639	1,048,639
II. Interest-bearing loans and borrowings	430,661	247,577	202,646	144,831	639,296	45,073	288,521	(639,297)	1,359,308
III. Trade and other payables	129,161	1,228,026	242,099	303,375	33,249	13	10,074	21,127	1,967,124
IV. Current payables to associates	1,346,531	590,854	70,121	145,546	66,789	62	3,404	(2,014,906)	208,401
V. Derivative financial instruments	0	0	14,497	3,731	0	3,063	2,611	0	23,902
VI. Current provisions	157,216	78,997	0	28,870	22,419	0	277	(22,419)	265,360
VII. Other current liabilities	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	3,892,105	3,287,332	2,460,508	1,410,065	1,074,088	2,976,349	3,271,516	(5,874,436)	12,497,527

(*) As explained in Note 3, the consolidated statement of financial position at 31 December 2013 has been restated.

2013 (Restated)*

SEPARATE INCOME STATEMENT	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	27.766	1.613.236	306.799	991.812	368.241	0	216.609	(852.151)	2.672.312
Revenue from third parties	0	1.203.314	300.089	935.468	368.303	0	211.236	(346.098)	2.672.312
Revenue from group companies	27.766	409.922	6.710	56.344	(62)	0	5.373	(506.053)	0
Own work capitalised	0	1.037	0	1.445	0	0	486	0	2.968
Other operating income	26.820	22.265	5.731	19.132	79.377	0	4.184	(106.142)	51.367
Government grants released to the income statement	17	652	16	2.430	0	0	0	0	3.115
Gain on disposal of assets	0	0	0	0	40	0	53.000	(40)	53.000
TOTAL OPERATING INCOME	54.603	1.637.190	312.546	1.014.819	447.658	0	274.279	(958.333)	2.782.762
Change in inventories	0	(27.713)	(1)	352	(418.490)	0	0	367.505	(78.347)
Procurements	1	(605.683)	(1.320)	(411.208)	(60.177)	0	0	(3.777)	(1.082.164)
Staff costs	(17.215)	(224.819)	(15.801)	(382.094)	(4.613)	0	(5.463)	4.471	(645.534)
Losses on disposal of assets	0	0	0	0	(16.991)	0	(7.891)	16.991	(7.891)
Depreciation and amortisation expense	(1.503)	(25.396)	(17.084)	(43.928)	(173)	0	(37.365)	(5.996)	(131.445)
Change in operating provisions	(50.000)	3.677	(3.392)	582	(3.488)	0	83	3.487	(49.051)
Change in provisions for non-current assets	0	(1.522)	(14.468)	(12.967)	0	0	(17.990)	0	(46.947)
Other operating expenses	(230.455)	(681.191)	(221.779)	(125.166)	(91.209)	(141)	(46.037)	721.284	(674.694)
TOTAL OPERATING EXPENSES	(299.172)	(1.562.647)	(273.845)	(974.429)	(595.141)	(141)	(114.663)	1.103.965	(2.716.073)
OPERATING PROFIT/(LOSS)	(244.569)	74.543	38.701	40.390	(147.483)	(141)	159.616	145.632	66.689
PROFIT/(LOSS) OF ASSOCIATES	0	6.055	7.029	5.062	3.494	151.409	(3.980)	1.509	170.578
GAIN/(LOSS) ON DISPOSAL OF ASSETS	0	55	25.002	(1.138)	66	0	0	37	24.022
Revenue from equity investments	382.073	0	0	0	0	0	0	(382.073)	0
Revenue from other marketable securities and asset-backed loans	56.995	0	5.613	110	0	36	0	(53.718)	9.036
Other interest and similar income	0	49.737	1.941	5.375	60	0	29.984	(54.807)	32.290
Exchange differences	0	0	526	1.072	0	0	0	(1.598)	0
TOTAL FINANCE INCOME	439.068	49.737	8.080	6.557	60	36	29.984	(492.196)	41.326
Finance costs and similar expenses	(106.953)	(40.330)	(81.758)	(25.802)	(36.560)	(145.356)	(43.383)	139.135	(341.007)
Change in provisions for financial investments	(788.299)	(772)	(237)	(46.577)	7.190	0	(2.921)	776.973	(54.643)
Net finance costs taken to investments	0	0	0	0	0	0	0	0	0
Gain/(loss) on financial instruments	0	0	(19.492)	(6.955)	0	0	(4.408)	0	(30.855)
Exchange differences	(53)	(10.512)	0	0	0	0	0	1.598	(8.967)
TOTAL FINANCE COSTS	(895.305)	(51.614)	(101.487)	(79.334)	(29.370)	(145.356)	(50.712)	917.706	(435.472)
FINANCIAL LOSS	(456.237)	(1.877)	(93.407)	(72.777)	(29.310)	(145.320)	(20.728)	425.510	(394.146)
CONSOLIDATED PROFIT BEFORE TAX	(700.806)	78.776	(22.675)	(28.463)	(173.233)	5.948	134.908	572.688	(132.857)
Corporate income tax	74.152	(31.248)	20.816	(5.993)	36.647	(179.942)	(57.225)	(39.334)	(182.127)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	(626.654)	47.528	(1.859)	(34.456)	(136.586)	(173.994)	77.683	533.354	(314.984)
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	0	0	0	0	0	0	0	(188.779)	(188.779)
CONSOLIDATED PROFIT FOR THE YEAR	(626.654)	47.528	(1.859)	(34.456)	(136.586)	(173.994)	77.683	344.575	(503.763)
NON-CONTROLLING INTERESTS	0	(884)	2.391	1.961	1.138	0	0	164	4.770
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	(626.654)	46.644	532	(32.495)	(135.448)	(173.994)	77.683	344.739	(498.993)

(*) As explained in Note 3, the interim separate consolidated income statement at 31 December 2013 has been restated.

2014									
ASSETS	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
A) NON-CURRENT ASSETS	3,324,557	442,940	2,448,378	774,129	77,572	2,802,014	3,118,892	(4,359,540)	8,628,942
I. Property, plant and equipment	3,568	154,219	4,248	233,003	1,816	0	0	(1,815)	395,039
II. Concession projects	0	50,419	869,050	247,276	0	0	46,930	0	1,213,675
III. Investment property	0	0	0	0	571	0	2,020,315	(174,290)	1,846,596
IV. Other intangible assets	984	199	104	5,626	0	0	0	0	6,913
V. Goodwill	0	18,482	0	99,829	0	0	0	0	118,311
VI. Investments accounted for using the equity method	0	43,811	46,570	66,707	5,065	2,429,504	30,383	(16,611)	2,605,429
VII. Receivables from concessions	0	18,876	838,663	55,091	0	0	4,772	0	917,402
VIII. Non-current financial assets	2,907,481	102,034	325,127	20,559	235	0	998,940	(3,906,271)	448,105
IX. Derivative financial instruments	0	0	36,859	0	0	0	2	0	36,861
X. Deferred tax assets	221,751	54,258	327,757	46,035	69,706	372,510	17,550	(69,601)	1,039,966
XI. Other non-current assets	190,773	642	0	3	179	0	0	(190,952)	645
B) CURRENT ASSETS	338,216	2,570,603	208,449	534,627	244,478	91,108	48,170	(886,833)	3,148,818
I. Non-current assets held for sale	0	0	0	0	0	0	0	302,623	302,623
II. Inventories	376	156,497	2,578	22,134	202,054	0	0	2,717	386,356
III. Trade and other receivables	120,435	1,953,333	58,653	407,507	28,401	31,131	11,599	(722,886)	1,888,173
IV. Receivables from concessions	0	55	46,333	3,518	0	0	0	0	49,906
V. Current financial investments	195,066	303,239	26,047	17,984	541	57,682	14,075	(453,059)	161,575
VI. Derivative financial instruments	0	0	1,710	0	0	0	0	0	1,710
VII. Cash and cash equivalents	22,234	157,479	73,128	83,484	12,864	150	21,932	(12,796)	358,475
VIII. Other current assets	105	0	0	0	618	2,145	564	(3,432)	0
TOTAL ASSETS	3,662,773	3,013,543	2,656,827	1,308,756	322,050	2,893,122	3,167,062	(5,246,373)	11,777,760
EQUITY AND LIABILITIES	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
A) EQUITY	595,457	602,157	502,286	324,095	(119,880)	486,187	1,383,118	(2,447,346)	1,326,074
EQUITY OF THE PARENT	595,457	598,239	394,420	311,233	(124,301)	486,187	1,383,118	(2,439,054)	1,205,299
EQUITY OF NON-CONTROLLING INTERESTS	0	3,918	107,866	12,862	4,421	0	0	(8,292)	120,775
B) NON-CURRENT LIABILITIES	1,581,102	536,710	1,649,279	386,510	62,500	0	1,604,654	(1,502,440)	4,318,315
I. Deferred income	0	23,222	76	8,756	0	0	0	0	32,054
II. Non-current provisions	1,449	348,088	52,248	52,677	36,728	0	15,560	(227,502)	279,248
III. Interest-bearing loans and borrowings	574,220	102,559	962,604	222,224	5,474	0	1,550,253	(5,474)	3,411,860
IV. Non-current payables	1,005,433	34,140	335,103	68,041	15,363	0	26,231	(1,240,424)	243,887
V. Derivative financial instruments	0	0	98,095	26,274	0	0	8,335	0	132,704
VI. Deferred tax liabilities	0	7,905	199,492	8,538	4,935	0	4,275	(9,870)	215,275
VII. Non-current payables to associates	0	20,796	1,661	0	0	0	0	(19,170)	3,287
C) CURRENT LIABILITIES	1,486,214	1,874,676	505,262	598,151	379,430	2,406,935	179,290	(1,296,587)	6,133,371
I. Liabilities associated with non-current assets held for sale	0	0	0	0	0	0	0	219,771	219,771
II. Interest-bearing loans and borrowings	414,865	251,588	178,158	134,796	85,265	2,305,362	160,536	(85,266)	3,445,304
III. Trade and other payables	116,239	1,248,321	245,937	294,842	18,117	3	6,558	(15,327)	1,914,690
IV. Current payables to associates	813,894	234,549	68,905	124,589	260,122	100,961	9,669	(1,391,123)	221,566
V. Derivative financial instruments	0	0	9,324	3,048	0	609	2,250	0	15,231
VI. Current provisions	141,216	135,410	2,938	36,068	15,926	0	277	(15,927)	315,908
VII. Other current liabilities	0	4,808	0	4,808	0	0	0	(8,715)	901
TOTAL LIABILITIES	3,662,773	3,013,543	2,656,827	1,308,756	322,050	2,893,122	3,167,062	(5,246,373)	11,777,760

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SEPARATE INCOME STATEMENT	HOLDING COMPANY	CONSTRUCTION	CONCESSIONS	SERVICES	PROPERTY DEVELOPMENT	REPSOL	PROPERTY MANAGEMENT	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	32.510	1.697.043	419.175	925.854	485.794	0	187.977	(847.628)	2.900.725
Revenue from third parties	0	1.329.445	163.199	871.777	485.789	0	182.660	(132.145)	2.900.725
Revenue from group companies	32.510	367.598	255.976	54.077	5	0	5.317	(715.483)	0
Own work capitalised	0	4.942	2.736	376	0	0	519	0	8.573
Other operating income	33.644	50.692	10.422	18.853	6.087	0	1.547	(40.056)	81.189
Government grants released to the income statement	446	668	0	1.362	0	0	0	0	2.476
Gain on disposal of assets	0	0	0	0	13	0	4.492	(13)	4.492
TOTAL OPERATING INCOME	66.600	1.753.345	432.333	946.445	491.894	0	194.535	(887.697)	2.997.455
Change in inventories	0	(55.921)	(3)	3.805	(778.743)	0	0	778.744	(52.118)
Procurements	0	(818.906)	(120)	(316.124)	94.218	0	0	(82.179)	(1.123.111)
Staff costs	(17.638)	(248.596)	(17.571)	(428.316)	(2.773)	0	(5.931)	2.773	(718.052)
Losses on disposal of assets	0	0	0	0	(310)	0	0	310	0
Depreciation and amortisation expense	(1.496)	(24.042)	(16.322)	(36.830)	(123)	0	(30.352)	(5.257)	(114.422)
Impairment of goodwill	0	0	0	(250)	0	0	0	0	(250)
Change in trade provisions	3.000	(10.758)	42.724	(2.544)	32.319	0	(171)	(32.319)	32.251
Change in provisions for intangible assets, PP&E and securities portfolio	(57)	0	4.125	10.567	0	0	13.614	0	28.249
Other operating expenses	(59.449)	(526.708)	(340.185)	(135.436)	(25.694)	(131)	(50.331)	402.783	(735.151)
TOTAL OPERATING EXPENSES	(75.640)	(1.684.931)	(327.352)	(905.128)	(681.106)	(131)	(73.171)	1.064.855	(2.682.604)
OPERATING PROFIT/(LOSS)	(9.040)	68.414	104.981	41.317	(189.212)	(131)	121.364	177.158	314.851
PROFIT/(LOSS) OF ASSOCIATES	0	3.192	11.131	1.062	(600)	155.834	799	(20)	171.398
GAIN/(LOSS) ON DISPOSAL OF ASSETS	10	(2.045)	36.161	2.004	(2)	0	(11.816)	0	24.312
Revenue from equity investments	80.079	0	0	0	0	0	3.684	(80.079)	3.684
Revenue from other marketable securities and asset-backed loans	20.886	0	6.324	186	0	25	0	(15.566)	11.855
Other interest and similar income	0	28.340	423	12.281	176.088	0	29.578	(224.854)	21.856
Exchange differences	213	25.201	397	1.923	0	0	0	0	27.734
TOTAL FINANCE INCOME	101.178	53.541	7.144	14.390	176.088	25	33.262	(320.499)	65.129
Finance costs and similar expenses	(108.987)	(37.462)	(54.651)	(22.810)	(26.169)	(119.738)	(36.777)	86.353	(320.241)
Change in provisions for financial investments	0	1.123	(3.907)	11.129	381	0	(1.344)	(381)	7.001
Gain/(loss) on financial instruments	0	0	(18.441)	(6.210)	0	0	(4.183)	(1)	(28.835)
Exchange differences	0	0	0	0	0	0	0	0	0
TOTAL FINANCE COSTS	(108.987)	(36.339)	(76.999)	(17.891)	(25.788)	(119.738)	(42.304)	85.971	(342.075)
FINANCIAL LOSS	(7.809)	17.202	(69.855)	(3.501)	150.300	(119.713)	(9.042)	(234.528)	(276.946)
CONSOLIDATED PROFIT BEFORE TAX	(16.839)	86.763	82.418	40.882	(39.514)	35.990	101.305	(57.390)	233.615
Corporate income tax	30.078	(46.452)	(60.568)	(8.155)	(965)	(78.681)	(28.713)	(812)	(194.268)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	13.239	40.311	21.850	32.727	(40.479)	(42.691)	72.592	(58.202)	39.347
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	0	0	0	0	0	0	0	0	0
CONSOLIDATED PROFIT FOR THE YEAR	13.239	40.311	21.850	32.727	(40.479)	(42.691)	72.592	(58.202)	39.347
NON-CONTROLLING INTERESTS	0	311	(2.965)	(3.594)	(27)	0	0	(352)	(6.627)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	13.239	40.622	18.885	29.133	(40.506)	(42.691)	72.592	(58.554)	32.720

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42. Disclosures by geographic location

The table below shows the external income, gross assets and acquisition of property, plant and equipment by activity and geographic area in 2014 and 2013:

	2014			2013 (Restated)*		
	Revenue	Gross assets	Acquisitions of fixed assets	Revenue	Gross assets	Acquisitions of fixed assets
Holding company - Continued operations	32.510	0	1.149	27.766	39.619	992
Spain	32.510	0	1.149	27.766	39.619	992
Construction - Continued operations	1.697.044	475.775	56.832	1.613.235	445.823	20.204
Spain	466.580	214.205	21.955	702.966	223.555	1.434
Chile	447.484	22.141	3.521	257.942	23.784	2.620
Mexico	19.954	23.099	15.318	1.110	11	11
Costa Rica	131	0	0	293	0	0
Italy	118.056	0	0	123.831	0	0
Panama	30.920	0	0	23.554	0	0
Portugal	57.219	148.986	3.295	128.524	142.612	4.563
Other	111.934	26.639	2.954	12.255	24.032	6.853
Togo	42.433	451	14	12.009	437	437
Brazil	59.342	1.867	919	43.680	1.718	611
Cape Verde	21.265	14.141	225	29.864	13.943	2.818
Angola	319.690	24.209	8.631	274.288	15.694	857
Ireland	2.036	37	0	2.919	37	0
Concessions - Continuing operations	419.176	966.863	20.107	306.799	963.677	36.119
Spain	37.046	951.715	14.012	69.107	954.594	32.410
Chile	328.654	10.987	6.050	202.265	4.967	3.695
Portugal	23.937	190	5	35.407	186	0
Ireland	1.256	3.915	0	0	3.920	4
Costa Rica	0	0	0	20	0	0
Peru	28.283	42	40	0	0	0
Mexico	0	9	0	0	8	8
Colombia	0	5	0	0	2	2
Services - Continued operations	925.854	765.546	23.026	991.812	783.047	23.419
Spain	835.778	567.801	19.241	786.992	583.108	18.625
Portugal	33.646	190.232	226	38.042	195.732	4.638
Brazil	2.390	0	0	6.221	285	59
Algeria	10.085	3.715	32	12.704	3.705	5
Israel	20.882	0	0	0	0	0
Colombia	0	3.372	3.372	0	0	0
Australia	12.268	131	50	37.437	77	3
Chile	52	143	0	15.483	98	53
Other	10.753	152	105	94.933	42	36
Property development - Continuing operations	0	0	0	0	0	0
Spain	0	0	0	0	0	0
Portugal	0	0	0	0	0	0
Property management - Continuing operations	187.977	0	11.059	216.609	0	12.017
Spain	187.977	0	11.059	196.742	0	12.017
France	0	0	0	16.629	0	0
US	0	0	0	3.238	0	0
Total continuing operations	3.262.561	2.208.184	112.173	3.156.221	2.232.166	92.751
Consolidation adjustments	(361.836)	(130.076)	(8.540)	(483.910)	(121.537)	7.038
Total discontinued operations	485.789	0	0	368.303	0	0

(*) As explained in Note 3, the separate consolidated income statement at 31 December 2013 has been restated.

43. Additional note for english translation

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish language version prevails. These consolidated financial statements are presented on the basis of International Financial Reporting Standards adopted by the European Union. Consequently, certain accounting practices applied by the Group do not conform with generally accepted accounting principles in other countries.

APPENDIX I: SCOPE OF CONSOLIDATION 2013

NOTE: Indirect shareholdings are calculated based on the owner of the holding.

Company	Percentage method	Owner of the method	Investment (million euros)	Equity method	Activity performed	Share capital	Reserves	Profit/(loss)	Interim dividend
SACYR GROUP									
Subsidiaries and holding companies									
Sacyr, S.A. Paseo de la Castellana, 83-85 Madrid.					Holding company for Sacyr Vallehermoso Group	465.915	622.991	(571.279)	-
Sacyr Vallehermoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid.	100,00%	Sacyr, S.A.	1.800,00	Full consolidation	Investment vehicle in Repsol, S.A.	1.200.000	(511.273)	(244.504)	-
Sacyr Gestión de Activos, S.L. Paseo de la Castellana, 83-85 Madrid.	100,00%	Sacyr, S.A.	0,004	Full consolidation	Acquisition, management of securities and advisory services	4	-	691	-
CONSTRUCTION									
Subsidiaries and holding companies									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Sacyr, S.A.	297,83	Full consolidation	Property holding company	52.320	220.825	39.018	-
Ichisacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	90,25%	Sacyr, S.A.	4,54	Full consolidation	Investment vehicle in Sacyr Chile	2.400	(355)	(83)	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	91,75%	Sacyr Construcción, S.A.U.	13,13	Full consolidation	Investment vehicle in Chilean construction firms	14.278	24.618	5.961	-
Somague, S.C.P.S. Rua de Tapada da Quinta de Cima, Lintão Sintra - Portugal.	8,25%	Ichisacyr	2,56	Full consolidation					
Somague Engenharia, S.A. Rua de Tapada da Quinta de Cima, Lintão Sintra - Portugal.	100,00%	Sacyr, S.A.	229,40	Full consolidation	Holding company for Somague Engenharia	130.500	30.981	5.815	-
Sacyr México, S.A. de C.V. Paseo de la Reforma nº 350, Piso 11 - Colonia Juárez Delegación Cuauhtémoc, Mexico City - Mexico	99,998%	Sacyr Construcción, S.A.U.	0,722	Full consolidation	Construction in Mexico	694	(106)	183	-
Prinur, S.A.U.	0,002%	Prinur, S.A.U.	0,00	Full consolidation					
Construction									
Caossa, Obras y Proyectos, S.A. Paseo de la Castellana, 83-85 Madrid.	91,00%	Prinur, S.A.U.	4,12	Full consolidation	Explosives, blasting and drilling/boring	5.151	30.316	1.941	-
Scrieser, S.A. Avenida Corts Catalanes, 2, 2, local 3 - Sant Cugat del Vallés, Barcelona.	9,00%	Sacyr Construcción, S.A.U.	0,85	Full consolidation	Civil engineering	601	56.823	1.876	-
Prinur, S.A.U. Calle Luis Menéndez 107-113 - Edificio Cristal, planta 4ª, modulo J, Sevilla.	85,00%	Sacyr Construcción, S.A.U.	0,51	Full consolidation	Civil engineering	3.185	12.214	6.582	-
Ideyco, S.A.U. Calle Jarama, s/n, parcela 8 nave 3 Toledo.	100,00%	Prinur, S.A.U.	3,18	Full consolidation	Civil engineering	301	(2.330)	(537)	-
Caossa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	100,00%	Caossa, S.A.	0,30	Full consolidation	Technical trials and quality control	2.583	209	47	-
Felbide, S.A.U. Calle Gran Via 35 5ª Vitzoya.	100,00%	Sacyr Construcción, S.A.U.	0,98	Full consolidation	Explosives, blasting and drilling/boring	601	(381)	(749)	-
Sacyr Agua Santa, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	100,00%	Sacyr Chile, S.A.	0,75	Equity method	Civil engineering	79	1.129	(932)	-
Construtora ACS-Sacyr, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50,00%	Sacyr Chile, S.A.	0,04	Equity method	Construction in Chile	185	(115)	(3)	-
Construtora Neco-Sacyr, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50,00%	Sacyr Chile, S.A.	0,07	Equity method	Construction in Chile	17	33	-	-
Construtora Neco-Sacyr, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50,00%	Sacyr Chile, S.A.	0,006	Equity method	Construction in Chile	17	115	(59)	-
Obras y Servicios de Galicia y Asturias, S.A.U. Plaza de Vigo 2, Santiago de Compostela.	100,00%	Sacyr Construcción, S.A.U.	0,006	Equity method	Construction in Chile	17	115	(59)	-
Tecnológica Lena, S.L. Calle La Vega 3, 4ª - Campanones Asturias.	100,00%	Sacyr Construcción, S.A.U.	1,45	Full consolidation	Civil engineering	1.000	(472)	316	-
Construtora San José - San Ramón, S.A. Distrito séptimo La Uruca, cantón primero Costa Rica.	35,00%	Sacyr Construcción, S.A.U.	0,32	Equity method	Civil engineering	906	(1.421)	(314)	-
Aljuela - Costa Rica. SIS, S.C.P.A.	15,00%	Caossa, S.A.	0,14	Equity method	Civil engineering	906	(1.421)	(314)	-
SIS, S.C.P.A. Vian Inverto, 24/A, Turin - Italy.	33,00%	Sacyr Costa Rica, S.A.	0,05	Equity method	Equity method	155	80	-	-
Nodo Di Palermo, S.p.A. Vian Inverto, 24/A, Turin - Italy.	33,00%	Sacyr Costa Rica, S.A.	0,0005	Equity method	Construction of the San José - San Ramón road link	1	7.556	(1.769)	-
Superstrada Pedemontana Veneta, SRL Vian Inverto, 24/A, Turin - Italy.	49,00%	Sacyr Construcción, S.A.U.	7,35	Equity method	Construction in Italy	15.000	-	-	-
Somague Engenharia, S.A. Rua de Tapada da Quinta de Cima, Lintão Sintra - Portugal.	99,999%	SIS, S.C.P.A.	39,92	Equity method	Construction in Italy	40.000	-	-	-
Sacyr Costa Rica, S.A. San José, Escazu de la Tienda edificio Teraforte, 4ª, Cantón-Costa Rica.	0,001%	kinere Infraestructuras, S.A.	199,99	Equity method	Construction in Italy	50.008	2.874	969	-
Eurolink, S.c.p.a. Corso D'Italia, 83 - Rome - Italy.	100,00%	Somague, SGPS	58,45	Full consolidation	Civil engineering and building	58.450	14.319	9.224	-
Sacyr Ireland Limited Unit 11, Harmony Court, Harmony Row, Ireland, Dublin 2 - Ireland.	100,00%	Sacyr Construcción, S.A.U.	1,38	Full consolidation	Construction in Costa Rica	1.383	1.193	25	(4.752)
N6 Construction Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	18,70%	Sacyr Construcción, S.A.U.	28,05	Equity method	Construction in Italy	37.500	-	-	-
M50 (D&C) Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	100,00%	Sacyr Construcción, S.A.U.	42,72	Full consolidation	Construction in Ireland	42.722	(39.243)	(2.182)	-
Sacyr Servicios México, S.A. de C.V. Periferico Sur 4302 - 105 - Col. Jardines del Pedregal, Mexico City - Mexico.	42,50%	Sacyr Ireland Limited	0,00002	Equity method	Construction in Ireland	-	(87.857)	(3.278)	-
SV-LDCC Construcciones Generales Al Sayehya, Madreen Street (Behind Bader Mosque) Tripoli - Libya.	42,50%	Sacyr Ireland Limited	0,00085	Equity method	Construction in Ireland	-	(7.957)	287	-
Sacyr Panamá, S.A. Panama City, Republic of Panama	99,998%	Sacyr México, S.A. de C.V.	0,025	Full consolidation	Construction in Mexico	25	(1)	(8)	-
Grupo Unidos por el Canal, S.A. Panama City, Republic of Panama	0,002%	Sacyr Construcción, S.A.U.	0,00	Full consolidation	Construction in Mexico	25	(1)	(8)	-
Sacyr India Infra Projects Private Limited SF-08, Second Floor, Vasant Square Mall Vasant Kunj- New Delhi-110070, Delhi, India.	60,00%	Sacyr Construcción, S.A.U.	3,31	Full consolidation	Construction in Libya	5.360	(15.310)	-	-
Sacyr Perú, S.A.C. C/ Monterrey 855 - Lpro 202, Lima, Peru.	100,00%	Sacyr Construcción, S.A.U.	1,41	Full consolidation	Construction in Panama	1.147	(19)	485	-
Sacyr Colombia, S.A. Transv. 19A-768-12 Oficina 801A, Bogotá, Colombia	48,00%	Sacyr, S.A.	0,28	Equity method	Construction in Panama	600	(195.521)	(385.815)	-
Sacyr Qatar LLC P.O. BOX 30750 - Doha- Qatar.	99,98%	Sacyr Construcción, S.A.U.	0,86	Full consolidation	Construction in India	864	(422)	(530)	-
Sacyr Valoriza Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	0,02%	Caossa, S.A.	0,00	Full consolidation	Construction in India	864	(422)	(530)	-
Sacyr Chile, S.A.	99,99%	Sacyr Construcción, S.A.U.	1,840	Full consolidation	Construction in Peru	1.844	(648)	(716)	-
	0,01%	Caossa, S.A.	0,00	Full consolidation	Construction in Peru	1.844	(648)	(716)	-
	99,00%	Sacyr Construcción, S.A.U.	4,12	Full consolidation	Construction in Colombia	4.160	(1.889)	(1.085)	-
	49,00%	Sacyr Construcción, S.A.U.	0,85	Full consolidation	Construction in Qatar	851	(889)	(519)	-
	50,00%	Valoriza Chile, S.P.A.	0,039	Full consolidation	Water treatment in Maritowerde	79	676	(2.613)	-
	50,00%	Sacyr Construcción, S.A.U.	0,039	Full consolidation	Water treatment in Maritowerde	79	676	(2.613)	-
	100,00%	Sacyr Chile, S.A.	0,07	Full consolidation	Construction and operation of concessions in Chile	81	(85)	687	-

CONCESSIONS

Subsidiaries and holding companies									
Sacyr Concesiones, S.L. Pasado de la Castellana, 83-85, Madrid	100,00%	Sacyr, S.A.	766,06	Full consolidation	Property holding company	404.667	57.427	19.606	-
Somague Concesiones, S.A. Rua de Tapada de Quinta de Cima, Linho Sintra - Portugal	100,00%	Sacyr Concesiones, S.L.	38,61	Full consolidation	Operation of holding company	20.545	11.920	9.375	-
SyV Conc. Costa Rica, S.A. San José, Edificio Terraforce, 4º Costa Rica	100,00%	Sacyr, S.A.	1,41	Full consolidation	Investment vehicle in Costa Rican concessions	956	(94)	4.752	-
Sacyr Concesiones Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland	100,00%	Sacyr Concesiones, S.L.	30,16	Full consolidation	Property holding company	30.159	3.893	5.235	-
N8 Concession Holding Ltd 25-28 North Wall Quay Dublin 1 - Ireland	45,00%	Sacyr Concesiones Limited	0,02	Equity method	Property holding company	50	-	-	-
SyV Mexico Holding, S.A. de C.V. Pasado de la Reforma, 350 Mexico City - Mexico	99,998% 0,002%	Sacyr, S.A. Neopistas, S.A.U.	0,68 0,00	Full consolidation	Construction in Mexico	689	(64)	(574)	-
Concessionaires									
Neopistas, S.A.U. (NEOPISTAS) Pasado de la Castellana, 83-85 Madrid	100,00%	Sacyr Concesiones, S.L.	3,04	Full consolidation	Construction and operation of service areas	490	(1.706)	(6.564)	-
Autovías del Noroeste Concesionaria de la CARM, S.A. (AUNOR) Calle Molina del Segura, 8 Murcia	100,00%	Autovías de Peaje en Sombra, S.L.	14,46	Full consolidation	Concession Autovía del Noroeste	14.460	7.904	3.445	-
Metro de Sevilla Sociedad Conc. de la Junta de Andalucía, S.A. Calle Carmen Vendrell, s/n Sevilla	32,77%	Sacyr Concesiones, S.L.	42,03	Equity method	Operation of Line 1 of the Seville metro	126.820	19.356	6.240	(6.747)
Alazor Inversiones, S.A. (ALAZOR) Carretera de circunvalación M-50, KM 67,500, Villaviciosa de Odón - Madrid	25,16%	Sacyr, S.A.	56,25	Equity method	Concession R-3 and R-5 motorways	223.600	(284.524)	(38.446)	-
Sociedad Concesionaria de Palma-Manacor, S.A. Carretera Palma-Manacor Km 25,500 Algaído - Mallorca	40,00%	Sacyr Concesiones, S.L.	7,45	Equity method	Concession C-715 motorway Palma-Manacor motorway	19.650	(16.578)	(1.558)	-
Inversora de Autopistas del Sur, S.L. Plaza Manuel Gomez Moreno, 2, Madrid	35,00%	Sacyr Concesiones, S.L.	99,83	Equity method	Concession, R-4 Motorway	44.185	(162.329)	(21.597)	-
Autovía del Turiá, Conc. de la Generalitat Valenciana, S.A. CV-35 Km - PK 6.500 Paterna - Valencia	89,00%	Autovías de Peaje en Sombra, S.L.	23,33	Full consolidation	Concession, CV-35 Motorway and CV-5 north alternate route	36.250	(28.341)	(2.400)	-
Viastru Concesionaria del Principado de Asturias, S.A. Lugo de Llanera - Llanera - Asturias	70,00%	Sacyr Concesiones, S.L.	10,03	Full consolidation	Concession, AS-18 Motorway and widening of the AS-17 road	14.326	(31.500)	(2.202)	-
Autopista del Valle S.A. San José, Edificio Terraforce, Cuatro Pisos - Costa Rica	35,00%	SyV Conc. Costa Rica, S.A.	0,86	Equity method	Concession for the San José - San Ramón road link	2.474	(322)	14.089	(13.832)
Intercambiador de Transportes de Moncloa, S.A. Pasado de la Castellana, 83-85, Madrid	100,00%	Conc. Intercambiadores de Transporte, S.L.	18,07	Full consolidation	Construction and operation of the Moncloa transport hub	16.862	(5.596)	2.820	-
Autovía del Eresma Conc. de la Junta de Castilla y León, S.A. Carbonero el Mayor - Segovia	80,00%	Sacyr Concesiones, S.L.	13,11	Full consolidation	Construction and operation of Valladolid-Segovia Motorway	17.000	(12.285)	(1.172)	-
Autovía del Barbanza Conc. de la Xunta de Galicia, S.A. Calle Vianño Boro La Coruña	90,00%	Sacyr Concesiones, S.L.	8,70	Full consolidation	Construction and operation of Barbanza Motorway	9.400	(24.670)	(778)	-
Autopista del Guadalmedina Concesionaria Española, S.A. Calle Perforación, Málaga. 14 Casa Bermeja - Málaga	70,00%	Sacyr Concesiones, S.L.	44,57	Full consolidation	Construction and operation of the Málaga-Las Pedrizas Motorway	55.123	28.326	(7.195)	-
Hospital de Majadahonda, S.A. Calle Joaquín Rodrigo, 2 Majadahonda Madrid	20,00%	Sacyr Concesiones, S.L.	3,66	Equity method	Majadahonda Hospital Concession	18.283	(4.300)	5.935	(2.216)
Hospital de Parla, S.A. Pasado de la Castellana, 83-85	70,25% 29,74%	Sacyr Concesiones, S.L. Hospitales Concesionados, S.L.	8,30 7,99	Full consolidation	Construction and concession of Parla Hospital	11.820	3.238	2.121	-
Hospital del Noreste, S.A. Pasado de la Castellana, 83-85	70,25% 29,74%	Sacyr Concesiones, S.L. Hospitales Concesionados, S.L.	10,05 9,67	Full consolidation	Construction and concession of Hospital del Noreste	14.300	2.929	2.164	-
Interc. de Transporte de Plaza Elíptica, S.A. Pasado de la Castellana, 83-85, Madrid	100,00%	Conc. Intercambiadores de Transporte, S.L.	19,50	Full consolidation	Construction and concession of Plaza Elíptica transport hub	19.505	1.989	1.559	-
Autovía del Atarés, S.A. Carretera N-122, Km 273, Aranda de Duero - Burgos	50,00% 5,00%	Sacyr, S.A. Valoria Conserv. e Infraest. S.A.	11,86 1,18	Full consolidation	Motorway concession Santo Tomé de Puerto-Burgos motorway	23.723	(1.934)	(1.165)	-
Inversora Autopista de Levante, S.L. Plaza Manuel Gomez Moreno, 2 edificio Alfredo Mahou Madrid	40,00%	Sacyr Concesiones, S.L.	42,29	Equity method	Concession of the Ocaña - La Roda Motorway	67.919	(144.408)	(22.974)	-
Hospital Majadahonda Explotaciones, S.L. Calle Joaquín Rodrigo, 2 Majadahonda Madrid	25,00%	Sacyr Concesiones, S.L.	0,0025	Equity method	Construction and concession of Majadahonda Hospital	10	4	1.773	-
Autovías de Peaje en Sombra, S.L. Pasado de la Castellana, 83-85, Madrid	51,00%	Sacyr Concesiones, S.L.	6,16	Equity method	Construction, maintenance and operation of infrastructure	7.704	4.971	2.214	-
Conc. Intercambiadores de Transporte, S.L. Pasado de la Castellana, 83-85, Madrid	51,00%	Sacyr Concesiones, S.L.	4,09	Equity method	Construction, maintenance and operation of infrastructure	6.336	(1)	1.548	-
N8 Concession Ltd 25-28 North Wall Quay Dublin 1 - Ireland	100,00%	N8 Concession Holding Ltd	0,05	Equity method	Construction and concession Galway - Ballinasloe N8 stretch	50	(35.530)	(5.116)	-
N8 Operations Ltd 25-28 North Wall Quay Dublin 1 - Ireland	50,00%	Sacyr Concesiones Limited	0,00	Equity method	Maintenance and operation of the Galway - Ballinasloe N8 stretch	-	607	408	-
SyV Servicios México, S.A. de C.V. Delegación Coyacán, México City - México	99,998% 0,002%	SyV México Holding, S.A. de C.V. Sacyr, S.A.	0,003 0,00010	Full consolidation	Construction in Mexico	3	(12)	5	-
Tenemetro, S.L. Carretera general la Cuesta-Taco 124 La Laguna - Santa Cruz de Tenerife	30,00%	Sacyr Concesiones, S.L.	0,63	Equity method	Maintenance and operation of the Tenerife metro	9.000	(9.394)	(122)	-
Sacyr Concesiones Chile, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	85,63% 14,37%	Sacyr Concesiones, S.L. Sacyr Chile, S.A.	26,34 4,41	Full consolidation	Construction and operation of concessions in Chile	29.461	(531)	(5.257)	-
S.C. Valles del Desierto, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	60,00%	Sacyr Concesiones Chile, S.A.	21,60	Full consolidation	Construction and operation of concessions in Chile	35.917	6.271	5.221	-
Sacyr Operación y Servicios, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	97,17% 2,83%	Sacyr Concesiones Chile, S.A. Sacyr Concesiones, S.A.	3,30 0,101	Full consolidation	Construction and operation of concessions in Chile	3.402	(1.801)	(722)	-
Hospitales Concesionados, S.L. Pasado de la Castellana, 83-85, Madrid	100,00%	Sacyr Concesiones, S.L.	17,709	Full consolidation	Maintenance and operation of hospital infrastructure	543	17.153	-	-
Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A. Calle Molina de Segura, 8 Torralgo	67,331%	Sacyr Concesiones, S.L.	17,12	Full consolidation	Construction in Spain	25.000	(10.670)	(13.330)	-
Sociedad Concesionaria Valles del Bio Bio, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51,00%	Sacyr Concesiones Chile, S.A.	26,10	Full consolidation	Construction and maintenance of the Concepción-Cabres Motorway	51.189	(2.020)	2.043	-
Sociedad Concesionaria Rutas del Desierto, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51,00%	Sacyr Concesiones Chile, S.A.	15,44	Full consolidation	Construction and maintenance of Iquique civil engineering	30.281	(1.601)	1.807	-
Sociedad Concesionaria Ruta del Algarbo, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	93,30% 6,70%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	43,80 2,870	Full consolidation	Construction and maintenance of Ruta Norte project	46.946	(5.767)	1.393	-
S.C. Salud Siglo XXI, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	99,00%	Sacyr Concesiones Chile, S.A.	21,74	Full consolidation	Maintenance and operation of the Antobagasta Hospital public works	21.960	(1.245)	156	-
S.C. Ruta del Limari, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	65,00% 35,00%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	19,03 10,028	Full consolidation	Maintenance and operation of the Ruta 43 public works	29.280	(1.649)	87	-
S.C. Viales Andrat, S.A. Avenida Vitacura NP 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	98,00% 2,00%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	0,007 0,001	Full consolidation	Construction and operation of concessions in Chile	7	-	(1)	-
GSJ Maintenance Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland	45,00%	Sacyr Concesiones Limited	0,22	Equity method	Engineering development Construction and assembly of works	50	-	1.086	-
Sacyr Concesiones Chile, S.A.S. Transversal 23, #94-33, Of 801 - Bogotá - Colombia	100,00%	Sacyr Concesiones, S.L.	0,28	Full consolidation	Construction and operation of concessions in Colombia	101	195	(529)	-
Sacyr Conc. Participaciones I, S.L. Pasado de la Castellana, 83-85, Madrid	100,00%	Sacyr Concesiones, S.L.	0,02	Full consolidation	Construction and operation of infrastructure	23	(1)	(8)	-
Sacyr Perú, S.A.C. Avda del Pinar, Urbanización Chacabilla del Estanque - Santiago de Surco - Lima - Peru	99,99% 0,01%	Sacyr Concesiones, S.L. Sacyr Conc. Participaciones I, S.L.	0,156 0,00	Full consolidation	Construction and operation of concessions in Peru	157	2	(248)	-

SERVICES

Subsidiaries and holding companies									
Valotiza Gestión S.A.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr, S.A.	165,54	Full consolidation	Property holding company	122.133	81.423	(30.632)	-
Somague Ambiente, S.A. Rua de Tapado de Quinta de Cima, Linho Sintra - Portugal	100,00%	Valotiza Gestión S.A.U.	15,30	Full consolidation	Environmental consultancy and management	10.000	40.735	(6.055)	-
Sacyr Industrial, S.L.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Valotiza Gestión S.A.U.	31,52	Full consolidation	Power generation projects	20.545	11.920	9.375	-
Valotiza Agua, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Valotiza Gestión S.A.U.	96,40	Full consolidation	Environmental consultancy and management	83.841	13.301	318	-
Valotiza Facilites, S.A.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Valotiza Gestión S.A.U.	1,48	Full consolidation	Integrated property management	1.181	8.507	7.933	-
Valotiza Servicios Medioambientales, S.A. Calle Juan Esplandiú, 11-13, Madrid	93,47%	Valotiza Gestión S.A.U.	135,31	Full consolidation	Environmental management	17.129	41.255	9.820	-
Suardiz Servicios Marítimos de Barcelona, S.L. Calle Ajala, 6, Madrid	50,03%	Valotiza Gestión S.A.U.	3,10	Equity method	Maritime services	3	5.794	1.852	-
Erenvalor Naval, S.L. Lugar Santa Tecla, 69 Vigo - Porevada	40,00%	Valotiza Gestión S.A.U.	0,18	Equity method	Construction and maintenance of wind farms	450	(257)	(106)	-
Services									
Environment									
Valotiza Conservación de Infraestructuras, S.A. Paseo de la Castellana, 83-85, Madrid	100,00%	Valotiza Gestión S.A.U.	0,74	Full consolidation	Environmental consultancy and management	750	4.442	2.477	-
Simulador Virtualidad Inernal, S.L. Paseo de la Castellana, 83-85, Madrid	60,00%	Valotiza Conservación de Infraestructuras, S.A.	0,007	Full consolidation	Preparation of programmes and training in new technologies	12	-	-	-
Energy									
Repsol, S.A. Calle Méndez Alvaro, 44, Madrid	9,23%	Sacyr Partic.Mobili S.L.	3.284,40	Equity method	International integrated oil and gas company	1.324.516	25.919.484	195.000	(232.000)
Olestra, S.A. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	87,59%	Sacyr Industrial, S.L.U.	4,02	Full consolidation	Power generation projects	4.600	1.070	75	-
Extragol, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	68,76%	Sacyr Industrial, S.L.U.	1,65	Full consolidation	Power generation projects	2.404	4.620	1.245	(1.700)
Secadores de Biomasa, S.A. (SEDEBISA) Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	78,26%	Sacyr Industrial, S.L.U.	2,43	Full consolidation	Energy recovery from pomace oil	2.900	857	(185)	-
Biomassas de Puente Genil, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	78,08%	Sacyr Industrial, S.L.U.	2,18	Full consolidation	Power generation projects	2.600	4.454	638	-
Compañía Energética de Pala de Múto, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	78,08%	Sacyr Industrial, S.L.U.	2,18	Full consolidation	Power generation projects	2.600	1.038	139	-
Compañía Energética de La Roda, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	1,17	Full consolidation	Power generation projects	1.300	1.733	(297)	-
Compañía Energética Las Villas, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	0,05	Full consolidation	R&D research and research projects	700	4.525	(2.365)	-
Compañía Energética Puente del Obispo, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	0,45	Full consolidation	R&D research and research projects	500	635	709	-
Fotovoltaicas Dos Rios, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	0,06	Full consolidation	R&D research and research projects	60	(54)	-	-
Bioeléctrica de Valladolid, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	0,06	Full consolidation	R&D research and research projects	60	(25)	-	-
Geoil Climatización, S.L. Calle Correa Weglison 4, 2 A, Jaén	64,73%	Sacyr Industrial, S.L.U.	1,48	Full consolidation	R&D research and research projects	2.295	(1.887)	(1.106)	-
Desarrollos Edilicios Extremeños, S.L. Calle Borrego, 2 Cáceres	50,00%	Sacyr Industrial, S.L.U.	0,95	Equity method	R&D research and research projects	1.910	(367)	(10)	-
Compañía Energética Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	60,30%	Sacyr Industrial, S.L.U.	3,72	Full consolidation	R&D research and research projects	6.161	2.399	(8.463)	-
Compañía Olejera de Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	51,00%	Sacyr Industrial, S.L.U.	1,18	Full consolidation	Oil extraction	2.332	148	(276)	-
Bioeléctrica de Linares, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	81,43%	Sacyr Industrial, S.L.U.	7,74	Full consolidation	Biomass-fueled electricity generation plant	9.500	(483)	(451)	-
Ibervalor Energía Atagonesa, S.A. Paseo de la Constitución, 4 Zaragoza	50,00%	Sacyr Industrial, S.L.U.	0,20	Equity method	Wind power	400	(307)	(13)	-
Solucia Renovables, S.L. Planta Termosolar Labrija 1, Parcela 12053 sector B13, Las Marismas de Labrija, Sevilla	50,00%	Sacyr Industrial, S.L.U.	45,80	Equity method	R&D research and research projects	91.602	(84.055)	(61.335)	-
Soleval Renovables, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	50,00%	Sacyr Industrial, S.L.U.	0,0017	Equity method	R&D research and research projects	3	2.139	(80)	-
Vaicar Renovables, S.L. Calle La Verde, Heremes, s/n Camargo - Cantabria	65,00%	Sacyr Industrial, S.L.U.	0,325	Full consolidation	R&D research and research projects	500	(381)	(67)	-
Soc. Andaluza Valoración de la Biomasa, S.A. Centro de empresas de pabellon de Italia Calle Isaac Newton, s/n Sevilla	6,00%	Sacyr Industrial, S.L.U.	0,180	Equity method	R&D research and research projects	3.000	(1.406)	(158)	-
Biomassas de Talavera, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,003	Full consolidation	R&D research and research projects	3	(1)	-	-
Bipuge II, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,006	Full consolidation	R&D research and research projects	3	-	-	-
Biomassas Puente Obispo, S.L. Calle Luis Montoto, 107-113, Pl. 4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,003	Full consolidation	R&D research and research projects	3	(1)	-	-
Biobal Energía, S.L. Paseo de la Castellana, 83-85, Madrid	51,00%	Sacyr Industrial, S.L.U.	0,0015	Full consolidation	R&D research and research projects	3	-	-	-
Iberesa Bolivia, S.R.L. Carretera Doble Via La Guardia Km 71/2- Santa Cruz de la Sierra-Bolivia	100,00%	Sacyr Industrial, S.L.U.	0,0160	Full consolidation	R&D research and research projects	27	(649)	5	-
Quatro T&D Limited 281 Springhill Parkway - Lanarkshire - Scotland	33,00%	Sacyr Industrial, S.L.U.	0,12	Equity method	Construction of an electricity substation	361	(294)	(258)	-
Sacyr Industrial Peru, S.A.C. Av. La Floresta, 497, int. 401-San Boja-Lima-Peru	100,00%	Sacyr Industrial, S.L.U.	0,116	Full consolidation	R&D research and studies projects	117	3	(56)	-
Grupo Saicra, S.A.C. Av. La Floresta, 497, int. 401-San Boja-Lima-Peru	71,00%	Sacyr Industrial, S.L.U.	0,21	Full consolidation	R&D research and studies projects	3	(1)	1	-
Sacyr Industrial Colombia, S.A.S. TV 23, nº 9433 Of 801, Bogotá - Colombia	100,00%	Sacyr Industrial, S.L.U.	0,210	Full consolidation	R&D research and studies projects	211	(23)	1	-

New technologies

Valoriza Energía Operación y Mantenimiento, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	2.00	Full consolidation	Telecommunications Services	301	1.523	729	-
Burosof, Sistemas de Información, S.L. Carretera de la Conuía Km23,200 edificio Ecu Las Rozas - Madrid	70.00%	Valoriza Facilities, S.A.U.	0.54	Full consolidation	IT system development	259	(1.323)	-	-

Water

Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) Calle Comodoro Rolin, 4 Santa Cruz de Tenerife	94.64%	Sacyr, S.A.	25.38	Full consolidation	Water supply	1.346	17.334	429	-
Aguas de Toledo, A.E. Calle Padilla, 17, Madrid	50.00%	Valoriza Gestión S.A.U.	0.03	Equity method	Water supply in Toledo	60	-	-	-
Gedca Sikkida, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid	33.00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	3.72	Equity method	Operation of desalination plants	11.310	3.196	4.732	-
Gedca Themcon, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid	50.00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	15.01	Equity method	Operation of desalination plants	23.160	15.599	3.671	-
Empresa Mixta de Aguas de Las Palmas, S.A. (EMALSA) Calle Plaza de la Constitución 2 Canary Islands	33.00%	Valoriza Agua, S.L.	27.53	Equity method	Water supply in Las Palmas	28.247	4.176	207	-
Sociedad Anónima Depuración y Tratamientos (SADYT) Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Agua, S.L.	5.27	Full consolidation	Water treatment and purification	2.500	414	1.648	-
Santacruceña de Aguas, S.L. Avenida La Salle 40 Las Palmas de Gran Canaria	100.00%	Valoriza Agua, S.L.	0.003	Full consolidation	Water treatment and purification	3	1.436	89	-
Valoriza Water Australia, PTY Ltd 256 Adelaide Terrace Perth - Australia	100.00%	Valoriza Agua, S.L.	0.000003	Full consolidation	Water treatment and purification	-	5.777	117	-
Secanarias, S.A. Avenida de Juan XXIII, 1 Las Palmas de Gran Canaria	50.00%	Valoriza Agua, S.L.	0.38	Equity method	Water treatment and purification	770	(279)	(183)	-
Valoriza Chile, S.P.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile	100.00%	Valoriza Agua, S.L.	2.95	Full consolidation	Water treatment and purification	2.958	55	(4)	-
Valorinima, S.L. Calle Gutaravides, 17, Las Tablas - Madrid	20.00%	Valoriza Agua, S.L.	0.0008	Equity method	Water treatment and purification	3	-	-	-
Sociedad Económica Mixta de Aguas de Soria, S.L. Plaza Mayor, 7, Soria	74.00%	Valorinima, S.L.	3.70	Equity method	Water treatment and purification	5.000	(3)	3	-

Valoriza Servicios Medioambientales Group

Gestión Participes del Bioreciclaje S.A. Carretera Puerto Real a Paterna Km 13.5 Medina Sidonia - Cadiz	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Activities related to the management and treatment of urban solid waste	60	(84)	-	-
Compost del Prineo S.L. Calle Juan Esplandiú, 11-13 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	0.58	Equity method	Development of sludge composting plants (waste-water purification plants)	1.161	(705)	(175)	-
Metrochanga S.L. Finca Rambla Pirin, s/n Barcelona	21.60%	Valoriza Servicios Medioambientales, S.A.	2.71	Equity method	Management & construction over 15 years of the San Adria de Besos purification plant	12.554	(949)	505	-
Boremer S.A. Calle Ribera del Lora 42, edificio 3 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	1.09	Equity method	Contracting and management of project clearing services	2.176	2.206	(2.014)	-
Biomassas del Prineo S.A. Calle San Bartolomé, 11 Alcalá de Guara - Huesca	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	300	(165)	-	-
Valdemingómez 2000, S.A. Calle Albarcan, 44 Madrid	40.00%	Valoriza Servicios Medioambientales, S.A.	1.20	Equity method	Degasification project at the Valdemingómez landfill site	3.006	937	(565)	-
Cultivos Energéticos de Castilla S.A. Avenida del Cid Campeador, 4 Burgos	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	75	(65)	(2)	-
Insoer Estacionamiento Regulado, A.I.E. Calle Covernubas, 1 Madrid	18.34%	Valoriza Servicios Medioambientales, S.A.	0.07	Equity method	Auxiliary services to the control of regulated street parking in Madrid	360	-	-	-
Gestora Canaria de Lodos de Depuradora, S.A. Calle Aljardero Hidalgo, 3 Las Palmas de Gran Canaria	85.00%	Valoriza Servicios Medioambientales, S.A.	0.09	Full consolidation	Contracting with producers for the removal of sewage	100	(22)	-	-
Parque Edificio la Sotonera, S.L. Plaza Antonio Beltrán Martínez, 14 Zaragoza	30.16%	Valoriza Servicios Medioambientales, S.A.	0.60	Equity method	Production of renewable energy	2.000	3.999	1.362	-
Hidroandaluza, S.A. Paseo de la Castellana, 83-85 Sevilla	100.00%	Valoriza Servicios Medioambientales, S.A.	0.47	Full consolidation	Sale and purchase of IT equipment	283	2.193	816	-
Gestión de Infraestructuras Canarias, S.A. Plaza de José Anzerena Paredes, 1 Santa Cruz de Tenerife	62.00%	Valoriza Servicios Medioambientales, S.A.	0.05	Full consolidation	Studies, works and projects	61	271	-	-
Participes del Bioreciclaje, S.A. Calle Federico Salimón, 8 Madrid	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Waste management	60	(120)	-	-
Bioreciclaje de Cádiz, S.A. Calle San Juan, 12 Medina Sidonia - Cadiz	98.00%	Participes del Bioreciclaje, S.A.	4.87	Equity method	Management, storage, transport, and treatment of elimination of waste	1.803	10.985	1.416	-
Iniciativas Medioambientales del Sur, S.L. Complejo Medioambiental de Bolefios Jerez de la Frontera - Cadiz	50.00%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Street cleaning, collection, transport and waste and water treatment	40	244	-	-
Inte RCD, S.L. Calle Américo Vespucio, 69 Sevilla	33.33%	Valoriza Servicios Medioambientales, S.A.	0.03	Equity method	Property development, construction and demolition waste services	3	-	-	-
Inte RCD Bahía de Cádiz, S.L. Calle de los Trabajadores, 20 Chiclana de la Frontera - Cadiz	60.00%	Inte RCD, S.L.	0.28	Equity method	Property development, construction and demolition waste services	260	(732)	-	-
Inte RCD Huelva, S.L. Calle Lape, 12 Cartaya - Huelva	60.00%	Inte RCD, S.L.	0.45	Equity method	Property development, construction and demolition waste services	753	(860)	-	-
Eurocomercial, S.A.U. Calle de Juan Esplandiú, 11-13 Madrid	100.00%	Valoriza Servicios Medioambientales, S.A.	0.45	Full consolidation	Engineering, consultancy and import/export of products for deposit and sale	136	2.731	28	-
Degasificación de Vertederos, S.A. Calle Federico Salimón, 8 Madrid	50.00%	Eurocomercial S.A.U.	0.03	Equity method	Recovery of biogas from degasification of landfill sites	60	(239)	-	-
Alcorec, S.L. Avenida Kansas City, 3 10 Sevilla	10.00%	Valoriza Servicios Medioambientales, S.A.	0.066	Equity method	Construction and demolition waste management	174	(944)	(100)	-
Surge Ambiental, S.L. Calle de Juan Esplandiú, 11-13 Madrid	100.00%	Valoriza Servicios Medioambientales, S.A.	0.06	Full consolidation	Construction and demolition waste management	3	54	(172)	-
Reciclados y Tratamientos Andaluces, S.L. Calle Yakarta, 8 Sevilla	50.00%	Alcorec, S.L.	0.250	Equity method	Construction and demolition waste management	3	37	-	-
Sacorec, S.L. Avenida Kansas City, 3 16 Sevilla	50.00%	Alcorec, S.L.	0.003	Equity method	Construction and demolition waste management	6	(64)	-	-
Residuos Construcción de Cuenca, S.A. Carretera Nacional 32 Km 133 Cuenca	50.00%	Valoriza Servicios Medioambientales, S.A.	0.030	Equity method	Construction and demolition waste management	60	76	(33)	-
Tratamiento Residuos de La Rioja, S.L. Calle La Red de Vana, s/n Villamediana de Iregua - La Rioja	100.00%	Valoriza Servicios Medioambientales, S.A.	0.003	Full consolidation	Construction and demolition waste management	3	(2.442)	(166)	-
Ecotrading 360 Grados, S.L. Ronda de Atocha, 37 Madrid	62.01%	Waste Resources, S.L.	1.802	Full consolidation	Construction and demolition waste management	3	177	3	-
Secado Térmico de Castellón, S.A. Calle Farzara, 5 Burriana - Castellón	60.00%	Valoriza Servicios Medioambientales, S.A.	0.00	Full consolidation	Construction and demolition waste management	3.000	29	3	-
Waste Resources, S.L. Ctra de Vicalvaro a O'Donnell, 7, 28032 Madrid	100.00%	Hidroandaluza, S.A.	0.003	Full consolidation	Construction and demolition waste management	3	-	-	-

Multi-services									
Valoriza Servicios Socio Sanitarios, S.L. Paseo de la Castellana, 83-85 Madrid.	76.00%	Valoriza Facilities, S.A.U.	4.27	Full consolidation	Provision of social services	12.500	334	69	-
Valoriza Servicios a la Dependencia, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Servicios Socio Sanitarios, S.L.	9.00	Full consolidation	Provision of social services	3.588	463	493	-
Calestore, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Valoriza Gestión S.A.U.	8.00	Full consolidation	Catering services and retail outlets	2.050	24	28	-
Burguestore, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Calestore, S.A.	0.003	Full consolidation	Operation of service stations	3	11	10	-
PROPERTY DEVELOPMENT									
Subsidiaries and holding companies									
Vallehermoso División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	441.89	Full consolidation	Property holding company	117.343	(110.031)	(151.677)	-
Somague Inmobiliaria S.A. Rua de Tapada de Quinta de Cima, Linho Sintra - Portugal.	100.00%	Val. Div. Promoción, S.A.U.	18.21	Full consolidation	Property holding company in Portugal	15.000	(18.195)	(8.239)	-
Property developers									
Eranos, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	0.47	Full consolidation	Property development	150	134	(576)	-
Prosacyr Ocio, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	20.99	Full consolidation	Property development	4	(1.254)	4.745	-
Capace, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	0.20	Full consolidation	Property development	153	1.808	105	-
Ticóbal, S.A. Paseo de la Castellana, 83-85 Madrid.	60.00%	Val. Div. Promoción, S.A.U.	9.37	Full consolidation	Property development	9.015	4.762	(2.845)	-
Club de Campo As Maniñas, S.A. Calle Tanco, s/n Culleredo - La Coruña.	19.99%	Val. Div. Promoción, S.A.U.	0.18	Equity method	Property development	271	(408)	-	-
Camarate Golf, S.A. Paseo de la Castellana, 81 Madrid.	26.00%	Val. Div. Promoción, S.A.U.	2.90	Equity method	Property development	11.160	(2.273)	(1.539)	-
Claudia Zahara 22, S.L. Avenida Eduardo Dato, 69 Sevilla.	49.59%	Val. Div. Promoción, S.A.U.	10.73	Equity method	Property development	7.654	(3.555)	(1.035)	-
M Capital, S.A. Puerta del Mar, 20 Málaga.	4.97%	Val. Div. Promoción, S.A.U.	0.41	Equity method	Property development	5.377	(2.575)	-	-
Puerta de Oro Toledo, S.L. Calle Príncipe de Vergara, 15 Madrid.	35.00%	Val. Div. Promoción, S.A.U.	2.10	Equity method	Property development	6.000	(11)	(1)	-
Fortuna Golf, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	0.36	Full consolidation	Property development	30	17	(45)	-
PROPERTY MANAGEMENT									
Subsidiaries and holding companies									
Testa Inmuebles en Renta, S.A. Paseo de la Castellana, 83-85 Madrid.	99.50%	Sacyr, S.A.	792.96	Full consolidation	Property holding company	692.855	522.486	51.643	(20.785)
Property management companies									
Nisa, V.H., S.A.U. Avenida Diagonal, 490 Barcelona.	100.00%	Testa Inmuebles en Renta, S.A.	1.13	Full consolidation	Property rental	1.134	412	34	-
Trade Center Hotel, S.L.U. Avenida Diagonal, 490 Barcelona.	100.00%	Testa Inmuebles en Renta, S.A.	12.02	Full consolidation	Property rental	12.020	19.407	2.960	-
Testa Residencial, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Testa Inmuebles en Renta, S.A.	101.73	Full consolidation	Property rental	102.696	35.155	(1.333)	-
Testa American Real State Corporation 11 11 Brickell Avenue Miami - USA.	100.00%	Testa Inmuebles en Renta, S.A.	70.68	Full consolidation	Property rental	70.387	26.446	32.614	-
Gesfontesta, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Testa Inmuebles en Renta, S.A.	0.64	Full consolidation	Property rental	571	143	1.138	-
Prosacyr Hoteles, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%	Testa Inmuebles en Renta, S.A.	4.29	Full consolidation	Property rental	180	4.103	-	-
Gescentesta, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Testa Inmuebles en Renta, S.A.	0.003	Full consolidation	Property rental	3	1	268	-
Itaceco, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Testa Inmuebles en Renta, S.A.	0.006	Full consolidation	Property rental	6	(2)	59	-
Bardiomar, S.L. Paseo del Club Deportivo, 1 Pozuelo de Alarcón - Madrid	50.00%	Testa Inmuebles en Renta, S.A.	19.71	Equity method	Property rental	7.631	1.526	1.917	-
Provitae Centros Asistenciales, S.L. Calle Francisco de Rojas, 8 Madrid.	50.00%	Testa Inmuebles en Renta, S.A.	11.57	Equity method	Property rental	6.314	4.203	(183)	-
PK Inversiones 22, S.L. Calle Príncipe de Vergara, 15 Madrid.	50.00%	Testa Inmuebles en Renta, S.A.	0.03	Equity method	Property rental	60	(24)	-	-
Pk Hoteles 22, S.L. Calle Príncipe de Vergara, 15 Madrid.	32.50%	Testa Inmuebles en Renta, S.A.	5.69	Equity method	Property rental	5.801	(983)	(75)	-
Parking Palau, S.A. Plaza de América, 3 Valencia.	33.00%	Testa Inmuebles en Renta, S.A.	0.66	Equity method	Property rental	1.998	289	61	-
Pazo de Congressos de Vigo, S.A. Avenida García Barbón, 1 Pontevedra.	44.44%	Testa Inmuebles en Renta, S.A.	10.58	Equity method	Property rental	16.351	(17.557)	(7.034)	-
	11.11%	Sacyr Construcción, S.A.U.	2.65	Equity method	Property rental				

APPENDIX I: SCOPE OF CONSOLIDATION 2014

SACYR GROUP

NOTE: Indirect shareholdings are calculated based on the owner of the holding.

Company	Percentage method	Owner of the method	Investment (million euros)	Consolidation method	Activity performed	Share capital	Reserves	Profit(s)	Interim dividend
SACYR GROUP									
Subsidiaries and holding companies									
Sacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	100.00%				Holding company for Sacyr Vallehermoso Group	502.212	82.992	13.239	-
Sacyr Vallehermoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	1.600,00	Full consolidation	Investment vehicle in Repsol, S.A.	1.200.000	(152.002)	38.190	-
Sacyr Gestión de Activos, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0,004	Full consolidation	Acquisition, management of securities and advisory services	4	731.147	1.833	-
CONSTRUCTION									
Subsidiaries and holding companies									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	297,83	Full consolidation	Property holding company	52.320	221.126	35.918	-
Inchisacyr, S.A. Paseo de la Castellana, 83-85 Madrid.	90,25% 9,75%	Sacyr, S.A. Sacyr Construcción, S.A.U.	4,54 0,27	Full consolidation	Investment vehicle in Sacyr Chile	2.400	(438)	11	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	12,29% 1,11% 86,60%	Sacyr Construcción, S.A.U. Inchisacyr Sacyr Const. Partic. Accionariades, S.L.	13,13 2,56 60,40	Full consolidation	Investment vehicle in Chilean construction firms	74.700	33.940	29.884	-
Somague, S.C.P.S. Rua de Tapada da Quinta de Cima, Lintão Sintra - Portugal.	100.00%		229,40	Full consolidation	Holding company for Somague Engenharia	130.500	37.277	119	-
Sacyr Construcción México, S.A. de C.V. Paseo de la Reforma nº 350, Piso 11 - Colonia Juárez Delegación Cuauhtémoc, México City - México	99,998% 0,002%	Sacyr Construcción, S.A.U. Pinar, S.A.U.	0,722 0,000	Full consolidation	Construction in Mexico	722	65	(677)	-
Construction									
Cavasa, Obras y Proyectos, S.A. Paseo de la Castellana, 83-85 Madrid.	91,00% 9,00%	Pinar, S.A.U. Sacyr Construcción, S.A.U.	4,12 0,85	Full consolidation	Explosives, blasting and drilling/boring	5.151	30.340	164	-
Scinaser, S.A. Avenida Corts Catalanes, 2, 2, local 3 - Sant Cugat del Valles, Barcelona.	85,00%	Sacyr Construcción, S.A.U.	0,51	Full consolidation	Civil engineering	-	58.511	(2.279)	-
Pinar, S.A.U. Calle Luis Montoto 107-113 - Edificio Cristal, planta 4ª, modulo J, Sevilla.	100,00%	Sacyr Construcción, S.A.U.	3,18	Full consolidation	Civil engineering	3.185	12.216	3.002	-
Ideyco, S.A.U. Calle Jarama, s/n, parcela 8 rase 3 Toledo.	100,00%	Pinar, S.A.U.	0,30	Full consolidation	Technical trials and quality control	301	(2.867)	(370)	-
Cavasa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	100,00%	Cavasa, S.A.	0,98	Full consolidation	Explosives, blasting and drilling/boring	2.583	220	115	-
Febide, S.A.U. Calle Gran Via 35 5ª Vizcaya.	100,00%	Sacyr Construcción, S.A.U.	0,75	Full consolidation	Civil engineering	601	(1.130)	670	-
Sacyr Agua Santa, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50,00%	Sacyr Chile, S.A.	0,04	Equity method	Construction in Chile	79	86	21	-
Constructora ACS-Sacyr, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile.	50,00%	Sacyr Chile, S.A.	0,07	Equity method	Construction in Chile	185	(119)	4	-
Constructora Sacyr-Nesco, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50,00%	Sacyr Chile, S.A.	0,006	Equity method	Construction in Chile	17	32	-	-
Constructora Nesco-Sacyr, S.A. Magdalena 140, oficina 501, comuna de Las Condes, Chile.	50,00%	Sacyr Chile, S.A.	0,006	Equity method	Construction in Chile	17	55	-	-
Obras y Servicios de Galicia y Asturias S.A.U. Plaza de Vigo 2 - Santiago de Compostela.	100,00%	Sacyr Construcción, S.A.U.	1,45	Full consolidation	Civil engineering	1.000	(157)	(178)	-
Tecnológica Lens, S.L. Calle La Vega 5, 4ª - Campomanes Asturias.	35,00% 15,00%	Sacyr Construcción, S.A.U. Cavasa, S.A.	0,32 0,14	Equity method	Civil engineering	906	(1.735)	351	-
Constructora San José - San Ramón, S.A. Distrito séptimo La Uruca, cantón primero Costa Rica.	33,00%	Sacyr Costa Rica, S.A.	0,05	Equity method	Construction of the San José - San Ramón road link	155	112	23	-
Constructora San José - Caldera CSJC, S.A. Atajuela - Costa Rica.	33,00%	Sacyr Costa Rica, S.A.	0,0005	Equity method	Construction of the San José - Caldera	1	6.586	(83)	-
SIS, S.C.P.A. Via Invenio, 24/A, Turin - Italy.	49,00%	Sacyr Construcción, S.A.U.	7,35	Equity method	Construction in Italy	15.000	-	-	-
Nodo D Palermo, S.p.A. Via Invenio, 24/A, Turin - Italy.	99,80%	SIS, S.C.P.A.	39,92	Equity method	Construction in Italy	10.000	-	-	-
Superstrada Pedemontana Veneta, SRL Via Invenio, 24/A, Turin - Italy.	99,999% 0,001%	SIS, S.C.P.A. Innee Infraestructuras, S.A.	199,99 0,01	Equity method	Construction in Italy	50.008	3.993	(481)	-
Somague Engenharia, S.A. Rua de Tapada da Quinta de Cima, Lintão Sintra - Portugal.	100,00%	Somague, SGPS	58,45	Proportionate consolidation	Civil engineering and building	58.450	111.851	2.473	-
Sacyr Costa Rica, S.A. San José, Escazú de la Trienda edificio Terraforte, 4ª, Cantón-Costa Rica.	100,00%	Sacyr Construcción, S.A.U.	1,38	Full consolidation	Construction in Costa Rica	1.383	1.664	50	-
Eurolink, S.c.p.a. Corso D'Italia, 83 - Rome - Italy.	18,70%	Sacyr Construcción, S.A.U.	28,05	Equity method	Construction in Italy	37.500	-	-	-
Sacyr Ireland Limited Unit 11, Harmony Court, Harmony Row, Ireland Dublin 2 - Ireland.	100,00%	Sacyr Construcción, S.A.U.	42,72	Full consolidation	Construction in Ireland	42.722	(41.425)	(16)	-
N6 Construction Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42,50%	Sacyr Ireland Limited	0,00002	Equity method	Construction in Ireland	-	(91.129)	738	-
M50 (D&C) Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland.	42,50%	Sacyr Ireland Limited	0,000085	Equity method	Construction in Ireland	-	(7.670)	62	-
Sacyr Servicios México, S.A. de C.V. Periferico Sur 4302 - 105 - Col. Jardines del Pedregal, Mexico City - Mexico.	99,998% 0,002%	Sacyr México, S.A. de C.V. Sacyr Construcción, S.A.U.	0,025 0,00	Full consolidation	Construction in Mexico	25	(8)	10	-
SV-LDCC Construcciones Generales Al Sayahya, Madreen Street (Behind Bader Mosque) Tripoli - Libya.	60,00%	Sacyr Construcción, S.A.U.	3,31	Full consolidation	Construction in Libya	5.360	(17.038)	-	-
Sacyr Panamá, S.A. Panama City, Republic of Panama	100,00%	Sacyr Construcción, S.A.U.	1,86	Full consolidation	Construction in Panama	1.862	490	183	-
Grupo Unidos por el Canal, S.A. Panama City, Republic of Panama	41,60%	Sacyr, S.A.	0,28	Equity method	Construction in Panama	600	(363.710)	-	-
Sacyr India Infra Projects Private Limited SF-08, Second Floor, Vasant Square Mall Vasant Kuri- New Delhi-110070, Delhi, India.	99,99% 0,01%	Sacyr Construcción, S.A.U. Cavasa, S.A.	1,56 0,00	Full consolidation	Construction in India	733	(432)	(586)	-
Sacyr Perú, S.A.C. C/ Monteflor 655 - Dpto 202, Lima, Peru.	99,99% 0,01%	Sacyr Construcción, S.A.U. Cavasa, S.A.	2,139 0,00	Full consolidation	Construction in Peru	2.139	(1.302)	(600)	-
Sacyr Colombia, S.A. Transv. 19A- N98-12 Oficina 801A, Bogotá, Colombia	99,00% 1,00%	Sacyr Construcción, S.A.U. Cavasa, S.A.	1,540 0,01	Full consolidation	Construction in Colombia	3.487	(2.343)	(620)	-
Sacyr Qatar LLC P.O. BOX 30790 - Doha- Qatar.	49,00%	Sacyr Construcción, S.A.U.	0,52	Full consolidation	Construction in Qatar	538	(1.327)	(555)	-
Sacyr Valtoiza Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile.	50,00% 50,00%	Valtoiza Chile, S.P.A. Sacyr Construcción, S.A.U.	0,039 0,039	Full consolidation	Water treatment in Mantovede	79	(2.222)	(11.775)	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100,00%	Sacyr Chile, S.A.	0,07	Full consolidation	Construction and operation of concessions in Chile	81	197	(11.783)	-
B.F. Constructions Limited 2/38 Horse Barrack Lane, 2, 3b, Gibraltar.	100,00%	Sacyr Construcción, S.A.U.	0,0012	Full consolidation	Construction and operation of concessions in UK	1	6	166	-
Sacyr Construcción Participaciones Accionariales, S.L. Paseo de la Castellana, 83-85 Madrid.	100,00%	Sacyr Construcción, S.A.U.	60,4630	Full consolidation	Acquisition, administration and management of securities	6.049	54.414	(13)	-
Consortio GDL Vaducto, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalpan de Baz, Mexico	42,00%	Sacyr Const. México, S.A. de C.V.	0,0028	Proportionate consolidation	civil engineering work and heavy construction work management of securities	3	(1)	133	-
ConsortioTonel Cuadajajara, S.A. de C.V. c/ Alejandro Dumas, 828, Tlalpan de Baz, Mexico	42,00%	Sacyr Const. México, S.A. de C.V.	0,0028	Proportionate consolidation	Construction of works for electrical and railway transportation	3	-	42	-

CONCESSIONS
Subsidiaries and holding companies

Sacyr Concesiones, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr, S.A.	766,06	Full consolidation	Property holding company	404.667	88.863	32.321	-
Somague Concesiones, S.A. Rua de Tapada da Quinta de Cima, União Simão - Portugal	100,00%	Sacyr Concesiones, S.L.	38,61	Full consolidation	Operation of holding company	20.545	20.699	(1.677)	-
SyV Conc. Costa Rica, S.A. San José, Edificio Teraforte, 4º Costa Rica	100,00%	Sacyr, S.A.	1,41	Full consolidation	Investment vehicle in Costa Rican concessions	956	32	74	-
Sacyr Concesiones Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland	100,00%	Sacyr Concesiones, S.L.	30,16	Full consolidation	Property holding company	30.159	9.134	1.284	-
N6 Concession Holding Ltd 25-28 North Wall Quay Dublin 1 - Ireland	45,00%	Sacyr Concesiones Limited	0,02	Equity method	Property holding company	50	-	-	-
SyV México Holding, S.A. de C.V. Paseo de la Reforma, 350 Mexico City - Mexico	99,998% 0,002%	Sacyr, S.A. Neopistas, S.A.U.	1,18 0,00	Full consolidation	Construction in Mexico	3	547	(1.155)	-
Sacyr Perú, S.A.C. Avenida del Pinar, Urbanización Chacacilla del Estanque - Santiago de Surco - Lima - Peru	99,99% 0,01%	Sacyr Concesiones, S.L. Sacyr Conc. Participaciones I, S.L.	1,684 0,00	Full consolidation	Construction and operation of concessions in Peru	1.685	(296)	(1.984)	-

Concessionaires

Autovía del Noroeste Concesionaria de la CARM, S.A. (AUNOR) Calle Molina del Segura, 8 Murcia	100,00%	Autovías de Peaje en Sombra, S.L.	14,46	Equity method	Concession Autovía del Noroeste	14.460	8.479	3.963	-
Alazor Inversiones, S.A. (ALAZOR) Carretera de circunvalación M-50, KM 67,500, Villavieja de Odón - Madrid	25,16%	Sacyr, S.A.	56,25	Equity method	Concession R-3 and R-5 motorways	223.600	(322.970)	26.026	-
Sociedad Concesionaria de Palma-Manacor, S.A. Carretera Palma-Manacor Km 25,500 Algaida - Mallorca	40,00%	Sacyr Concesiones, S.L.	7,45	Equity method	Concession C-715 motorway Palma-Manacor motorway	19.650	(17.041)	(3.650)	-
Inversora de Autopistas del Sur, S.L. Plaza Manuel Gomez Moreno, 2, Madrid	35,00%	Sacyr Concesiones, S.L.	99,83	Equity method	Concession, R-4 Motorway	44.185	(183.927)	(22.542)	-
Hospitales Concesionados, S.L. Paseo de la Castellana, 83-85, Madrid	51,00%	Sacyr Concesiones, S.L.	7,630	Equity method	Maintenance and operation of hospital infrastructure	543	14.412	1.184	-
Autovía del Turia, Conc. de la Generalitat Valenciana, S.A. CV-35 Km - PK 8.500 Paterna - Valencia	89,00%	Autovías de Peaje en Sombra, S.L.	23,33	Equity method	Concession, CV-35 Motorway and CV-5- north alternate route	36.250	(33.159)	(4.644)	-
Viastru Concesionaria del Principado de Asturias, S.A. Lugo de Llanera - Llanera - Asturias	70,00%	Sacyr Concesiones, S.L.	10,03	Full consolidation	Concession, AS-18 Motorway and widening of the AS-17 road	14.326	(33.365)	(6.491)	-
Autopista del Valle S.A. San José, Edificio Teraforte, Cuarto Piso - Costa Rica	35,00%	SyV Conc. Costa Rica, S.A.	0,86	Equity method	Concession for the San José - San Ramón road link	2.474	6	-	-
Intercambiador de Transportes de Moncloa, S.A. Paseo de la Castellana, 83-85, Madrid	100,00%	Conc. Intercambiadores de Transporte, S.L.	18,07	Equity method	Construction and operation of the Moncloa transport hub	16.862	(6.250)	3.301	-
Autovía del Eresma Conc. de la Junta de Castilla y León, S.A. Carbenero el Mayor - Segovia	80,00%	Sacyr Concesiones, S.L.	13,11	Full consolidation	Construction and operation of Valladolid-Segovia Motorway	17.000	(13.371)	(2.548)	-
Autovía del Barbanza Conc. de la Xunta de Galicia, S.A. Calle Vilarinho Boto La Coruña	90,00%	Sacyr Concesiones, S.L.	8,70	Full consolidation	Construction and operation of Barbanza Motorway	9.400	(29.069)	(2.125)	-
Autopista del Guadalquivir Concesionaria Española, S.A. Calle Perforación, Málaga, 14 Casa Bermeja - Málaga	70,00%	Sacyr Concesiones, S.L.	44,57	Full consolidation	Construction and operation of the Málaga-Las Pedrizas Motorway	55.123	11.346	(7.249)	-
Hospital de Majadahonda, S.A. Calle Joaquín Rodrigo, 2 Majadahonda Madrid	20,00%	Sacyr Concesiones, S.L.	3,66	Equity method	Majadahonda Hospital Concession	18.283	(14.683)	5.271	(2.676)
Hospital de Parla, S.A. Paseo de la Castellana, 83-85	100,00%	Hospitales Concesionados, S.L.	27,24	Equity method	Construction and concession of Parla Hospital	11.820	873	2.812	-
Hospital del Noroeste, S.A. Paseo de la Castellana, 83-85	100,00%	Hospitales Concesionados, S.L.	32,96	Equity method	Construction and concession of Hospital del Noroeste	14.300	4.949	2.677	-
Interc. de Transporte de Plaza Elíptica, S.A. Paseo de la Castellana, 83-85, Madrid	100,00%	Conc. Intercambiadores de Transporte, S.L.	19,50	Equity method	Construction and concession of Plaza Elíptica transport hub	19.505	2.304	2.102	-
Autovía del Arlanzón, S.A. Carretera N-122, Km 273, Aranzón de Duero - Burgos	50,00% 5,00%	Sacyr, S.A. Valoría Conser. e Infraest. S.A.	11,86 1,18	Equity method	Motorway concession Santo Tomás de Puerto-Burgos motorway	23.723	(14.851)	5.417	-
Inversora Autopista de Levante, S.L. Plaza Manuel Gomez Moreno, 2 edificio Alfredo Malhou Madrid	40,00%	Sacyr Concesiones, S.L.	42,29	Equity method	Concession of the Ocaña - La Roda Motorway	67.919	(167.382)	(23.645)	-
Hospital Marjadhonda Explotaciones, S.L. Calle Joaquín Rodrigo, 2 Majadahonda Madrid	25,00%	Sacyr Concesiones, S.L.	0,0025	Equity method	Construction and concession of Majadahonda Hospital	10	4	3.925	-
Autovías de Peaje en Sombra, S.L. Paseo de la Castellana, 83-85, Madrid	51,00%	Sacyr Concesiones, S.L.	6,16	Equity method	Construction, maintenance and operation of infrastructure	7.704	3.571	3.174	(1.134)
Conc. Intercambiadores de Transporte, S.L. Paseo de la Castellana, 83-85, Madrid	51,00%	Sacyr Concesiones, S.L.	4,09	Equity method	Construction, maintenance and operation of infrastructure	6.336	1.547	194	-
N6 Concession Ltd 25-28 North Wall Quay Dublin 1 - Ireland	100,00%	N6 Concession Holding Ltd	0,05	Proportionate consolidation	Construction and concession Galway - Ballinasloe N6 stretch	50	(41.678)	(6.990)	-
N6 Operations Ltd 25-28 North Wall Quay Dublin 1 - Ireland	50,00%	Sacyr Concesiones Limited	0,00	Equity method	Maintenance and operation of the Galway - Ballinasloe N6 stretch	-	514	781	(500)
SyV Servicios México, S.A. de C.V. Delegación Coyacacán, Mexico City - Mexico	99,998% 0,002%	SyV México Holding, S.A. de C.V. Sacyr, S.A.	0,003 0,000010	Full consolidation	Construction in Mexico	3	(7)	11	-
Tenemetre, S.L. Carretera general la Caste-Taco 124 La Laguna - Santa Cruz de Tenerife	30,00%	Sacyr Concesiones, S.L.	0,63	Equity method	Maintenance and operation of the Tenerife metro	9.000	(6.961)	(87)	-
Sacyr Concesiones Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	96,77% 3,23%	Sacyr Concesiones, S.L. Sacyr Chile, S.A.	124,05 4,41	Full consolidation	Construction and operation of concessions in Chile	127.570	207	(5.089)	-
S.C. Viales del Desierto, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	60,00%	S.C. Viales Andinas, S.A.	21,53	Full consolidation	Construction and operation of concessions in Chile	35.917	10.944	(237)	-
Sacyr Operación y Servicios, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	97,17% 2,83%	Sacyr Concesiones Chile, S.A. Sacyr Concesiones, S.L.	3,30 0,101	Full consolidation	Construction and operation of concessions in Chile	3.402	(2.614)	486	-
Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A. Calle Molina de Segura, 8 Torelago	67,33%	Sacyr Concesiones, S.L.	17,12	Full consolidation	Construction in Spain	25.000	(23.506)	3.186	-
Sociedad Concesionaria Valles del Bio Bio, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51,00%	S.C. Viales Andinas, S.A.	26,11	Full consolidation	Construction and maintenance of the Concepción-Cabeiro Motorway	51.189	(142)	4.454	-
Sociedad Concesionaria Rutas del Desierto, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51,00%	S.C. Viales Andinas, S.A.	15,43	Full consolidation	Construction and maintenance of lique civil engineering	30.281	(32)	3.055	-
Sociedad Concesionaria Ruta del Algarrobo, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	99,99% 0,003% 0,003%	S.C. Viales Andinas, S.A. Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	47,55 0,001 0,239	Full consolidation	Construction and maintenance of Ruta Norte project	46.946	(3.974)	4.929	-
S.C. Salud Siglo XXI, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	99,00% 1,00%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	21,74 0,200	Full consolidation	Maintenance and operation of the Antofagasta Hospital public works	21.960	(5.057)	1.037	-
S.C. Ruta del Limari, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	99,99% 0,01%	S.C. Viales Andinas, S.A. Sacyr Concesiones Chile, S.A.	29,39 0,002	Full consolidation	Maintenance and operation of the Ruta 43 public works	29.280	(1.726)	738	-
S.C. Viales Andinas, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	96,39% 4,61%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	130,034 12,860	Full consolidation	Construction and operation of concessions in Chile	137.709	(2.919)	(18)	-
S.C. Yespucio Oriente, S.A. C/ Padre Mariano, 82- Df. 1403 - Santiago de Chile	50,00%	Sacyr Concesiones Chile, S.A.	59,790	Equity method	Construction and operation of concessions in Chile	119.585	3.038	389	-
GSJ Maintenance Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland	45,00%	Sacyr Concesiones Limited	0,22	Equity method	Engineering development	50	1.086	1.716	-
Sacyr Concesiones Chile, S.A.S. Transversal 23, nº 94-93, Of 801 - Bogotá - Colombia	100,00%	Sacyr Concesiones, S.L.	0,91	Full consolidation	Construction and operation of concessions in Colombia	108	331	(1.052)	-
Sacyr Conc. Participaciones I, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Concesiones, S.L.	0,04	Full consolidation	Construction and operation of infrastructure	43	(9)	(4)	-
S.C. Vial Sierra Norte, S.A. Distrito San Isidro, AV 3531 - Lima - Peru	35,00% 32,00%	Sacyr Concesiones, S.L. Sacyr Concesiones Perú, S.L.	8,016 7,41	Full consolidation	Construction and operation of concessions in Peru	23.147	1.435	1.961	-
Sacyr Operación y Servicios Perú, S.A.C. C/ Victor Andrés Balseunde, Av 181 - Lima - Peru	0,004% 99,996%	Sacyr Concesiones, S.L. Sacyr Concesiones Perú, S.L.	0,000 0,006	Full consolidation	Construction and operation of concessions in Peru	7	-	-	-

SERVICES

Subsidiaries and holding companies									
Valoriza Gestión S.A.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr, S.A.	165,54	Full consolidation	Property holding company	122.133	50.228	26.723	-
Somague Ambiente, S.A. Rua da Tapada da Quinta de Cima, Lirio Sintra - Portugal	100,00%	Valoriza Gestión S.A.U.	15,30	Full consolidation	Environmental consultancy and management	10.000	42.751	(12.003)	-
Sacyr Industrial, S.L.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Valoriza Gestión S.A.U.	31,52	Full consolidation	Power generation projects	20.545	20.699	(1.677)	-
Valoriza Agua, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Valoriza Gestión S.A.U.	95,40	Full consolidation	Environmental consultancy and management	83.841	13.311	(6.633)	-
Valoriza Facilites, S.A.U. Paseo de la Castellana, 83-85, Madrid	100,00%	Valoriza Gestión S.A.U.	1,48	Full consolidation	Integrated property management	1.181	10.889	5.605	-
Valoriza Servicios Medioambientales, S.A. Calle Juan Esplandiú, 11-13, Madrid	93,47%	Valoriza Gestión S.A.U.	135,31	Full consolidation	Environmental management	17.129	41.157	8.653	-
Suardiaz Servicios Maritimos de Barcelona, S.L. Calle Ayala, 6, Madrid	6,53%	Hidocandaluz, S.A.	0,21	Full consolidation	Maritime services	3	7.646	524	-
Erenator Naval, S.L. Lugar Santa Tecla, 69 Vigo - Pontevedra	50,03%	Valoriza Gestión S.A.U.	3,10	Full consolidation	Construction and maintenance of wind farms	450	(364)	(6)	-
Valoriza Mineria, S.L. Paseo de la Castellana, 83-85, Madrid	40,00%	Valoriza Gestión S.A.U.	0,18	Full consolidation	Extraction of iron and minerals	500	-	(423)	-
Consortio Stabile Vis Società s.p.a. Via Inverno n.24/A Turin- Italy	17,00%	Valoriza Gestión S.A.U.	0,0125	Equity method	Construction and management of all types of infrastructure	38	-	-	-
	8,00%	Sacyr Industrial, S.L.U.	0,0012						
	17,00%	Valoriza Cons. e Infraestructuras, S.A.	0,0012						
	8,00%	Valoriza Ser. Medioambientales, S.A.	0,0012						
	8,00%	Valoriza Agua, S.L.	0,0012						
	8,00%	Valoriza Facilites, S.A.U.	0,0012						
Services									
Environment									
Valoriza Conservación de Infraestructuras, S.A. Paseo de la Castellana, 83-85, Madrid	100,00%	Valoriza Gestión S.A.U.	0,74	Full consolidation	Environmental consultancy and management	750	5.309	3.460	-
Simulador Validad Inernal, S.L. Paseo de la Castellana, 83-85, Madrid	60,00%	Valoriza Conservación de Infraestructuras, S.A.	0,007	Full consolidation	Preparation of programmes and training in new technologies	12	-	2	-
Energy									
Repsol, S.A. Calle Méndez Alvaro, 44, Madrid	8,94%	Sacyr Partic.Mobil.S.L	3.264,40	Equity method	International integrated oil and gas company	1.375.000	26.084.000	1.612.000	(1.569.000)
Socadeno de Biomasa, S.A. (SEDEBISA) Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	78,28%	Sacyr Industrial, S.L.U.	2,43	Full consolidation	Energy recovery from process oil	2.900	599	413	-
Biomassas de Puente Genil, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	78,08%	Sacyr Industrial, S.L.U.	2,18	Full consolidation	Power generation projects	2.600	1.184	(149)	-
Compañía Energética de Pata de Mulo, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	78,08%	Sacyr Industrial, S.L.U.	2,18	Full consolidation	Power generation projects	2.600	1.184	(149)	-
Compañía Energética de La Roda, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	1,17	Full consolidation	Power generation projects	1.300	1.529	115	-
Compañía Energética Las Villas, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	0,05	Full consolidation	R&D research and research projects	700	2.361	658	-
Compañía Energética Puente del Obispo, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	90,00%	Sacyr Industrial, S.L.U.	0,45	Full consolidation	R&D research and research projects	500	1.652	(369)	-
Fotovoltaicas Dos Rios, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	0,06	Full consolidation	R&D research and research projects	60	(54)	-	-
Bioeléctrica de Valladolid, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	0,06	Full consolidation	R&D research and research projects	60	(25)	(3)	-
Geoffit Climatización, S.L. Calle Cornea Wegilson 4, 2 A, Jaén	64,73%	Sacyr Industrial, S.L.U.	1,48	Full consolidation	R&D research and research projects	2.295	(3.360)	(109)	-
Desarrollos Edilicos Extremeños, S.L. Calle Borrego, 2 Cáceres	50,00%	Sacyr Industrial, S.L.U.	0,95	Equity method	R&D research and research projects	1.910	(376)	(18)	-
Compañía Energética Linares, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	60,30%	Valoriza Renovables, S.L	1,00	Full consolidation	R&D research and research projects	6.161	(6.182)	8.105	-
Compañía Onjera de Linares, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	51,00%	Valoriza Renovables, S.L	1,18	Full consolidation	Oil extraction	2.332	(128)	303	-
Bioeléctrica de Linares, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	81,43%	Valoriza Renovables, S.L	6,86	Full consolidation	Biomass-fuelled electricity generation plant	9.500	(975)	(82)	-
Iberator Energía Aragonesa, S.A. Paseo de la Constitución, 4 Zaragoza	50,00%	Sacyr Industrial, S.L.U.	0,20	Equity method	Wind power	400	(320)	(93)	-
Solucia Renovables, S.L. Planta Termosolar Lebrija 1, Parcela 12053 sector B13, Las Marismas de Lebrija, Sevilla	50,00%	Sacyr Industrial, S.L.U.	50,30	Equity method	R&D research and research projects	100.602	(204.383)	(5.762)	-
Soleval Renovables, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	50,00%	Sacyr Industrial, S.L.U.	0,0017	Equity method	R&D research and research projects	3	2.408	208	-
Vaicarcan Renovables, S.L. Calle La Verde, Herrera, s/n Camargo - Cantabria	65,00%	Sacyr Industrial, S.L.U.	0,325	Full consolidation	R&D research and research projects	500	(449)	-	-
Soc. Andaluza Valoración de la Biomasa, S.A. Centro de empresas de pabellón de Italia Calle Isaac Newton, s/n Sevilla	6,00%	Sacyr Industrial, S.L.U.	0,180	Equity method	R&D research and research projects	3.000	(2.000)	(25)	-
Biomassas de Talavera, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,003	Full consolidation	R&D research and research projects	3	(1)	(8)	-
Bipuge II, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,006	Full consolidation	R&D research and research projects	3	(1)	-	-
Biomassas Puente Obispo, S.L. Calle Luis Montoto, 107-113, Pl.4, Mod J, Edificio Cristal, Sevilla	100,00%	Sacyr Industrial, S.L.U.	0,003	Full consolidation	R&D research and research projects	3	(1)	-	-
Bizbal Energía, S.L. Paseo de la Castellana, 83-85, Madrid	51,00%	Sacyr Industrial, S.L.U.	0,0015	Full consolidation	R&D research and research projects	3	-	-	-
Iberesa Bóhica, S.R.L. Carretera Doble Vía La Guardia Km 71/2- Santa Cruz de la Sierra -Bohica	100,00%	Sacyr Industrial, S.L.U.	0,0160	Full consolidation	R&D research and research projects	12	(401)	379	-
Quatro T&D Limited 281 Springfield Parkway - Lansarkshire - Scotland	33,00%	Sacyr Industrial, S.L.U.	0,30	Equity method	Construction of an electricity substation	897	(523)	(303)	-
Sacyr Industrial Peru, S.A.C. Av. La Floresta, 497, Pl. 401-San Borja-Lima-Peru	100,00%	Sacyr Industrial, S.L.U.	0,259	Full consolidation	R&D research and studies projects	260	(45)	(148)	-
Gingo Sábica, S.A.C. Av. La Floresta, 497, Pl. 401-San Borja-Lima-Peru	71,00%	Sacyr Industrial, S.L.U.	0,21	Full consolidation	R&D research and studies projects	3	24	517	-
Sacyr Industrial Colombia, S.A.S. TV 23, nº 9433 Of 801, Bogotá - Colombia	100,00%	Sacyr Industrial, S.L.U.	0,474	Full consolidation	R&D research and studies projects	480	(35)	(302)	-
Sacyr Industrial UK, Ltd 375 West George Street, Glasgow-Edinburgh	100,00%	Sacyr Industrial, S.L.U.	0,000	Full consolidation	Electric and telecommunications projects	-	1	38	-
Sacyr Industrial México, S.A. de C.V. c/O Taine - chapultepec Morales, 11570, Mexico	50,00%	Sacyr Industrial, S.L.U.	0,0014	Full consolidation	Civil works and industrial projects	1	2	(77)	-
Consortio 1420 SF Sacyr mexicana, S.A. de C.V. c/O Taine - chapultepec Morales, 11570, Mexico	60,00%	Valoriza Agua, S.L.	0,0014	Full consolidation	Civil works and industrial projects	2	-	134	-
Sacyr Industrial, Pty Ltd PO Box 700, West Perth, W.A. 6872- Australia	100,00%	Sacyr Industrial, S.L.U.	0,000	Full consolidation	Civil works and industrial projects	-	(115)	(259)	-
Valoriza Renovables, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	7,980	Full consolidation	Civil works and industrial projects	7.981	-	(4)	-

New technologies

Valoriza Energía Operación y Mantenimiento, S.L. Paseo de la Castellana, 83-85, Madrid	100,00%	Sacyr Industrial, S.L.U.	2,00	Full consolidation	Telecommunications Services	301	1.523	187	-
Burosoff, Sistemas de Información, S.L. Carretera de la Coruña Km23,200 edificio Ecu Las Rozas - Madrid	70,00%	Valoriza Facilities, S.A.U.	0,54	Full consolidation	IT system development	259	(1.323)	-	-

Water

Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) Calle Comodoro Roldán, 4 Santa Cruz de Tenerife	100,00%	Sacyr, S.A.	25,38	Full consolidation	Water supply	1.346	17.763	581	-
Aguas de Toledo, AIE Calle Padilla, 17, Madrid	50,00%	Valoriza Gestión S.A.U.	0,03	Equity method	Water supply in Toledo	60	-	-	-
Geida Skkida, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid	33,00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	3,72	Equity method	Operation of desalination plants	11.310	6.598	3.163	-
Geida Tiemcen, S.L. Calle Cardenal Marcelo Spínola, 10 - Madrid	50,00%	Sociedad Anónima Depuración y Tratamientos (SADYT)	15,01	Equity method	Operation of desalination plants	23.160	11.490	6.984	-
Empresa Mixta de Aguas de Las Palmas, S.A. (EMALSA) Calle Plaza de la Constitución 2 Canary Islands	33,00%	Valoriza Agua, S.L.	27,53	Equity method	Water supply in Las Palmas	28.247	4.536	(465)	-
Sociedad Anónima Depuración y Tratamientos (SADYT) Paseo de la Castellana, 83-85, Madrid	100,00%	Valoriza Agua, S.L.	5,27	Full consolidation	Water treatment and purification	2.500	2.062	6.044	-
Santacruceña de Aguas, S.L. Avenida La Salle 40 Las Palmas de Gran Canaria	100,00%	Valoriza Agua, S.L.	0,003	Full consolidation	Water treatment and purification	3	1.330	200	-
Valoriza Water Australia, PTY Ltd 256 Adelaide Terrace Perth - Australia	100,00%	Valoriza Agua, S.L.	0,000003	Full consolidation	Water treatment and purification	-	5.800	928	(363)
Secanías, S.A. Avenida de Juan XXIII, 1 Las Palmas de Gran Canaria	50,00%	Valoriza Agua, S.L.	0,38	Equity method	Water treatment and purification	770	(462)	(873)	-
Valoriza Chile, S.P.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile	100,00%	Valoriza Agua, S.L.	9,39	Full consolidation	Water treatment and purification	9.389	(2.461)	129	-
Valorinima, S.L. Calle Ouzanavides, 17, Las Tablas, Madrid	20,00%	Valoriza Agua, S.L.	0,0006	Equity method	Water treatment and purification	3	-	209	-
Sociedad Economía Mixta de Aguas de Soría, S.L. Plaza Mayor, 7, Soría	74,00%	Valorinima, S.L.	3,70	Full consolidation	Water treatment and purification	5.000	-	176	-

Valoriza Servicios Medioambientales Group

Gestión Participes del Bioreciclaje S.A. Carretera Puerto Real a Paterna Km 13,6 Medina Sidonia - Cadiz	33,34%	Valoriza Servicios Medioambientales, S.A.	0,02	Equity method	Activities related to the management and treatment of urban solid waste	60	(85)	-	-
Compost del Piñero S.L. Calle Juan Espinardi, 11-13 Madrid	50,00%	Valoriza Servicios Medioambientales, S.A.	0,58	Equity method	Development of sludge composting plants (waste-water purification plants)	1.161	(880)	(57)	-
Metroflang S.L. Final Ramba Plin, s/n Barcelona	21,60%	Valoriza Servicios Medioambientales, S.A.	2,71	Equity method	Management & construction over 15 years of the San Adria de Besos purification plant	12.554	(356)	873	-
Boremer S.A. Calle Ribera del Loira 42, edificio 3 Madrid	50,00%	Valoriza Servicios Medioambientales, S.A.	1,09	Equity method	Contracting and management of project cleaning services	2.176	192	(4.109)	-
Biomassas del Piñero S.A. Calle San Bartolomé, 11 Alcalá de Guara - Huesca	44,00%	Valoriza Servicios Medioambientales, S.A.	0,13	Equity method	Development of biomass energy systems	300	(145)	-	-
Valdemingómez 2000, S.A. Calle Albaracín, 44 Madrid	40,00%	Valoriza Servicios Medioambientales, S.A.	1,20	Equity method	Degasification project at the Valdemingómez landfill site	3.006	371	(3.798)	-
Cultivos Energéticos de Castilla S.A. Avenida del Cid Campeador, 4 Burgos	44,00%	Valoriza Servicios Medioambientales, S.A.	0,13	Equity method	Development of biomass energy systems	75	(67)	(2)	-
Infoser Estacionamiento Regulado, A.I.E. Calle Covarrubias, 1 Madrid	18,34%	Valoriza Servicios Medioambientales, S.A.	0,07	Equity method	Auxiliary services to the control of regulated street parking in Madrid	360	3	12	-
Parque Edificio la Sotenera, S.L. Plaza Antonio Beltrán Martínez, 14 Zaragoza	30,16%	Valoriza Servicios Medioambientales, S.A.	0,60	Equity method	Production of renewable energy	2.000	5.480	104	-
Hidroandaluza, S.A. Paseo de la Castellana, 83-85 Sevilla	100,00%	Valoriza Servicios Medioambientales, S.A.	0,47	Full consolidation	Sale and purchase of IT equipment	283	3.009	568	-
Gestión de Infraestructuras Canarias, S.A. Plaza de José Anzures Platades, 1 Santa Cruz de Tenerife	62,00%	Valoriza Servicios Medioambientales, S.A.	0,05	Full consolidation	Studies, works and projects	61	271	-	-
Participes del Bioreciclaje, S.A. Calle Federico Salmón, 8 Madrid	33,34%	Valoriza Servicios Medioambientales, S.A.	0,02	Equity method	Waste management	60	(120)	-	-
Bioreciclaje de Cádiz, S.A. Calle San Juan, 12 Medina Sidonia - Cadiz	98,00%	Participes del Bioreciclaje, S.A.	4,87	Equity method	Management, storage, transport, and treatment of elimination of waste	1.803	12.401	1.504	-
Iniciativas Medioambientales del Sur, S.L. Complejo Medioambiental de Bolaños Jerez de la Frontera - Cadiz	50,00%	Valoriza Servicios Medioambientales, S.A.	0,02	Equity method	Street cleaning, collection, transport and waste and water treatment	40	244	-	-
Inte RCD, S.L. Calle Américo Vespucio, 69 Sevilla	33,33%	Valoriza Servicios Medioambientales, S.A.	0,03	Equity method	Property development, construction and demolition waste services	3	(1)	-	-
Inte RCD Bahía de Cádiz, S.L. Calle de los Trabajadores, 20 Chiclana de la Frontera - Cadiz	60,00%	Inte RCD, S.L.	0,28	Equity method	Property development, construction and demolition waste services	260	(732)	-	-
Inte RCD Huéka, S.L. Calle Lepo, 12 Cernoya - Huelva	60,00%	Inte RCD, S.L.	0,45	Equity method	Property development, construction and demolition waste services	753	(860)	-	-
Eurocomercial, S.A.U. Calle de Juan Espinardi, 11-13 Madrid	100,00%	Valoriza Servicios Medioambientales, S.A.	0,45	Full consolidation	Engineering, consultancy and import/export of products for deposit and sale	136	2.759	(111)	-
Degasificación de Vertederos, S.A. Calle Federico Salmón, 8 Madrid	50,00%	Eurocomercial S.A.U.	0,03	Equity method	Recovery of biogas from degasification of landfill sites	60	(239)	(1)	-
Alcorec, S.L. Avenida Kansas City, 3 10 Sevilla	10,00%	Valoriza Servicios Medioambientales, S.A.	0,066	Equity method	Construction and demolition waste management	174	147	23	-
Surge Ambiental, S.L. Calle de Juan Espinardi, 11-13 Madrid	100,00%	Valoriza Servicios Medioambientales, S.A.	0,06	Full consolidation	Construction and demolition waste management	3	(117)	57	-
Reciclados y Tratamientos Andaluces, S.L. Calle Yokama, 8 Sevilla	50,00%	Alcorec, S.L.	0,250	Equity method	Construction and demolition waste management	3	37	-	-
Sacorec, S.L. Avenida Kansas City, 3 16 Sevilla	50,00%	Alcorec, S.L.	0,003	Equity method	Construction and demolition waste management	6	(64)	-	-
Residuos Construcción de Cuenca, S.A. Carretera Nacional 32, Km 133 Cuenca	50,00%	Valoriza Servicios Medioambientales, S.A.	0,030	Equity method	Construction and demolition waste management	60	43	(35)	-
Tratamiento Residuos de La Rioja, S.L. Calle La Ribá de Varea, s/n Villamediana de Iregua - La Rioja	100,00%	Valoriza Servicios Medioambientales, S.A.	0,003	Full consolidation	Construction and demolition waste management	3	(2.607)	(1.246)	-
Ecostrading 360 Grados, S.L. Ronda de Atocha, 37 Madrid	62,00%	Waste Resources, S.L.	0,002	Full consolidation	Construction and demolition waste management	3	180	-	-
Secado Térmico de Castellón, S.A. Calle Farizara, 5 Burnasa - Castellón	60,00%	Valoriza Servicios Medioambientales, S.A.	1,80	Full consolidation	Construction and demolition waste management	3.000	32	30	-
Waste Resources, S.L. Ctra de Vicalvaro a O'Donnell, 7, 28032 Madrid	100,00%	Hidroandaluza, S.A.	0,003	Full consolidation	Construction and demolition waste management	3	(1)	(1)	-
Planta de Tratamiento de Arzáiz, S.L. C/ Elcano 1, Bilbao	70,00%	Valoriza Servicios Medioambientales, S.A.	0,002	Full consolidation	Management of processing plants and equipment	2	-	-	-

Multi-services

Valoriza Servicios Socio Sanitarios, S.L. Paseo de la Castellana, 83-85 Madrid	100,00%	Valoriza Facilities, S.A.U.	7,98	Full consolidation	Provision of social services	12.500	402	57	-
Valoriza Servicios a la Dependencia, S.L. Paseo de la Castellana, 83-85 Madrid	100,00%	Val. Servicios Socio Sanitarios, S.L.	9,00	Full consolidation	Provision of social services	3.588	955	165	-
Caletstore, S.A. Paseo de la Castellana, 83-85 Madrid	100,00%	Valoriza Gestión S.A.U.	8,00	Full consolidation	Catering services and retail outlets	2.050	52	73	-
Burguestore, S.L. Paseo de la Castellana, 83-85 Madrid	100,00%	Caletstore, S.A.	0,003	Full consolidation	Operation of service stations	3	22	5	-

PROPERTY DEVELOPMENT

Subsidiaries and holding companies									
Vallehermoso División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Sacyr, S.A.	441,89	Full consolidation	Property holding company	117.343	(188.648)	(43.486)	-
Somague Inmobiliaria S.A. Rua da Tapada da Quinta de Cima, Lirinho Sintra - Portugal.	100,00%	Vali. Div. Promoción, S.A.U.	18,21	Full consolidation	Property holding company in Portugal	15.000	(28.433)	(1.252)	-
Property developers									
Erantos, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Vali. Div. Promoción, S.A.U.	0,47	Full consolidation	Property development	150	(442)	(186)	-
Prosacy Ocio, S.L. Paseo de la Castellana, 83-85 Madrid.	100,00%	Vali. Div. Promoción, S.A.U.	20,99	Full consolidation	Property development	4	2.847	2.057	-
Capace, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Vali. Div. Promoción, S.A.U.	0,20	Full consolidation	Property development	153	1.913	46	-
Ticóbal, S.A. Paseo de la Castellana, 83-85 Madrid.	60,00%	Vali. Div. Promoción, S.A.U.	9,37	Full consolidation	Property development	9.015	1.969	68	-
Club de Campo As Marifías, S.A. Calle Tarrío, s/nr Culleredo - La Coruña.	19,99%	Vali. Div. Promoción, S.A.U.	0,18	Equity method	Property development	271	(408)	-	-
Camarate Golf, S.A. Paseo de la Castellana, 81 Madrid.	26,00%	Vali. Div. Promoción, S.A.U.	2,90	Equity method	Property development	11.160	(3.812)	(317)	-
Claudia Zahara 22, S.L. Avenida Eduardo Dato, 69 Sevilla.	49,59%	Vali. Div. Promoción, S.A.U.	10,73	Equity method	Property development	7.654	(4.591)	(1.043)	-
M.Capital, S.A. Puerta del Mar, 20 Málaga.	4,97%	Vali. Div. Promoción, S.A.U.	0,41	Equity method	Property development	5.377	(2.575)	-	-
Puerta de Oro Toledo, S.L. Calle Príncipe de Vergara, 15 Madrid.	35,00%	Vali. Div. Promoción, S.A.U.	2,10	Equity method	Property development	6.000	(12)	(1)	-

PROPERTY MANAGEMENT

Subsidiaries and holding companies									
Testa Inmuebles en Renta, S.A. Paseo de la Castellana, 83-85 Madrid.	99,50%	Sacyr, S.A.	792,96	Full consolidation	Property holding company	692.855	506.355	48.798	(20.785)
Property management companies									
Nisa, V.H., S.A.U. Avenida Diagonal, 490 Barcelona.	100,00%	Testa Inmuebles en Renta, S.A.	1,13	Full consolidation	Property rental	1.134	445	32	-
Trade Center Hotel, S.L.U. Avenida Diagonal, 490 Barcelona.	100,00%	Testa Inmuebles en Renta, S.A.	12,02	Full consolidation	Property rental	12.020	22.365	3.075	-
Testa Residencial, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Testa Inmuebles en Renta, S.A.	101,73	Full consolidation	Property rental	102.696	33.767	5.434	-
Testa American Real State Corporation 17 11 Brickell Avenue Miami - USA.	100,00%	Testa Inmuebles en Renta, S.A.	70,68	Full consolidation	Property rental	70.387	77.099	(304)	-
Gesfontesta, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Testa Inmuebles en Renta, S.A.	0,84	Full consolidation	Property rental	571	143	354	-
Prosacy Hoteles, S.A. Paseo de la Castellana, 83-85 Madrid.	100,00%	Testa Inmuebles en Renta, S.A.	4,29	Full consolidation	Property rental	180	4.103	-	-
Gescententia, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Testa Inmuebles en Renta, S.A.	0,003	Full consolidation	Property rental	3	1	184	-
Itaceco, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100,00%	Testa Inmuebles en Renta, S.A.	0,006	Full consolidation	Property rental	6	57	255	-
Bardiomar, S.L. Paseo del Club Deportivo, 1 Pozuelo de Alarcón - Madrid.	50,00%	Testa Inmuebles en Renta, S.A.	19,71	Equity method	Property rental	7.631	1.731	3.260	-
Protas Centros Asistenciales, S.L. Calle Francisco de Rojas, 8 Madrid.	50,00%	Testa Inmuebles en Renta, S.A.	11,57	Equity method	Property rental	6.314	(1.130)	(17)	-
PK Inversiones 22, S.L. Calle Príncipe de Vergara, 15 Madrid.	50,00%	Testa Inmuebles en Renta, S.A.	0,03	Equity method	Property rental	60	(24)	-	-
PK Hoteles 22, S.L. Calle Príncipe de Vergara, 15 Madrid.	32,50%	Testa Inmuebles en Renta, S.A.	5,89	Equity method	Property rental	5.801	(1.043)	(118)	(75)
Parking Pallau, S.A. Plaza de América, 3 Valencia.	33,00%	Testa Inmuebles en Renta, S.A.	0,66	Equity method	Property rental	1.998	203	151	-
Pazo de Congressos de Vigo, S.A. Avenida García Barbón, 1 Pontevedra.	44,44%	Testa Inmuebles en Renta, S.A. Sacyr Construcción, S.A.U.	10,58 2,65	Equity method	Property rental	16.351	(25.924)	(3.024)	-

APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2013

Company

Autovía del Barbanza, Concesionaria de la Xunta de Galicia, S.A.
Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A.
Bioeléctrica de Linares, S.L.
Bioeléctrica de Valladolid, S.L.
Biomasa de Puente del Obispo, S.L.
Biomasa de Puente Genil, S.L.
Biomasa de Talavera, S.L.
Bipuge II, S.L.
Burgerstore, S.L.
Cafestore, S.A.U.
Capace, S.L.U.
Cavosa, Obras y Proyectos, S.A.
Compañía Energética de Pata de Mulo, S.L.
Compañía Energética La Roda, S.L.
Compañía Energética Las Villas, S.L.
Compañía Energética Puente del Obispo, S.L.
Empresa Mixta Aguas S. Cruz de Tenerife, S.A.
Erantos, S.A.
Eurocomercial, S.A.U.
Fortuna Golf, S.L.
Fotovoltaicas Dos Rios, S.L.
Gescentesta, S.L.
Gesfontesta, S.A.
Gestora Canaria de Lodos de Depuradora, S.A.
Hidroandaluza, S.L.
Hospital de Parla, S.A.
Hospital del Noreste, S.A.
Hospitales Concesionados, S.L.
Ideyco, S.A.U.
Inchisacyr, S.A.
Itaceco, S.L.
Neopistas, S.A.U.
Nisa Vallehermoso, S.A.
Obras y Servicios de Galicia y Asturias, S.A.
Olextra, S.A.
Prinur, S.A.U.
Prosacyr Hoteles, S.L.
Prosacyr Ocio, S.L.
Sacyr Concesiones, S.L.
Sacyr Concesiones Participadas I, S.L.
Sacyr Construcción, S.A.U.
Sacyr Gestión de Activos, S.L.
Sacyr Industrial, S.L.U.
Sacyr Vallehermoso Participaciones Mobiliarias, S.L.
Sacyr, S.A.
Santacruzera de Aguas, S.L.
Scrinser, S.A.
Secaderos de Biomasa, S.L.
Sociedad Anónima de Depuración y Tratamientos, S.A.
Surge Ambiental, S.L.
Testa Inmuebles en Renta, S.A.
Testa Residencial, S.L.U.
Trade Center Hotel, S.L.U.
Tratamiento de Residuos de La Rioja, S.L.
Vallehermoso División Promoción, S.A.U.
Valoriza Agua, S.L.U.
Valoriza Conservación e Infraestructuras, S.A.
Valoriza Energía, S.L.U.
Valoriza Facilities, S.A.
Valoriza Gestión S.A.U.
Valoriza Servicios Medioambientales, S.A.
Waste Resources, S.L.

APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2014

Company

Autovía del Barbanza, Concesionaria de la Xunta de Galicia, S.A.
Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A.
Bioeléctrica de Linares, S.L.
Bioeléctrica de Valladolid, S.L.
Biomasa de Puente del Obispo, S.L.
Biomasa de Puente Genil, S.L.
Biomasa de Talavera, S.L.
Bipuge II, S.L.
Burgerstore, S.L.
Cafestore, S.A.U.
Capace, S.L.U.
Cavosa, Obras y Proyectos, S.A.
Compañía Energética de Pata de Mulo, S.L.
Compañía Energética La Roda, S.L.
Compañía Energética Las Villas, S.L.
Compañía Energética Puente del Obispo, S.L.
Empresa Mixta Aguas S. Cruz de Tenerife, S.A.
Erantos, S.A.
Eurocomercial, S.A.U.
Fortuna Golf, S.L.
Fotovoltaicas Dos Ríos, S.L.
Gescentesta, S.L.
Gesfontesta, S.A.
Hidroandaluza, S.L.
Ideyco, S.A.U.
Inchisacyr, S.A.
Itaceco, S.L.
Nisa Vallehermoso, S.A.
Obras y Servicios de Galicia y Asturias, S.A.
Prinur, S.A.U.
Prosacyr Hoteles, S.L.
Prosacyr Ocio, S.L.
Sacyr Concesiones, S.L.
Sacyr Concesiones Participadas I, S.L.
Sacyr Construcción, S.A.U.
Sacyr Construcción Participaciones Accionariales, S.L.
Sacyr Gestión de Activos, S.L.
Sacyr Industrial, S.L.U.
Sacyr Vallehermoso Participaciones Mobiliarias, S.L.
Sacyr, S.A.
Santacruzera de Aguas, S.L.
Scrinser, S.A.
Secaderos de Biomasa, S.L.
Sociedad Anónima de Depuración y Tratamientos, S.A.
Surge Ambiental, S.L.
Testa Inmuebles en Renta, S.A.
Testa Residencial, S.L.U.
Trade Center Hotel, S.L.U.
Tratamiento de Residuos de La Rioja, S.L.
Vallehermoso División Promoción, S.A.U.
Valoriza Agua, S.L.U.
Valoriza Conservación e Infraestructuras, S.A.
Valoriza Energía Operación y Mantenimiento, S.L.
Valoriza Facilities, S.A.
Valoriza Gestión S.A.U.
Valoriza Minería, S.L.
Valoriza Renovables, S.L.
Valoriza Servicios Medioambientales, S.A.
Waste Resources, S.L.

Sacyr Group
Sacyr, S.A. and Subsidiaries
CONSOLIDATED MANAGEMENT REPORT
AT 31 DECEMBER 2014

This consolidated management report was prepared in line with the recommendations of the Guide for the preparation of management reports of listed companies published by the Spanish National Securities Market Commission (CNMV) in 2013, in order to harmonise the contents thereof in Spain and abroad, and to provide data placing in context all the financial disclosures contained in the financial statements, to provide additional and complementary information to these financial statements and to provide greater security to the members of the Board of Directors, the persons ultimately in charge of preparing and publishing such report.

1. ACTIVITIES OF THE SACYR GROUP

The Sacyr Group, active for over 28 years, is structured into four different areas of activity and operates in a total of 22 countries:

- **Construction:** performed through the heads of Sacyr Construction in Spain and Chile, Somague in Portugal, and SIS in Italy, specialised in the construction of all manner of civil engineering and residential and non-residential building infrastructures.
- **Concessions:** activity performed by Sacyr Concessions, with a presence in Spain, Portugal, Italy, Ireland, Chile and Peru, leader in the management of infrastructures for motorways, hospitals, transport hubs, airports, etc.
- **Rental property:** managed by Testa and engaging mainly in the lease of offices, shopping centres and homes in Madrid and Barcelona.
- **Services:** provided by Valoriza, specialised in the management of the following services:
 - Environmental: provided through the head Valoriza Servicios Medioambientales, a leading company in the operation of:
 - Municipal services: leader in the management of concessions, in the main towns in Spain for street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, management of parking metres, towing services and the removal of vehicles from public roads.
 - Waste treatment: with important concessions in the scope of the construction and operation of plants to treat municipal solid waste, packaging and batteries, treatment facilities for construction and demolition debris and landfill gas removal, and plants for biomethanation, incineration, and waste-to-energy production, as well as facilities to treat, compost, and thermally dry the sludge from wastewater treatment plants.
 - Regeneration: this area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.
 - Water: provided by Valoriza Agua and Sadyt, in two areas: engineering, development, construction, maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial wastewater treatment, agricultural treatment, etc.) and the integrated management of the water cycle under public sector concessions or in the private sector.
 - Multi-services: provided through the following companies:

- Valoriza Facilities: Group company specialised in the integral cleaning of buildings, property facility management services, ancillary services (porter services, gardening, etc.), energy and social-health services.
- Valoriza Conservación de Infraestructuras: Group company specialised in the maintenance and preservation of roads and other specific infrastructures: dams and irrigation channels, etc.
- Cafestore: Group company specialised in the operation of motorway service areas (third-leading Spanish operator in this market), and in the management of restaurants and cafeterias at large facilities: hospitals, transport hubs and public and private buildings.
- **Industrial:** performed through Sacyr Industrial, the Group division, fruit of the integration of various companies and areas of the company, in charge of engineering and industrial construction activities. Covering the promotion, performance, start up and operation of the projects in the following business areas:
 - Engineering and energy: Sacyr Industrial is one of the leaders in the Spanish energy sector, and it is also a pioneer internationally in conventional and renewable power plants, combined heat and power plants, and in the development of biomass, solar energy and geothermal plants. It also operates and maintains power plants and industrial facilities.
 - Environment and mining: Sacyr Industrial is one of the leading international companies in the design, construction and operation of waste treatment and assessment plants. It also has experience in mining and processing plant projects.
 - Oil&Gas: implementation of refinery, chemical and petrochemical, gas handling and treatment and liquefied natural gas (LNG) projects, and the transportation and storage of this type of fuel.
 - Electrical facilities: engineering development and construction of high-voltage power lines, electrical substations and low-, medium- and high-voltage facilities.

The Group's organisational structure is arranged around the figure of the Executive Chairman and CEO, to which are accountable, firstly, the non-executive Chairmen and the Managing Directors of each business area, and secondly, various departments which provide support to the rest of the Group: the General Strategic and Corporate Development Department; the General Finance Department, the General Corporate Department, the General Human Resources Department and, lastly, the General Legal Advisory Department/Secretary to the Board of Directors.

2. ECONOMIC ENVIRONMENT

2.1. THE INTERNATIONAL ECONOMIC ENVIRONMENT

Globally and in very general terms, fiscal year 2014 was once again characterised by the economic crisis, although it is also true that, as occurred last year, many countries —such as the US, Japan and most EU countries— have experienced positive rates of growth. As a result of maintaining the monetary stimulus packages implemented by the US Federal Reserve and the European Central Bank, and although it is still a very slow process, it would appear that a solution is now on the horizon for the liquidity problems of previous years suffered by states, companies and families. The risk premiums of countries in southern Europe closed at their lowest levels in recent years and it would appear that the difficult adjustments made —especially in the area of

labour policies— are beginning to bear fruit, as reflected in the considerable increase in competitiveness in these Mediterranean countries. The depreciation of the euro against the US dollar in the last half of the year has allowed European countries to increase their exports, which is having a very positive effect on the trade balances of the members of the eurozone. We should also highlight the sharp decline this year in oil prices, which has resulted in significant containment of prices in various economies and led to historically negative CPI rates in many.

In terms of the world's leading economies, it should be noted that in 2014 the United States posted GDP growth of 2.4%, compared to 2.2% the previous year. High job creation and cheaper energy products have led to strong performance in the area of consumption, although the appreciation of the dollar and international economic weakness have hurt exports. Throughout the year, the Federal Reserve has maintained the stimulus measures adopted in the midst of the recession as they continue to be producing results. Since December 2008, the rates have been fixed at zero and may remain so at least until the end of 2015. Throughout 2014, almost 3 million jobs were created in the United States, representing the largest creation of jobs since 1999 and the fifth consecutive year in which the country has seen net job creation. As a result, the unemployment rate is 5.6%, compared to 6.7% in 2013. In terms of inflation, government figures show that 2014 closed with an increase of 0.8%, compared to 1.5% the previous year. Inflation is still low after six years of large-scale monetary stimulus packages by the Federal Reserve, a fact that has been compounded by the fall in energy prices in 2014.

Regarding the performance of the Chinese economy, according to data provided by the government itself, GDP in 2014 experienced an increase of 7.4%, the lowest rate in 24 years. The gradual cooling-off of the second largest economy in the world has been confirmed as the growth model based on exports abroad, weakened by the drop in demand and the global economic crisis, especially in Europe, has run its course. The Chinese authorities have announced a number of wide-ranging reforms seeking to change this model and gradually usher in a system based on domestic demand for stable long-term growth.

With regard to the eurozone, the economic performance of member countries continued to be highly uneven in 2014. Although Eurostat has not yet published its definitive GDP figures, and in many cases the data we have are provisional, we can state that the eurozone overall grew 0.9% during the year, compared to the 0.5% contraction the previous year. By country, those with the highest growth rates were: Poland (+3.2%); Slovenia (+2%); Lithuania (+2.5%); Latvia (+2.1%); Spain (+2%); Greece (+1.7%); Germany (+1.6%); Czech Republic (+1.5%) and the Netherlands (+1%). While those that have shrunk the most were: Cyprus (-0.7%); Italy (-0.4%) and Finland (-0.2%). On the other hand, the risk premiums of all peripheral European countries have fallen repeatedly and now stand at their lowest levels in recent years. Spain closed at 107 basis points (bps), compared to 223 bp the previous year; Italy closed at 134 bp, compared to 221 bp in 2013; Portugal at 215 bp, compared to 421 bp the previous year; while Greece closed at 906 bp, compared to 663 bp in 2013. The European Central Bank has continued with its active liquidity policies, by systematically purchasing the public debt of peripheral countries, as well as through various liquidity auctions with the aim of normalising the credit situation of their economies. As regards economic forecasts for future years, the European Commission predicts growth for the eurozone of 1.3% in 2015 and 2% in 2016. The recovery will continue to gain ground in Europe thanks to the increase in domestic demand and exports, as a result of improved competitiveness —especially in the Mediterranean countries, which were those most affected by the crisis— and the depreciation of the euro. The main stumbling blocks for Europe in the years to come, however, will be financing constraints and high unemployment.

Year-on-year inflation in the eurozone, according to data provided by Eurostat, was -0.2% in 2014, compared to 0.8% the previous year. For the first time in five years, it has reached negative figures, driven by the sharp decline in energy prices (down -6.3%), due to the strong depreciation of the barrel of Brent crude, which fell from 70 US dollars to 57 US dollars in December. Underlying inflation, i.e. excluding the price of energy and fresh food, stood at 0.6% in the eurozone, compared to 0.09% the previous year. In 2015, oil will continue to be cheap since the OPEC has chosen not to reduce production, and demand will remain stagnated as economic recovery has not yet become firmly established. The threat of deflation has become a serious issue for the eurozone countries, such that the European Central Bank must intervene

by injecting money through mass debt purchases in order for consumption to begin to recover and to allow positive price levels to emerge in the medium and long term.

2.2.- THE SPANISH ECONOMY

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 1.4% in 2014, compared to the -1.2% drop recorded the previous year. This is the first spike to be seen in the economy, following six years without growth. By sector, notable are the sectors of agriculture, livestock and fisheries, with a year-on-year increase of 3.3%; Services, with an increase of 1.6%; and Industry, with an increase of 1.5%. Although it experienced a decline of -1.2% during the year, the construction sector has improved greatly compared to 2013, when it was down -7.7%. For the first time in several years, domestic demand has experienced upwards growth of 2.2%, thanks to the outstanding contribution of household consumption, the favourable evolution of the labour market and the fall in the cost of borrowing for families. As for the trade balance, it is worth noting the strong pull of imports during 2014, which increased by 7.6%. Meanwhile, exports of goods and services have grown by only 4.2%, with destinations such as the United States and Asia being the most notable, thanks to the depreciation of the euro against the US dollar. According to figures supplied by the Ministry of Industry, Energy and Tourism, in 2014 Spain received —for a third consecutive year— a record number of foreign visitors (64.99 million tourists), up by 7.1% compared to the 2013 figure. Estimates suggest that the total spending made by these visitors is around 63,000 million euros, compared to 59,000 million in 2013.

The European Commission's forecasts for Spain in 2015 and 2016 are quite encouraging in all key items: GDP growth, job creation, unemployment and deficit. In 2015 it expects an increase of 2.3% in GDP, and of 2.5% in 2016, mainly due to increased domestic demand as a result of employment growth and an increase in disposable income due to falling prices. Exports also continue to grow thanks to the improved competitiveness of the Spanish economy. Regarding the unemployment rate, levels of around 22.3% and 20.7% are expected in 2015 and 2016, respectively. All of these forecasts could be achieved in the short term if oil prices continue to fall and monetary stimulus measures are incentivised by the European Central Bank.

As regards the labour market, according to data published by the Spanish National Institute of Statistics (INE), the Labour Force Survey (LFS) reflects an increase in employment of 433,800 jobs last year, when it increased in all sectors except agriculture. Unemployment ended the year at 23.70% of the active population, compared to 26.03% the previous year. As for Social Security, 2014 closed with an average enrolment of 16.78 million employees, representing an average increase of more than 417,000 enrollees compared to the figures for the previous year, according to data from the General Treasury of the Spanish Social Security. As for activities under the General Regime, the sectors that experienced the best performance during the year were: the Special Agricultural System (+4.86% compared to 2013); Trade and Repair of Motor Vehicles (+1.43%); Public Administration and Defence and Compulsory Social Security (+1.16%); and Health Care Activities and Social Services (+1.04%). Accordingly, the Special Regime of Self-Employed Persons improved slightly during the year, and closed with an average of 3.13 million enrollees, 0.18% more than in 2013.

As regards prices, the INE reported that inflation was -1.0% in 2014, compared to 0.3% the previous year, representing —for a second consecutive year— the lowest reported level since records began to be kept in 1961. By group, almost all experienced negative growth during the year. The following, in particular, are worthy of note: Transport (-5.5%), due to the sharp fall in the price of fuels and lubricants, as a result of the sharp decline in oil prices during 2014; Leisure and Culture (-1.2%); Food and non-alcoholic beverages (-0.3%); and Housing (-0.2%). Underlying inflation, excluding fresh food and energy products, stood at 0.0%, down against the 0.2% observed the previous year.

Spain's main stock index, the IBEX-35, ended with gains for the second year running. Specifically, the last trading session of the year closed at 10,269.7, a gain in the year of 3.56% against losses of 21.41% the previous year.

According to data published by the Spanish Association of Construction Companies ("SEOPAN"), public tenders finished 2014 with a total value of 8,657.8 million euros in actual investments, down 3.29% on that invested in 2013. By companies, ADIF invested a total of 3,372.5 million euros; Puertos del Estado a total of 776.5 million euros; Aguas a total of 660.7 million euros; SEITT a total of 563.9 million euros and ENAIRE, a newly-created company that includes AENA, a total of 550.3 million euros. With regard to investment by programmes, the 1,646.9 million euros allocated to roads and the 106.9 million euros to infrastructure and water quality are noteworthy of mention.

With regard to State investment for 2015, with a total budget of 9,483.1 million euros, 9.01% more than in 2014, this will give rise to a plausible change in trend after six consecutive years of decreases in investment. The majority of the budget, 3,372.5 million euros, will be allocated to the "AVE" rail system, followed by the road programme with 1,721.3 million euros, infrastructure and water quality with 871.2 million euros, and State ports with 863.9 million euros.

Despite the measures taken by Spanish public authorities to adjust and contain spending, the Ministry of Economic Development is still implementing the new Infrastructure, Transport and Housing Plan ("PITVI") introduced at the end of 2012, which replaced the Strategic Infrastructure and Transport Plan ("PEIT") and the Strategic Infrastructure Plan ("PEI"). The new plan is expected to remain in place until 2024. The environmental report of the Plan was approved in 2014 and, therefore, it only needs to be definitively approved.

Depending on macroeconomic scenarios in Spain, the total sum of investment earmarked in the "PITVI" Plan ranges between 0.89% and 0.94% of GDP up to 2024.

Of the total amount planned, approximately 90% is to be allocated to transport policies and 10% to housing. Of the former, 52,403 million euros will be allocated to roads, including 18,668 million euros for the construction of 3,500 km of new high-capacity routes, with a further 1,265 million euros earmarked for the expansion of existing roads. A 25,000 million euro package is to be allocated to Spain's high-speed "AVE" rail system. The bulk of this amount will be used for the connection to Galicia (8,517 million euros) and for the Basque "Y" (4,323 million euros), which will join the three capitals of the region. The other flagship projects will be the AVE to Badajoz, with 2,651 million euros, and the connection to Asturias, with another 1,719 million euros. Other noteworthy interventions include national ports, with 2,000 million euros, and modernization of conventional railway transport, with 1,310 million euros.

In spite of European authorities' constant calls for austerity, they are aware of the importance of developing Europe-wide infrastructures in the new world economic order. At the end of 2014 the European Commission therefore created a work group to implement a portfolio of projects in the European Union that would be carried out in the short and medium term and that would focus on key sectors to drive competition and potential growth in the European Union, especially with regard to research and development, digital economy, energy and transport infrastructures, social infrastructures and the environment.

Among other actions, the new actions outlined in the European rail transport plan are taken into consideration. Spain, with five corridors crossing the entire country, is to be one of the main beneficiaries. The network, which will criss-cross the country's territory, should be completed before 2030, and it is expected to receive a total investment of 49,800 million euros, of which at least 10% will be covered by Community funds. The Central Corridor will link Algeciras to France through the centre of the peninsula; the Atlantic-Mediterranean Corridor will run from Lisbon to Valencia; a branch of the corridor will run from Portugal to France, crossing the Castille plateau and the Basque Country; the Mediterranean Corridor will link Algeciras to Murcia, Valencia, Catalonia and the French border; and another corridor will run

from the Cantabrian Sea to the Mediterranean, linking Bilbao to Valencia and passing through Pamplona and Zaragoza.

3. OUR ACTIVITY IN 2014

3.1.- Activities of the Sacyr Group

Group revenue was 2,901 million euros, a 8.5% increase on 2013. Of this, 49% was earned outside Spain compared to 42% the previous year. The Group maintains its strong commitment to international growth and now has a strong presence in countries that include Chile, Angola, Italy, Portugal, Brazil, Bolivia, Panama, Colombia, Peru, Mexico, Australia, Israel, Algeria, Ireland, the Green Cape, Togo, Mozambique, Qatar and India.

EBITDA was 382 million euros, with an EBITDA/revenue margin of 13%. Accordingly, net attributable profit was 32.7 million euros, although it would have totalled 118 million euros if the extraordinary tax impacts generated as a result of regulatory changes had not been discounted.

In terms of key balance sheet indicators, in 2014 total assets stood at 11,809.61 million euros, while equity was 1,357.92 million euros. In the past six years, the Group has considerably reduced its net debt, from 19,526 million euros at 31 December 2008 to 6,337 million euros at 31 December 2014. This reduction is primarily the result of divestments (Itinere Infraestructuras, in 2009, and Repsol, S.A., in 2011), the orderly settlement of debt of Vallehermoso, lower costs, as well as the strengthening of equity, thanks to the capital increases carried out in late 2010, the beginning of 2011 and 2014.

Continued business momentum at the Group is underpinned by the order book, which at 31 December 2014 stands at 26,260.14 million euros, and more than 43% of this is now international.

At 2014 year-end, the Group's property assets rose to 3,434 million euros with underlying gains of 1,092 million, with the following breakdown by company:

- Vallehermoso: The valuation at 31 December 2014 was 254 million euros, down 76.89% on 2013, as a result of the assets transferred.

- Testa: The valuation at 31 December 2014 was 3,180 million euros, down 3.26% on 2013, as a result of the assets sold. However, the value of the assets increased since their value at 31 December 2014 increased with regard to their value the previous year.

In 2013, Sacyr continued to implement the Group's new strategy, based on boosting those businesses in which we are leaders and experts, and on continuing to promote the two new growth engines, i.e. the management of construction and concession projects, and the consolidation of the Group's new industrial divisions: Sacyr Industrial.

All the foregoing, tied to management measures based on reducing costs and debt will lead to a stronger, more innovative, more competitive Group, more committed to the traditional values of our Company: prudence, austerity, quality and compliance with the commitments assumed.

3.2.- Most significant events in 2014

Some of the most significant events in 2014 are set out over the next few pages, followed by an overview of each business unit.

a) Panama Canal

On 2 January 2014, Grupo Unidos por el Canal (GUPC), a consortium charged with the design and construction of a third set of floodgates for the Panama Canal –in which Sacyr,

among others, has an ownership interest–, announced that, due to serious breaches attributable to the Panama Canal Authorities (ACP), and under the terms of the agreement, it will suspend all work if its claims are not dealt with.

GUPC, in relation to the project overruns arising from unforeseeable circumstances, filed founded claims for a total amount of 1,625 million US dollars, with the various competent authorities, including the International Court of Arbitration of the International Chamber of Commerce (ICC), on not being attended to by the ACP as has been suggested since the commencement of the works.

Since that date, GUPC has held intense meetings with the ACP to reach a satisfactory agreement ending the contract imbalance present until that date.

GUPC proposed to co-finance the unexpected costs to continue with the works, which as of that date, had been nearly 70% complete, and accordingly, the project may be completed in 2015.

At the beginning of February 2014, on the expectation of reaching an agreement, the project works were suspended. Despite these circumstances, GUPC continued to seek a co-financing agreement, in line with the prevailing contracts and laws, in order to reach an immediate and satisfactory settlement for both parties.

On 20 February, GUPC recommenced the work for the third set of floodgates, after making progress in the talks and reaching an agreement in principle with the ACP.

On 27 February, the end of the talks with the ACP was announced through a definitive conceptual agreement to resolve the project financing problems, within the terms of the contract and the laws applicable thereto.

Lastly, on 14 March, a Memorandum Of Understanding (MOU) was reached whereby the ACP and GUPC undertook to contribute 100 million dollars each in order to continue with the works. The insurance company Zurich was also involved in order to have the required funds to complete the works, in December 2015, while the outcome of the arbitration proceedings is awaited, in order to ensure that the final responsibility for the project's additional costs was assigned. This agreement also included the scaled delivery of the gates, which are still under construction in Italy, and the extension of the moratorium for certain payments to facilitate investment in the works.

Since the agreement was signed, the work has been carried out as planned. Evidence of this was the maritime transfer from the Italian port of Trieste, in mid-October, of the last four gates to complete the canal. The gates arrived in Panama on 12 November, almost 3 months prior to that stipulated in the agreement entered into with the ACP, and the first gate was installed on 15 December, specifically in the upper chamber of the Atlantic side.

In mid-2015 all of the other gates are expected to be in place in their respective chambers in order to fill the chambers and begin testing the new floodgates.

Lastly, it should be noted that on 1 January 2015, the DAB (Dispute Adjudication Board), an independent technical body established within the framework of the agreement between Grupo Unidos por el Canal (GUPC) and the ACP (Panama Canal Authorities), handed down a ruling in favour of our Group with regard to two of the most important claims submitted until now by the consortium in relation to the poor quality of the basalt (a concrete-based material used in the construction) and the delay attributed to the ACP in obtaining approval for the concrete mixture used in the project. The ruling stipulated that the consortium had fully upheld these claims and that the ACP must pay GUPC a total of 234 million dollars and also grant a six-month extension of the agreement.

This ruling upheld the claims that GUPC had been filing since February 2011, warning that the properties of the basalt did not have the qualities indicated in the tender specifications provided by the ACP to all companies that submitted a bid for the project. In addition, it was confirmed that the concrete mix, submitted by GUPC in 2010 and rejected by the ACP, fully

complied with the technical specifications required in the contract. Not only that, but there were also improvements made, as it has a durability that exceeds the 100 years required.

These two claims are very important if we take into account that two thirds of the total cost of the project (around 2,310 million dollars in total) consist of civil works, i.e. costs associated with the manufacturing and placement of concrete in the new floodgates.

b) Capital increase and convertible bonds

On 24 April, the Company carried out an accelerated capital increase for a total cash amount of 166,243,195.78 euros, where 36,297,641.0 euros corresponded to the nominal amount and 129,945,554.78 euros to the share premium. The subscription price was 4.58 euros per new ordinary share. Therefore, 36,297,641 new shares were issued of the same class and series as those outstanding. Consequently, Sacyr's capital amounted to 502,212,433 shares from then on. The new shares accounted for 7.79% of Sacyr's share capital before the accelerated capital increase and 7.23% after the transaction.

The capital increase was registered with the Madrid Mercantile Registry on 25 April, and on 29 April, the 36,297,641 new Sacyr shares were effectively listed for trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

On 24 April, Sacyr issued convertible bonds for a nominal amount of 250 million euros, maturing at five years from the payment date, i.e. 8 May 2019. The bonds were issued at face value and have a unit nominal amount of 100,000 euros. These bonds will accrue interest at an annual nominal fixed rate of 4%, payable quarterly in arrears. These bonds may be converted for newly-issued ordinary shares and/or exchanged for outstanding Sacyr shares, starting 41 days following the payment date and until ten days prior to the final maturity date or, if they are redeemed early, until ten days prior to the early redemption date. For each conversion request, Sacra may choose to issue new shares or deliver outstanding shares. The initial conversion price of these bonds was 5,725 euros. The bonds are listed on the unregulated organized secondary market (Freiverkehr) of the Frankfurt Stock Exchange.

c) Repsol

In 2014, the Group, through its investee, Sacyr Vallehermoso Participaciones Mobiliarias, S.L., received dividends from Repsol, S.A. for a total amount of 239.77 million euros (58.29 million euros at the beginning of January, recognised in the 2013 income statement; 59.27 million euros at the beginning of July, complementary to the 2013 results; and an extraordinary 122.21 million euros at the beginning of June).

d) Strategic agreements

On 18 November 2014, and within the Group's strong internationalisation policy, Sacra entered into a joint collaboration agreement with the US company Manhattan Construction Group to carry out infrastructure, concession, industrial and environmental projects in the United States. The agreement entailed the call for tender, as part of a consortium, for bids submitted by both public and private entities in the US. Manhattan Construction Group has extensive experience in the development and operation of construction and industrial projects in the Southwestern, Southeastern and mid-Atlantic states of the US, as well as in Mexico and in countries in Central America and the Caribbean.

e) Liquidation of Vallehermoso

In 2014, Vallehermoso continued its debt reduction policy, and consequently that of its balance sheet, through its ordinary operations by selling finished products and through the

exchange of property assets for associated debt. The total debt was reduced by 699 million euros as a result of transferring several blocks of property assets throughout the year to various financial institutions and to the SAREB.

The independent real estate consultants Tasaciones Hipotecarias, S.A. and Garen Avaliações appraised the value of property assets at 2013 year-end at 254.54 million euros. Of this total valuation, 224.49 million euros relate to land and 30 million euros to finished goods not yet sold.

3.3.- Performance of the Construction division (Sacyr-Somague)

Revenue from the construction division at year-end 2014 amounted to 1,697 million euros, which represented a year-on-year increase of 5%, thereby breaking the downward trend of recent years.

The ratio of EBITDA to revenue reached 6.1%, thereby maintaining a high level of return in accordance with the Group's strategic requirements.

The construction backlog stood at 4,987 million euros, up 13% on the previous year. This improvement, which allowed 35 months of activity to be covered at current billing rates, was caused to a large extent by the contracts obtained abroad.

The strategy of internationally expanding the construction division is reflected in the weight of billing abroad, which represents 71% of total revenue. In this regard, noteworthy of mention is the business carried out in Chile, Angola, Mozambique, Brazil and Mexico, among others, where important contracts were awarded:

- In Brazil, a new contract was awarded, though a consortium involving its Somague subsidiary, for the Sao Paulo metro (construction of a section of line 2 between Vila Prudente and Dutra) for 500 million euros.
- In Chile, the construction of the "Américo Vespucio Oriente" for 304 million euros, the construction of the second stage of the Costanera Norte motorway for 175 million euros and the construction of the new Coquimbo municipal council for 20 million euros.
- In Mexico, the contract for the construction of the second stage of Line 3 of the Guadalajara light rail system for 95 million euros and railway construction work for 152 million euros.
- In Peru, the construction of the "Autopista Longitudinal de la Sierra" motorway for 88 million euros and two hospitals for 81 million euros.
- In Angola, Somague was awarded numerous construction contracts.

3.4.- Performance of the Concessions division (Sacyr Concesiones)

Revenue from the concession business amounted to 419 million euros, up 37% on 2013 as a result of increased traffic on the concessions in operation and the construction revenue from the new concession operators in Latin America.

Income from concessions reached 116 million euros, which represents a year-on-year drop of 5% as a result of the disposals carried out during the year. If the effect of the disposals was eliminated, income from concessions would have grown by 18% year-on-year due to the excellent performance of traffic on Spanish concessions (the 18% increase in the Guadalmedina motorway in Malaga) and the entry into service of several concessions in Chile (such as Rutas del Desierto) and the Vilafranca hospital in Portugal.

EBITDA reached 78 million euros, which represents a margin of 67% and is significantly above the 60% reached in 2013.

In 2014 the concession division arranged a line of credit for the Antofagasta hospital in Chile for 290 million US dollars. This hospital, the largest in all of Chile, is expected to become operational at the end of 2016.

In 2014 the Group was awarded the contract for the construction and operation of the Américo Vespucio Oriente urban motorway (Santiago de Chile), with a backlog of 2,319 million euros.

At year-end 2014, the Group had 34 concessions distributed throughout 6 countries (Spain, Italy, Portugal, Ireland, Chile and Peru) 25 of which were in operation and 9 of which were under development. There are 21 motorway and highway concessions, 7 hospitals, 2 transport hubs, 1 metro line, 1 international airport and 1 service area.

3.5.- Performance of the Services division (Valoriza)

Valoriza's revenue amounted to 926 million euros. Despite the growth in the environment and multi-services divisions, revenue from the water division dropped slightly year-on-year as a result of the sale of several water concessions in Portugal and the completion of the construction work on the desalination plants in Israel and Australia. Revenue from the energy division, despite being affected by government regulation regarding renewable energies and by the disposal of certain assets (Olextra and Extragol plants), benefited from the effort made in international contracting over recent years, especially in Latin America (Peru, Bolivia, etc.).

Valoriza's EBITDA reached 72 million euros, which represents a year-on-year decrease of 26%, mainly as a result of new legislation governing renewable energy tariffs and the disposal of assets.

Valoriza's backlog stood at 8,677 million euros, of which 26% comes from the international market.

Environment

In 2014, Valoriza Servicios Medioambientales continued to fulfil its important role within the Valoriza Group's environmental area. In this regard, despite the difficulties posed by the current economic climate, the Valoriza Servicios Medioambientales Group consolidated its position within the sector and continues to be a leading business group. The areas in which it conducts its business are outlined below:

- **Municipal services:** this area, which has driven growth in recent years, comprises concessions for street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, management of parking metres, towing services and the removal of vehicles from public roads.
- **Waste treatment:** this business area, which has won substantial long-term concessions in recent years, builds and operates plants to treat municipal solid waste, packaging, and batteries, treatment facilities for construction and demolition debris and landfill gas removal, and plants for biomethanation, incineration, and waste-to-energy production, as well as facilities to treat, compost, and thermally dry the sludge from wastewater treatment plants.
- **Regeneration:** this area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.

Water

This business line encompasses two main fields of activities: engineering, development, construction, maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial wastewater treatment, agricultural treatment, etc.) and the integrated management of the water cycle under public sector concessions or in the private sector.

Integrated water cycle management activities are carried out by Valoriza Agua in Spain and Somague Ambiente in Portugal, serving a total over of 1.3 million people.

The most significant activities include the end-to-end water cycle of the city of Santa Cruz de Tenerife through the investee Emmasa; management of drinking water distribution in Las Palmas de Gran Canaria through the investee Emalsa; and the water supply concession in Guadalajara.

In terms of project performance and development, Valoriza Agua works through its subsidiary Sadyt, a world leader in both reverse osmosis desalination and water treatment. This company is present in Algeria, Israel, Chile and Australia, as well as in Spain.

Multiservices

Valoriza Multiservicios manages the Valoriza Group's businesses through three companies: Valoriza Facilities, Cafestore and Valoriza Conservación de Infraestructuras.

Valoriza Facilities is the Group company specialised in the integral cleaning of buildings, property facility management services, ancillary services (porter services, gardening, etc.), energy and social-health services.

Valoriza Conservación de Infraestructuras is the Group company engaged in road maintenance and upkeep. Among other activities, the company maintains an equivalent of 4,250 kilometres of motorways, as well as one dam, two networks of irrigation channels covering over 140 kilometres and the Bilbao port.

Cafestore, a Group company that specializes in catering services in concessions and has a presence in motorway service areas (third-leading Spanish operator in this market), social-health services and public organizations. At year-end 2014, the Group had a total of 44 points of sale: 28 service areas throughout Spain, restaurants at 3 hospitals in the Autonomous Community of Madrid, 2 homes for the elderly and in 11 public organizations (Madrid, Extremadura and Andalusia).

3.6.- Performance of the Industrial division

Sacyr Industrial is the Sacyr Group division arising as a result of the integration of various specialised companies and areas at the Group, charged with industrial engineering and construction activities, covering the promotion, performance, start-up and operation of the projects in the following business areas:

- Engineering and energy: Sacyr Industrial is one of the leaders in the Spanish energy sector, and it is also a pioneer internationally in conventional and renewable power plants, combined heat and power plants, and in the development of biomass, solar energy and geothermal plants. It also operates and maintains power plants and industrial facilities with an installed capacity of more than 900 MW.

- Environment and mining: Sacyr Industrial is one of the leading international companies in the design, construction and operation of waste treatment and assessment plants, having designed and built 43 waste management plants and installed 114 MW electrical power. It also has experience in mining and processing plant projects.
- Oil and gas: Sacyr Industrial has been entering into agreements with various technology companies to offer solutions to refining, chemical and petrochemical, processing and gas treatment projects, liquid natural gas (LNG) and the transport and storage of this fuel.
- Electrical facilities: Sacyr Industrial offers engineering and construction of high-voltage power lines, electrical substations and low-, medium- and high-voltage facilities.

The following contracts were won during the year:

- Sacyr Industrial was awarded the concession for the design, construction, assembly and start-up the cement plant in the department of Oruro (Bolivia), for 180 million euros. The facility, which belongs to Empresa Pública Productiva Cementos de Bolivia (ECEBOL) will have a minimum capacity of 3,000 tons of clinker per day to manufacture IP-30 Portland Cement, in accordance with Bolivian law.
- Sacyr Industrial was awarded the concession for the design, construction and start-up of the liquefied natural gas (LNG) receiving terminal in Cartagena de Indias (Columbia), as well as the construction of the gas pipelines, 10 kilometres in length, for transporting gas from the Cartagena de Indias bay to the National Transport System (SNT) located on the northern coast of Columbia. The project, which is capable of treating 400 million cubic feet of liquefied gas per day, will have a budget of 85.05 million euros and must be fully operational in the second half of 2016.
- Sacyr Industrial was awarded the concession for the construction and installation of two power lines of 115 KV with a length of 3.7 km, and three electrical substations with voltages of 115 KV and 13.8 KV, located in Monterrey in the state of Nuevo León (Mexico). The contract is worth 11.5 million euros.

Important milestones in 2014 also include the following:

- Combined heat and power: To date, Sacyr Industrial operates six combined heat and power plants for drying olive paste. Using this technology, Sacyr Industrial now has more than 106 MW of installed power through its subsidiaries, generating 900,000 MWh/year.
- Biomass: Sacyr Industrial has two plants in operation, achieving 25 MW of power and generating 251,000 MWh/year.
- Urban solid waste treatment plants: Sacyr Industrial is implementing the Bilbao Computerised Biological Treatment Plant, which will enable the treatment of up to 180,000 tonnes of waste per year, and the Cogersa biomethanation plant (Asturias), which will enable up to 60,000 tonnes per year to be processed.

Momentum in the Valoriza Group over the next few years is fully assured by an order book of 8,677 million euros at 31 December 2014.

The targets for 2015 and beyond continue to focus on the organic development of existing businesses, so as to achieve the critical activity mass that will allow the division to optimise profitability in each of its business lines. Nevertheless, the Group is always alert to new business development opportunities that will allow it to improve profitability and consolidate synergies with other Group activities.

3.7.- Performance of the Rental Property division (Testa)

Financially, 2013 was a very good year for the Testa Group, the Rental Property division within the Sacyr Group.

During the month of January, Testa disposed of a building of residential rental properties located at calle Conde de Xiquena, Madrid, for a total of 7.38 million euros.

In June, Testa assigned the surface right of the home for the elderly located on calle Rodríguez Marín, also in Madrid, for a total of 12.89 million euros.

In the months of June and September, Testa sold its entire 32% minority shareholding in the French company "Preim Defense 2", which owns the building "Tour Adriá" located in the business district of La Defense (Paris), for a total of 64.08 million euros.

On 23 December, the Testa The Board of Directors agreed to call a General Shareholders' Meeting to be held on 3 February 2015 on first call, and 4 February 2015 on second call, in order to adopt, among others, the following proposals:

- A share capital reduction of 669,759,570.40 euros, leaving the share capital at 23,095,157.60 euros, for the purpose of returning contributions to shareholders, by reducing the par value of all shares by 5.80 euros per share. As a result of this reduction, the new par value would become 0.20 euros, down from the current 6 euros. The deadline for the execution of this agreement shall not be later than 2 February 2016 (one year from the approval at the General Shareholders' Meeting).
- Payment of an extraordinary dividend amounting to 527,724,351.16 euros with a charge to unrestricted reserves, at 4.57 euros gross per share.
- Ratification of the interim appointment and re-election of Mr. Fernando Lacadena Azpeitia as director of the Company, classified as a proprietary director.

The execution of the agreement to distribute funds (share capital reduction and payment of an extraordinary dividend) is subject to the express condition of the successful outcome of a transaction to obtain equity from the market, for a minimum amount of 300 million euros, under terms that are satisfactory to Testa, where both transactions must be performed at the same time, or as close together as reasonably possible.

If this equity is not raised in the terms and within the deadlines set out, the fund distribution agreement would be rendered null and void and would not be implemented.

At 31 December 2014, the Testa Group owned 1,334,448 m² of rental assets. In the year, these assets generated a total of 182.6 million euros in rental income. Of total rental income, 60% is earned from office space (109.8 million euros), 14% from hotels (25.5 million euros), 14% from shopping centres (26.1 million euros), and the remaining 12% (21.2 million euros) from rental of industrial premises, housing, homes for the elderly and car parks.

The average total occupancy rate of all its properties stood at 95.02% (96.83% excluding an office building located in Campo de las Naciones (Madrid), which is currently vacant and being refurbished).

The rental revenue book amounted to 1,193 million euros at 31 December 2013, thus ensuring a strong level of invoicing over the coming years.

The Testa Group's real estate assets were valued by two independent appraisers: CB Richard Ellis (for assets under lease and assets under construction) and Tasaciones Hipotecarias, S.A. (for

land plots). The combined appraisal value was 3,180 million euros, down 3.26% on 2013, as a result of the disposals, implying unrealised gains of 1,092 million euros.

3.8.- Holding in Repsol, S.A.

In 2014, Sacyr, through its investee Sacyr Vallehermoso Participaciones Mobiliarias, S.L., remained a core shareholder of Repsol, S.A.

Repsol, S.A. is the leading oil company in Spain and one of the fifteen largest private oil concerns in the world. It is also the leading marketer of Liquefied Natural Gas (LNG) in Spain, supplying more than eleven million customers in our country alone. In chemical products, Repsol, S.A. is market leader in Spain and Portugal, and world leader in agricultural plastics. Repsol, S.A. has a 30.001% stake in the gas utility Gas Natural SDG, S.A. and also owns 10% of energy company Compañía Logística de Hidrocarburos CLH, S.A.

On 25 February 2014, Repsol, S.A. approved an "Amicable Accord Solution and Expropriation Agreement" with Argentina, whereby the latter undertook to compensate, in the order of 5,000 million dollars, the expropriation of 51% of the shares of YPF and YPF Gas, to provide the corresponding guarantees for the effective payment of such compensation and to mutually withdraw the legal and arbitration claims filed and to waive new claims.

The transaction will be completed via the delivery of bonds to Repsol, S.A., with full guarantees of their deposit at an international financial securities clearing and settlement entity. Repsol, S.A. may freely choose to sell these bonds or collect them on their respective maturity dates. If the sale gives rise to an amount exceeding 5,000 million dollars (discounting interest and costs), the surplus will be refunded to Argentina.

Lastly, on 8 May 2014, compliance with all conditions precedent envisaged in the agreement was verified and, therefore, Argentina provided Repsol, S.A. with government bonds for total nominal amount of 5,317.36 million dollars. The breakdown and nominal value of these bonds is as follows: "Bonar X" bonds, for 500 million dollars; "Discount 33" bonds, for 1,250 million dollars; "Bonar 24" bonds, for 3,250 million dollars, and "Boden 2015" bonds, for 317.86 million dollars.

On 16 December 2014, Repsol, S.A. resolved to purchase 100% of the Canadian oil company Talisman Energy for 8,300 million dollars (6,640 million euros), plus a debt of 4,700 million dollars (3,769 million euros.)

This acquisition, which was the largest international transaction carried out by a Spanish company over the last five years, will make Repsol, S.A. one of the main private energy groups worldwide, with a greater presence in OECD countries, as a result of having its reserves and production in countries with great geopolitical stability. Talisman Energy has high quality assets in production and areas with great exploration potential in North America (Canada and the United States) and in South East Asia (Indonesia, Malaysia and Vietnam), as well as in Columbia and Norway, among other countries.

After completing the transaction, North America will represent almost 50% of the capital used in the area for oil and gas exploration, causing Latin America to move down to second position, with 22% of the total. In addition, the Repsol Group will increase its production by 76% to 680,000 barrels of oil equivalent per day, increasing its reserves by 55% to reach 2,353 million barrels of oil equivalent.

The transaction is expected to be completed mid-2015, at which point the Repsol Group will have more than 27,000 employees and will have a presence in over 50 countries.

In 2014, Repsol, S.A. billed 45,842 million euros, placing its attributed consolidated profit at 1,573 million euros.

During the year, Repsol, S.A. paid a final gross dividend of 1.962 euros per share (0.477 euros as an interim dividend against 2013 profit, 0.485 euros as a final dividend for that year, and 1 euro as an extraordinary dividend). Sacyr Vallehermoso Participaciones Mobiliarias, S.L.'s share of the dividend amounted to 239.77 million euros.

Repsol, S.A. is listed on Spain's IBEX-35 index, as well as on the leading index in the United State. At year-end 2014, the Company's share price stood at 15.525 euros (a 15.26% decline in value compared with 2013) and its market capitalisation was 20,962.98 million euros.

4. LIQUIDITY AND CAPITAL FUNDS

The Sacyr Group's financing sources are explained in detail in the note on bank borrowings in these consolidated financial statements.

The credit and liquidity risks associated with these sources of financing are explained in detail in the note on the risk management policy in these consolidated financial statements.

Lastly, the contractual obligations and off-balance-sheet obligations are included in the note on provisions and contingent liabilities in these consolidated financial statements.

5. RISKS AND UNCERTAINTIES

The Sacyr Group is exposed to a number of risks and uncertainties. The main financial risks are as follows:

- **Credit risk:** Credit risk is negligible in the Group's Construction, Concessions and Services divisions, as the bulk of these businesses' revenue comes directly from Spain's central, regional and local government bodies and those of other geographical markets in which the Group operates. These public authorities promptly meet the payment terms set out in contracts, and they all have excellent credit ratings. In the rental property division, credit risk is also low, since additional financial guarantees are required by the lessees prior to entering into the lease agreements. If payment is not made, the agreement will be terminated and the related guarantee will be used. The Group, therefore, has no significant credit risks in due consideration of the considerable solvency of its customers and the short collection periods established.
- **Liquidity risk:** The liquidity risk to which the Group's divisions are exposed is negligible due to the nature and characteristics of the various collection and payment processes. Project financing is used in the case of infrastructure concessions and energy projects, whereby investment is guaranteed and financed by the cash flow generated by the projects themselves. In the Construction division, the Group takes out credit facilities to guarantee sufficient liquidity. In the Property Management business, liquidity is provided by the very nature of the investments made and the high occupancy rates prevailing to date.

Occasional short-term cash surpluses in all Group divisions are invested in highly liquid risk-free deposits, provided this is in line with best financial management practices.

- Market risk: the main market risks to which the Group is exposed are:
 - Interest rate risk: Interest rate risk is the main risk to which the Group is exposed, and arises from borrowings from financial institutions, as detailed in the notes to the financial statements. A significant portion of the Group's interest-bearing loans and borrowings are at fixed rates, as a result of hedging instruments, such as interest rate swaps, which reduce exposure to increases in interest rates.

- o Foreign currency risk: The Group's policy is to contract debt in the same currency in which the cash flows of each business are denominated. This matching means that at present the Group has no significant exposure to currency risk. Within this category, some mention should be made of the impact of currency fluctuations on the conversion of the financial statements of foreign entities that do not use the euro as their functional currency. The Group's rapid geographical expansion of recent years means that in the future it may encounter situations that give rise to foreign currency risk. Should this occur, the Group would consider how this risk can best be minimised through the use of hedging instruments under the umbrella of corporate policy.

Other market risks to which the Group is exposed include:

- Risks associated with international expansion: This risk arises from the Group's ongoing expansion into new markets. Before making new investments, the Group conducts exhaustive and detailed analyses of the target markets. These surveys comprise on-site research that can span several years.
- Regulatory risk: Group companies must comply with both general and sector-specific regulations (legal, accounting, environmental, employment, tax, data protection, etc.). Changes in these regulations could either benefit or adversely affect the Group's businesses.

Other risks to which the Group is exposed are:

- Environmental risks
- Risks of damages caused by construction work
- Risks associated with workplace health and safety;
- Risks of loss of assets.

The Group has implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, so as to minimise or eliminate the consequences.

6. EVENTS AFTER THE BALANCE SHEET DATE

Events after the reporting date are detailed in the notes to these consolidated financial statements.

7. OUTLOOK

The strategies and objectives of the Sacyr Group for the next few years are as follows:

1. To continue promoting and developing the businesses in which we are experts and leaders (core business) in Spain and abroad, in order to consolidate ourselves as a leading international construction, infrastructure management, services and industrial Group.
2. To maintain operating profitability and EBITDA margins of the current business units, with profitability at scale prevailing.

3. To continue with the Group's international expansion. To seek new markets where profitability and legal security prevail above all, as well as consolidating activities in those countries in which we are present.
4. Cost contention and containment of structural expenses in order to be more competitive.
5. Reduction of financial borrowings, in order to reduce the Group's leverage and all debt borne by the projects generating them.
6. Development of new business areas, which are complementary to the current ones, and enable synergies to be born between the Group's companies and divisions.

8. R&D&i

Innovation, technology, research and development are key factors that have contributed to the business success of the Sacyr Group. This commitment is evident through the definition and disclosure of this policy and by assigning the human and technical resources necessary to implement such policy.

The ideas later developed by the Group's research professionals germinate in this environment, thereby allowing the Group to subsequently improve its materials, systems, processes and, therefore, its results.

In 2014 the Sacyr Group consolidated its backlog of 18 R&D projects with external recognition of this activity by obtaining grants, loans and/or tax credits from various official bodies.

The Group's R&D activities cover all of the Company's business areas: construction, services, concessions and real estate.

9. ANNUAL CORPORATE GOVERNANCE REPORT

The annual corporate governance report forms part of these consolidated financial statements and is available in full on the website of the Spanish National Securities Market Commission (www.cnmv.com) and the Company's website (www.sacyr.com).

10. ACQUISITION AND DISPOSAL OF TREASURY SHARES

At 31 December 2014, Sacyr's share capital was fully subscribed and paid. Share capital was composed of 502,212,433 shares with a par value of 1 euro each. There is only one class and series of shares, and all shares carry the same rights.

At 31 December 2014, Sacyr's market capitalisation stood at 1,434.32 million euros. Share performance on the electronic trading system was as follows:

SHARE PRICE IN 2014	
N° of shares admitted for trading	502.212.433
Trading volume (thousands of euros)	7.654.633
Trading days	255
Closing price 2013 (euros)	3,77
Closing price 2014 (euros)	2,86
High (on 09/06/2014) (euros)	5,38
Low (on 14/11/2014) (euros)	2,65
Average weighted share price (euros)	4,03
Average daily trading vol. (n° of shares)	7.447.109
Liquidity (shares traded/capital)	3,78

At year-end 2014, Sacyr's share stood at 2.856 euros per share, compared to the 3.767 euros of the preceding period. The share price reached its intraday day high of 5.389 euros on 9 June, and its maximum daily close of 5.29 euros on 9 June. On the other hand, the intraday day low was 2.659 euros on 14 November, while the minimum low, also on 14 November, was 2.75 euros per share.

Sacyr's performance was quite unlike that of the IBEX-35, the General Index and the National Construction Index. Sacyr's shares were more volatile than the benchmark indices, with an average fluctuation of 4.03 euros per share. Average daily trading volume was over 7.44 million shares, for a total of 7,654.66 million euros for the year.

STOCK MARKET INFORMATION	2014	2013	% 14/13
Share price (euros)			
High	5,38	4,25	26,59%
Low	2,65	1,30	103,85%
Average	4,03	2,57	56,81%
Year-end	2,86	3,77	-24,00%
Average daily trading vol. (n° of shares)	7.447.109	5.664.222	31,48%
Annual trading volume (thousands of euros)	7.654.663	3.719.323	105,81%
N° of shares admitted for trading at year-end	502.212.433	465.914.792	7,79%
Market capitalisation (thousands of euros)	1.437.834	1.755.101	-18,08%
Price/carrying amount (n° of times)	1,06	1,70	-37,78%

At 31 December 2014, the Parent held 2,766,020 treasury shares, equivalent to 0.55077% of its share capital. At the average exchange rate, the price paid was 17.80 euros per share.

In 2014, Sacyr continued with the liquidity contract signed on 29 March 2012 with BEKA Finance, S.V., S.A., in accordance with CNMV Circular 3/2007, of 19 December.

From 1 January 2014 to 31 December, a total of 11,479,109 and 11,144,251 shares of Sacyr were acquired and sold, respectively.

At 31 December 2014, Sacyr was the custodian of 1,927 Sacyr shares: 754 shares that were not subscribed in the 2012 bonus issue and another 1,173 shares not subscribed in the bonus issue that was carried out in July 2013.

Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, and pursuant to Article 59 of the Spanish Corporate Enterprises Act, it will sell and deposit the resulting amount, together with the dividend rights received during this whole period of time, in the General Deposit Fund, where it may be disposed of by its holders.

At 2014 year-end, the Sacyr share price was 2.856 euros per share, 24.18% lower than at 2013 year-end (3.767 euros per share).

STATEMENT CERTIFYING SIGNATURES
and
ENVIRONMENTAL STATEMENT

STATEMENT CERTIFYING SIGNATURES:

In certification that the Board of Directors of Sacyr, S.A. (Parent of the Group), at its meeting on 26 March 2015, has authorised for issue, in accordance with the provisions of Article 253 of the Spanish Corporate Enterprises Act, the 2014 consolidated financial statements (consolidated statement of financial position, separate consolidated income statement, consolidated statement of changes in equity, consolidated statement of comprehensive income, consolidated statement of cash flows, and notes to the consolidated financial statements) and the consolidated management report for Sacyr, S.A., which will be submitted for approval at the Parent's General Shareholders' Meeting. These documents are reproduced in the preceding pages numbered consecutively from first to last, meaning this page, and are stamped and signed by the secretary to the Board. Pursuant to Article 8.1.b) of Royal Decree 1362/07, of 19 October, the Board of Directors hereby states that to the best of its knowledge and belief, the above-mentioned documents were prepared in accordance with applicable accounting principles and present a true and fair view of the consolidated financial position and consolidated earnings of the Parent and of the consolidated companies taken as a whole, and that the consolidated management report provides a true and fair analysis of the performance and earnings obtained, as well as the Parent's position and of the consolidated companies taken as a whole, along with a description of the main risks and uncertainties these face.

In compliance with Article 253 of the Spanish Corporate Enterprises Act, and, as evidence of their conformity with said consolidated financial statements and consolidated management report for 2014, the directors of Sacyr, S.A. hereby lend their signatures below.

ENVIRONMENTAL STATEMENT:

Also, we the undersigned, as directors of the Company, state that the Group's accounts underlying these consolidated financial statements contain no items of environmental significance that should be included in the notes to the consolidated financial statements in accordance with the third part of the Spanish General Chart of Accounts (Royal Decree 1514/2007, of 14 November).

Madrid, 26 March 2015.

D. Manuel Manrique Cecilia
Presidente y Consejero Delegado

D. Demetrio Carceller Arce
Vicepresidente 1º

D. Jose Manuel Loureda Mantiñán
Por Prilou, S.L.
Consejero

D. Diogo Alves Diniz Vaz Guedes
Consejero

D. Matías Cortes Domínguez
Consejero

D. Jose Manuel Loureda López
Por Prilomi, S.L.
Consejero

D. Gonzalo Manrique Sabatel
Por Cymofag, S.L.
Consejero

D. Javier Adroher Biosca
Consejero

D. Juan Miguel Sanjuan Jover
Por Grupo Satocán Desarrollos, S.L.
Consejero

D. Tomás Fuertes Fernández
Por Grupo Corporativo Fuertes, S.L.
Consejero

D. Augusto Delkader Teig
Consejero

D. José Moreno Carretero
Por Beta Asociados, S.L.
Consejero

D. Juan María Aguirre Gonzalo
Consejero

D. Raimundo Baroja Rieu
Consejero

De todo lo cual, como Secretario del Consejo, doy fe:

D^a. Elena Otero-Novas Miranda
Secretario General del Consejo
26/03/2015