

Independent Audit Report

SACYR, S.A. AND SUBSIDIARIES  
Consolidated Financial Statements and  
Consolidated Management Report  
for the year ended December 31, 2015

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, 2015, the separated consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, 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, 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 requires 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, 2015, and its consolidated results and consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions in the regulatory framework for financial information applicable in Spain.

### **Report on other legal and regulatory requirements**

The accompanying consolidated 2015 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 2015 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 8, 2016

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

Consolidated Financial Statements and  
Consolidated Management Report  
for the year ended 31 December 2015  
and

AUDITORS' REPORT ON THE  
CONSOLIDATED FINANCIAL STATEMENTS

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Sacyr Group

Sacyr, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2015 AND 2014

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

ASSETS	Note:	2015	2014	2013
A) NON-CURRENT ASSETS		6,778,085	8,455,475	8,590,745
I. Property, plant and equipment	5	376,148	395,039	371,256
II. Concession projects	6	1,643,853	1,213,675	1,234,544
III. Investment property	7	0	1,846,596	1,860,918
IV. Other intangible assets	8	14,816	6,913	9,371
V. Goodwill	9	186,578	118,311	134,126
VI. Investments accounted for using the equity method	10	2,021,442	2,605,429	2,622,879
VII. Receivables from concessions	12	1,388,989	917,402	782,865
VIII. Non-current financial assets	13	314,750	448,105	483,224
IX. Derivative financial instruments	24	37,072	36,861	24
X. Deferred tax assets	14	791,599	866,499	1,091,535
XI. Other non-current assets		2,838	645	3
B) CURRENT ASSETS		3,679,389	3,148,818	3,819,724
I. Non-current assets held for sale	4	527,535	302,623	1,072,212
II. Inventories	15	196,661	386,356	402,927
III. Trade and other receivables	16	1,996,615	1,888,173	1,751,376
- Trade receivables for sales and services		322,489	339,080	333,092
- Receivable from construction contracts		1,283,910	1,161,390	1,045,551
- Employees		1,171	1,975	1,177
- Receivable from public entities		133,011	114,153	156,778
- Other receivables		256,034	271,575	214,778
IV. Receivables from concessions	12	213,985	49,906	81,785
V. Current financial investments	13	140,308	161,575	107,417
VI. Derivative financial instruments	24	620	1,710	2,435
VII. Cash and cash equivalents	17	602,822	358,475	393,917
VIII. Other current assets		843	0	7,655
<b>TOTAL ASSETS</b>		<b>10,457,474</b>	<b>11,604,293</b>	<b>12,410,469</b>

Notes 1 to 42 and Appendices I 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:	2015	2014	2013
A) EQUITY		1,911,590	1,326,074	1,031,276
EQUITY OF THE PARENT		1,656,130	1,205,299	902,612
I. Share capital	18	517,431	502,212	465,915
II. Share premium		0	667,612	537,666
III. Reserves		787,934	130,356	578,159
IV. Profit for the year attributable to the Parent		370,006	32,720	(498,993)
V. Interim dividend paid in the year		(25,727)	0	0
V. Treasury shares		(52,340)	(49,301)	(47,722)
VI. Available-for-sale financial assets		65,007	64,302	88,067
VII. Hedging transactions		(104,750)	(140,680)	(102,933)
VIII. Translation differences		98,423	(2,000)	(118,080)
IX. Valuation adjustments		146	78	533
EQUITY OF NON-CONTROLLING INTERESTS		255,460	120,775	128,664
B) NON-CURRENT LIABILITIES		5,052,320	4,144,848	6,506,459
I. Deferred income	19	57,682	32,054	37,493
II. Non-current provisions	20.1	361,804	279,248	462,111
III. Bank borrowings	22	4,072,303	3,411,860	5,557,672
IV. Non-current payables	23	288,487	243,887	271,581
V. Derivative financial instruments	24	161,839	132,704	116,768
VI. Deferred tax liabilities	14	110,205	41,808	58,365
VII. Non-current payables to associates		0	3,287	2,469
C) CURRENT LIABILITIES		3,493,564	6,133,371	4,872,734
I. Liabilities associated with non-current assets held for sale	4	224,186	219,771	1,048,639
II. Bank borrowings	22	850,612	3,445,304	1,359,308
III. Trade and other payables	25	1,946,695	1,914,690	1,967,124
- Suppliers		1,653,847	1,604,348	1,682,104
- Employees		27,594	24,105	19,681
- Current tax liabilities		11,809	25,494	7,687
- Payable to public entities		90,375	108,654	113,224
- Other payables		163,070	152,089	144,428
IV. Current payables to associates	25	198,043	221,566	208,401
V. Derivative financial instruments	24	27,780	15,231	23,902
VI. Current provisions	20.2	246,248	315,908	265,360
VII. Other current liabilities		0	901	0
<b>TOTAL LIABILITIES</b>		<b>10,457,474</b>	<b>11,604,293</b>	<b>12,410,469</b>

Notes 1 to 42 and Appendices I 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 2015 AND 2014

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

SEPARATE INCOME STATEMENT	Note:	2015	2014 (Restated)*
Revenue	27	2,948,914	2,718,066
Own work capitalised		4,271	8,054
Other operating income		107,058	81,073
Government grants released to the income statement		3,151	2,476
<b>TOTAL OPERATING INCOME</b>		<b>3,063,394</b>	<b>2,809,669</b>
Change in inventories		1,537	(52,118)
Supplies	28	(1,246,663)	(1,122,197)
Staff costs	40	(741,438)	(712,120)
Depreciation and amortisation expense		(110,012)	(78,691)
Impairment of goodwill	9	(310)	(250)
Change in operating provisions		(55,240)	32,422
Change in provisions for non-current assets		(1,120)	14,635
Other operating expenses	29	(762,327)	(697,574)
<b>TOTAL OPERATING EXPENSES</b>		<b>(2,915,573)</b>	<b>(2,615,893)</b>
<b>OPERATING PROFIT</b>		<b>147,821</b>	<b>193,776</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	10	(467,843)	170,599
GAIN/(LOSS) ON DISPOSAL OF ASSETS	31	32,447	36,128
Revenue from other marketable securities and asset-backed loans		13,633	11,855
Other interest and similar income		26,828	21,556
Exchange differences		22,430	27,734
<b>TOTAL FINANCE INCOME</b>		<b>62,891</b>	<b>61,145</b>
Finance costs and similar expenses		(277,198)	(279,280)
Change in provisions for financial investments		(108,699)	8,345
Gain/(loss) on financial instruments		(31,902)	(28,835)
<b>TOTAL FINANCE COSTS</b>		<b>(417,799)</b>	<b>(299,770)</b>
<b>FINANCIAL LOSS</b>	32	<b>(354,908)</b>	<b>(238,625)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>		<b>(642,483)</b>	<b>161,878</b>
Corporate income tax	14	(157,252)	(165,560)
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(799,735)</b>	<b>(3,682)</b>
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	4	1,183,393	43,029
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>		<b>383,658</b>	<b>39,347</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>(13,652)</b>	<b>(6,627)</b>
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>370,006</b>	<b>32,720</b>
Basic earnings per share (euros)	33	0.72	0.07
Diluted earnings per share (euros)	33	0.70	0.11
Basic earnings per share for discontinued operations (euros)	33	2.31	0.09
Diluted earnings per share for discontinued operations (euros)	33	2.31	0.09

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

Notes 1 to 42 and Appendices I 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 2015 AND 2014

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

Note:	2015	2014
	383,658	39,347
CONSOLIDATED PROFIT FOR THE YEAR		
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY TO BE RECLASSIFIED IN THE FUTURE TO THE INCOME STATEMENT	68,603	72,030
From measurement of financial instruments	258	12,431
a) Available-for-sale financial assets	189	12,884
Investments accounted for on full consolidation	0	21,728
Investments accounted for using the equity method	189	(8,844)
b) Other income/(expenses)	69	(453)
Investments accounted for on full consolidation	69	(453)
From cash flow hedges	(28,660)	(59,084)
Investments accounted for on full consolidation	19 (12,409)	(56,297)
Investments accounted for using the equity method	(19,726)	(19,676)
Tax effect	3,475	16,889
Translation differences	97,005	118,683
Investments accounted for on full consolidation	16,435	1,441
Investments accounted for using the equity method	80,570	117,242
TOTAL AMOUNTS TRANSFERRED TO THE SEPARATE INCOME STATEMENT	66,464	(15,214)
From measurement of financial instruments:	515	(36,649)
a) Available-for-sale financial assets	515	(40,403)
Investments accounted for using the equity method	515	(40,403)
b) Other income/expenses	0	3,754
Investments accounted for using the equity method	0	3,754
From cash flow hedges	68,008	21,793
Investments accounted for on full consolidation	19 31,902	28,835
Investments accounted for using the equity method	45,039	1,609
Tax effect	(8,933)	(8,651)
Translation differences	(2,059)	(358)
Investments accounted for using the equity method	(2,059)	(358)
TOTAL COMPREHENSIVE INCOME	518,725	96,163
Attributable to the Parent	507,132	86,833
Attributable to non-controlling interests	11,593	9,330

Notes 1 to 42 and Appendices I 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 2015 AND 2014

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

	2015	2014 (Restated)*
<b>CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)</b>		
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)</b>	<b>160,362</b>	<b>43,019</b>
1. Profit/(loss) before tax from continuing operations	(642,483)	161,874
2. Adjustments to profit/(loss)	957,412	89,259
(+) Depreciation and amortisation expense	110,012	78,691
(+/-) Other adjustments to profit/(loss) (net)	847,400	10,568
3. Changes in working capital	(11,890)	(159,729)
4. Other cash flows from operating activities	(142,677)	(48,385)
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>1,265,446</b>	<b>(105,525)</b>
1. Payments on investments:	(446,503)	(664,837)
(-) Property, plant & equipment, intangible assets and investment property	(83,570)	(113,036)
(+) Other financial assets	(362,933)	(551,801)
2. Income from disposals	1,558,342	254,722
(-) Property, plant & equipment, intangible assets and investment property	20,057	47,967
(+) Other financial assets	83,055	217,946
(+) Divestment of discontinued operations	1,455,230	(11,191)
3. Other cash flows from investing activities	153,607	304,590
(+) Cash flows from dividends	127,444	239,773
(+) Cash flows from interest	26,163	64,817
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)</b>	<b>(1,181,461)</b>	<b>27,064</b>
1. Cash flows and (payments) on share-based instruments	10,431	165,096
(+) Issue	13,470	166,243
(-) Cancellation	(3,039)	(1,147)
2. Cash flows and (payments) on financial liability instruments	(826,766)	162,677
(+) Issue	339,028	467,798
(-) Redemption and amortisation	(1,165,794)	(305,121)
3. Payments for dividends and returns on other equity instruments	(25,727)	0
4. Other cash flows from finance activities	(339,399)	(300,709)
(-) Interest payments	(327,911)	(330,380)
(+/-) Other cash flows/(payments) from finance activities	(11,488)	29,671
<b>D) INCREASE/(DECREASE) NET OF CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>244,347</b>	<b>(35,442)</b>
<b>E) CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>358,475</b>	<b>393,917</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	<b>602,822</b>	<b>358,475</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
(+) Cash on hand and at banks	536,473	282,342
(+) Other financial assets	66,349	76,133
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>602,822</b>	<b>358,475</b>

(\*) As explained in Note 3, the consolidated statement of cash flows at 31 December 2014 has been restated.

Notes 1 to 42 and Appendices I 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 2015 AND 2014

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

Thousands of euros	Equity attributable to the Parent							Non-controlling interests	Total instruments
	Shareholders' equity						Valuation adjustments		
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit/(loss) for the year attributable to the Parent	Other equity instruments			
Ending balance at 31 December 2013	465,915	537,666	578,159	(47,722)	(498,993)	0	(132,413)	128,664	1,031,276
Adjusted beginning balance	465,915	537,666	578,159	(47,722)	(498,993)	0	(132,413)	128,664	1,031,276
Total recognised income/(expense)	0	0	0	0	32,720	0	54,113	9,330	96,163
Transactions with owners	36,297	129,946	1,579	(1,579)	0	0	0	0	166,243
Capital increases/(reductions)	36,297	129,946	0	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	0
Other changes in equity	0	0	(449,382)	0	498,993	0	0	(17,219)	32,392
Transfers between equity accounts	0	0	(498,993)	0	498,993	0	0	0	0
Other changes	0	0	49,611	0	0	0	0	(17,219)	32,392
Ending balance at 31 December 2014	502,212	667,612	130,356	(49,301)	32,720	0	(78,300)	120,775	1,326,074

  

Thousands of euros	Equity attributable to the Parent							Non-controlling interests	Total instruments
	Shareholders' equity						Valuation adjustments		
	Share capital	Share premium	Reserves	Treasury shares and own equity instruments	Profit/(loss) for the year attributable to the Parent	Other equity instruments			
Ending balance at 31 December 2014	502,212	667,612	130,356	(49,301)	32,720	0	(78,300)	120,775	1,326,074
Adjusted beginning balance	502,212	667,612	130,356	(49,301)	32,720	0	(78,300)	120,775	1,326,074
Total recognised income/(expense)	0	0	0	0	370,006	0	137,126	11,593	518,725
Transactions with owners	15,219	0	(15,219)	(3,039)	0	(25,727)	0	0	(28,766)
Capital increases/(reductions)	15,219	0	(15,219)	0	0	0	0	0	0
Distribution of dividends	0	0	0	0	0	(25,727)	0	0	(25,727)
Transactions with treasury shares or own equity instruments (net)	0	0	0	(3,039)	0	0	0	0	(3,039)
Other changes in equity	0	(667,612)	672,797	0	(32,720)	0	0	123,092	95,557
Transfers between equity accounts	0	(667,612)	700,332	0	(32,720)	0	0	0	0
Other changes	0	0	(27,535)	0	0	0	0	123,092	95,557
Ending balance at 31 December 2015	517,431	0	787,934	(52,340)	370,006	(25,727)	58,826	265,460	1,911,590

Notes 1 to 42 and Appendices I 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  
2015

## 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. (incorporated in Spain) arose from the merger by absorption of the Sacyr, S.A. Group (absorbed company) by 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 registered 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 acquisition, administration, management, development, operation through rental or any other means, construction, purchase and sale of all types of properties, as well as the provision of advisory services 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 marketable securities on the Company's own behalf, except for those activities reserved by law, and specifically by the Spanish Securities Market Act, for 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, use 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 investees via a presence on their governing bodies. The strategic and administrative management of subsidiaries in Spain and abroad, together, and the provision of legal, economic, accounting, personnel, budgeting, financial, tax, marketing and IT consultancy services to 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 with 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: legally independent companies that form a single economic unit with a unified management strategy and 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 have significant management influence.

a) Consolidated companies.

Subsidiaries have been fully consolidated, such that all the assets, rights and liabilities of the 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' profit or loss are included in the separate consolidated income statement.

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.

Jointly controlled operations included in the scope of consolidation were proportionately consolidated if they have two or more venturers related by a contractual agreement that establishes joint control. The Group reports its share of the assets, liabilities, income and expenses of the joint venture, line by line, in its consolidated financial statements.

Joint ventures have been accounted for using the equity method.

#### A1) 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 Sotona, S.L., Valdemingómez 2000, S.A., Metrofang, S.L. and Suardiaz Servicios Maritimos de Barcelona, S.L.

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. and Silices 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.

The items in the consolidated statement of financial position and the separate consolidated income statement of the most significant foreign companies included in the scope of consolidation 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

## A2) 2015

Companies included within the scope of consolidation for these financial statements are listed in Appendix I, along with details of the ownership interest held by the Group, the consolidation method used, their classification group, activity, 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: Boremer, S.A., Metrofangs, S.L., Valdemingomez 2000, S.A., Biorreciclaje de Cádiz, S.A., Parque Eólico La Sotomera, S.L., Sercanarias, S.A., Sociedad Economía Mixta de Aguas de Soria, S.L., Sacyr industrial Colombia, S.A.S., Sacyr Industrial México, S.A., Sacyr Industrial LLC, Sacyr Industrial USA, LLC, SIS, S.c.p.A., Sacyr Panamá, S.A., Sacyr Costa Rica, S.A., Sacyr India, S.A., Eurolink, S.c.p.A., N6 Operations Ltd, Sacyr Concessions Ltd, N6 Concession Holding Ltd and GSJ Maintenance.

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. and 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.

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

Exchange rate	2015	
	Average	year-end
US dollar / euro	1.1102	1.0866
Australian dollar / euro	1.4776	1.4905
Chilean peso / euro	726.20	769.71
Libyan dinar / euro	1.5215	1.4707
Mexican peso / euro	17.6121	18.7204
Brazilian real / euro	3.6939	4.3006
New Mozambique metical / euro	43,721.66	52,144.81
Angolan kwanza / euro	133.1514	146.9362
Algerian dinar / euro	111.3362	116.3842
Peruvian nuevo sol/euro	3.5350	3.7161
Colombian peso / euro	3,045.22	3,449.04
Boliviano / euro	7.6646	7.496
Indian rupee / euro	70.3817	72.1230
Qatari rial / euro	4.0421	3.9564
Pound sterling / euro	0.7264	0.7375

#### 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) 2014

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

- On 8 April 2014, Sacyr Concesiones, S.L. and Sacyr Concesiones Perú, S.A.C. formed Concesionaria Vial Sierra Norte, S.A., the corporate purpose of which 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., the corporate purpose of which is the extraction of iron ore. Valoriza Gestión, S.A. holds a 100% interest and an investment of 500,000 euros.
- On 23 April 2014, Sacyr Concesiones Chile, S.A. formed Sociedad Concesionaria Vespucio Oriente, S.A., the corporate purpose of which 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 was included in 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. holds a 100% interest and an investment of 122,64 euros.
- On 4 July 2014, Sacyr Construcción, S.A.U. formed Sacyr Construcción Participaciones Accionariales, S.L., the corporate purpose of which is the acquisition, administration and management of investments in the share capital of other companies; it holds a 100% interest and an investment of 60,463,000 euros.
- On 7 July 2014, Sacyr Industrial, S.L. and Valoriza Agua, S.L. formed Sacyr Industrial México, S.A. de C.V., the corporate purpose of which is the performance of all manner of civil engineering and industrial work; they each hold a 50% interest and an investment of 1,410 euros.
- On 10 July 2014, Valoriza Servicios Medioambientales, S.A. formed Planta de Tratamiento de Arraiz, S.L., the corporate purpose of which 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, the corporate purpose of which 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 an 8% stake and an investment of 12,000 euros, respectively, and Valoriza Gestión, S.A. with a 9% interest and an investment of 13,500 euros.
- On 5 June 2014, Sacyr Concesiones, S.L. and Sacyr Concesiones Perú, S.A.C. formed Sacyr Operación y Servicios Perú, S.A.C., the corporate purpose of which 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 euro and 6,876 euros, respectively.
- On 1 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 3 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 as well as electricity and thermal combined heat and power plants; 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., the corporate purpose of which 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., the corporate purpose of which 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., the corporate purpose of which 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 an 85% stake.
- On 20 February 2014, Sacyr Industrial, S.L.U. sold Olextra, S.A. and Extragol, S.L.; the Group had held stakes of 87.59% and 68.76% respectively in these companies.
- 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 concession operators 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, Socimi, 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%.
- A merger by absorption took place on 18 December 2014, whereby Vallehermoso División Promoción, S.A.U. absorbed the development company Fortuna Golf, S.L.; the percentage of ownership was 100%.

B2) 2015

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

- On 8 January 2015, Sacyr Construcción Colombia, S.A. was included in the scope of consolidation. Its corporate purpose is the performance of construction projects and execution of private and public works; Sacyr Construcción, S.A.U. holds a 100% interest and an investment of 74,000 euros.
- On 13 January 2015, Sacyr Construcción, S.A.U. formed Sacyr Construcción USA LLC, the corporate purpose of which is the performance of construction projects and assembly work; it holds a 100% interest and an investment of 4,785,283.45 euros.
- On 22 January 2015, Sacyr Industrial, S.L. formed Sacyr Industrial USA LLC, the corporate purpose of which is the execution of all manner of civil engineering and industrial projects; it holds a 100% interest and an investment of 46,202 euros.

- On 27 January 2015, Valoriza Servicios Medioambientales, S.A. formed Valoriza Environment Services Pty Australia, the corporate purpose of which will be the operation of an urban solid waste treatment plant; it holds a 100% interest and an investment of 1 euro.
- On 8 February 2015, Sacyr Industrial, S.L. formed Sacyr Industrial LLC, the corporate purpose of which is the execution of all manner of civil engineering and industrial projects; it holds a 70% interest and an investment of 413,810 euros.
- On 12 February 2015, Sacyr Industrial, S.L. and Sacyr Industrial México, S.A. formed Ekamai, S.A. de C.V., the corporate purpose of which is to carry out all activities related to the 4th phase of the 308 SLT eastern – peninsular transmission substations; they hold a 54% and 6% interest, respectively, and an investment of 1,638 euros and 171 euros, respectively.
- On 20 February 2015, Valoriza Servicios Medioambientales, S.A. and Sacyr Industrial, S.L. formed Valoriza Servicios Medioambientales Bolivia, S.R.L., the corporate purpose of which is the management and construction of all manner of works, bridges, viaducts and gas pipelines; they hold interests of 70% and 30%, respectively, and an investment of 18,239 euros and 7,816 euros, respectively.
- On 2 March 2015, Sacyr Construcción Australia PTY L.T.D. was included in the scope of consolidation. Its corporate purpose is the performance of construction projects and assembly work. Sacyr Construcción, S.A.U., S.A. holds a 100% interest and an investment of 68,90 euros.
- On 2 March 2015, Finsa, S.R.L. was included in the scope of consolidation. Its corporate purpose is the acquisition, administration and management of securities. Sacyr, S.A. holds a 49% interest and an investment of 44,100 euros.
- On 2 March 2015, Valoriza Agua Perú, S.A.C. was included in the scope of consolidation. Its corporate purpose is the operation of desalination plants and the purification and treatment of water. Valoriza Agua, S.L. and Sadyt, S.A. hold an interest of 99% and 1%, respectively, and an investment of 1,409 euros and 162 euros, respectively.
- On 2 March 2015, Sacyr Construcción Uruguay, S.A. was included in the scope of consolidation. Its corporate purpose is the performance of construction projects and assembly work. Sacyr Construcción, S.A.U. holds a 100% interest and an investment of 213,861 euros.
- On 2 March 2015, European Tungsten Company, S.L. was included in the scope of consolidation. Its corporate purpose is the exploration, prospecting and commercialisation of minerals. Valoriza Minería, S.L. holds a 51% interest and an investment of 3,060 euros.
- On 2 March 2015, Operadora AVO, S.A. was included in the scope of consolidation. Its corporate purpose is the management, conservation and operation of the Avenida El Salto-Príncipe de Gales section of the “Américo Vespucio Oriente” concession. Sacyr Concesiones Chile, S.A. holds a 50% interest and an investment of 26,432 euros.
- On 2 March 2015, Sacyr Infraestructure USA LLC was included in the scope of consolidation. Its corporate purpose is the performance of construction projects and assembly work. Sacyr Concesiones, S.L. holds a 100% interest and an investment of 1,012,624 euros.

- On 21 April 2015, Valoriza Minería, S.L. formed Tungsten San Finx, S.L., the corporate purpose of which is the performance of mining activities; it holds a 100% interest and an investment of 3,000 euros.
- On 30 April 2015, Sacyr Industrial, S.L.U. increased its ownership interest by 14.91% in Cuatro T&D Limited., the corporate purpose of which is the creation of programmes and training in new technologies; it holds a 47.91% interest and an investment of 436,651 euros.
- On 19 May 2015, Sacyr Environment USA LLC was included in the scope of consolidation. Its corporate purpose is the performance, construction and operation of environmental projects in the US. Valoriza Servicios Medioambientales, S.A. holds a 100% interest and an investment of 2,960,652 euros.
- On 19 May 2015, Sacyr Perú S.A.C. formed Consorcio Saher Cajamarca, the corporate purpose of which is the contracting and execution of engineering works; it holds a 67% interest and an investment of 1 euro.
- On 5 June 2015, Sacyr, S.A. formed Sacyr Finance, S.A., the corporate purpose of which is the acquisition, administration and disposal of investments in the share capital of other companies; it holds a 100% interest and an investment of 60,000 euros.
- On 6 June 2015, Valoriza Servicios Medioambientales, S.A. formed Plataforma por la Movilidad, A.I.E., the corporate purpose of which is the performance of all activities to implement and manage the integrated platform; it holds a 14,68% interest and an investment of 226,900 euros.
- On 11 June 2015, Sacyr Concesiones Colombia, S.A.S. formed Concesionaria Vial Montes de María S.A.S., the corporate purpose of which is the execution of the projects awarded by the National Infrastructure Agency; it holds a 100% interest and an investment of 3,299,713 euros.
- On 30 June 2015, Valoriza Conservación e Infraestructuras, S.A. formed Valoriza Conservación e Infraestructuras Chile, S.p.A., the corporate purpose of which is the conservation, maintenance and operation of motorways and roads; it holds a 100% ownership interest and an investment of 4,398,571 euros.
- On 24 July 2015, Sacyr Construcción, S.A.U. increased its ownership interest by 15% in Scrinser, S.A., the corporate purpose of which is the construction of civil engineering works; it holds a 100% interest and an investment of 2.510.860,29 euros.
- On 23 July 2015, Sacyr Concesiones, S.L. increased its ownership interest in Autovía del Barbanza Conc. de la Xunta de Galicia, S.A., the corporate purpose of which is the construction and operation of the Barbanza motorway; it holds a 100% interest and an investment of 9,941,740 euros.
- On 29 September 2015, Sacyr Concesiones Colombia, S.A.S. formed Concesionaria Vial Unión del Sur S.A.S., the corporate purpose of which is the execution of the projects awarded by the National Infrastructure Agency; it holds a 60% interest and an investment of 13,687,647 euros.
- On 29 September 2015, Sacyr Concesiones Colombia, S.A.S. formed Desarrollo Vial al Mar S.A.S., the corporate purpose of which is the execution of the projects awarded by the National Infrastructure Agency; it holds a 37.5% interest and an investment of 1 euro.
- On 30 September 2015, Sacyr Industrial, S.L. purchased 50% of Sacyr Fluor, S.A. (formerly, Fluor Enterprises INC), the corporate purpose of which is the provision of services within

the petrochemical industry; it holds a 50% interest and an investment of 40,748,999 euros.

- On 6 October 2015, Sacyr Industrial, S.L. formed Sacyr Industrial Mondisa Mantenimientos Eléctricos Panamá, S.A., the corporate purpose of which will be the maintenance of medium- and low-voltage electricity lines; it holds a 60% interest and an investment of 5,436 euros.
- On 26 October 2015, Sacyr Industrial, S.L. formed Sacyr Nervión, S.L., the corporate purpose of which is the construction, repair and maintenance of electromechanical machinery and installations; it holds a 50% interest and an investment of 60,000 euros.
- On 17 November 2015, Valoriza Conservación e Infraestructuras, S.A. increased its ownership interest by 40% in Simulador Vialidad Invernal, S.L., the corporate purpose of which is the creation of programmes and training in new technologies; it holds a 100% interest and an investment of 54,000 euros.

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

- On 18 February 2015, Sacyr Concesiones Chile, S.A. sold 30% of its ownership interest in the concession operator Salud Siglo XXI, S.A.; its ownership interest after the sale was 70%.
- On 8 April 2015, Sacyr Concesiones Chile, S.A. and Sociedad Concesionaria Viales Andinas, S.A. sold 0.01% and 48.99%, respectively, of their ownership interest in Rutas del Limarí, S.A.; their ownership interest after the sale was 51%.
- On 13 January 2015, 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 0.16%. On 8 July 2015, the same transaction was repeated and its ownership interest was once again reduced by 0.163% to 8.727%. Subsequently, on 25 November 2015, the payment of a new dividend was approved, thereby reducing the ownership interest by 0.247% to 8.48%.
- On 18 December 2015, Aguas de Toledo, A.I.E., in which the Group had held a 50% interest, was dissolved.
- On 23 November 2015, Autopistas del Valle, S.A., in which the Group had held a 35% interest, was dissolved.
- On 26 October 2015, Ecotrading 360 Grados, S.L., in which the Group had held a 62.01% interest, was dissolved.
- On 3 December 2015, Sacyr Qatar LLC, in which the Group had held a 49% interest, was dissolved.
- On 18 December 2015, Club de Campo Las Mariñas, S.L., in which the Group had held a 19.99% interest, was dissolved.
- On 26 January 2016, Sacyr Concesiones, S.L. S.A. sold 20% of its ownership interest in the concession operator Hospital Majadahonda, S.A. However, at 31 December 2015 all conditions precedent stipulated in the sale and purchase agreement were met and, therefore, the transaction was recognised in 2015.

- On 26 January 2016, Sacyr Concesiones, S.L. S.A. sold 25% of its ownership interest in the concession operator Hospital Majadahonda Explotaciones, S.L. However, at 31 December 2015 all conditions precedent stipulated in the sale and purchase agreement were met and, therefore, the transaction was recognised in 2015.
- On 8 June 2015, Testa Inmuebles en Renta, Socimi, S.A. reduced its share capital by 669,759,570.40 euros by returning 5.80 euros per share to each of its shareholders. As a result of this transaction, the company's new share capital stood at 23,095,157.60 euros, with a new par value of 0.20 euros per share.

An extraordinary dividend amounting to 527,724,351.16 euros was also paid on this date with a charge to unrestricted reserves, at 4.57 euros gross per share.

On 8 June 2015, Testa also increased share capital by a cash amount of 430,838,704.01 euros, through the issue of 38,491,930 new ordinary shares, representing 25% of its share capital, which were fully subscribed and paid by MERLIN Properties at this date.

On 23 July 2015, Sacyr, S.A. sold 25.102% of its interest in Testa Inmuebles en Renta, Socimi, S.A. to MERLIN Properties, which means that this company took control thereof with a 50.1% interest.

Subsequently, on 12 August 2015, Sacyr, S.A. sold 26.913% of its interest in Testa Inmuebles en Renta, Socimi, S.A. to MERLIN Properties, with a 22.6% interest remaining to complete the transaction.

### b.3.- Other changes in the composition of the Group.

As a result of new management agreements entered into with the shareholders, in 2015 Autovías de Peajes en Sombra, S.L., Autovía del Turia Concesionaria de la Generalitat Valenciana, S.A., Autovía del Noroeste Concesionaria de CARM, S.A., Concesiones de Intercambiadores de Transporte, S.L., Intercambiador de Transporte de Plaza Elíptica, S.A., Intercambiador de Transportes de Moncloa, S.A., Hospital de Parla, S.A., Hospital del Noreste, S.A., Hospitales Concesionados, S.L., S.C. de Palma de Manacor, S.A. and Autovía del Arlanzón, S.A., which were accounted for using the equity method in 2014, are now fully consolidated. These changes do not require restating the figures of previous periods.

The dates of the new management agreements with the shareholders are as follows:

- Agreement with the shareholders of Autopista de Peaje en Sombra, S.L. (applicable to the Company and its concession operators Autovía del Noroeste Concesionaria de CARM, S.A. and Autovía del Turia, Concesionaria Generalitat Valenciana, S.A.): 23 December 2014, effective as of 1 January 2015.
- Agreement with the shareholders of Hospitales Concesionados, S.L. (applicable to the Company and its concession operators Hospital del Noroeste, S.A. and Hospital de Parla, S.A.): 16 December 2014, effective as of 1 January 2015.
- Agreement with the shareholders of Autovía del Arlanzón, S.A.: 18 December 2014, effective as of 1 January 2015.
- Agreement with the shareholders of Concesiones de Intercambiadores de Transporte, S.L. (applicable to the Company and its concession operators Intercambiador de Transportes de Moncloa, S.A. and Intercambiador de Transportes de Plaza Elíptica, S.A.): 23 December 2014, effective as of 1 January 2015.

The Group took into account the shareholders agreements entered into therewith in order to analyse the decision-making capacity regarding relevant matters depending on the phase of each of the agreements, e.g., mainly construction, financing or operating phase.

The new agreements also include the following significant changes, based on which the Group considers that it now has control over such companies.

The approval of expenses incurred and investments made by the Company and/or its concession operators by the respective boards of directors, or any update or substantial modification thereto, may generally be approved by a simple majority.

In addition, for the agreement with the shareholders of Autovía del Arlanzón, S.A., the appointment of the Chairman, the Secretary of the Board of Directors and the Chief Executive Officer or General Manager may also be approved by a simple majority.

With regard to Carretera Palma-Manacor, Concessionaria del Consell Insular de Mallorca, S.A., a more general agreement was reached, whereby the shareholder of Melchor Mascaró, S.A. recognises and accepts that Sacyr Concesiones, S.L. has control over the company as its majority shareholder and accepts the vote in favour of the resolutions proposed by Sacyr Concesiones at the company's General Shareholders' Meeting and those proposed by the representatives of Sacyr Concesiones, S.L. at the company's Board of Directors meeting.

### 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 2015

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 2014, except the following standards, interpretations and amendments required, where appropriate, to restate the consolidated financial statements for the previous year:

- IFRIC 21 Levies: IFRIC 21 clarifies that an entity must recognise a liability for a levy upon carrying out the activity that triggers the payment of the levy in accordance with the relevant legislation. For levies that are triggered when a specific amount is reached, the interpretation clarifies that the liability should not be recognised until the specified minimum threshold is reached. IFRIC 21 is applied retrospectively in the European Union for periods beginning on or after 17 June 2014. The application of this interpretation does not have a significant impact on the Group, in that virtually all levies are passed on.

##### a.2) Standards and interpretations adopted by the European Union but whose application is not mandatory for this year.

- IFRS 9 Financial Instruments: IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: measurement and classification and all previous versions of IFRS 9. This standard includes these three phases of the project for financial instruments:

classification and measurement, impairment and hedge accounting. In 2015 the Group carried out a high-level assessment of the impact of the three phases of IFRS 9. This preliminary assessment is based on the information currently available and may be subject to changes as a result of additional more in-depth analyses or additional information that may be available in the future. In general, the Group does not expect significant changes to the statement of financial position or to equity, except from the effect of applying the requirements stipulated in IFRS 9 to determine impairment.

- IFRS 15 Revenue from Contracts with Customers: establishes a new model with five steps that are applied in accounting for revenue from contracts with customers. In accordance with IFRS 15, revenue is recognised at an amount that reflects the consideration that a company expects to have the right to receive in exchange for providing a customer with goods or services. In 2015 the Group carried out a preliminary assessment of IFRS 15, which is subject to any changes that may arise from the more detailed analysis being performed. The Group is also taking into consideration the clarifications issued by the IASB in a draft standard of July 2015 and will supervise any other development.

The Group intends to adopt the standards, interpretations and amendments issued by the 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. 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 2015 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 2015 were prepared by the Parent's Board of Directors on 31 March 2016. They are expected to be approved by the shareholders at the Parent's Annual General Meeting without any modifications.

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 last two years in the consolidated statement of financial position and for the previous year in the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, while the separate consolidated income statement presents the figures for 2014 and 2015. The 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 accordance with that established in the sole additional provision of the Resolution of 29 January 2016 issued by the Spanish Accounting and Audit Institute (ICAC) on disclosures to be included in the notes to the financial statements with regard to the average payment period to suppliers in commercial transactions, Note 25.1 only includes the Group's information for the year and does not provide comparative information, whereby they are considered to be the initial financial statements for the purpose of these disclosures regarding the application of the principle of consistency and comparability.

In order to facilitate the comparison of the information for this year with that of prior years, the financial information presented for 2014 and 2013 appearing in these consolidated financial statements was unified:

1. Classification of the Testa Group as a discontinued operation

In accordance with IFRS 5 (Assets and liabilities held for sale), the Group classified the Testa Group as a non-current assets held for sale and a discontinued operation.

Income and expenses, net of taxes, relating to discontinued assets are presented separately under "Profit for the year from discontinued operations" in the separate interim consolidated income statements for the years ended 2015 and 2014.

2. Reclassification of "Deferred tax assets" and "Deferred tax liabilities"

The Group reclassified the amounts in several companies under "Deferred tax assets" and "Deferred tax liabilities" at the end of the last two years, 2013 and 2014, in order to maintain uniformity with the criteria adopted to present these items at year-end 2015.

The aggregate adjustment, which entails reducing deferred tax assets and deferred tax liabilities through reclassification, amounted to 173.5 million euros for the year ended 31 December 2014 and 87.1 million euros for the year ended 31 December 2013.

These companies are mainly concession operators whose concession agreements were classified by the Group as financial assets in accordance with IFRIC 12.

Previously and until the aforementioned reclassification is recognised, a deferred tax liability for the financial asset (negative difference from a tax point of view) and a deferred tax asset for the work under the tax concession (positive difference from a tax point of view) is recorded in each company.

Both assets are accumulated mainly based on the degree of progress of the work and the substantial difference constitutes the way in which these assets are consumed over the term of the concession. The work under the tax concession will be depreciated over the remaining term of the concession (or in one third of this term) and the financial asset will be consumed with the collections of subsidies or tolls.

Since both items arose from the same asset in the consolidated statement of financial position, the Group recognised the aforementioned reclassifications only for presentation purposes.

As a result of both effects, and with regard to the presentation of these consolidated financial statements, 2014 and 2013 were unified, thereby including the effect arising from the aforementioned changes:

ASSETS	2014 (Audited)	2014 Restated	2013 (Audited)	2013 Restated
A) NON-CURRENT ASSETS	8,628,942	8,455,475	8,677,803	8,590,745
I. Property, plant and equipment	395,039	395,039	371,256	371,256
II. Concession projects	1,213,675	1,213,675	1,234,544	1,234,544
III. Investment property	1,846,596	1,846,596	1,860,918	1,860,918
IV. Other intangible assets	6,913	6,913	9,371	9,371
V. Goodwill	118,311	118,311	134,126	134,126
VI. Investments accounted for using the equity method	2,605,429	2,605,429	2,622,879	2,622,879
VII. Receivables from concessions	917,402	917,402	782,865	782,865
VIII. Non-current financial assets	448,105	448,105	483,224	483,224
IX. Derivative financial instruments	36,861	36,861	24	24
X. Deferred tax assets	1,039,966	866,499	1,178,593	1,091,535
XI. Other non-current assets	645	645	3	3
B) CURRENT ASSETS	3,148,818	3,148,818	3,819,724	3,819,724
I. Non-current assets held for sale	302,623	302,623	1,072,212	1,072,212
II. Inventories	386,356	386,356	402,927	402,927
III. Trade and other receivables	1,888,173	1,888,173	1,751,376	1,751,376
- Trade receivables for sales and services	339,080	339,080	333,092	333,092
- Receivable from construction contracts	1,161,390	1,161,390	1,045,551	1,045,551
- Employees	1,975	1,975	1,177	1,177
- Receivable from public entities	114,153	114,153	156,778	156,778
- Other receivables	271,575	271,575	214,778	214,778
IV. Receivables from concessions	49,906	49,906	81,785	81,785
V. Current financial investments	161,575	161,575	107,417	107,417
VI. Derivative financial instruments	1,710	1,710	2,435	2,435
VII. Cash and cash equivalents	358,475	358,475	393,917	393,917
VIII. Other current assets	0	0	7,655	7,655
<b>TOTAL ASSETS</b>	<b>11,777,760</b>	<b>11,604,293</b>	<b>12,497,527</b>	<b>12,410,469</b>

EQUITY AND LIABILITIES	2014 (Audited)	2014 Restated	2013 (Audited)	2013 Restated
A) EQUITY	1,326,074	1,326,074	1,031,276	1,031,276
EQUITY OF THE PARENT	1,205,299	1,205,299	902,612	902,612
I. Share capital	502,212	502,212	465,915	465,915
II. Share premium	667,612	667,612	537,666	537,666
III. Reserves	130,356	130,356	578,159	578,159
IV. Profit for the year attributable to the Parent	32,720	32,720	(498,993)	(498,993)
V. Treasury shares	(49,301)	(49,301)	(47,722)	(47,722)
VI. Available-for-sale financial assets	64,302	64,302	88,067	88,067
VII. Hedging transactions	(140,680)	(140,680)	(102,933)	(102,933)
VIII. Translation differences	(2,000)	(2,000)	(118,080)	(118,080)
IX. Valuation adjustments	78	78	533	533
EQUITY OF NON-CONTROLLING INTERESTS	120,775	120,775	128,664	128,664
B) NON-CURRENT LIABILITIES	4,318,315	4,144,848	6,593,517	6,506,459
I. Deferred income	32,054	32,054	37,493	37,493
II. Non-current provisions	279,248	279,248	462,111	462,111
III. Bank borrowings	3,411,860	3,411,860	5,557,672	5,557,672
IV. Non-current payables	243,887	243,887	271,581	271,581
V. Derivative financial instruments	132,704	132,704	116,768	116,768
VI. Deferred tax liabilities	215,275	41,808	145,423	58,365
VII. Non-current payables to associates	3,287	3,287	2,469	2,469
C) CURRENT LIABILITIES	6,133,371	6,133,371	4,872,734	4,872,734
I. Liabilities associated with non-current assets held for sale	219,771	219,771	1,048,639	1,048,639
II. Bank borrowings	3,445,304	3,445,304	1,359,308	1,359,308
III. Trade and other payables	1,914,690	1,914,690	1,967,124	1,967,124
- Suppliers	1,604,348	1,604,348	1,682,104	1,682,104
- Employees	24,105	24,105	19,681	19,681
- Current tax liabilities	25,494	25,494	7,687	7,687
- Payable to public entities	108,654	108,654	113,224	113,224
- Other payables	152,089	152,089	144,428	144,428
IV. Current payables to associates	221,566	221,566	208,401	208,401
V. Derivative financial instruments	15,231	15,231	23,902	23,902
VI. Current provisions	315,908	315,908	265,360	265,360
VII. Other current liabilities	901	901	0	0
<b>TOTAL LIABILITIES</b>	<b>11,777,760</b>	<b>11,604,293</b>	<b>12,497,527</b>	<b>12,410,469</b>

SEPARATE INCOME STATEMENT	2014 (Audited)	2014 Restated
Revenue	2,900,725	2,718,066
Own work capitalised	8,573	8,054
Other operating income	81,189	81,073
Government grants released to the income statement	2,476	2,476
Gain on disposal of assets	4,492	0
<b>TOTAL OPERATING INCOME</b>	<b>2,997,455</b>	<b>2,809,669</b>
Change in inventories	(52,118)	(52,118)
Supplies	(1,123,111)	(1,122,197)
Staff costs	(718,052)	(712,120)
Depreciation and amortisation expense	(114,422)	(78,691)
Impairment of goodwill	(250)	(250)
Change in operating provisions	32,251	32,422
Change in provisions for non-current assets	28,249	14,635
Other operating expenses	(735,151)	(697,574)
<b>TOTAL OPERATING EXPENSES</b>	<b>(2,682,604)</b>	<b>(2,615,893)</b>
<b>NET OPERATING PROFIT</b>	<b>314,851</b>	<b>193,776</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	171,398	170,599
GAIN/(LOSS) ON DISPOSAL OF ASSETS	24,312	36,128
Revenue from equity investments	3,684	0
Revenue from other marketable securities and asset-backed loans	11,855	11,855
Other interest and similar income	21,856	21,556
Exchange differences	27,734	27,734
<b>TOTAL FINANCE INCOME</b>	<b>65,129</b>	<b>61,145</b>
Finance costs and similar expenses	(320,241)	(279,280)
Change in provisions for financial investments	7,001	8,345
Net finance costs taken to investments	0	0
Gain/(loss) on financial instruments	(28,835)	(28,835)
Exchange differences	0	0
<b>TOTAL FINANCE COSTS</b>	<b>(342,075)</b>	<b>(299,770)</b>
<b>FINANCIAL LOSS</b>	<b>(276,946)</b>	<b>(238,625)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>233,615</b>	<b>161,878</b>
Corporate income tax	(194,268)	(165,560)
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>39,347</b>	<b>(3,682)</b>
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	0	43,029
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>39,347</b>	<b>39,347</b>
NON-CONTROLLING INTERESTS	(6,627)	(6,627)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	32,720	32,720

	2014 (Audited)	2014 Restated
<b>CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)</b>		
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)</b>	<b>179,283</b>	<b>43,019</b>
1. Profit/(loss) before tax from continuing operations	233,615	161,874
2. Adjustments to profit/(loss)	163,998	89,259
(+) Depreciation and amortisation expense	114,422	78,691
(+/-) Other adjustment to profit/(loss) (net)	49,576	10,568
3. Changes in working capital	(169,945)	(159,729)
4. Other cash flows from operating activities	(48,385)	(48,385)
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>(14,780)</b>	<b>(105,525)</b>
1. Payments on investments:	(608,354)	(664,837)
(-) Property, plant & equipment, intangible assets and investment property	(124,099)	(113,036)
(+) Other financial assets	(484,255)	(551,801)
2. Income from disposals	284,987	254,722
(-) Property, plant & equipment, intangible assets and investment property	67,041	47,967
(+) Other financial assets	217,946	217,946
(+) Divestment of discontinued operations	0	(11,191)
3. Other cash flows from investing activities	304,590	304,590
(+) Cash flows from dividends	243,457	239,773
(+) Cash flows from interest	65,130	64,817
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)</b>	<b>27,064</b>	<b>27,064</b>
1. Cash flows and (payments) on share-based instruments	165,096	165,096
(+) Issue	166,243	166,243
(-) Cancellation	(1,147)	(1,147)
2. Cash flows and (payments) on financial liability instruments	162,677	162,677
(+) Issue	467,798	467,798
(-) Redemption and amortisation	(448,164)	(305,121)
3. Payments for dividends and returns on other equity instruments	0	0
4. Other cash flows from finance activities	(384,675)	(300,709)
(-) Interest payments	(342,075)	(330,380)
(+/-) Other cash flows/(payments) from finance activities	(42,600)	29,671
<b>D) INCREASE/(DECREASE) NET OF CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(35,442)</b>	<b>(35,442)</b>
<b>E) CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>393,917</b>	<b>393,917</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	<b>358,475</b>	<b>358,475</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
(+) Cash on hand and at banks	282,342	282,342
(+) Other financial assets	76,133	76,133
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>358,475</b>	<b>358,475</b>

### 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, non-current assets held for sale and derivative financial instruments, which have been measured at fair value.

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 and 8).
- 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 these 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 2015 and 2014. 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 Consolidation principles

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 only for the part of the year during which the subsidiary was under Group control.

### c.2.2 Subsidiaries

Companies included in the scope of consolidation are fully consolidated in the following circumstances: (i) where 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) where 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, cases arose in which, despite having met the aforementioned conditions, and 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

Jointly controlled operations are included in the scope of consolidation using the proportionate consolidation method if there are two or more venturers related by a contractual arrangement that establishes joint control. The Group reports its share of the assets, liabilities, income and expenses of the joint venture, line by line, in its consolidated financial statements.

The Sacyr Group also includes temporary joint ventures ("Uniones Temporales de Empresas" - UTEs) and economic interest groupings ("Agrupaciones de Interés Económico" - 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. For the purpose of preparing these consolidated financial statements, it was considered that the Group exercises significant influence over those companies in which it has a holding of over 20%, except in specific cases where, although the percentage ownership is lower, the existence of significant influence can be clearly demonstrated, as it may participate in the financial and operating decisions of the investee, mainly through representation on the board of directors, participation in policy-making processes or the provision of essential technical information.

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 profit or loss of the associate is reflected in the separate consolidated income statement in proportion to the Group's ownership interest. 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 Intra-group transactions

The following transactions and balances have been eliminated on consolidation:

- Reciprocal debit and credit 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 at 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 value arising from translating the assets, rights and obligations 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. For each business combination, the acquirer measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. 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. Subsequent 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 or group of cash-generating units 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, the goodwill associated with the activity is included in the carrying amount of the business when determining the gain or loss from 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

This heading includes computer software, industrial property, leasehold assignment rights 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.

“Leasehold assignment rights” is the amount paid for the right to lease business premises. Assignment rights are amortised over their 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 the 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 2015, Sendeco, the Spanish CO<sub>2</sub> emission rights trading system, published the price of a CO<sub>2</sub> emission right at 8.23 euros (7.24 euros in 2014). 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 rather 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 from 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.

The 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 property

Investment properties are recognised at acquisition 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 that 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 for the year of the retirement or disposal.

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

The Group remeasures its investment property 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 life is 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 concession operator 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 on a straight-line basis 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 companies accounted for using the equity method: These includes loans granted by the various Group companies to companies accounted for using the equity method.
- Available-for-sale financial assets: These relate to 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 derecognised or determined to be impaired, whereupon the accumulated gain or loss previously recorded in equity is 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 and receivables: After their initial measurement at the fair value of the collection rights, loans and receivables are carried at amortised cost, which means the original carrying amount less repayments of principal, plus interest receivable, less 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.
- Financial assets held for trading: 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 host contract and an embedded derivative, which cannot be transferred separately.

The Company separately recognises and measures the host 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 host 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 host contract is recognised according to its type.

In the initial recognition, the Company may designate the entire 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 little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

Financial assets are derecognised 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 this purpose, 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, in the case of goodwill, the recoverable amount of the assets is estimated, as the case may be.

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 largely independent cash flows, 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 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 profit or loss, 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) Concession assets

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

- The grantor controls or regulates which services the concession operator 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 concession operator 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 concession operator 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 concession operator 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, i.e., it records the gross amount of such income and expenses.

#### c.11) Non-current assets held for sale and associated liabilities

Non-current assets are classified as held for sale if their 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:

- Buildings are 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 are valued at cost of acquisition, which includes costs directly related to purchases. The value of unbuilt 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 production cost, which includes the cost of materials, labour and any direct production costs incurred.

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 real estate business, impairment losses are recorded to cover any estimated losses on projects in full.

#### 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 "Bank borrowings".

#### c.14) Cash and cash equivalents

"Cash and cash equivalents" comprise cash on hand and at banks, 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 and contingencies

Provisions are recognised in the consolidated statement of financial position when the Group has a present obligation (legal, contractual 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. This provision is recorded when the contingency or obligation giving rise to the indemnity or payment arises.

The provision for completion of construction is recorded as a liability in the consolidated statement of financial position and reflects the estimated amount of the payment liabilities for completing construction which cannot yet be determined or for which the actual settlement date is not known, since they depend on 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:

- Bank 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 one 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 settled, 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 prevailing 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. Unrealized 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 recognised as 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 concession assets.

#### c.21) Income tax

Income tax expense each year is calculated as the sum of the current tax resulting from applying the appropriate tax rate to the taxable profit 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 separate consolidated 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, Sacyr, S.A. and its subsidiaries have decided, with the approval of each company's corporate bodies, to file consolidated tax returns, and have duly notified the Spanish tax authorities, which assigned 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, on the basis of the tax rates 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, and unused tax credit and tax loss carryforwards, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credit and tax loss carryforwards can be utilised, except:

- where the deferred 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 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 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) Hedging derivatives

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 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 hedging relationship, the Group formally designates and documents the hedging 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 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 changes 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, attributable to a particular risk and possibly affecting 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 the income statement.

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 the income statement.

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 immediately 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 the separate consolidated income statement. 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.

*- Hedges of a net investment*

Hedges of a net investment in a foreign operation, including hedges of a monetary item 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 the separate consolidated income statement. On disposal of the foreign operation, the accumulated value of any such gains or losses recognised directly in equity is transferred to the separate consolidated income statement.

### 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.

The Sacyr Group uses the following methods to recognise the income of certain specific business areas:

#### *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 the outcome of a contract reliably, the following criteria must be satisfied:

- It must be 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.

If the outcome of a contract 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 under "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. Real estate 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. Concession operators

Revenue 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 income and expenses 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 IFRIC 12 are set out in Note 3.c.10.

#### c.25) Transferable mortgage loans

Transferable mortgage loans are recognised under “Bank 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 line item 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 2014 and 2015.

#### c.28) Environmental

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 considered to be 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’s directors consider that any contingencies arising in connection with environmental matters are sufficiently covered by the third-party liability insurance policies taken out.

#### c.29) Segment information

The Group identifies segments based on the following factors:

- When the businesses engage in similar economic activities.
- To provide consolidated financial statements to 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 31 December 2015, the Group had classified its contributions to the investments in Testa and Vallehermoso as non-current assets held for sale and discontinued operations. At 31 December 2014, only Vallehermoso was classified as such.

As indicated in Note 3, the Group restated the separate consolidated income statement at 31 December 2014, as it considers Testa to be a discontinued operation. In accordance with EU-IFRS, the consolidated statement of financial position at year-end 2014 and 2013 was not restated in this connection.

The detail of the consolidated statement of financial position in respect of these non-current assets held for sale at 31 December 2015 and 2014 is as follows:

ASSETS	2015	2014
A) NON-CURRENT ASSETS	383,593	78,653
I. Property, plant and equipment	1,749	1,775
II. Investment property	799	806
III. Investments accounted for using the equity method	322,774	6,073
IV. Non-current financial assets	212	219
V. Deferred tax assets	50,007	69,601
VI. Other non-current assets	8,052	179
B) CURRENT ASSETS	143,942	223,970
I. Inventories	133,287	202,054
II. Trade and other receivables	4,296	7,949
III. Current financial investments	203	539
IV. Cash and cash equivalents	5,696	12,864
V. Other current assets	460	564
<b>TOTAL ASSETS</b>	<b>527,535</b>	<b>302,623</b>

EQUITY AND LIABILITIES	2015	2014
A) EQUITY	2,326	4,421
EQUITY OF NON-CONTROLLING INTERESTS	2,326	4,421
B) NON-CURRENT LIABILITIES	66,112	96,070
I. Non-current provisions	52,394	73,078
II. Bank borrowings	2,935	5,474
III. Non-current payables	10,783	12,583
IV. Deferred tax liabilities	0	4,935
C) CURRENT LIABILITIES	155,748	119,280
I. Bank borrowings and other financial liabilities	34,178	85,265
II. Trade and other payables	9,107	18,089
- Suppliers	8,570	17,346
- Employees	55	87
- Payable to public entities	414	578
- Other payables	68	78
IV. Current payables to associates	1,561	0
IV. Current provisions	110,902	15,926
<b>TOTAL LIABILITIES</b>	<b>224,186</b>	<b>219,771</b>

Income and expenses after tax under "Profit for the year from discontinued operations" in the separate consolidated income statement at 31 December 2015 and 2014 were as follows:

SEPARATE INCOME STATEMENT	2015	2014 (Restated)*
Revenue	130,240	668,448
Own work capitalised	366	519
Other operating income	1,762	6,050
Gain on disposal of assets	0	4,505
<b>TOTAL OPERATING INCOME</b>	<b>132,368</b>	<b>679,522</b>
Change in inventories	(67,869)	(778,743)
Supplies	1,292	93,307
Staff costs	(5,322)	(8,705)
Losses on disposal of assets	(3)	(310)
Depreciation and amortisation expense	(15,888)	(35,731)
Change in operating provisions	(22,935)	32,148
Change in provisions for non-current assets	0	13,614
Other operating expenses	(87,552)	(56,683)
<b>TOTAL OPERATING EXPENSES</b>	<b>(198,277)</b>	<b>(741,103)</b>
<b>OPERATING PROFIT</b>	<b>(65,909)</b>	<b>(61,581)</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	304	799
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>1,280,428</b>	<b>(11,818)</b>
Revenue from equity investments	0	3,684
Other interest and similar income	6,720	176,388
<b>TOTAL FINANCE INCOME</b>	<b>6,720</b>	<b>180,072</b>
Finance costs and similar expenses	(19,835)	(61,763)
Change in provisions for financial investments	8,907	25,373
Net finance costs taken to investments	0	1,655
<b>TOTAL FINANCE COSTS</b>	<b>(10,928)</b>	<b>(34,735)</b>
<b>FINANCIAL LOSS</b>	<b>(4,208)</b>	<b>145,337</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>1,210,615</b>	<b>72,737</b>
Corporate income tax	(27,222)	(29,708)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>1,183,393</b>	<b>43,029</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>1,183,393</b>	<b>43,029</b>

(\* ) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

The cash flows arising from discontinued operations in 2015 and 2014 were as follows:

<i>Thousands of euros</i>	2015	2014
Cash flows from operating activities of discontinued operations	53,680	712,715
Cash flows from investing activities of discontinued operations	(1,364)	849
Cash flows from financing activities of discontinued operations	(59,486)	(713,503)
<b>CHANGE IN CASH AND CASH EQUIVALENTS OF DISCONTINUED OPERATIONS</b>	<b>(7,170)</b>	<b>61</b>

In addition to the variation in cash from discontinued operations that continue to form part of the Group, the sale of Testa has produced a cash inflow of 1,455,230 thousand euros, as reflected in the consolidated statement of cashflows.

#### 4.1 Vallehermoso División Promoción, S.A.

Under IFRS 5, the Group's 100% interest in Vallehermoso División Promoción, S.A. at 31 December 2014 and 2015 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 accounting 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 present condition.

The transaction is deemed to be a discontinued operation under international accounting standards, 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 breakdown of the profit and loss from discontinued operations relating to the Vallehermoso Group at 31 December 2015 and 2014 is as follows::

SEPARATE INCOME STATEMENT	2015	2014
Revenue	40,670	485,789
Other operating income	1,754	5,934
Gain on disposal of assets	0	13
<b>TOTAL OPERATING INCOME</b>	<b>42,424</b>	<b>491,736</b>
Change in inventories	(67,869)	(778,743)
Supplies	1,292	94,221
Staff costs	(2,123)	(2,773)
Losses on disposal of assets	(3)	(310)
Depreciation and amortisation expense	(139)	0
Change in operating provisions	(22,938)	32,319
Other operating expenses	(72,577)	(19,106)
<b>TOTAL OPERATING EXPENSES</b>	<b>(164,357)</b>	<b>(674,392)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>(121,933)</b>	<b>(182,656)</b>
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>0</b>	<b>(2)</b>
Other interest and similar income	6,328	176,088
<b>TOTAL FINANCE INCOME</b>	<b>6,328</b>	<b>176,088</b>
Finance costs and similar expenses	(1,713)	(20,802)
Change in provisions for financial investments	9,338	26,717
Net finance costs taken to investments	0	1,655
<b>TOTAL FINANCE COSTS</b>	<b>7,625</b>	<b>7,570</b>
<b>FINANCIAL LOSS</b>	<b>13,953</b>	<b>183,658</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(107,980)</b>	<b>1,000</b>
Corporate income tax	(14,020)	(1,000)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>(122,000)</b>	<b>0</b>
<b>PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>(122,000)</b>	<b>0</b>

The independent expert Gestión de Valoraciones y Tasaciones, S.A. appraised the Vallehermoso Group's real estate assets classified as inventory at 31 December 2015, issuing its report on the same day. The estimated value (fair value less costs to sell) of the Vallehermoso Group's inventories amounted to 141 million euros (251 million euros in 2014) as compared with a carrying amount of 133 million euros (202 million euros).

The appraisal was performed on a portfolio of land, developments under construction and completed buildings in accordance with the ninth edition of the RICS Appraisal Standards published on 24 January 2014 by the Royal Institution of Chartered Surveyors. This standard defines fair value as "the price to be received on selling an asset, or that would be paid to transfer an obligation, in a transaction that is performed in an ordered and appropriate manner between market participants on the measurement date".

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 cannot be compared 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) there is a seller willing to sell, (ii) that, 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, this section of the report, which should be considered as a whole, contains all the information, assumptions and estimates conditioning it. 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 status at the appraisal date. If 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.

#### 4.2 Testa Inmuebles en Renta, Socimi, S.A.

In June 2015, the Group classified its investment in Testa as an asset held for sale, based on the agreement entered into between Sacyr and Merlin Properties for the acquisition of this investment by the latter in several phases, as detailed in the management report. The investment in Testa was also classified as a discontinued operation, given that it represents a line of business which is significant and may be separated from the other lines.

The accounting treatment applied to the sale of 77% of Testa and to the remaining 23% interest held by Sacyr, S.A. at 31 December is based on that governed by IFRS 10 relating to the loss of control by a Parent of a subsidiary, specifically sections B97, B98 and B99 of Appendix B, Application guidance.

After analysing all clauses and conditions of the sales agreement entered into with Merlin Properties and its economic effects, the Sacyr Group accounted for this agreement as a single transaction, based on the fact that the phases of the agreement are carried out taking all others into account and form part of a single transaction aimed at achieving an overall commercial effect, namely the sale of the entire investment in Testa. This means recognising the gain relating to the entire transaction, i.e. for both the portion transferred and the portion retained, which amounted to 1,280 million euros.

On 8 June 2015, Merlin Properties acquired 25% of Testa by subscribing in full to the capital increase carried out by Testa. By virtue of the agreement entered into with Merlin, the Sacyr Group considers its investment in Testa to be a discontinued operation and has classified it as a non-current assets held for sale.

On 23 July 2015, Merlin Properties acquired control over Testa after purchasing an additional 25.1% interest. After losing control over Testa, the Sacyr Group thus derecognised all of its assets and liabilities at their carrying amount, and recognised the fair value of the consideration received and the 49.9% investment retained in Testa at fair value, which in this case is the price established in the sales agreement entered into with Merlin Properties. The resulting difference is recognised as a gain in profit attributable to the Sacyr Group.

On 12 August 2015, the shares of Testa representing an additional 26.9% were transferred to Merlin Properties. The Sacyr Group derecognised the proportional part of its ownership interest in Testa for the agreed-upon value, without generating any profit or loss.

At 31 December 2015, the Sacyr Group thus had a 22.6% interest in Testa classified as a financial asset held for sale and measured at fair value, in accordance with the agreement entered into between Sacyr and Merlin Properties on 8 June 2015. This asset amounts to 317 million euros and is recognised under "Non-current assets held for sale".

The breakdown of the profit and loss from discontinued operations relating to Testa at 31 December 2015 (corresponding to the first half of 2015, as this is the moment the Group lost control thereof) and at 31 December 2014 is as follows:

SEPARATE INCOME STATEMENT	2015	2014
Revenue	89,570	182,659
Own work capitalised	366	519
Other operating income	8	116
Gain on disposal of assets	0	4,492
<b>TOTAL OPERATING INCOME</b>	<b>89,944</b>	<b>187,786</b>
Supplies	0	(914)
Staff costs	(3,199)	(5,932)
Depreciation and amortisation expense	(15,749)	(35,731)
Change in operating provisions	3	(171)
Change in provisions for non-current assets	0	13,614
Other operating expenses	(14,975)	(37,577)
<b>TOTAL OPERATING EXPENSES</b>	<b>(33,920)</b>	<b>(66,711)</b>
<b>OPERATING PROFIT</b>	<b>56,024</b>	<b>121,075</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	304	799
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>1,280,428</b>	<b>(11,816)</b>
Revenue from equity investments	0	3,684
Other interest and similar income	392	300
<b>TOTAL FINANCE INCOME</b>	<b>392</b>	<b>3,984</b>
Finance costs and similar expenses	(18,122)	(40,961)
Change in provisions for financial investments	(431)	(1,344)
<b>TOTAL FINANCE COSTS</b>	<b>(18,553)</b>	<b>(42,305)</b>
<b>FINANCIAL LOSS</b>	<b>(18,161)</b>	<b>(38,321)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>1,318,595</b>	<b>71,737</b>
Corporate income tax	(13,202)	(28,708)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>1,305,393</b>	<b>43,029</b>
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>1,305,393</b>	<b>43,029</b>

## 5. Property, plant and equipment

Movement in property, plant and equipment in 2015 and 2014 and the related accumulated depreciation are as follows:

2014	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2014
<i>Thousands of euros</i>							
Land and buildings	107,500	2,498	(2,048)	163	0	131	108,244
Plant and machinery	523,489	17,900	(20,454)	(712)	(11,479)	906	509,650
Other installations, tools and furniture	79,007	7,817	(7,436)	3,615	(623)	(1)	82,379
Prepayments and work-in-progress	3,691	18,116	(1,024)	(2,075)	0	0	18,708
Other items of property, plant and equipment	154,621	18,072	(6,707)	727	0	1,098	167,811
<b>Cost</b>	<b>868,308</b>	<b>64,403</b>	<b>(37,669)</b>	<b>1,718</b>	<b>(12,102)</b>	<b>2,134</b>	<b>886,792</b>
Impairment	(16,542)	(663)	10,110	0	0	0	(7,095)
<b>Impairment</b>	<b>(16,542)</b>	<b>(663)</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,095)</b>
Land and buildings	(27,950)	(2,604)	263	965	0	(102)	(29,428)
Plant and machinery	(301,529)	(26,164)	25,975	(1,622)	12,672	(661)	(291,329)
Other installations, tools and furniture	(60,930)	(7,352)	6,119	(792)	325	(24)	(62,654)
Other items of property, plant and equipment	(90,101)	(14,369)	3,983	(269)	0	(491)	(101,247)
<b>Accumulated amortisation</b>	<b>(480,510)</b>	<b>(50,489)</b>	<b>36,340</b>	<b>(1,718)</b>	<b>12,997</b>	<b>(1,278)</b>	<b>(484,658)</b>
<b>TOTAL</b>	<b>371,256</b>	<b>13,251</b>	<b>8,781</b>	<b>0</b>	<b>895</b>	<b>856</b>	<b>395,039</b>
<b>2015</b>	<b>Balance at 31 December 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassific. and transfers</b>	<b>Changes in scope of consolidation</b>	<b>Exchange rate effect</b>	<b>Balance at 31 December 2015</b>
<i>Thousands of euros</i>							
Land and buildings	108,244	3,090	(1,115)	(1,294)	2,327	(314)	110,938
Plant and machinery	509,650	15,999	(13,185)	88	819	(3,470)	509,901
Other installations, tools and furniture	82,379	3,982	(2,175)	(319)	2,736	(230)	86,373
Prepayments and work-in-progress	18,708	11,354	(14,727)	375	0	(1)	15,709
Other items of property, plant and equipment	167,811	19,564	(6,193)	606	2,492	(836)	183,444
<b>Cost</b>	<b>886,792</b>	<b>53,989</b>	<b>(37,395)</b>	<b>(544)</b>	<b>8,374</b>	<b>(4,851)</b>	<b>906,365</b>
Impairment	(7,095)	(1,360)	138	0	0	0	(8,317)
<b>Impairment</b>	<b>(7,095)</b>	<b>(1,360)</b>	<b>138</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,317)</b>
Land and buildings	(29,428)	(2,642)	4,399	(151)	(611)	14	(28,419)
Plant and machinery	(291,329)	(25,835)	8,964	(21)	(742)	1,225	(307,738)
Other installations, tools and furniture	(62,654)	(5,949)	1,886	70	(2,186)	168	(68,665)
Other items of property, plant and equipment	(101,247)	(18,066)	4,279	(287)	(2,075)	318	(117,078)
<b>Accumulated amortisation</b>	<b>(484,658)</b>	<b>(52,492)</b>	<b>19,528</b>	<b>(389)</b>	<b>(5,614)</b>	<b>1,725</b>	<b>(521,900)</b>
<b>TOTAL</b>	<b>395,039</b>	<b>137</b>	<b>(17,729)</b>	<b>(933)</b>	<b>2,760</b>	<b>(3,126)</b>	<b>376,148</b>

The additions made in 2014 were mainly due to the renovation and enhancement work being performed on one of the tunnelling machines owned by the Group.

Disposals in the year related 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 of consolidation following the sale of Olextra, S.A. and Extragol, S.L.

The increases in 2015 are due mainly to the costs incurred in the construction of a plant for the conversion of hydrocarbon plastics, to the work performed on the water supply concession and the Pazos de Ferreira sewage network, and to the Group's activities in the rest of the construction business.

The disposals under "Prepayments and work in progress" are due mainly to the adjustments to the prepayments made in 2014 relating to the renovation and enhancement work performed on one of the tunnelling machines owned by the Group.

Impairment losses and the corresponding reversals are reported under "Change in provisions for non-current assets" in 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 2015 and 2014 is as follows:

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 furniture	17,290	248	1,306	1,120	4,510	41	27	134	24,676
Prepayments and work-in-progress	4,792	0	375	322	0	0	0	0	5,489
Other items of property, plant and equipment	24,074	6,318	1,661	1,424	6,383	20	114	299	40,293
<b>Cost</b>	<b>191,187</b>	<b>16,135</b>	<b>14,637</b>	<b>12,547</b>	<b>25,013</b>	<b>3,915</b>	<b>23,097</b>	<b>575</b>	<b>287,106</b>
<b>Accumulated amortisation</b>	<b>(112,976)</b>	<b>(10,094)</b>	<b>(8,689)</b>	<b>(7,448)</b>	<b>(19,097)</b>	<b>(1,588)</b>	<b>(14)</b>	<b>(311)</b>	<b>(160,217)</b>
<b>TOTAL</b>	<b>78,211</b>	<b>6,041</b>	<b>5,948</b>	<b>5,099</b>	<b>5,916</b>	<b>2,327</b>	<b>23,083</b>	<b>264</b>	<b>126,889</b>

  

2015 Thousands of euros	Portugal	Libya	Angola	Cape Verde	Chile	Ireland	Mexico	Other	TOTAL
Land and buildings	54,288	711	4,209	3,608	0	3,706	95	95	66,712
Plant and machinery	92,214	8,720	7,209	6,179	13,568	148	22,111	339	150,488
Other installations, tools and furniture	17,941	245	1,356	1,162	3,662	41	118	447	24,972
Prepayments and work-in-progress	11,569	0	504	432	0	0	5	11	12,521
Other items of property, plant and equipment	24,527	6,227	1,686	1,445	5,028	32	135	3,111	42,191
<b>Cost</b>	<b>200,539</b>	<b>15,903</b>	<b>14,964</b>	<b>12,826</b>	<b>22,258</b>	<b>3,927</b>	<b>22,464</b>	<b>4,003</b>	<b>296,884</b>
<b>Accumulated amortisation</b>	<b>(118,138)</b>	<b>(13,094)</b>	<b>(9,077)</b>	<b>(7,780)</b>	<b>(19,478)</b>	<b>(1,793)</b>	<b>(5,172)</b>	<b>(1,663)</b>	<b>(176,195)</b>
<b>TOTAL</b>	<b>82,401</b>	<b>2,809</b>	<b>5,887</b>	<b>5,046</b>	<b>2,780</b>	<b>2,134</b>	<b>17,292</b>	<b>2,340</b>	<b>120,689</b>

At year-end 2015, the Group had 152,511 thousand euros of fully depreciated property, plant and equipment in use (121,318 thousand euros in 2014).

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

In 2015 and 2014, 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 2015 and the related accumulated depreciation are as follows:

2014	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2014
<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
<b>Cost</b>	<b>1,405,984</b>	<b>22,265</b>	<b>(27,303)</b>	<b>0</b>	<b>(16,865)</b>	<b>117</b>	<b>1,384,198</b>
Impairment	(12,800)	(333)	4,125	0	8,256	0	(752)
<b>Impairment</b>	<b>(12,800)</b>	<b>(333)</b>	<b>4,125</b>	<b>0</b>	<b>8,256</b>	<b>0</b>	<b>(752)</b>
Depreciation	(158,640)	(27,618)	7,878	0	8,609	0	(169,771)
<b>Accumulated amortisation</b>	<b>(158,640)</b>	<b>(27,618)</b>	<b>7,878</b>	<b>0</b>	<b>8,609</b>	<b>0</b>	<b>(169,771)</b>
<b>TOTAL</b>	<b>1,234,544</b>	<b>(5,686)</b>	<b>(15,300)</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>1,213,675</b>

  

2015	Balance at 31 December 2014	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2015
<i>Thousands of euros</i>							
Concession projects	1,091,430	479	(347)	1,266	619,098	0	1,711,926
Concession projects under construction	292,768	16,973	(32,074)	(268)	0	(882)	276,517
<b>Cost</b>	<b>1,384,198</b>	<b>17,452</b>	<b>(32,421)</b>	<b>998</b>	<b>619,098</b>	<b>(882)</b>	<b>1,988,443</b>
Impairment	(752)	(763)	0	0	(78)	0	(1,593)
<b>Impairment</b>	<b>(752)</b>	<b>(763)</b>	<b>0</b>	<b>0</b>	<b>(78)</b>	<b>0</b>	<b>(1,593)</b>
Depreciation	(169,771)	(55,955)	0	(64)	(117,207)	0	(342,997)
<b>Accumulated amortisation</b>	<b>(169,771)</b>	<b>(55,955)</b>	<b>0</b>	<b>(64)</b>	<b>(117,207)</b>	<b>0</b>	<b>(342,997)</b>
<b>TOTAL</b>	<b>1,213,675</b>	<b>(39,266)</b>	<b>(32,421)</b>	<b>934</b>	<b>501,813</b>	<b>(882)</b>	<b>1,643,853</b>

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

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

In this same year, changes in the scope relating to concession projects, together with the related impairment losses and depreciation, were mainly due to the exclusion of Neopistas, S.A. from the scope of consolidation. 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 additions under "Concession projects under construction" in 2015 relate mainly to Ruta del Limarí as a result of the stage of completion and to the Murcia Airport as a result of recognising compulsory purchases payable taking into consideration the just compensation offered by the concession operator instead of the previous valuation which was derecognised and which explains the majority of the disposals recorded during the year. The remaining disposals relate to 10,700 thousand euros that were capitalised in 2014 in relation to the Murcia International Airport.

The amounts recognised as changes in the scope of consolidation under "Concession projects" arose as a result of the change in consolidation method used for several concession operators in Spain, as indicated in Note 3: 245,550 thousand euros for Autovía del

Arlanzón, S.A., 173,196 thousand euros for S.C. de Palma de Manacor, S.A., 256,551 thousand euros for Autovía del Turia, S.A.. These amounts include the higher fair value established in the business combinations described in Note 2.B.1.1. The reconciliation between the previous values and those established in these business combinations is as follows:

01/01/2015			
<i>Thousands of euros</i>	Previous amount on concession projects' books	Adjustments	Fair value
Concession projects	471,563	72,492	544,055
Other assets	77,589	0	77,589
<b>Total assets</b>	<b>549,152</b>	<b>72,492</b>	<b>621,644</b>
Bank borrowings	325,612	0	325,612
Deferred tax liabilities	8,492	18,123	26,615
Other non-current liabilities	145,305	0	145,305
Current liabilities	32,573	0	32,573
<b>Total liabilities</b>	<b>511,982</b>	<b>18,123</b>	<b>530,105</b>
Total net assets	37,170	54,369	91,539
Non-controlling interests	(18,891)	(30,989)	(49,880)
<b>Total fair value of net assets</b>	<b>18,279</b>	<b>23,380</b>	<b>41,659</b>

The concession projects under construction or being operated by the Group's concession operators at year-end 2014 and 2015 are as follows:

Thousands of euros	2014						
	In operation				Under construction		
	Cost	Accum. amortisation	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 León, 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
Autop. del Guadalmedina Conc. Española, S.A.	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
<b>Motorways</b>	<b>690,989</b>	<b>(88,073)</b>	<b>0</b>	<b>602,916</b>	<b>7,895</b>	<b>0</b>	<b>7,895</b>
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
<b>Rental property</b>	<b>62,327</b>	<b>(15,397)</b>	<b>0</b>	<b>46,930</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Waste treatment</b>	<b>50,990</b>	<b>(13,903)</b>	<b>0</b>	<b>37,087</b>	<b>245</b>	<b>0</b>	<b>245</b>
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59,000	(21,240)	0	37,760	0	0	0
Aguas de Paços de Ferreira, S.A.	63,793	(6,500)	0	57,293	0	0	0
Aguas de Barcelos, S.A.	82,080	(15,043)	0	67,037	24,332	0	24,332
Aguas do Marco, S.A.	9,491	(684)	0	8,807	1,619	0	1,619
Sacyr, S.A.U. Alcedia 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
<b>Water</b>	<b>232,833</b>	<b>(47,481)</b>	<b>(312)</b>	<b>185,044</b>	<b>25,951</b>	<b>0</b>	<b>25,951</b>
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
Sacyr Construcción S.A.U (Pza. del Centenario, V. Romero and Juan Explanadiu car p.	12,510	(1,211)	0	11,299	0	0	0
Sacyr Construcción S.A.U (Val market)	2,051	0	0	2,051	0	0	0
Sacyr Construcción S.A.U. (Plaza de la Encarnación car park)	39,426	(3,612)	0	35,814	0	0	0
<b>Other</b>	<b>54,283</b>	<b>(4,917)</b>	<b>0</b>	<b>49,370</b>	<b>258,677</b>	<b>(440)</b>	<b>258,237</b>
<b>CONCESSION PROJECTS</b>	<b>1,091,430</b>	<b>(169,771)</b>	<b>(312)</b>	<b>921,347</b>	<b>292,768</b>	<b>(440)</b>	<b>292,328</b>

  

Thousands of euros	2015						
	In operation				Under construction		
	Cost	Accum. amortisation	Provision	Net	Cost	Provision	Net
Viasur Conc. del Principado de Asturias, S.A.	123,360	(41,691)	0	81,669	0	0	0
Aut. del Eresma. Cons. Junta Castilla y León, S.A.	106,389	(21,470)	0	84,919	0	0	0
Aut. del Barbanza Conc. Xunta de Galicia, S.A.	109,584	(24,471)	0	85,113	0	0	0
Aut. Del Arlanzon, S.A.	245,552	(54,757)	0	190,795	0	0	0
S.C. de Palma de Manacor, S.A.	173,196	(55,287)	0	117,909	0	0	0
Autov. del Turia, Conc. Generalitat Valenciana S.A	256,551	(49,269)	0	207,282	0	0	0
Autop. del Guadalmedina Conc. Española, S.A.	351,749	(16,584)	0	335,165	0	0	0
Total motorways in Spain	1,366,381	(263,529)	0	1,102,852	0	0	0
S.C. Ruta del Limari	0	0	0	0	16,140	0	16,140
Total other motorways	0	0	0	0	16,140	0	16,140
<b>Motorways</b>	<b>1,366,381</b>	<b>(263,529)</b>	<b>0</b>	<b>1,102,852</b>	<b>16,140</b>	<b>0</b>	<b>16,140</b>
Valoriza Servicios Medioambientales, S.A.	46,408	(15,590)	0	30,818	82	0	82
Tratamientos de Residuos La Rioja, S.L.	4,471	(938)	0	3,533	0	0	0
<b>Waste treatment</b>	<b>50,879</b>	<b>(16,528)</b>	<b>0</b>	<b>34,351</b>	<b>82</b>	<b>0</b>	<b>82</b>
Empresa Mixta Aguas Santa Cruz de Tenerife, S.A.	59,998	(23,681)	0	36,317	0	0	0
Aguas de Paços de Ferreira, S.A.	63,864	(7,658)	0	56,206	0	0	0
Aguas de Barcelos, S.A.	82,427	(18,249)	0	64,178	24,074	0	24,074
Aguas do Marco, S.A.	9,491	(786)	0	8,705	1,619	0	1,619
Sacyr, S.A.U. Alcedia desalination plant	1,367	(421)	0	946	0	0	0
Valoriza Agua, S.L.	23,233	(5,895)	(390)	16,948	0	0	0
<b>Water</b>	<b>240,380</b>	<b>(56,690)</b>	<b>(390)</b>	<b>183,300</b>	<b>25,693</b>	<b>0</b>	<b>25,693</b>
S. Concesionaria Aeropuerto Region Murcia, S.A.	0	0	0	0	234,602	(440)	234,162
Somague SGPS	300	(114)	0	186	0	0	0
Sacyr Construcción S.A.U (Pza. del Centenario, V. Romero and Juan Explanadiu car p.	12,510	(1,536)	0	10,974	0	0	0
Sacyr Construcción S.A.U (Val market)	2,050	0	(763)	1,287	0	0	0
Sacyr Construcción S.A.U. (Plaza de la Encarnación car park)	39,426	(4,600)	0	34,826	0	0	0
<b>Other</b>	<b>54,286</b>	<b>(6,250)</b>	<b>(763)</b>	<b>47,273</b>	<b>234,602</b>	<b>(440)</b>	<b>234,162</b>
<b>CONCESSION PROJECTS</b>	<b>1,711,926</b>	<b>(342,997)</b>	<b>(1,153)</b>	<b>1,367,776</b>	<b>276,517</b>	<b>(440)</b>	<b>276,077</b>

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

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

a) Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A.:

With regard to Sociedad Concesionaria del Aeropuerto de la Región de Murcia, S.A. (SCAM), and in accordance with the Order dated 16 September 2013, the Department for Development, Public Works and Organisation of the Territory of the Murcia Autonomous Community Government (CARM) terminated the Administrative Concession for the Construction and Operation of the Murcia International Airport (AIRM) for the following reasons: (i) failure to comply with the obligation of opening the AIRM to traffic, and (ii) the unilateral decision by SCAM not to execute the Concession Agreement. This ruling led to the early termination of the financing agreement entered

into with the banks and the retainment of the definitive guarantees of the Concession Agreement.

SCAM, in legitimate defence of its interests, filed an appeal for judicial review against this Order before the Judicial Review Chamber of the Murcia High Court of Justice (TSJRM), as it has also filed appeals against other decisions of the CARM in relation to the Concession (up to eight appeals), against the order to provide additional guarantees, the retainment of the definitive guarantees, the dismissal of the request for rebalancing or the reimbursement orders regarding the debt claimed by the CARM from the Concession Operator. At the same time as the appeal was filed against the Order that resolved to terminate the Concession Agreement, injunctive relief was requested and granted by the Court on 21 October 2013, thereby suspending the effects of the Termination Order, whereby the Court agreed that SCAM could maintain ownership over the AIRM facilities, on the condition that they are maintained in proper conditions.

Despite the progress made in 2014, whereby SCAM was even able to obtain the certificate for the AIRM on 18 December 2014, the CARM ended negotiations with SCAM, which resulted in the Resolution issued by the Governing Council of the CARM on 23 December 2014 and in CARM withdrawing from the process of obtaining authorisation from the European Commission in relation to the granting of a participating loan, in addition to the immediate resumption of the legal proceedings that had been stayed. SCAM, in legitimate defence of its interests, filed two new appeals for judicial review against the aforementioned Resolution issued by the Governing Council and against the decision of the CARM to withdrawal from the process initiated before the European Commission.

With regard to the Order dated 16 September 2013 issued by the aforementioned Department of the CARM, on 2 October 2015 the TSJRM handed down a ruling dismissing the appeal filed by SCAM against the CARM, as it deemed such actions to be in accordance with the law. Although the TSJRM considers that there was no unilateral termination of the Agreement by SCAM, it asserted that the company failed to comply with one of its essential obligations, namely the entry into service of the AIRM on a specific date. Having filed a pleading for the preparation of a cassation appeal against this ruling, it was considered to be received and prepared through the Court Order issued by the TSJRM on 29 October 2015. On 16 December 2015, SCAM filed the cassation appeal with the Supreme Court, however a ruling has yet to be handed down.

In relation to the enforcement of the reimbursement orders (Orders issued by the Finance Department of the CARM dated 17 January and 24 February 2014), the Court granted injunctive relief on 21 March 2014, whereby the enforcement of the aforementioned Orders was stayed, without the company having to provide any guarantees. This ruling granting injunctive relief was modified by the ruling of 29 July 2015, which made the stay of the contested enforcement proceedings conditional upon SCAM providing sufficient collateral. An appeal for reconsideration against the ruling of 29 July was filed by SCAM. On 11 January 2016, the Murcia High Court of Justice handed down a ruling dismissing the aforementioned appeal for reconsideration. A pleading for the preparation of a cassation appeal was filed against this ruling and was granted leave to proceed. The Court Order issued by the TSJRM on 8 February 2016 granted SCAM until 23 March 2016 to file the cassation appeal.

At 31 December 2014, an impairment test was performed using the Company's best estimate of the recoverable amount of the investment as the valuation method. The RPA value was taken into account, in accordance with Article 266 of the Consolidated Public Procurement Law, to calculate the recoverable amount, i.e., the amount of the investments made as a result of the compulsory purchase of land, execution of construction work and acquisition of goods necessary to operate the concession. This was deemed to be the most reasonable calculation method for determining the recoverable amount.

In accordance with the foregoing, at 31 December 2014, the recoverable amount of the asset was greater than the carrying amount of the intangible asset. The Company therefore reversed the impairment loss amounting to 4,125 thousand euros.

In accordance with the criteria used at year-end 2014, at 31 December 2015 the Company had not recognised any impairment losses since the RPA value was greater than the carrying amount.

The only guarantees amounted to 7.4 million euros and their value was impaired since the possibility of recovering such guarantees had decreased.

The status and description of the appeals filed by the Company are as follows:

1. P.O. 483/2010. Imposition of a fine amounting to 120,000 euros for failing to comply with the obligation of providing the financing arranged under the concession agreement: the Court handed down a ruling (16/10/2015) that dismissed the appeal filed by the Company and upheld the validity of the contractual penalty amounting to 120,000 euros. No cassation appeal can be filed.
2. P.O. 301/2012. Imposition of a fine amounting to 30,000 euros for failing to comply with the construction plan: the proceedings are returned to the SCOP in order to continue processing the appeal (Order dated 23/02/2015).
3. P.O. 618/2012. Order to provide sufficient additional guarantees to the CARM in the amount of 197,200,000 euros: it was agreed to terminate the proceedings since the reason they were brought was no longer applicable (Proceedings of 23/07/2015).
4. P.O. 230/2013. Dismissal of the request to rebalance the concession: The Court Order of 02/12/2015 was received, whereby the proceedings were passed along to the UPAD in order to hand down a ruling regarding the inadmissibility of the appeal. By means of the Order of 09/12/2015, the Court agreed to send the proceedings to the SCOP in order to continue the ordinary conduct of the proceedings. The Court Order of 22/12/2015 was received, whereby the proceedings were passed along to the Attorney for the Administration of Justice in order to establish the amount of this appeal. By means of the Decree of 22/12/2015, the amount of this appeal was found to be undetermined and the proceedings were sent to the UPAD in order for the Judge Magistrate to hand down a ruling based on the evidence.
5. P.O. 601/2013. Termination of the concession agreement. Main proceedings: On 16/12/2015 a cassation appeal was filed with the Supreme Court. Injunctive relief: on 03/12/2015, the Company was notified of the Court Order dated 02/12/2015 granting it a period of ten days to submit pleadings with regard to the request of the CARM to revoke the injunctive relief. The pleadings were submitted on 22/12/2015. By means of the Court Order of 28/12/2015, the proceedings were passed along to the UPAD in order to hand down a ruling thereon.

6. P.O. 616/2013. Denial of the request to postpone the fee for the guarantee agreement. Main proceedings: the final pleadings of the CARM were considered to be submitted through the Court Order of 17/12/2015, whereby the proceedings for the vote and the related decision have yet to be heard. The proceedings and administrative file have been sent to the UPAD. Injunctive relief: a decision has yet to be handed down on the request to stay the proceedings.
7. P.O. 94/2014. Deposit of the amounts provided as collateral for retaining the definitive guarantee: the Court handed down a judgment dismissing the request on 18/12/2015. A cassation appeal will be filed.
8. P.O. 101/2014. Obligation to reimburse the Regional Treasury for 182,628,215.73 euros for the financing agreement. Main proceedings: the vote and the related decision have yet to be heard (Court Order of 13/10/2015). Injunctive relief: an appeal for reconsideration was filed against the Proceedings of 29/07/2015, establishing that the Company had to provide sufficient guarantees.
9. P.O. 49/2015. Withdrawal by the Governing Council of the CARM from the proceedings before the European Commission. Main proceedings: the claim filed by the Company was granted leave to proceed and sent to the CARM to be answered within a period of 20 days (Court Order of 26/10/2015). Injunctive relief: the cassation appeal was filed with the Supreme Court (29/09/2015). The Court Order of 07/10/2015 was received and, therefore, the cassation appeal is considered to have been filed.
10. P.O. 51/2015. Resolution of the Governing Council of 23 December 2014. Main proceedings: on 02/12/2015, the Company submitted its final pleadings. By means of the Court Order of 10/12/2015, the formalities relating to the final pleadings are considered to be completed and were sent to the Attorney of the CARM in order for the latter to submit its final pleadings within a period of 10 days. Injunctive relief: an appeal for reconsideration was filed against the proceedings denying the stay (19/06/2015). Dismissal of the appeal for reconsideration (28/07/2015). No cassation appeal will be filed.
11. In relation to the proceedings initiated by the Spanish Aviation Safety Agency (AESA) on 7 July 2015, which consider that the certificate granted to the Company on 18 December 2014 as manager of the AIRM will eventually be rendered ineffective (specifically, the Resolution of 14 October 2015, whereby the AESA declared the certificate for the airport to be ineffective), on 16 November 2015 the Company filed an appeal with the Director of the AESA against this Resolution as it considers it to be contrary to Spanish law and its interests. A ruling has yet to be handed down. On 06/01/2016, SCAM received two notices from the AESA. The first notice reported the Resolution of 18 December 2015 issued by the Director of the AESA, which dismissed the request to open the period for submitting evidence put forth by SCAM in the appeal filed on 16 November 2015 against the Resolution of 13 October 2015 declaring that the certificate for the airport was ineffective. No appeal may be filed against this Resolution. The second notice, relating to the other Resolution issued by the Director of the AESA on the same date, also dismissed the request for injunctive relief for the aforementioned Resolution of 13 October 2015. In this case, the Company has a period of one month to file the appeal for reconsideration challenging the decision.
12. Lastly, notice was received on 13 November 2015 from the CARM informing the Company that it could not incur any other type of expenses not related to the

upkeep of the airport facilities, in accordance with the Proceedings of the TSJM regarding the injunctive relief of 21 October 2013.

The Company's directors are firmly committed to continuing the project and, therefore, will continue to defend their legitimate interests in the appeals for judicial review filed against the CARM. Given these circumstances, the continuity of the Company's operations is subject to any decisions that the CARM may adopt in the future in relation to the concession agreement and the financing with the Company.

b) Autovía de Barbanza Concesionaria Xunta de Galicia, 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 = 2.30% (2.75% in 2014).

Market spread ( $M_s$ ) = 6.50% (6.00% in 2014).

Unleveraged beta = 0.58 (0.58 in 2014).

The calculation of the  $K_e$  = Risk-free rate + market spread x 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 and, therefore, 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 and ends with an unlevered asset.

As a result of applying this valuation method, the fair value of the investment is 2.63 million euros greater than its carrying amount.

There are three key assumptions to take into account in the analyses of the impairment test, namely inflation, interest rates and traffic.

With regard to the approach used to determine the value assigned to inflation, we have used the projection given by the International Monetary Fund (IMF) in September 2015 for 2016, 2017, 2018, 2019 and 2020. Our external source of information in this case was therefore the IMF.

In relation to the amount that the concession operator must pay the banks for interest on the loan granted, it should be taken into account, in the case of Barbanza, that 80% of the interest rate is covered by a derivative that mitigates any possible fluctuations that may arise in the Euribor projections for the coming years. In this case, the Euribor yield curve used was that received on 14/12/2015 from the US company Bloomberg.

With regard to traffic, the impairment test was prepared on the basis of the actual traffic on the motorway during the last available month (November 2015). The increase in the growth of traffic with regard to previous years seems to support the idea that Galicia may recover from the economic crisis at a different rate than the rest of Spain.

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 6.4% (3.23% in 2014).

Accordingly, in order for the carrying amount to equal the recoverable amount, traffic would need to decrease by 4.29% with respect to the expected variation.

On 5 February 2014, a request was submitted to the Galician Government for 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 to the concession arrangement was signed, under which the Galician Government re-established the economic-financial equilibrium of the contract.

c) Viastur Concesionaria del Principado de Asturias, 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 = 2.30% (2.88% in 2014).

Market spread ( $M_s$ ) = 6.50% (6.00% in 2014).

Unleveraged beta = 0.58 (0.58 in 2014).

The calculation of the  $K_e$  = Risk-free rate + market spread x 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 and, therefore, 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 and ends with an unlevered asset.

As a result of applying this valuation method, the fair value of the investment is 1.063 million euros less than its carrying amount.

There are three key assumptions to take into account in the analyses of the impairment test, namely inflation, interest rates and traffic.

With regard to the approach used to determine the value assigned to inflation, we have used the projection given by the International Monetary Fund (IMF) in September 2015 for 2016, 2017, 2018, 2019 and 2020. Our external source of information in this case was therefore the IMF.

In relation to the amount that the concession operator must pay the banks for interest on the loan granted, it should be taken into account, in the case of Viastur, that 70% of the interest rate is covered by a derivative that mitigates any possible fluctuations that may arise in the Euribor projections for the coming years. In this case, the Euribor yield curve used was that received on 14/12/2015 from the US company Bloomberg.

In order to determine the traffic series to be used in the impairment test, the consulting firm Deloitte was responsible for carrying out a study to estimate this traffic. This study was based on three traffic scenarios: pessimistic, baseline and optimistic. The traffic series used in the 2015 impairment test corresponds to the baseline scenario and is known as "IMD Vegetativa + HUCA", which prudently lowered the growth expected in 2015. This series considers traffic growth due to the expected growth in GDP and the increase in traffic as a result of the entry into operation of the Central Asturias Hospital (HUCA).

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 3.39% (4.50% in 2014).

Accordingly, in order for the carrying amount to equal the recoverable amount, traffic would need to increase by 2.06% with respect to the expected variation.

d) 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 = 2,30% in 2015(3.42% in 2014).

Market spread ( $M_s$ ) = 6.50% (6.00% in 2014).

Unleveraged beta = 0.63 (0.60 in 2014).

The calculation of the  $K_e$  = Risk-free rate + market spread x 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 and, therefore, 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 and ends with an unlevered asset.

There are three key assumptions to take into account in the analyses of the impairment test, namely inflation, interest rates and traffic.

With regard to the approach used to determine the value assigned to inflation, we have used the projection given by the International Monetary Fund (IMF) in September 2015 for 2016, 2017, 2018, 2019 and 2020. Our external source of information in this case was therefore the IMF.

In relation to the amount that the concession operator must pay the banks for interest on the loan granted, it should be taken into account, in the case of Guadalmedina, that 70% of the interest rate is covered by a derivative that mitigates any possible fluctuations that may arise in the Euribor projections for the coming years. In this case, the Euribor yield curve used was that received on 14/12/2015 from the US company Bloomberg.

With regard to traffic, reasonably possible decreases are not expected to occur in the Average Daily Traffic (ADT) curves. With the current assumptions, the recoverable amount significantly exceeds the carrying amount. Accordingly, no decline in value is envisaged.

The impairment tests performed at year-end 2014 and 2015 did not lead to the recognition of any impairment losses for the company's concession assets.

e) Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A.:

With regard to Autovía del Eresma, Concesionaria de la Junta de Castilla y León, S.A., the Group carried out impairment tests at both year-end 2014 and 2015. The reinvestment curves and growth estimates were identical for both years. With regard to refundable advances, the Refundable Advances Order was deemed applicable under the terms set forth in the provisions of this Order. A rebalancing is proposed for 2016 by increasing the tariff considered in the 2014 impairment test for 2015. At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

f) Autovía del Turia, Concesionaria de la Generalitat Valenciana, S.A.:

Respective impairment tests were also carried out for Autovía del Turia, Concesionaria de la Generalitat Valenciana, S.A. at year-end 2014 and 2015. Identical CAPEX curves and forecast growth rates were used in both years. The tariff increases included in the concession agreement in force starting in 2017 were maintained (30.36% increase for tranche 1 as of 2017 and a 25% increase for tranche 2).

At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

g) Carretera Palma-Manacor Concessionària del Consell Insular de Mallorca, S.A.:

Respective impairment tests were also carried out for Carretera Palma-Manacor Concessionària del Consell Insular de Mallorca, S.A. at year-end 2014 and 2015. Identical CAPEX curves and forecast growth rates were used in both years. The figure for 2013 was used as the baseline for the other income of the concession operator (losses) instead of the figure for 2014, since there was an exceptional increase during that year as a result of cable theft. The figure for 2015 is similar to that of 2013 and less than the figure for 2014.

At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

h) Autovía del Arlanzón, S.A.:

Respective impairment tests were also carried out for Autovía del Arlanzón, S.A. at year-end 2014 and 2015. Identical CAPEX curves and forecast growth rates were used in both years.

At the end of both years, as the recoverable amount was not considered to be less than the carrying amount, no provision for impairment was recognised.

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

	Capitalised finance costs		Concession period		Committed investment (thousands of euros)
	2015	2014	Date put into service	End of concession	
<b>Motorways</b>					
Viastur Conc. del Principado de Asturias, S.A.	4,537	4,537	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.	5,478	5,478	2008	2036	0
Autop. del Guadalmedina Conc. Española, S.A.	8,547	8,547	2011	2044	0
Aut. Del Arlanzón, S.A.	4,214	4,214	2011	2026	0
S.C. de Palma de Manacor, S.A.	4,642	4,642	2007	2042	0
Autov. del Turia, Conc. Generalitat Valenciana S.A	7,892	7,892	2008	2041	0
S.C. Ruta del Limari	166	82	2016	2043	41,875
<b>Rental property</b>					
Testa Residencial, S.L.U.					
Bentaberri (San Sebastián)	Sold	0	1994	2069	0
Trade Center, S.L.	Sold	0	2002	2022	0
<b>Waste treatment</b>					
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	21,288	20,897	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	981	910	2002	2028	0
Aranda de Duero plant	0	0	2008	2013	0
La Paloma plant	0	0	2003	2022	0
La Rioja waste treatment	387	304	2009	2029	0
<b>Water</b>					
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
Valdaliga concession	0	0	2012	2025	340
<b>Other</b>					
Somague SGPS (Vila Real car park)	0	0	1999	2019	0
S. Concesionaria Aeropuerto Region Murcia, S.A.	12,221	22,921	N/A	N/A	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 Explanadiu 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

At 31 December 2014 and 2015, 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 2014 and 2015, 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 period, as per the specific concession agreements. 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.

## 7. Investment property

Movements in the various items under "Investment property" in 2014 and 2015 and the related accumulated depreciation are as follows:

2014					
Thousands of euros	Balance at 31 December 2013	Additions	Disposals	Changes in scope of consolidation	Balance at 31 December 2014
Rental buildings	2,263,065	10,660	(5,332)	0	2,268,393
Investments in land and natural assets	41,290	314	0	0	41,604
<b>Cost</b>	<b>2,304,355</b>	<b>10,974</b>	<b>(5,332)</b>	<b>0</b>	<b>2,309,997</b>
Impairment	(81,175)	(511)	14,125	0	(67,561)
<b>Impairment</b>	<b>(81,175)</b>	<b>(511)</b>	<b>14,125</b>	<b>0</b>	<b>(67,561)</b>
Depreciation	(362,262)	(34,331)	753	0	(395,840)
<b>Accumulated amortisation</b>	<b>(362,262)</b>	<b>(34,331)</b>	<b>753</b>	<b>0</b>	<b>(395,840)</b>
<b>TOTAL</b>	<b>1,860,918</b>	<b>(23,868)</b>	<b>9,546</b>	<b>0</b>	<b>1,846,596</b>

2015					
Thousands of euros	Balance at 31 December 2014	Additions	Disposals	Changes in scope of consolidation	Balance at 31 December 2015
Rental buildings	2,268,393	5,739	0	(2,274,132)	0
Investments in land and natural assets	41,604	30	0	(41,634)	0
<b>Cost</b>	<b>2,309,997</b>	<b>5,769</b>	<b>0</b>	<b>(2,315,766)</b>	<b>0</b>
Impairment	(67,561)	0	0	67,561	0
<b>Impairment</b>	<b>(67,561)</b>	<b>0</b>	<b>0</b>	<b>67,561</b>	<b>0</b>
Depreciation	(395,840)	(11,976)	0	407,816	0
<b>Accumulated amortisation</b>	<b>(395,840)</b>	<b>(11,976)</b>	<b>0</b>	<b>407,816</b>	<b>0</b>
<b>TOTAL</b>	<b>1,846,596</b>	<b>(6,207)</b>	<b>0</b>	<b>(1,840,389)</b>	<b>0</b>

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

The main movements in 2014 related mainly to:

- The decrease in "Rental buildings" during 2014 mainly related 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" in 2014 and 2013 mainly related to the refurbishment work to the buildings in operation. 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.

Testa, the head of the real estate activity in the Sacyr Group, was sold in 2015, which gave rise to an overall drop in the Group's total real estate assets, as indicated in Note 2.

In 2014 "Rental buildings" also included two leasing arrangements detailed as follows:

Sector	Property	Gross initial cost	Depreciation /Impairment	Net cost	Option price	Final maturity
	2014	2014	2014	2014	2014	
Offices	4	302,968	45,124	257,844	105,992	16/02/2018
Hotel	1	61,031	12,031	49,000	21,350	23/01/2023
<b>TOTAL</b>	<b>5</b>	<b>363,999</b>	<b>57,155</b>	<b>306,844</b>	<b>127,342</b>	

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

<i>Thousands of euros</i>	2014
2015	2,482
2016	11,696
2017	11,913
2018	125,993
2019	1,101
Subsequent years	24,864
<b>Total, net</b>	<b>178,049</b>

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

At year-end 2014, the terms of the leases with the tenants of the leased buildings described above included the following minimum lease payments, under the leases currently in force, without taking into account any charges for common expenses, future increases in the CPI or future contractual lease payment revisions until the agreements expire:

<i>Thousands of euros</i>	2014
Less than one year	19,081
Between one and five years	64,237
More than five years	50,855
<b>Total</b>	<b>134,173</b>

All leases in the Testa Group, except for those signed abroad, complied with Urban Lease Law 29/1994, of 24 November, amended by Law 4/2013, of 4 June, on measures to increase the flexibility of and promote the housing rental market.

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

#### 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 set 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 periods at the discretion of the lessee for up to a minimum of 5 years, when the lease will be terminated. At each annual extension, the rent was revised upward in accordance with the National General Consumer Price Index. 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 on a monthly basis in the same receipt. Besides one month's legal deposit, the Group required a bank guarantee covering from 4 to 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 Consumer Price Index. 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 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 estimates the annual revisions in rents until expiry of the lease, which is assumed not to be renewed. For the calculation of rent revisions, a rate of 2% was used for all years.

<u>Thousands of euros</u>	2014
2015	173,461
2016	144,286
2017	122,140
2018	111,252
2019	86,164
Subsequent years	555,417
<b>Total</b>	<b>1,192,720</b>

The fair value of the investment property used to guarantee compliance with financial debts at 31 December 2014 amounted to 2,690,400 thousand euros, and 1,673,437 thousand euros at 31 December 2014 related to loan principals. The gross carrying amounts of investment property pledged as collateral for these financial liabilities at 31 December 2014 totalled 2,154,806 thousand euros.

Rental income from investment property at 31 December 2014 amounted to 169,358 thousand euros and direct operating expenses were 34,392 thousand euros.

At 31 December 2014, there were no significant commitments to acquire investment properties.

In 2014, no borrowing costs were capitalised as property construction costs.

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

Impairment losses and corresponding reversals are reported under "Change in provisions for non-current assets" in the separate consolidated income statement.

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

The market value of investment property calculated by an independent expert at 2014 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 largely determined 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	
	<u>Low</u>	<u>High</u>
OFFICES	5.25%	7.95%
<i>Madrid</i>	5.25%	7.00%
<i>Barcelona</i>	5.25%	7.95%
INDUSTRIAL	7.50%	8.00%
COMMERCIAL	6.00%	6.50%
HOTELS	5.50%	9.00%
PARKING	3.40%	5.00%
RESIDENTIAL	3.75%	4.75%
SENIOR CITIZENS' HOMES	9.00%	10.00%

The valuation for 2014 assumes cash flows grow by 2% in all years subject to valuation. Occupancy rates were assumed to be close to 95%, the average level of the Group in recent years. The time horizon of the valuation is 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, which represented an unrealised gain of 917 million euros.

## 8. Other intangible assets

Movements in "Other intangible assets" in 2014 and 2015 and the related accumulated amortisation were as follows:

2014	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2014
<i>Thousands of euros</i>							
Industrial property	393	1	0	0	0	0	394
Goodwill	262	0	0	0	0	0	262
Transfer rights	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
<b>Cost</b>	<b>39,464</b>	<b>2,618</b>	<b>(2,734)</b>	<b>52</b>	<b>(459)</b>	<b>17</b>	<b>38,958</b>
Industrial property	(323)	(39)	0	0	0	0	(362)
Goodwill	(192)	0	(70)	0	0	0	(262)
Transfer rights	(1,919)	(301)	(279)	(73)	0	0	(2,572)
Computer software	(27,659)	(1,644)	348	21	90	(5)	(28,849)
<b>Accumulated amortisation</b>	<b>(30,093)</b>	<b>(1,984)</b>	<b>(1)</b>	<b>(52)</b>	<b>90</b>	<b>(5)</b>	<b>(32,045)</b>
<b>TOTAL</b>	<b>9,371</b>	<b>634</b>	<b>(2,735)</b>	<b>0</b>	<b>(369)</b>	<b>12</b>	<b>6,913</b>
2015	Balance at 31 December	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December
<i>Thousands of euros</i>							
Industrial property	394	210	(17)	17	0	0	604
Goodwill	262	0	0	0	0	0	262
Development costs	0	796	0	0	0	0	796
Transfer rights	4,408	3,031	(446)	0	0	0	6,993
Computer software	30,794	1,886	(125)	1	206	(16)	32,746
Other intangible assets	0	2,037	0	0	0	0	2,037
Advances	2,191	463	0	0	0	0	2,654
Greenhouse gas emission rights	909	2,391	(833)	0	0	0	2,467
<b>Cost</b>	<b>38,958</b>	<b>10,814</b>	<b>(1,421)</b>	<b>18</b>	<b>206</b>	<b>(16)</b>	<b>48,559</b>
Industrial property	(362)	(27)	0	(17)	0	0	(406)
Goodwill	(262)	0	0	0	0	0	(262)
Other intangible assets	0	(313)	0	0	0	0	(313)
Transfer rights	(2,572)	(308)	0	0	0	0	(2,880)
Computer software	(28,849)	(917)	57	(1)	(185)	13	(29,882)
<b>Accumulated amortisation</b>	<b>(32,045)</b>	<b>(1,565)</b>	<b>57</b>	<b>(18)</b>	<b>(185)</b>	<b>13</b>	<b>(33,743)</b>
<b>TOTAL</b>	<b>6,913</b>	<b>9,249</b>	<b>(1,364)</b>	<b>0</b>	<b>21</b>	<b>(3)</b>	<b>14,816</b>

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

	2015				2014			
	Balance		Consumption		Balance		Consumption	
	Number of rights	Value (thousand of euros)	Number of rights	Value (thousand of euros)	Number of rights	Value (thousand of euros)	Number of rights	Value (thousand of euros)
Compañía Energética Puente del Obispo	79,136	336	90,955	766	(21,379)	203	81,027	643
Compañía Energética Las Villas	85,393	665	103,631	866	(24,712)	291	108,712	439
Compañía Energética Pata de Mulo	61,114	494	71,987	613	5,812	426	73,236	303
Compañía Energética Linares	73,133	608	90,331	797	(38,029)	167	82,956	413

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

The detail of intangible assets located outside Spain at 31 December 2014 and 2015 is as follows:

2014 Thousands of euros	Portugal	Libya	Chile	Ireland	Other	TOTAL
Industrial property	179	0	0	0	0	179
Computer software	5,651	106	329	6	54	6,146
<b>Cost</b>	<b>5,830</b>	<b>106</b>	<b>329</b>	<b>6</b>	<b>54</b>	<b>6,325</b>
<b>Accumulated amortisation</b>	<b>(5,806)</b>	<b>(50)</b>	<b>(209)</b>	<b>(5)</b>	<b>(1)</b>	<b>(6,071)</b>
<b>TOTAL</b>	<b>24</b>	<b>56</b>	<b>120</b>	<b>1</b>	<b>53</b>	<b>254</b>

2015 Thousands of euros	Portugal	Libya	Chile	Ireland	Other	TOTAL
Industrial property	179	0	0	0	0	179
Computer software	5,652	105	257	6	126	6,146
<b>Cost</b>	<b>5,831</b>	<b>105</b>	<b>257</b>	<b>6</b>	<b>126</b>	<b>6,325</b>
<b>Impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Accumulated amortisation</b>	<b>(5,820)</b>	<b>(105)</b>	<b>(228)</b>	<b>(6)</b>	<b>(54)</b>	<b>(6,213)</b>
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>72</b>	<b>112</b>

At 31 December 2015 and 2014, fully amortised intangible assets in use totalled 20,049 thousand and 18,736 thousand euros, respectively.

## 9. Goodwill

### 9.1. Movement

Movements in "Goodwill" in 2014 and 2015 were as follows:

2014	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Impairment and exchange-rate effect	Balance at 31 December 2014
<i>Thousands of euros</i>						
<b>Valoriza Group</b>	<b>115,055</b>	<b>0</b>	<b>(16,984)</b>	<b>2,008</b>	<b>(250)</b>	<b>99,829</b>
Valoriza Servicios Medioambientales	94,987	0	0	0	0	94,987
Suardiaz	0	0	0	2,004	(250)	1,754
Águas de Mandaguahy	69	0	(69)	0	0	0
Águas de Cascais	2,206	0	(2,206)	0	0	0
Hidurbe	843	0	0	0	0	843
Aguas do Marco	2,241	0	0	4	0	2,245
Taviraverde	23	0	(23)	0	0	0
Aguas da Covilha	14,394	0	(14,394)	0	0	0
Fagar	292	0	(292)	0	0	0
<b>Somague Group</b>	<b>19,071</b>	<b>0</b>	<b>(589)</b>	<b>0</b>	<b>0</b>	<b>18,482</b>
Somague Engenharia (Soconstroj)	18,482	0	0	0	0	18,482
Neopul	589	0	(589)	0	0	0
<b>TOTAL</b>	<b>134,126</b>	<b>0</b>	<b>(17,573)</b>	<b>2,008</b>	<b>(250)</b>	<b>118,311</b>
<b>2015</b>	<b>Balance at 31 December 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassific. and transfers</b>	<b>Impairment and exchange-rate effect</b>	<b>Balance at 31 December 2015</b>
<i>Thousands of euros</i>						
<b>Valoriza Group</b>	<b>99,829</b>	<b>67,829</b>	<b>(104)</b>	<b>0</b>	<b>(310)</b>	<b>167,244</b>
Valoriza Servicios Medioambientales	94,987	0	0	0	0	94,987
Sacyr Fluor	0	67,829	0	0	0	67,829
Suardiaz	1,754	0	0	0	(310)	1,444
Hidurbe	843	0	0	0	0	843
Aguas do Marco	2,245	0	(104)	0	0	2,141
<b>Somague Group</b>	<b>18,482</b>	<b>852</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,334</b>
Somague Engenharia (Soconstroj)	18,482	852	0	0	0	19,334
<b>TOTAL</b>	<b>118,311</b>	<b>68,681</b>	<b>(104)</b>	<b>0</b>	<b>(310)</b>	<b>186,578</b>

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

In 2015, the addition resulting from the acquisition of Sacyr Fluor, S.A. is noteworthy of mention. On 30 September 2015, Sacyr Industrial, S.L. purchased 50% of Sacyr Fluor, S.A. (formerly, Fluor Enterprises INC), thereby acquiring control. The acquisition cost amounted to 40,749 thousand euros.

At the time of purchase, the net assets of Sacyr Fluor, S.A. had a carrying amount of 10,368 thousand euros and a fair value of 11,896 thousand euros (as a result of increasing the value of its intangible assets by 2,037 thousand euros and recognising a deferred tax liability of 509 thousand euros associated with this amount).

The total value of Sacyr Fluor stood at 79,725 thousand euros, which gave rise to goodwill in the amount of 67,829 thousand euros as a result of the difference between the total value and the fair value of the assets acquired less the liabilities assumed.

Of the goodwill recognised, 33,037 thousand euros were allocated to non-controlling interests and 34,792 thousand euros were assigned to the Parent, since a control premium of 1,755 thousand euros on the price paid was deemed to exist.

Thousands of euros	Carrying amount	Fair value adjustment	Fair value valuation
Property, plant and equipment	2,214	0	2214
Intangible assets	0	2,038	2,038
Non-current financial investments	164	0	164
Deferred tax assets	538	0	538
Receivables	10,426	0	10426
Current financial investments	14	0	14
Cash	7,510	0	7510
<b>Total assets acquired</b>	<b>20,866</b>	<b>2,038</b>	<b>22,904</b>
Deferred tax liabilities	117	509	626
Trade payables	7,743	0	7743
Other non-trade receivables	2,639	0	2639
<b>Total liabilities acquired</b>	<b>10,499</b>	<b>509</b>	<b>11,008</b>
<b>Assets acquired - liabilities acquired</b>	<b>10,367</b>	<b>1,529</b>	<b>11,896</b>
Total company valuation per price paid			79,725
Goodwill			67,829

The cash flow for the Group resulting from the acquisition of Sacyr Fluor was as follows:

Thousands of euros	
- Price paid	40,749
+ Cash acquired with the subsidiary	(7,510)
Cash flow from the operation	33,239

## 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 amount. Recoverable amount 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 amount is less than the carrying amount, an irreversible impairment loss is recognised in the separate consolidated income statement.

Where the recoverable amount 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 projects currently in its portfolio until the end of their concession term. 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 approval of the Budget Stability Law 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.

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, perpetual income is paid in year five. Accordingly, the key assumptions to prepare the goodwill impairment test are as follows:

1. Discount rate
2. 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 maintaining 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), 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 2010-2015, the pace of growth in contracts for Valoriza Servicios Medioambientales remained strong, reaching a portfolio of 2,100 million euros. Accordingly, the perpetual income in year five to validate goodwill does not represent a residual value, since the company has contracts in its portfolio 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 year five is considered to reflect the appropriate time to grant a value to the company based on 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 amount, obtained from the foregoing, is 75%.

An analysis was performed on the changes 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 11,5% and 12%, 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 6.63% (6.8% at 31 December 2014).

Varying the perpetual growth rate between 1% and 2%, the company's valuation ranged between -7% and 8%, 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 +14% and -7%, without giving rise to asset impairment at any time.

#### b) Goodwill of Somague SGPS Engenharia

At 31 December 2015, the goodwill of Somague SGPS Engenharia amounted to 19,334 thousand euros (18,482 thousand euros in 2014).

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

To arrive at this valuation, the expected cash flows were discounted over a period of five 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 five years in a range of -21% to 22% (between -4% and 3% at 31 December 2014).
- Discount rates based on the estimated cost of capital (CAPM) calculated using a risk-free rate benchmarked to the 10-year German 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 6% and 7% (between 7.2% and 7.7% at 31 December 2014).

Recoverable amount 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 amount of its interest in the company is at least equal to its carrying amount at 31 December 2015 and 2014.

#### c) Goodwill of SacyrFluor

SacyrFluor's value was obtained by discounting the estimated cash flows that the shareholder will receive over the next five years based on the economic-financial plans approved for this company. The main assumptions underlying this valuation are as follows:

- The viability and the business plan of SacyrFluor were assessed based on the opportunities identified by the shareholders in South America and the Middle East, specifically in Colombia, Ecuador, Peru, Paraguay, Uruguay, Oman, Angola, Egypt, Libya, Tunisia, Morocco and Algeria.
- A growth rate of 2.69% was used, which is the weighted result of the countries in which the company expects to generate income.
- The discount rates are based on the cost of equity ( $K_e$ ) and fall within a range of between 10% and 15%, since the rate includes a risk premium for all new projects added after the date on which this valuation is made.

## 10. Investments accounted for using the equity method

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

Movements in "Investments accounted for using the equity method" in 2014 and 2015 were as follows:

Thousands of euros	Balance at 31 December 2015	Changes in scope	Share of profit/(loss)	Impairment	Dividends received	Change in equity	Transfer to held for sale	Additions	Disposals	Balance at 31 December 2014
Aguas da Covilha, E.M	4,672	(4,672)	0	0	0	0	0	0	0	0
Aguas da Figueira, S.A	947	(947)	0	0	0	0	0	0	0	0
Aguas de Alenquer, S.A	779	(779)	0	0	0	0	0	0	0	0
Aguas de Cascais, S.A	5,104	(4,754)	(350)	0	0	0	0	0	0	0
Aguas de Gondomar, S.A	3,068	(2,968)	(100)	0	0	0	0	0	0	0
Aguas de Votorantim	441	(441)	0	0	0	0	0	0	0	0
Aguas do Sado - Con. dos Sistemas de Abast. de Agua e de Saneamento de Setubal, S.A.	2,312	(2,312)	0	0	0	0	0	0	0	0
Alcorec, S.L	0	0	(32)	0	0	66	0	0	0	34
Ambigal Engenharia de Infraestruturas Ambientais, S.A.	66	0	0	0	0	0	0	0	0	66
Autopistas del Valle, S.A	843	0	0	0	0	25	0	0	0	868
Biomassas del Pirineo, S.A	60	0	0	0	0	0	0	0	0	60
CGC - Sacyr Beni Hajar, JV	54	(54)	0	0	0	0	0	0	0	0
Consorcio Stabile VIS Societat C.P.A.	0	18	0	0	0	0	0	0	0	18
Cultivos Energéticos de Castilla, S.A	3	0	(1)	0	0	0	0	0	0	2
Enervador Naval, S.L	34	0	(2)	0	0	0	0	0	0	32
Engigás-Cabo Verde	2	0	643	0	0	0	0	0	(101)	544
Eurolink S.C.P.A.	7,013	0	0	0	0	0	0	0	0	7,013
Excelsiënita - Sociedade Imobiliária, LDA	4	(4)	0	0	0	0	0	0	0	0
Fagar - Faro, Festal de Agua e Resíduos, E.M	1,268	(1,155)	(113)	0	0	0	0	0	0	0
Geida Skikda, S.L	6,349	0	1,044	0	(507)	68	0	0	0	6,954
Geida Tlemcen, S.L	21,216	0	3,492	0	(4,174)	284	0	0	0	20,818
Grupo Hospitales Concesionados	0	11,199	2,112	0	0	(5,259)	0	0	0	8,052
GSA - Gestaa ed Sitemas Ambientais, S.A.	0	329	77	0	0	0	0	329	0	406
Haçor - Concessionária do Edifício do Hospital da Ilha Terceira,S.A.	10	0	170	0	0	(7)	0	(170)	0	3
Hospital de Majadahonda, S.A	3,540	0	1,054	0	(1,000)	(1,820)	0	0	0	1,774
Infoser Estacionamiento Regulado, A.I.E.	66	0	2	0	0	1	0	0	0	69
Iniciativas Medioambientales del Sur, S.L	142	0	0	0	0	0	0	0	0	142
Inte RCD, S.L	1	0	0	0	0	0	0	0	0	1
Laboratório Regional de Tras-os-Montes LDA	328	(328)	0	0	0	0	0	0	0	0
Parking Palau, S.A	775	0	0	0	(49)	1	50	0	0	777
Parque Edílico La Sotonera, S.L	2,220	0	31	0	0	36	0	0	0	2,287
Pk Hoteles 22, S.L	1,672	0	0	0	0	5	(38)	0	0	1,639
PPPS Consultoria em Saúde, S.A.*	4,229	0	369	0	0	7	0	0	0	4,605
Quatro I&D Limited	24	0	(123)	0	0	147	0	0	0	24
Reciclados y Tratamientos Andaluces, S.L.	2	0	0	0	0	0	0	0	0	2
Repsol, S.A.	2,431,948	0	144,092	11,742	(239,159)	80,880	0	0	0	2,429,503
SICA Soluções Tecnológicas	97	(97)	0	0	0	0	0	0	0	0
Sociedad Andaluza de Valoración de la Biomasa, S.A.	86	0	(1)	0	0	(26)	0	0	0	59
Sociedad Concesionaria Vespucio Oriente, S.A	0	7,840	196	0	0	0	0	0	0	8,036
Valorinima Group	0	0	68	0	0	0	0	0	0	68
Sociedad Hospital Majadahonda Explotaciones, S.A.	447	0	981	0	(480)	37	0	0	0	985
Soleval Renovables, S.L	1,031	0	104	0	0	175	0	0	0	1,310
Somague Mesquita Hidurbe	0	10	0	0	0	0	0	0	0	10
Somague Panama	8	0	0	0	0	0	0	0	0	8
Suardiaz Servicios Maritimos de Barcelona, S.L.	5,830	(5,830)	0	0	0	0	0	0	0	0
Taviraverde - Empresa Municipal de Ambiente, E.M	330	(253)	(77)	0	0	0	0	0	0	0
Tenemetro, S.L	0	0	(26)	0	(9)	621	0	0	0	586
Tratamiento de Aguas Residuais de Ave, S.A	5,047	(4,599)	(448)	0	0	0	0	0	0	0
Via Expresso	6,788	0	1,803	0	0	0	0	0	0	8,591
Associales	2,518,834	(9,799)	154,965	11,742	(245,378)	75,241	12	(271)	0	2,505,346
Aguas de Toledo, A.I.E.	30	0	0	0	0	0	0	0	0	30
Autovia del Afianzón, S.A	14,706	0	3,784	0	(362)	(2,753)	0	0	0	15,375
Autovias de Peaje en Sombra	8,506	0	1,169	0	(1,843)	(1,979)	0	0	0	5,853
Bardomar, S.L	20,275	0	0	0	(921)	65	1,244	0	0	20,663
Borrecaje de Cádiz, S.A	4,641	0	492	0	0	0	0	0	0	5,133
Boremer, S.A	1,184	0	(1,184)	0	0	0	0	0	0	0
Compost del Pirineo, S.A.	141	0	(29)	0	0	0	0	0	0	112
Concesiones de Intercambiadores de Transporte	3,794	0	2,259	0	0	(1,811)	0	0	0	4,242
Constructora ACS-Sacyr, S.A	34	0	2	0	0	0	0	0	0	36
Constructora Neco Sacyr, S.A	37	0	0	0	0	(1)	0	0	0	36
Constructora Sacyr - Neco, S.A	25	0	0	0	0	0	0	0	0	25
Constructora San Jose-San Ramon, S.A	77	0	7	0	0	10	0	0	0	94
Constructora. San Jose- Caldera, S.A	1,910	0	(27)	0	0	264	0	0	0	2,147
Desarrollos Edílicos Extremeños, S.L	767	0	(9)	0	0	0	0	0	0	758
Empresa Mixta de Aguas de Las Palmas, S.A	25,366	0	(675)	0	0	50	0	0	0	24,741
GSI Maintenance Ltd	511	0	772	0	0	0	0	0	0	1,283
Ibervador Energia Aragonesa, S.A	39	0	(40)	0	0	1	0	0	0	0
Metrofams, S.L	2,616	0	189	0	0	19	0	0	0	2,824
N6 Operations Ltd	507	0	390	0	(250)	0	0	0	0	647
NDP, S.C.P.A	9,233	0	(236)	0	0	74	0	0	0	9,071
PK Inversiones, S.L	18	0	0	0	0	0	0	0	0	18
Provitae, S.L	7,743	0	0	0	0	0	(458)	0	0	7,285
Residuos de Construcción de Cuenca, S.A	51	0	(18)	0	0	0	0	0	0	33
S.C. de Palma de Manacor, S.A	606	0	(1,460)	0	0	438	0	0	0	(416)
Sercanarias, S.A	154	0	(154)	0	0	0	0	0	0	0
Sociedad Sacyr Agua Santa, S.A	138	0	11	0	0	(56)	0	0	0	93
Tecnológica Lena, S.L	(415)	415	0	0	0	0	0	0	0	0
Valdemingómez 2000, S.A.	1,351	0	(1,351)	0	0	0	0	0	0	0
Joint Arrangements	104,045	415	3,892	0	(3,376)	(5,679)	786	0	0	100,083
<b>SACYR GROUP</b>	<b>2,622,819</b>	<b>(9,384)</b>	<b>158,857</b>	<b>11,742</b>	<b>(248,754)</b>	<b>69,562</b>	<b>798</b>	<b>0</b>	<b>(271)</b>	<b>2,605,429</b>

	Balance at 31 December 2014	Changes in scope	Share of profit/(loss)	Impairment	Dividends received	Change in equity	Additions	Disposals	Balance at 31 December 2015
<i>Thousands of euros</i>									
Alcorec, S.L.	34	0	(9)	0	0	3	0	0	28
Ambigal Engenharia de Infraestruturas Ambientais, S.A.	66	0	139	0	0	(261)	0	0	(56)
Autopistas del Valle, S.A.	868	(868)	0	0	0	0	0	0	0
Biomassas del Pirineo, S.A.	60	0	0	0	0	0	0	0	60
Consorcio Stable VIS Societat C.P.A.	18	0	0	0	0	48	0	0	66
Cultivos Energéticos de Castilla, S.A.	2	0	(1)	0	0	0	0	0	1
Desarrollo Vial al Mar, S.A.S.	0	0	70	0	0	(8)	0	0	62
Enevaltor Naval, S.L.	32	0	(7)	0	0	(4)	0	0	21
Engidás-Cabo Verde	544	0	0	0	0	(425)	0	0	119
Eurolink S.C.P.A.	7,013	0	0	0	0	0	0	0	7,013
Gelda Skikda, S.L.	6,954	0	1,363	0	(2,835)	(411)	0	0	5,071
Gelda Temcen, S.L.	20,818	0	3,723	0	(6,362)	(1,636)	0	0	16,543
Grupo Hospitales Concesionados	8,052	(8,052)	0	0	0	0	0	0	0
GSA - Gestaa ed Sitemas Ambientais, S.A.	406	0	0	0	0	(406)	0	0	0
Haçor - Concessionária do Edifício do Hospital da Ilha Terceira, S.A.	3	0	287	0	0	0	701	0	991
Hospital de Majadahonda, S.A.	1,774	(2,372)	598	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	69	0	(32)	0	0	(3)	0	0	34
Iniciativas Medioambientales del Sur, S.L.	142	0	0	0	0	0	0	0	142
Inte RCD, S.L.	1	0	0	0	0	(1)	0	0	0
Operadora Avo, S.A.	0	6	(6)	0	0	0	2	0	2
Parking Palau, S.A.	777	(777)	0	0	0	0	0	0	0
Parque Edificio La Sotonera, S.L.	2,287	0	88	0	0	37	0	0	2,412
Pk Hoteles 22, S.L.	1,639	(1,639)	0	0	0	0	0	0	0
PPPS Consultoria em Saúde, S.A.*	4,605	0	(51)	0	0	885	191	0	5,620
Quatro T&D Limited	24	(24)	0	0	0	0	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	2	0	0	0	0	(2)	0	0	0
Repsol, S.A.	2,429,503	0	(105,263)	(373,144)	(116,098)	78,208	0	0	1,913,206
Sociedad Andaluza de Valoración de la Biomasa, S.A.	59	0	(1)	0	0	0	0	0	58
Sociedad Concesionaria Vespucio Oriente, S.A.	8,036	0	557	0	0	3,684	0	0	12,277
Valorinima Group	68	0	58	0	0	(68)	0	0	58
Sacyr Nervión, S.L.R.	0	60	0	0	0	0	0	0	60
Sociedad Hospital Majadahonda Explotaciones, S.A.	985	(2,812)	2,756	0	(929)	0	0	0	0
Soleval Renovables, S.L.	1,310	0	20	0	0	(44)	0	0	1,286
Somague Mesquita Hidurbe	10	0	0	0	0	(6)	0	0	4
Somague Panama	8	0	0	0	0	0	0	0	8
Tenemetro, S.L.	586	0	10	0	(12)	(487)	0	0	97
Via Expreso	8,591	0	171	0	0	0	0	(468)	8,294
Associates	2,505,346	(16,478)	(95,530)	(373,144)	(126,236)	79,103	894	(468)	1,973,487
Aguas de Toledo, A.I.E.	30	0	0	0	0	(30)	0	0	0
Autovia del Arlanzón, S.A.	15,375	(15,375)	0	0	0	0	0	0	0
Autovias de Peaje en Sombra	5,853	(5,853)	0	0	0	0	0	0	0
Bardiomar, S.L.	20,663	(20,663)	0	0	0	0	0	0	0
Biorreciclaje de Cádiz, S.A.	5,133	0	177	0	0	(8)	0	0	5,302
Compost del Pirineo, S.A.	112	0	(32)	0	0	0	0	0	80
Concesiones de Intercambiadores de Transporte	4,242	(4,242)	0	0	0	0	0	0	0
Constructora ACS-Sacyr, S.A.	36	0	1	0	0	(2)	0	0	35
Constructora Necso Sacyr, S.A.	36	0	0	0	0	(2)	0	0	34
Constructora Sacyr - Necso, S.A.	25	0	0	0	0	(1)	0	0	24
Constructora San Jose-San Ramon, S.A.	94	0	(63)	0	0	(31)	0	0	0
Constructora San Jose- Caldera, S.A.	2,147	0	(61)	0	0	243	0	0	2,329
Desarrollos Edilicos Extremeños, S.L.	758	0	(23)	0	0	0	0	0	735
Empresa Mixta de Aguas de Las Palmas, S.A.	24,741	0	(835)	0	0	(20)	0	0	23,886
GSJ Maintenance Ltd	1,283	0	847	0	(225)	0	0	0	1,905
Metrofams, S.L.	2,824	0	332	0	0	4	0	0	3,160
N6 Operations Ltd	647	0	390	0	(250)	(3)	0	0	784
NDP, S.C.P.A.	9,071	0	68	0	0	455	0	0	9,594
PK Inversiones, S.L.	18	(18)	0	0	0	0	0	0	0
Provitae, S.L.	7,285	(7,285)	0	0	0	0	0	0	0
Residuos de Construcción de Cuenca, S.A.	33	0	0	0	0	(33)	0	0	0
S.C. de Palma de Manacor, S.A.	(416)	416	0	0	0	0	0	0	0
Sociedad Sacyr Agua Santa, S.A.	93	0	30	0	0	(36)	0	0	87
Joint Arrangements	100,083	(53,020)	831	0	(475)	536	0	0	47,955
<b>SACYR GROUP</b>	<b>2,605,429</b>	<b>(69,498)</b>	<b>(94,699)</b>	<b>(373,144)</b>	<b>(126,711)</b>	<b>79,639</b>	<b>894</b>	<b>(468)</b>	<b>2,021,442</b>

Sociedad Hospital Majadahonda Explotaciones, S.A. and Hospital de Majadahonda, S.A. were sold in 2015 and, therefore, were not included in the scope of consolidation in such year as a result of the sale.

In addition to the companies included in these tables, the Group has shareholdings in other companies accounted for using the equity method whose value is zero.

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 accounts for its investment in Repsol, S.A. using the equity method.

The Sacyr Group values its investment in Repsol, S.A. at the recoverable amount, in accordance with IAS 28.33, which relates the analysis of value to the determination of the recoverable amount pursuant to IAS 36. IAS 36 defines the recoverable amount 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 2015, the quoted price of Repsol, S.A. shares was 10.12 euros per share (15.545 euros per share in 2014), leading to a valuation (fair value) of Sacyr's holding of 1.237 million euros (1,899 million euros in 2014). This is less than the average purchase price of 26.71 euros per share. Nonetheless, the value in use of the investment in Repsol, S.A. is higher than its fair value and, therefore, the investment's recoverable amount is 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 Repsol's financial statements for the year ended 2015 and the 2016-2020 Strategic Plan submitted by Repsol on 15 October 2015, the Group estimated the recoverable amount of its holding in Repsol, by comparing it with the carrying amount of this investment, in order to assess the need to impair the value recognised in this regard.

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 taking into consideration the key assumptions in 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 2014).

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 11.44% (9,03% in 2014). The key assumptions used in calculating the WACC were as follows:

- Cost of equity (ke): using a discount rate of 15.9% (11.2% in 2014), 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, Canada, 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 4.18% (4.1% in 2014).

- Market risk spread of 6.5% (6.2% in 2014), considered globally for all markets in which Repsol, S.A. operates.
- Leveraged beta of 1.22 (1 in 2014), based on the correlation between the trading price of Repsol, S.A. shares and the Spanish benchmark index.
- Specific risk premium: a risk premium 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 2.68% is considered (2.4% in 2014).

In addition, a sensitivity analysis is performed regarding the residual growth rate (between 0.5% and 1.5% in 2015 and between 0.5% and 1.5% in 2014) and the WACC (between 10.94% and 11.94% in 2015 and between 8.53% and 9.53% in 2014).

The range of the value per share reached with this analysis, after excluding extreme values, lay between 15.23 euros and 16.12 euros per share, placing the central value at 15.66 euros per share. From this analysis it was concluded that the value in use of the Group's holding in Repsol, S.A. was lower than the value in use existing at 2014 year-end (19.88 euros per share).

A cross-over of values was obtained from this analysis, which excludes 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%
10.94%			114.46		
11.19%		19.56	55.70	93.69	
11.44%	-66.42	-34.00	0.00	35.69	73.21
11.69%		-84.89	-52.87	-19.29	
11.94%			-103.10		

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. Due to the correlation between both variables, the sensitivity thereof must be jointly analysed. Moreover, variations in key assumptions beyond the confines of normal market setups mean the measurement method may need to be reviewed, since this may result in a change to the business model. As a result of this analysis, it was concluded that:

- An appreciation of 1% of the euro against the dollar in the entire projected period led to a drop in the value per share of 2.12% (0.8% in 2014).
- An increase of 1% in the price of a barrel of Brent in the entire projected period led to a rise in the value per share of 0.56% (0.3% in 2014).

Moreover, variations of key assumptions beyond the confines of normal market setups mean the measurement method requires a global analysis, or even a change to the business model.

### Solucia:

On 13 July 2013 Royal Legislative Decree 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 Legislative Decree 09/213 was published, which determines the remuneration parameters of the standard facilities applicable to certain electricity production plants. 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 plants using renewable energy, cogeneration and waste. In this regard, in the 2014 and 2015 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 was 6.75% in 2014 and 6.17% in 2015.

### Autopista Madrid Sur (Radial 4):

There is no potential sales option on this company. On 14 September 2012 the Radial 4 Board resolved to file for insolvency proceedings. On 4 October 2012 an Order was received accepting voluntary insolvency proceedings.

The concession continues to operate, offering users a top-level service.

In parallel to operation of the infrastructure, in conjunction with the Insolvency Administrators the procedures envisaged by Law are being implemented in order to establish the methods required to guarantee the concession's viability.

The Group made impairment provision for the entire investment and 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 on this company. The Ocaña-La Roda Motorway filed for bankruptcy on 19 October 2012. On 4 December 2012 an Order was received in acceptance of voluntary insolvency proceedings.

On 24 February 2015 the Judge at the N° 2 Court refused to accept the proposed proceedings submitted by SEITSA, and ruled that the liquidation phase should commence for both companies. On 4 September 2015 the company was notified of a Resolution of 31 July 2015 to suspend the period granted to the Insolvency Administrators to present the Liquidation Plan until the appeal submitted by the State Lawyer against the Order of 26 February 2015 had been resolved.

The concession continues to operate, offering users a top-level service.

In parallel to operation of the infrastructure, in conjunction with the Insolvency Administrator the procedures envisaged by Law are being implemented in order to establish the methods required to guarantee the concession's viability.

The insolvency procedures involving the two management companies have reached the procedural phase of dealing with and resolving certain incidental claims against the Insolvency Administrators' report on each of these procedures, and concern rejection 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 made provision for impairment of the entire investment and 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):

Insolvency proceedings 701/2012: Pursuant to an Order of 16 September 2014, 1) the common phase of insolvency proceedings was declared to have ended 2) the agreement phase commenced 3) the written processing of the agreement was resolved and written agreement proposals could be submitted until 16 October 2014; and 4) in order to exercise adherence, a period of one month was set following the completion of this presentation period. On 16 October 2014 Accesos de Madrid presented its proposed agreement to the Court, which granted it leave to proceed. The grantor authority also presented its proposed agreement. On 30 January 2015 Accesos de Madrid challenged the appeal for reconsideration filed by the State Lawyer against the Order of 6 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. An Order on 19 February 2015 compelled both Accesos de Madrid and the Administration to make good a number of defects, and the period granted was suspended. Accesos de Madrid presented clarifications to this requirement. There had been no further developments on this issue at year-end 2015.

#### Pazo Congreso de Vigo:

In 2014 the Sacyr Group held a total stake of 55.55% in Pazo Congresos de Vigo, S.A. In 2015, following the sale of Testa, this fell to 11.11%. Although it held a stake of more than 50% in 2014, this company was accounted for using the equity method pursuant to 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 and Financial Director, the approval of the annual Budgets and the arrangement of 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 so that, at year-end, 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 2015 and 2014, based on market evidence 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.

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 abovementioned standards as the result of a combination of valuation methods (DCF, comparative method and income capitalisation method), which make it possible to verify the consistency of the 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 all these variables into account for the purposes of determining the investment's value.

#### N6 Concession Ltd:

N6 Concession Ltd is a mixed asset, in view of the 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 was expected that the portion of the company's intangible assets could be borne by the discounting of future operating flows, without including the amount of traffic income, which had led to 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.) were always based on the reports of the company's external advisors or on ongoing contracts. When these flows had been calculated, their discount rate was considered 2% for the year ended 31 December 2015 (2.4% for the year ended 31 December 2014).

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

At 31 December 2015, the calculation of the impairment test for this company did not entail any impairment (in the year ended 31 December 2014, an impairment of 3.1 million euros was reversed).

Concerning financial assets, Irish Administration payments are discounted at 9.4%. The financial model assumed collection of sums benchmarked against the 2% consumer price index, although this rate was not reached over the last two years. As a result, impairment provision was made against receivables on concession financial assets in the amount of 1.2 million euros at 31 December 2015 (2.6 million euros for the year ended 31 December 2014).

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

	Dividends received	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Gains/Losses on financial assets and liabilities continuing activities	Uses on financial assets and discontinued activities	Other comprehensive income	Total comprehensive income
Alcor Inversiones, S.A.	0.00	31,711	1,140,548	1,014,446	231,177	21,545	754.18	0	(49,592)	24,024
Autovía del Aranzón, S.A.	(362)	22,616	190,599	16,372	182,555	31,573	5,417	0	(3,233)	2,184
Hospitales Concesionados, S.L.	0	920	60,210	828	44,163	240	1,184	0	(3)	1,184
Tenerife, S.L.	196	1,096	1,340	1,051	(197)	3,708	871	0	1,121	1,024
A. Madrid Sur, S.A.	0	21,447	1,122,208	697,128	608,811	14,047	(22,543)	0	0	(22,543)
Hospital del Noroeste, S.A.	0	25,525	64,404	7,180	80,825	15,043	2,677	0	197	2,874
Hospital de Parla, S.A.	0	71,410	69,794	45,738	71,121	14,302	2,812	0	(2,614)	198
Hospital de Majadahonda, S.A.	(5,767)	(1,708)	256,520	18,900	227,041	59,713	15,309	0	(3)	15,309
Inversora de Augustopos del Levante, S.L.	0	117,48	470,800	570,239	35,438	13,151	(23,645)	0	0	(23,645)
Sociedad Hospital Majadahonda Explotaciones, S.A.	(480)	22,127	14	14,844	3,338	376,219	2,925	0	1,000	3,925
S.C. de Palma de Marrocar, S.A.	0	7,060	99,750	2,584	105,267	10,884	(3,650)	0	4,891	1,241
Grupo Pequeños en Somera, S.L.	(1843)	33,651	239,198	18,443	252,136	20,569	131	0	(2,153)	(2,021)
Grupo Intercambiadores de Transporte, S.L.	0	51,000	169,360	10,865	201,175	23,430	4,429	0	(3,551)	878
GSJ Mantenencia Ltd	0	3,191	3,091	3,848	0	20,498	1,716	0	0	1,716
NE Operations Ltd	(250)	1,270	619	653	1	4,926	781	0	0	781
NE Concession Holding Ltd	0	0	50	0	(3)	0	0	0	0	0
NE Concession Ltd	0	39,725	91,212	16,638	142,977	14,163	(5,993)	0	(2,032)	(8,022)
Sociedad Concesionaria Vespucio Oriente, S.A.	0	22,087	105,973	3,414	1,634	5,892	389	0	0	389
Consorcio Estable VIS Societa C.P.A.	0	60	2	25	(3)	28	0	0	0	0
Agua de Toledo, A.I.E.	0	60	0	0	(3)	0	0	0	0	0
Solucia Renovables, S.L.	0	14,965	191,309	56,918	258,899	37	(5,762)	0	(5,821)	(1,583)
Eneliza Naval, S.L.	0	62	619	0	0	0	(8)	0	0	(8)
Biomasa del Pireneo, S.A.	0	243	277	167	218	0	0	0	0	0
Residuos de Construcción de Oueña, S.A.	0	80	(80)	153	(221)	0	(35)	0	0	(35)
Biomocidade de Cádiz, S.A.	0	23,371	45,398	15,394	38,167	3	1,504	0	0	1,504
Saotoc, S.L.	0	(58)	2,123	0	2,123	0	0	0	0	0
Biomere, S.A.	0	10,39	15,520	10,021	10,279	0	(4,708)	0	163	(3,945)
Compost del Pireneo, S.A.	0	9	538	147	177	0	(57)	0	0	(57)
Cuñinos Energéticos de Castilla, S.A.	0	(197)	545	43	300	0	(2)	0	0	(2)
Desigilación de Vertederos, S.A.	0	2	(1)	182	(1)	2	(1)	0	0	(1)
Gestión de Partículas del Biociclaje, S.A.	0	283	(3)	307	(1)	0	(1)	0	0	0
Reciclados y Tratamientos Análisis, S.L.	0	40	359	0	359	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	0	618	62	297	612	0	12	0	0	12
Iniciativas Medioambientales del Sur, S.L.	0	15	270	2	(1)	0	0	0	0	0
Inte RCD Huelva, S.L.	0	(107)	1,240	0	1,240	0	0	0	0	0
Alcor, S.L.	0	425	524	415	0	322	23	0	0	23
Inte RCD Bahía de Cádiz, S.L.	0	(472)	1,317	0	1,317	0	0	0	0	0
Inte RCD, S.L.	0	1	0	0	(3)	0	0	0	0	0
Metrotrans, S.L.	0	10,918	12,400	8,835	1,413	0	873	0	(373)	499
Parque Edico La Sotonera, S.L.	0	1,355	15,076	2,936	5,912	30	103	0	120	223
Participación del Biociclaje, S.A.	0	449	4,871	872	4,708	0	0	0	0	0
Valdemingomez 2000, S.A.	0	12,356	1,091	11,840	2,027	0	(3,797)	0	0	(3,797)
Empresa Mixta de Aguas de Las Palmas, S.A.	0	31,397	26,226	12,211	13,093	2,610	(64)	0	(284)	(748)
Sotomeras, S.A.	0	2,056	2,282	3,266	3,438	5	(873)	0	0	(873)
Geida Skikda, S.L.	(507)	27,402	0	6,301	30	0	3,163	0	0	3,163
Geida Tlemcen, S.L.	(4,714)	46,334	0	4,699	0	0	6,984	0	0	6,984
Valormis, S.L.	0	(2,488)	7,950	0	4,230	78	209	0	0	209
Sociedad Economía Mixta de Aguas de Sorra, S.L.	0	3,458	12,618	6,279	4,622	0	175	0	0	175
Desarrollos Edicos Estremoz, S.L.	0	48	2,171	110	593	0	(17)	0	0	(17)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	0	975	(1)	(3)	(1)	0	(24)	0	0	(24)
Soleneo Renovables, S.L.	0	41,098	164	20,330	18,612	0	207	0	0	207
Revolucion Energia Aragonesa, S.A.	0	2	(3)	16	(3)	0	(63)	0	0	(63)
Quatro T&D Limited	0	262	0	190	0	0	(302)	0	0	(302)
M 3D Ltd	0	432	(3)	40	8,000	0	62	0	0	62
NE Construction Ltd	0	5,466	(3)	567	95,289	0	738	0	0	738
Grupo Unidos por el Canal, S.A.	0	1,329,993	77,693	1,304,860	465,936	750,789	(30,326)	0	0	(30,326)
Sociedad Sacyr Agua Santa, S.A.	0	15,118	58	3,889	0	100	21	0	0	21
Sacyr Operaciones y Servicios, S.A.	0	2,937	1,046	2,468	241	9,343	486	0	0	486
Constructora ACS-Sacyr, S.A.	0	205	818	953	(3)	14	4	0	0	4
Constructora Necso Sacyr, S.A.	0	73	0	0	0	0	0	0	0	0
Constructora Sacyr - Necso, S.A.	0	55	(3)	3	3	0	0	0	0	0
Constructora San Jose-San Ramon, S.A.	0	8,816	3	8,530	0	0	23	0	0	23
Constructora San Jose-Caldas, S.A.	0	13,005	(177)	6,563	(279)	774	(83)	0	0	(83)
Eurink S.C.P.A.	0	56,928	(3)	19,428	(3)	4,877	0	0	0	0
NEP, S.C.P.A.	0	58,747	1	48,748	0	24,953	0	0	0	0
Superpavida Pademontana Veneta, S.R.L.	0	61,638	154,074	163,705	529	0	(481)	0	0	(481)
SIS, S.C.P.A.	0	519,077	73,132	548,332	28,877	237,650	0	0	0	0
Tecnológica Lema, S.L.	0	290	138	1,006	(3)	354	351	0	0	351
Bardomar, S.L.	921	312	27,365	6,614	8,841	5,892	3,260	0	0	3,260
Parkino Palau, S.A.	(49)	195	2,260	108	(6)	740	61	0	66	127
Pazo de Congress de Vigo, S.A.	0	1,981	56,265	1,148	69,075	970	(2,040)	0	962	(2,040)
Pk Hoteles 22, S.L.	0	1,417	21,344	1,077	17,044	1,872	92	0	(193)	92
Pk Inversiones, S.L.	0	37	0	0	0	0	0	0	0	0
Probas, S.L.	0	9	8,299	1,843	1,299	0	(17)	0	0	(17)
Reser VPF, S.A.	(239,159)	17,041,000	34,848,000	10,242,000	13,492,000	47,292,000	976,000	597,000	597,000	1,573,000
SIMIL Concesiones Rodovias do Portugal, S.A.	0	13,306	16,896	5,521	42,990	16,448	(9,986)	0	0	(9,986)
Hajor - Concesionaria do Edificio Hospital de Ilha Terceira,	0	16,116	74,871	2,973	90,739	0	461	0	3,206	3,667
Hajor Domec, Compra e Venda de Inoveis, Ltda	0	2,020	0	51	1	0	(9)	0	0	(9)
Getas de Sistemas Aménicas, S.A.	0	771	11	19	3	294	295	0	0	295
Somague Hidurbe ACE	0	302	(268)	597	(271)	13	(38)	0	0	(38)
H.S.E. - Empreendimentos Imobiliários, Ltda	0	0	3,947	0	3,747	0	2,339	0	(2,339)	0
Via Expreso	0	0	339,261	0	339,261	16,803	11,885	0	(11,885)	0

	Cash	Current financial liabilities	Non-current financial liabilities	Depreciation and amortisation charge	Interest income	Interest expense	Income tax paid
Alazor Inversiones, S.A.	28,619	971,338	227,303	165,604	53	24,056	(10,098)
Autovia del Aranzón, S.A.	8,645	7,477	125,173	11,949	51	7,374	2,890
Hospitales Concesionados, S.L.	912	335	16,392	0	10	1,372	3
Tenemetro, S.L.	201	0	0	0	0	0	14
A. Madrid Sur, S.A.	1,406	655,069	165,264	4,815,139	8,138	36,165	46
Hospital del Noreste, S.A.	1,844	4,104	80,820	1	544	3,043	443
Hospital de Parla, S.A.	396	2,780	71,111	1	19	2,912	546
Hospital de Majadahonda, S.A.	15,767	11,770	229,793	0	0	8,336	5,868
Inversora de Autopistas de Levante, S.L.	1,880	567,692	7,473	6,059,357	19	19,154	0
Sociedad Hospital Majadahonda Explotaciones, S.A.	1,272	0	0	3	551	0	1,682
S.C. de Palma de Manacor, S.A.	3,946	2,172	96,664	6,492	80	3,585	660
Grupo Peajes en Sombra, S.L.	16,259	8,909	184,799	6,448	(1,389)	8,612	(1,481)
Grupo Intercambiadores de Transporte, S.L.	7,246	6,754	162,730	46	40	9,809	(805)
GSJ Maintenance Ltd	1,092	1,686	0	380	0	38	245
N6 Operations Ltd	566	60	0	199	2	4	112
N6 Concession Holding Ltd	0	0	0	0	0	0	0
N6 Concession Ltd	18,678	14,434	128,342	1,409	52	11,296	0
Sociedad Concesionaria Vespucio Oriente, S.A.	11,261	0	1,634	16	328	0	(19)
Consortio Stabille VIS Societat C.P.A.	28	0	0	1	0	0	0
Agua de Toledo, A.I.E.	0	0	0	0	0	0	0
Solucia Renovables, S.L.	4,589	15,279	256,162	7,593	73	14,515	1,456
Enervator Naval, S.L.	61	0	0	5	0	0	0
Biomasa del Pirineo, S.A.	243	83	218	0	0	0	0
Residuos de Construcción de Cuenca, S.A.	66	5	0	25	0	3	0
Biorreciclaje de Cádiz, S.A.	3,442	911	2,647	1,439	0	459	622
Sacorec, S.L.	(58)	0	0	0	0	0	0
Boremer, S.A.	1,517	4,746	1,002	981	568	72	(880)
Compost del Pirineo, S.A.	0	71	177	24	0	12	0
Cultivos Energéticos de Castilla, S.A.	(197)	0	0	0	2	0	0
Desgasificación de Vertederos, S.A.	1	90	0	0	0	0	0
Gestión de Partícipes del Biorreciclaje, S.A.	70	0	0	0	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	40	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	159	0	0	12	0	0	0
Iniciativas Medioambientales del Sur, S.L.	4	0	0	0	0	0	(0)
Inte RCD Hueva, S.L.	(107)	0	0	0	0	0	0
Alcorec, S.L.	282	148	0	91	0	5	10
Inte RCD Bahía de Cádiz, S.L.	(472)	0	0	0	0	0	0
Inte RCD, S.L.	1	0	1	0	0	0	0
Metrifangs, S.L.	3,370	2,779	700	6,676	599	543	1,039
Parque Edificio La Sotonera, S.L.	506	1,496	5,665	861	22	327	44
Partícipes del Biorreciclaje, S.A.	24	0	0	0	10	10	0
Valdemingómez 2000, S.A.	814	0	0	413	389	174	0
Empresa Mixta de Aguas de Las Palmas, S.A.	1,649	0	2,304	3,818	48	(26)	0
Sercanarias, S.A.	78	2	1,819	43	0	109	(104)
Geida Skikda, S.L.	8,919	0	0	0	0	0	0
Geida Tlemcen, S.L.	8,127	0	0	0	0	0	0
Valonima, S.L.	(3,488)	0	0	0	0	0	0
Sociedad Economía Mixta de Aguas de Soria, S.L.	3,011	0	4,487	519	0	280	86
Desarrollos Edificos Extremeños, S.L.	14	0	456	0	0	0	(8)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	373	0	0	0	1	0	0
Soleval Renovables, S.L.	1,211	1	0	5	4	3	89
Ibervator Energía Aragonesa, S.A.	2	0	0	0	0	0	0
Quatro T&D Limited	67	0	0	0	0	0	(69)
M 50 Ltd	431	0	0	0	0	0	0
N6 Construccion Ltd	5,459	0	0	0	11	0	0
Grupo Unidos por el Canal, S.A.	154,625	343,822	187,929	63,067	398	20,600	21
Sociedad Sacyr Agua Santa, S.A.	134	0	0	0	0	0	6
Sacyr Operaciones y Servicios, S.A.	1,162	174	217	213	69	57	73
Constructora ACS-Sacyr, S.A.	15	0	0	0	32	0	0
Constructora Necso Sacyr, S.A.	1	0	0	0	0	0	0
Constructora Sacyr - Necso, S.A.	47	0	0	0	0	0	0
Constructora San Jose-San Ramon, S.A.	393	0	0	15	0	0	0
Constructora. San Jose- Caldera, S.A.	34	0	0	12	1	0	0
Eurolink S.C.P.A.	1,998	678	0	0	48	27	0
NDP, S.C.P.A.	125	7,100	0	1	0	508	0
Superstrada Pedemontana Veneta, S.R.L.	565	8,502	529	0	1,205	1,198	344
SIS, S.C.P.A.	5,049	35,465	2,284	2,966	147	2,589	0
Tecnológica Lena, S.L.	380	0	0	0	0	0	0
Bardomar, S.L.	174	2,641	8,841	1,404	0	256	906
Parking Palsau, S.A.	152	2	0	86	0	2	32
Pazo de Congreso de Vigo, S.A.	1,767	932	64,440	1,466	(6)	952	0
Pk Hoteles 22, S.L.	532	950	15,799	1,056	14	350	94
PK Inversiones, S.L.	0	0	0	0	0	0	0
Provtas, S.L.	9	919	0	0	0	17	0
Repsol YPF, S.A.	4,638,000	4,086,000	7,612,000	2,384,000	134,000	576,000	(146,000)
SMNL Concessoes Rodoviaras do Portugal, S.A.	1,909	0	4,655	0	0	151	0
Haçor - Concesionaria do Edificio do Hospital da Ilha Terceira, S	3,402	1,498	90,738	111	5,186	5,612	107
Haçor Domus, Compra e Venda de Imóveis, Ltda	4	0	0	0	0	0	0
Gestao de Sistemas Ambientais, S.A.	295	0	0	0	0	0	53
Somague Hidurbe ACE	38	0	0	0	0	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	0	0	0	0	0	0	0
Via Expresso	0	0	0	0	0	0	0

Reconciliation							
Equity	% stake	Value of stake	Adjustments	ppee	Transfer restriction on funds	Cash flow commitments	
Alazor Inversiones, S.A.	(73,344)	25.16%	(18,453)	(18,453)	0	25,448	0
Autovía del Aranzón, S.A.	14,288	50%	7,144	(8,231)	15,375	7,868	0
Hospitales Concesionados, S.L.	16,138	51%	8,230	19,267	(11,037)	0	0
Tanemeto, S.L.	1,952	30%	536	(0)	586	0	0
A. Madrid Sur, S.A.	(162,284)	35%	(56,800)	(56,800)	0	0	0
Hospital del Noreste, S.A.	21,926	51%	11,182	0	11,182	3,477	0
Hospital de Parla, S.A.	15,505	51%	7,908	1	7,907	3,178	0
Hospital de Majadahonda, S.A.	8,872	20%	1,774	0	1,774	8,455	0
Inversora de Autopistas de Levante, S.L.	(123,109)	40%	(49,244)	(49,244)	0	0	0
Sociedad Hospital Majadahonda Explotaciones, S.A.	3,939	25%	985	(0)	985	0	0
S.C. de Palma de Manacor, S.A.	(1,041)	40%	(416)	(0)	(416)	1,827	0
Grupo Peajes en Sombra, S.L.	2,180	51%	1,112	(4,522)	5,634	5,188	0
Grupo Intercambiadores de Transporte, S.L.	8,320	51%	4,243	1	4,242	9,356	0
GSJ Maintenance Ltd	2,852	45%	1,283	0	1,283	0	0
N6 Operations Ltd	1,295	50%	648	1	647	0	0
N6 Concession Holding Ltd	50	45%	23	23	0	0	0
N6 Concession Ltd	(48,618)	45%	(21,878)	(21,878)	0	9,630	0
Sociedad Concesionaria Vespuccio Oriente, S.A.	123,012	50%	61,506	53,471	8,035	0	728,718
Consortio Stablie VIS Societa C.P.A.	38	17%	6	(12)	18	0	0
Agua de Toledo, A.I.E.	60	50%	30	0	30	0	0
Solucia Renovables, S.L.	(109,543)	50%	(54,771)	(54,771)	0	0	0
Enervalor Naval, S.L.	81	40%	32	0	32	0	0
Biomasa del Pirineo, S.A.	135	44%	60	(0)	60	0	0
Residuos de Construcción de Cuenca, S.A.	68	50%	34	1	33	0	0
Biorreciclaje de Cádiz, S.A.	15,709	32.67%	5,133	(0)	5,133	243	0
Sacores, S.L.	(58)	50%	(3)	(3)	0	0	0
Boremer, S.A.	(1,741)	50%	(871)	(871)	0	767	0
Compost del Pirineo, S.A.	224	50%	112	(0)	112	0	0
Cultivos Energéticos de Castilla, S.A.	5	44%	2	0	2	0	0
Desgasificación de Vertederos, S.A.	(180)	50%	(90)	(90)	0	0	0
Gestión de Participes del Biorreciclaje, S.A.	(25)	33.34%	(8)	(8)	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	40	5%	2	0	2	0	0
Infoser Estacionamiento Regulado, A.I.E.	375	18.34%	69	(0)	69	0	0
Iniciativas Medioambientales del Sur, S.L.	284	50%	142	(0)	142	0	0
Inte RCD Huelva, S.L.	(107)	20.00%	(21)	(21)	0	0	0
Alcoresc, S.L.	344	10%	34	0	34	0	0
Inte RCD Bahía de Cádiz, S.L.	(472)	20.00%	(94)	(94)	0	0	0
Inte RCD, S.L.	2	33.33%	1	(0)	1	0	0
Metrolangs, S.L.	13,070	21.60%	2,823	(1)	2,824	2,864	0
Parque Eólico La Sotonera, S.L.	7,584	30.16%	2,287	0	2,287	854	0
Participes del Biorreciclaje, S.A.	(60)	33.34%	(20)	(20)	0	0	0
Valdemingomez 2000, S.A.	(420)	40%	(160)	(160)	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	32,319	33%	10,665	(14,076)	24,741	0	0
Sercanarias, S.A.	(565)	50%	(283)	(283)	0	0	0
Geida Skikida, S.L.	21,071	33%	6,954	(0)	6,954	0	0
Geida Tlemcen, S.L.	41,635	50%	20,817	(1)	20,818	0	0
Valorinma, S.L.	212	20%	42	739	(697)	0	0
Sociedad Economía Mixta de Aguas de Soria, S.L.	5,176	14.80%	766	(29)	795	0	0
Desarrollos Edicios Extremos, S.L.	1,516	50%	758	0	758	0	0
Sociedad Andaluza de Valoración de la Biomasa, S.A.	975	6%	58	(1)	59	0	0
Soleval Renovables, S.L.	2,619	50%	1,310	(0)	1,310	0	0
Ibervalor Energía Aragonesa, S.A.	(14)	50%	(7)	(7)	0	0	0
Quatro T&D Limited	71	33%	24	1	23	0	0
M 50 Ltd	(7,608)	42.50%	(3,233)	(3,233)	0	0	0
N6 Construccion Ltd	(90,390)	42.50%	(38,416)	(38,416)	0	0	0
Grupo Unidos por el Canal, S.A.	(363,110)	48%	(174,293)	(174,293)	0	0	0
Sociedad Sacyr Agua Santa, S.A.	187	50%	93	0	93	0	0
Sacyr Operaciones y Servicios, S.A.	1,274	3.14%	40	40	0	0	0
Constructora ACS-Sacyr, S.A.	70	50%	35	(1)	36	0	0
Constructora Necso Sacyr, S.A.	73	50%	36	0	36	0	0
Constructora Sacyr - Necso, S.A.	49	50%	25	(0)	25	0	0
Constructora San Jose-San Ramon, S.A.	289	33%	95	1	94	0	0
Constructora San Jose- Caldera, S.A.	6,504	33%	2,146	(1)	2,147	0	0
Eurolink S.C.P.A.	37,500	18.70%	7,013	(1)	7,013	0	0
NDP, S.C.P.A.	10,000	48.90%	4,890	(4,181)	9,071	0	0
Superstrada Pedemontana Veneta, S.R.L.	53,519	49%	26,224	26,224	0	0	0
SIS, S.C.P.A.	15,000	49%	7,350	7,350	0	0	0
Tecnológica Lena, S.L.	(478)	50%	(239)	(0)	(239)	0	0
Bardiomar, S.L.	12,622	50%	6,311	(14,352)	20,663	0	0
Parking Palau, S.A.	2,351	33%	776	(1)	777	0	0
Pazo de Congreso de Vigo, S.A.	(12,597)	44.44%	(5,598)	(5,598)	0	0	0
PK Hoteles 22, S.L.	4,641	32.50%	1,508	(131)	1,639	0	0
PK Inversiones, S.L.	36	50%	18	(0)	18	0	0
Proviae, S.L.	5,166	50%	2,583	(4,704)	7,287	0	0
Repsol YPF, S.A.	27,502,000	8.94%	2,458,679	29,176	2,429,503	0	0
SMNL Concessões Rodoviárias do Portugal, S.A.	(18,609)	25.00%	(4,652)	(4,652)	0	0	0
Haçor - Concessionaria do Edifício Hospita da Ilha Terceira, S	(2,725)	39%	(1,063)	(1,066)	3	0	0
Haçor Domus, Compra e Venda de Imóveis, Lda	1,968	38%	768	768	0	0	0
Gestão de Sistemas Alimentais, S.A.	760	50%	380	(26)	406	0	0
Somague Hidurbe ACE	(292)	43%	(126)	(136)	10	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	0	27.50%	0	0	0	0	0
Via Expresso	0	11.20%	0	0	0	0	0

For 2015:

	Dividends received	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Non-financial assets at continuing activities	Non-financial assets at discontinued activities	Other comprehensive income	Total comprehensive income
Alazor Inversiones, S.A.	0	42,520	1,201,074	1,072,517	233,230	4,242	(34,662)	0	0	(34,662)
Tenemiro, S.L.	12	1,138	9,000	1,087	0	0	35	0	0	35
A. Madrid Sur, S.A.	0	24,205	1,130,872	725,000	631,009	1,644	(38,649)	0	0	(38,649)
Inversora de Autopistas de Levante, S.L.	0	15,263	473,278	588,906	47,414	495	(24,671)	0	0	(24,671)
CSI Maintenance Ltd.	225	5,333	2,926	4,024	1	0	1,883	0	0	1,883
NA Operations Ltd.	250	1,676	496	603	1	721	779	0	0	779
NA Concession Holding Ltd.	0	0	0	0	0	0	0	0	0	0
NA Concession Ltd.	0	41,176	73,162	16,735	152,476	0	(8,199)	0	0	(8,199)
Sociedad Concesionaria Vespucio Oriente, S.A.	0	8,676	116,869	3,369	4,082	0	825	0	0	825
Operadora AVO.	0	333	14	351	0	0	(11)	0	0	186
Desarrollo Vial al Mar, S.A.S.	0	3,399	3,007	5,461	781	0	186	0	0	(11)
Consorcio Stabite VIS Societá C.P.A.	0	1,024	8	883	0	476	0	0	0	0
Soluca Renovables, S.L.	0	7,748	219,167	18,928	243,241	26	120	0	0	120
Enevalor Naval, S.L.	0	55	0	2	(0)	0	(17)	0	0	(17)
Biomass del Pirineo, S.A.	0	243	277	167	218	0	(0)	0	0	(0)
Residuos de Construcción de Cuenca, S.A.	0	56	1	103	0	0	(114)	0	0	(114)
Biorreciclaje de Cádiz, S.A.	0	28,489	30,705	16,950	26,019	0	541	0	0	541
Sarcocic, S.L.	0	58	0	0	0	0	0	0	0	0
Boremer, S.A.	0	1,605	14,731	9,977	9,682	175	(1,602)	0	0	(1,602)
Compost del Pirineo, S.A.	0	24	522	175	211	0	(63)	0	0	(63)
Cultivos Energéticos de Castilla, S.A.	0	-1,977	318	43	75	0	(2)	0	0	(2)
Desgasificación de Vertederos, S.A.	0	1	0	182	0	0	(0)	0	0	(0)
Gestión de Partícipes del Biorreciclaje, S.A.	0	283	0	97	210	0	(0)	0	0	(0)
Reciclados y Tratamientos Andaluces, S.L.	0	3	0	3	0	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	0	379	54	250	0	0	(177)	0	0	(177)
Iniciativas Medioambientales del Sur, S.L.	0	4	281	2	0	0	(0)	0	0	(0)
Inte RCD Huelva, S.L.	0	0	(107)	0	0	0	0	0	0	0
Alcoroc, S.L.	0	494	459	662	0	30	(87)	0	0	(87)
Inte RCD Bahía de Cádiz, S.L.	0	(472)	0	0	0	0	0	0	0	0
Inte RCD, S.L.	0	0	0	217	0	0	(1)	0	0	(1)
Metrofarg, S.L.	0	16,032	1,710	3,119	0	1	1,535	0	0	1,535
Parque Eólico La Sotonera, S.L.	0	654	13,530	5,934	253	3	292	0	0	292
Partícipes del Biorreciclaje, S.A.	0	649	4,872	872	4,709	0	(0)	0	0	(0)
Valdemingómez 2000, S.A.	0	11,419	710	11,963	2,417	3	(2,607)	0	0	(2,607)
Plataforma por la Movilidad, A.I.E.	0	899	1,459	691	1,664	0	1	0	0	1
Empresa Mixta de Aguas de Las Palmas, S.A.	0	34,006	23,477	13,488	12,689	2,932	(952)	0	0	(952)
Sarcocic, S.A.	0	2,607	647	1,088	3,638	0	(906)	0	0	(906)
Gelda Skikda, S.L.	2,835	4,211	11,018	6	(142)	0	4,131	0	0	4,131
Gelda Tlemcen, S.L.	6,362	2,840	21,734	0	(8,512)	0	7,447	0	0	7,447
Valoriema, S.L.	0	445	3,700	3,775	299	0	158	0	0	158
Sociedad Economía Mixta de Aguas de Soría, S.L.	0	2,972	12,155	1,663	8,287	0	177	0	0	177
Desarrollos Eólicos Extremeños, S.L.	0	34	2,173	109	626	0	(45)	0	0	(45)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	0	965	0	1	0	0	(12)	0	0	(12)
Soleval Renovables, S.L.	0	4,173	222	1,325	500	91	39	0	0	39
Ibervalor Energía Aragonesa, S.A.	0	1	(0)	28	(0)	0	(14)	0	0	(14)
M50 (D&C) Ltd.	0	411	0	19	8,000	0	(0)	0	0	(0)
NA Construction Ltd.	0	5,400	0	9,497	95,289	0	4	0	0	4
Grupo Unidos por el Canal, S.A.	0	1,390,909	80,234	1,456,657	507,956	5,552	(343)	0	0	(343)
Sociedad Sacy Agua Salmá, S.A.	0	190	0	14	0	44	61	0	0	61
Constructora ACS-Sacyr, S.A.	0	203	802	926	0	0	2	0	0	2
Constructora Necso Sacyr, S.A.	0	140	0	0	71	0	0	0	0	0
Constructora Sacyr - Necso, S.A.	0	53	0	2	3	0	0	0	0	0
Constructora San José-San Ramon, S.A.	0	334	0	6,231	0	0	(6,087)	0	0	(6,087)
Constructora San José- Caldera, S.A.	0	14,358	62	7,366	0	0	(186)	0	0	(186)
Eurolink S.C.P.A.	0	63,637	0	26,137	0	1,225	0	0	0	0
NEP, S.C.P.A.	0	80,658	0	70,658	0	60,385	0	0	0	0
Superstrada Pedemontana Veneta, S.R.L.	0	135,401	286,741	331,665	912	0	138	0	0	138
SS, S.C.P.A.	0	570,888	107,112	634,917	28,083	328,936	0	0	0	0
Tecnológica Lena, S.L.	0	390	19	807	0	0	(0)	0	0	(0)
Pazo de Congreso de Vigo, S.A.	0	502	55,774	1,224	45,948	6	(1,426)	0	0	(1,426)
Repsol YPF, S.A.	116,098	12,751,000	50,326,000	14,477,000	19,911,000	41,741,000	(1,185,000)	0	85	(1,185,000)
Hagor - Concesionaria do Edificio Hospita da Ilha Terceira, S.A.	0	17,635	73,352	2,640	87,940	0	723	0	1,447	2,170
Hagor Domus, Compra e Venda de Inovels, Ltda	0	2,111	0	113	1	0	28	0	0	28
SMNL Concessões Rodoviárias do Portugal, S.A.	0	39,854	117,240	614,016	10,515	0	114,472	0	0	114,472
Gestao de Sistemas Ambientais, S.A.	0	596	10	15	0	290	226	0	0	226
Sarmague Habitat ACE	0	0	10	0	4	(45)	(45)	0	0	(45)
H.S.E. - Empreendimentos Imobiliários, Ltda	0	607	0	355	34	48	(209)	0	0	(209)
Via Expreso	0	128,816	193,277	25,449	215,439	15,793	1,528	0	0	1,528

	Cash	Current financial liabilities	Non-current financial liabilities	Depreciation and amortisation charge	Interest income	Interest expense	Income tax
Alazor Inversiones, S.A.	39,054	1,025,113	173,528	16,549	24	25,078	(950)
Tenemetro, S.L.	432	0	0	0	0	0	13
A. Madrid Sur, S.A.	10,947	679,716	157,118	5,400	8,670	36,541	0
Inversora de Autopistas de Levante, S.L.	14,269	584,624	5,002	2,197	54	18,597	0
G5J Maintenance Ltd	3,997	1,045	0	839	0	88	269
N6 Operations Ltd	871	45	0	207	1	9	111
N6 Concession Holding Ltd	0	0	0	0	0	0	0
N6 Concession Ltd	20,229	14,626	113,795	3,293	6	10,647	0
Sociedad Concesionaria Vespucio Oriente, S.A.	5,764	0	4,046	42	379	0	(26)
Operadora AVO,	3,399	0	0	2	0	0	(3)
Desarrollo Vial al Mar, S.A.S	64	0	780	0	35	27	77
Consorcio Stable VIS Societa C.P.A.	74	0	0	3	0	1	0
Solucia Renovables, S.L.	1,901	16,303	241,643	4,988	106	13,540	(114)
Enervalor Naval, S.L.	53	0	0	4	0	0	0
Biomassas del Pirineo, S.A.	243	83	218	0	0	0	0
Residuos de Construcción de Cuenca, S.A.	46	2	0	15	0	0	0
Biorreciclaje de Cádiz, S.A.	5,693	1,242	2,130	1,435	203	521	657
Sacorec, S.L.	(58)	0	0	0	0	0	0
Boremer, S.A.	98	4,780	1	1,160	13	66	(535)
Compost del Pirineo, S.A.	20	59	0	15	0	9	0
Cultivos Energéticos de Castilla, S.A.	(197)	0	0	2	0	0	0
Desgasificación de Vertederos, S.A.	1	90	0	0	0	0	0
Gestión de Participes del Biorreciclaje, S.A.	70	0	0	0	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	3	0	0	0	0	0	0
Infosor Estacionamiento Regularo, A.I.E.	185	0	0	13	0	0	0
Iniciativas Medioambientales del Sur, S.L.	4	0	0	0	0	0	0
Inte RCD Huelva, S.L.	(107)	0	0	0	0	0	0
Alcorec, S.L.	165	16	0	67	0	3	0
Inte RCD Bahia de Cádiz, S.L.	(472)	0	0	0	0	0	0
Inte RCD, S.L.	0	0	0	0	0	0	0
Métrofangs, S.L.	10,389	0	0	6,631	690	70	1,028
Parque Eólico La Sotonera, S.L.	167	5,667	0	848	6	245	114
Participes del Biorreciclaje, S.A.	23	0	0	0	0	0	0
Valdemingómez 2000, S.A.	(1,463)	0	0	381	101	141	0
Plataforma por la Movilidad, A.I.E.	207	0	0	122	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	1,025	4	956	4,740	48	4	0
Sercanarias, S.A.	216	0	1,819	24	0	78	(316)
Gelda Skidda, S.L.	9	0	0	0	75	0	0
Geldia Ilemcen, S.L.	19	0	0	0	245	0	0
Valorinima, S.L.	20	3,389	0	0	0	0	61
Sociedad Economía Mixta de Aguas de Soria, S.L.	3,200	742	8,110	540	4	309	87
Desarrollos Eólicos Extremeños, S.L.	4	0	490	0	0	19	(1)
Sociedad Andaluza de Valoración de la Biomasa, S.A.	364	0	0	0	2	0	0
Soleval Renovables, S.L.	731	1	0	4	1	0	20
Ibervalor Energía Aragonesa, S.A.	1	0	0	0	0	0	0
M50 (D&C) Ltd	410	0	0	0	0	0	0
N6 Construcción Ltd	5,399	0	0	0	5	0	0
Grupo Unidos por el Canal, S.A.	30,354	261,379	222,363	34,183	738	24,931	116
Sociedad Sacyr Agua Santa, S.A.	189	0	0	0	0	0	15
Constructora ACS-Sacyr, S.A.	15	0	0	0	29	0	0
Constructora Necso Sacyr, S.A.	1	0	0	0	0	0	0
Constructora Sacyr - Necso, S.A.	45	0	0	0	0	0	0
Constructora San Jose-San Ramon, S.A.	322	0	0	0	0	0	0
Constructora San Jose- Caidera, S.A.	38	0	0	6	0	0	0
Eurolink S.C.P.A.	361	1,283	0	0	0	47	0
NDP, S.C.P.A.	1,250	5,373	0	1	0	1,378	0
Superstrada Pedemontana Veneta, S.R.L.	247	23,346	912	0	1,439	1,515	444
SE, S.C.P.A.	6,269	8,930	4,182	4,537	155	1,446	0
Tecnológica Lena, S.L.	380	440	0	0	0	0	0
Pazo de Congreso de Vigo, S.A.	313	37,408	1,007	1,474	5	795	0
Repsol YPF, S.A.	2,448,000	7,073,000	10,581,000	5,827,000	150,000	718,000	899,000
Hacor - Concesionaria do Edificio do Hospita da Ilha Terceira, S.A.	3,267	970	68,337	0	5,048	4,861	146
Hacor Domus, Compra e Venda de Imóveis, Ltda	1	0	0	0	0	0	0
SMNL Concessões Rodoviárias do Portugal, S.A.	29,639	607,636	0	3,988	9	11,501	5
Gestao de Sistemas Ambientais, S.A.	0	0	0	0	0	0	0
Somague Hidurbe ACE	0	0	0	0	0	0	0
H.S.E. - Empreendimentos Imobiliários, Lda	134	3	0	0	8	(6)	0
Via Expresso	74,557	13,497	192,662	(12,513)	3,743	(4,342)	(788)

Reconciliation							
Equity	% stake	Value of stake	Adjustments	ppe	Transfer restriction on funds	Cash flow commitments	
Aiazor Inversiones, S.A.	(62,153)	25.16%	(15,638)	(15,638)	0	39,054	0
Tenemetro, S.L.	9,051	30%	2,715	2,715	0	0	0
A. Madrid Sur, S.A.	(203,923)	35%	(70,324)	(70,324)	0	0	0
Inversora de Autopistas de Levante, S.L.	(147,779)	40%	(59,112)	(59,112)	0	0	0
G SJ Maintenance Ltd	4,234	45%	1,905	0	1,905	0	0
N6 Operations Ltd	1,568	50%	784	0	784	0	0
N6 Concession Holding Ltd	0	45%	0	0	0	0	0
N6 Concession Ltd	(54,873)	45%	(24,693)	(24,693)	0	10,540	0
Sociedad Concesionaria Vespucio Oriente, S.A.	118,094	50%	59,047	46,770	12,277	0	95,791
Operadora AVO,	(4)	50%	(2)	(4)	2	0	0
Desarrollo Vial al Mar, S.A.S.	164	38%	62	62	0	0	0
Consorcio Stable VIS Societat C.P.A.	150	9%	14	(53)	66	0	0
Solucia Renovables, S.L.	(35,254)	50%	(17,627)	(17,627)	0	0	0
Enevalor Naval, S.L.	53	40%	21	0	21	0	0
Biomassas del Príneo, S.A.	135	44%	59	(1)	60	0	0
Residuos de Construcción de Cuenca, S.A.	(46)	50%	(23)	(23)	0	0	0
Biorreciclaje de Cádiz, S.A.	16,226	32.67%	5,302	(0)	5,302	0	0
Sacorec, S.L.	(58)	5%	(3)	(3)	0	0	0
Boremir, S.A.	(3,343)	50%	(1,672)	(1,672)	0	0	0
Compost del Príneo, S.A.	160	50%	80	0	80	0	0
Cultivos Energéticos de Castilla, S.A.	3	44%	1	0	1	0	0
Desgasificación de Vertederos, S.A.	(180)	50%	(90)	(90)	0	0	0
Gestión de Partícipes del Biorreciclaje, S.A.	(25)	33.34%	(8)	(8)	0	0	0
Reciclados y Tratamientos Andaluces, S.L.	3	5%	0	0	0	0	0
Infoser Estacionamiento Regulado, A.I.E.	183	18.34%	34	(0)	34	0	0
Iniciativas Medioambientales del Sur, S.L.	283	50%	142	(0)	142	0	0
Inte RCD Huelva, S.L.	(107)	20.00%	(21)	(21)	0	0	0
Alcorec, S.L.	290	10%	29	1	28	0	0
Inte RCD Bahía de Cádiz, S.L.	(472)	20.00%	(94)	(94)	0	0	0
Inte RCD, S.L.	(216)	33.33%	(72)	(72)	0	0	0
Metrofags, S.L.	14,623	21.60%	3,159	(1)	3,160	0	0
Parque Edico La Sotonera, S.L.	7,997	30.16%	2,412	0	2,412	0	0
Partícipes del Biorreciclaje, S.A.	(60)	33.34%	(20)	(20)	0	0	0
Valdemingómez 2000, S.A.	(2,251)	40%	(901)	(901)	0	0	0
Plataforma por la Movilidad, A.I.E.	4	14.68%	1	1	0	0	0
Empresa Mixta de Aguas de Las Palmas, S.A.	31,307	33%	10,331	(13,555)	23,886	0	0
Socarranias, S.A.	(1,471)	50%	(736)	(736)	0	0	0
Geida Skikda, S.L.	15,366	33%	5,071	(0)	5,071	0	0
Geida Tlemcen, S.L.	33,086	50%	16,543	(0)	16,543	0	0
Valorinima, S.L.	161	20%	32	740	(708)	0	0
Sociedad Economía Mixta de Aguas de Soñá, S.L.	5,177	14.80%	766	0	766	0	0
Desarrollos Edicos Extremeños, S.L.	1,471	50%	736	1	735	0	0
Sociedad Andaluza de Valoración de la Biomasa, S.A.	944	6%	58	(0)	58	0	0
Soleval Renovables, S.L.	2,570	50%	1,285	(1)	1,286	0	0
Iberval Energía Aragonesa, S.A.	(28)	50%	(14)	(14)	0	0	0
M 50 (D&C) Ltd	(7,608)	42.50%	(3,233)	(3,233)	0	0	0
N6 Construction Ltd	(90,386)	42.50%	(38,414)	(38,414)	0	0	0
Grupo Unidos por el Canal, S.A.	(493,411)	41.60%	(205,284)	(205,284)	0	0	0
Sociedad Sacyr Agua Santa, S.A.	176	50%	88	1	87	0	0
Constructora ACS-Sacyr, S.A.	69	50%	34	(1)	35	0	0
Constructora Necso Sacyr, S.A.	69	50%	35	1	34	0	0
Constructora Sacyr - Necso, S.A.	48	50%	24	0	24	0	0
Constructora San Jose-San Ramon, S.A.	(5,897)	33%	(1,946)	(1,946)	0	0	0
Constructora San Jose- Caldera, S.A.	7,055	33%	2,328	(1)	2,329	0	0
Eurolink S.C.P.A.	37,500	18.70%	7,013	(1)	7,013	0	0
NDP, S.C.P.A.	10,000	48.90%	4,890	(4,704)	9,594	0	0
Superstrada Pedemontana Veneta, S.R.L.	89,586	49%	43,897	43,897	0	0	0
SIS, S.C.P.A.	15,000	49%	7,350	7,350	0	0	0
Tecnológica Lena, S.L.	(478)	50%	(239)	(239)	0	0	0
Pazo de Congreso de Vigo, S.A.	9,104	11.11%	1,012	(1)	1,011	0	0
Repsol YPF, S.A.	26,789,000	8.58%	2,298,206	385,000	1,913,206	0	0
Haçor - Concesionaria do Edifício Hospita da Ilha Terceira, S.A.	407	39%	159	(832)	991	0	0
Haçor Domus, Compra e Venda de Imóveis, Ltda	1,997	39%	779	779	0	0	0
SMNL Concessões Rodoviárias do Portugal, S.A.	(467,435)	25%	(116,859)	(116,859)	0	0	0
Gestao de Sistemas Alimentais, S.A.	591	50%	296	296	0	0	0
Somague Hidurbe ACE	(45)	43%	(19)	(19)	4	0	0
H.S.E. - Empreendimentos Imobiliários, Ltda	218	27.5%	60	60	0	0	0
Via Expresso	81,205	11.20%	9,095	801	8,294	0	0

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 of IAS 28.

## 11. Contribution by proportionately consolidated companies

The table below presents the financial highlights of proportionately consolidated companies in 2014 and 2015:

Thousands of euros	2014					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expenses
Consorcio GDL Viaducto,S.A. de C.V.	136	14,541	2,745	11,798	9,827	9,694
Consorcio Túnel Guadalajara, S.A. de C.V.	49	12,271	1,286	10,989	4,005	3,964

  

Thousands of euros	2015					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expenses
Consorcio GDL Viaducto,S.A. de C.V.	448	23,795	2,337	19,837	35,372	33,309
Consorcio Túnel Guadalajara, S.A. de C.V.	342	52,346	0	49,516	72,839	69,529

There were no contingent liabilities or commitments in respect of the above businesses in 2014 and 2015.

## 12. Receivables from concessions

As indicated in Note 3.c.10), following 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 conditions of the concession agreements justifying accounting treatment as financial asset receivables pursuant to IFRIC 12 recognised at 31 December 2014 and 2015 are as follows for the following companies: Autovía del Noroeste Concesionaria de CARM, S.A., Valles del Desierto, S.A., S.C. Rutas del Desierto, S.A., S.C. Valles del Bio Bio, S.A., S.C. Ruta del Algarrobo, S.A., S.C. Salud siglo XXI, S.A., Concesionaria Vial Sierra Norte, S.A., Hospital de Parla, S.A., Hospital del Noreste, S.A., Intercambiador de Transportes de Plaza Elíptica, S.A., Intercambiador de Transportes de Moncloa, S.A., Escala Vila Franca Sociedad Gestora do Edificio, S.A. and Escala Braga – SGED, S.A.

Pursuant to IFRIC 12 "Service Concession Arrangements", these companies recognised a financial asset instead of an intangible asset for the building investment undertaken (construction services), as they have an unconditional right acknowledged in legally enforceable agreements to receive cash or other financial assets from the grantor for the construction services provided, either through the collection of specific measurable amounts, or through the collection of any shortfalls between the amounts received from users of the public services and the specific or measurable amounts.

Pursuant to the instructions of the IFRS Interpretations Committee, Sociedad Concesionaria Rutas Limarí, S.A. recognised a receivable by way of a consideration for construction services, as the company has an unconditional contractual right to receive cash or other financial assets from the grantor (investment subsidies), the value of which discounted at the risk rate for this type of instrument is equivalent to 64.97% of the estimated cost of construction. This is therefore a combined concession asset consisting of intangible assets, and also a financial asset in the percentage stated.

The movements in this heading in 2014 and 2015 were as follows:

2014	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2014
<i>Thousands of euros</i>							
Non-current receivables from concessions	782,865	423,654	(52,753)	(109,111)	(131,252)	3,999	917,402
Current receivables from concessions	81,785	3,514	(112,730)	109,111	(31,774)	0	49,906
<b>2015</b>	<b>Balance at 31 December 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassific. and transfers</b>	<b>Changes in scope of consolidation</b>	<b>Exchange rate effect</b>	<b>Balance at 31 December 2015</b>
<i>Thousands of euros</i>							
Non-current receivables from concessions	917,402	403,543	(3,326)	(293,471)	398,448	(33,607)	1,388,989
Current receivables from concessions	49,906	82,533	(276,461)	293,471	64,887	(351)	213,985

Additions in 2014 and 2015 were accounted for by progress on ongoing construction work, chiefly the Chilean assets Rutas del Algarrobo, Valles del Bio Bio, Rutas del Desierto, Valles del Desierto and Rutas del Limarí, and also in 2015 by the new Colombian project, Vial Unión del Sur.

In 2014, decreases due to changes in the scope chiefly concerned the sale of 49% of Hospital de Parla, S.A. and Hospital del Noreste, S.A., which meant that they were fully consolidated in 2013, and subsequently accounted for using the equity method in 2014.

Changes in the scope of consolidation in 2015 correspond to the change in the consolidation method used for a number of concession operators, as described in Note 2. Specifically, these were as follows: Autovía del Noroeste Concesionaria de CARM, S.A., Hospital de Parla, S.A., Hospital del Noreste, S.A., Intercambiador de Transporte de Moncloa,

S.A. and Intercambiador de Transporte de Plaza Elíptica, S.A. were accounted for using the equity method in 2014, and were fully consolidated in 2015.

The reconciliation between the previous values of Autovía del Noroeste Concesionaria de CARM, S.A., Intercambiador de Transporte de Moncloa, S.A. and Intercambiador de Transporte de Plaza Elíptica, S.A. and those stated in these business combinations is as follows:

01/01/2015	Previous carrying amount of receivables from concessions	Adjustments	Fair value
<i>Thousands of euros</i>			
Receivables, concession projects	185,440	42,214	227,654
Other assets	116,377	0	116,377
<b>Total assets</b>	<b>301,817</b>	<b>42,214</b>	<b>344,031</b>
Bank borrowings	159,535	0	159,535
Deferred tax liabilities	25,486	10,553	36,039
Other non-current liabilities	36,763	0	36,763
Current liabilities	15,309	0	15,309
<b>Total liabilities</b>	<b>237,093</b>	<b>10,553</b>	<b>247,646</b>
Total net assets	64,724	31,661	96,385
Non-controlling interests	(31,715)	(15,514)	(47,229)
<b>Total fair value of net assets</b>	<b>33,009</b>	<b>16,147</b>	<b>49,156</b>

The disposals in both years relate to the amounts received from the grantor Authority by each concession operator.

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

<i>Thousands of euros</i>	2015		2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Autovía del Noroeste Concesionaria de CARM, S.A.	49,513	11,393	0	0
Total motorways in Spain	49,513	11,393	0	0
Sociedad Concesionaria Vial Sierra Norte, S.A.	6,486	25,938	18,227	0
Sociedad Concesionaria Valles del Desierto, S.A.	128,892	28,894	168,705	0
Sociedad Concesionaria Ruta del Limarí, S.A.	31,156	0	15,238	0
Sociedad Concesionaria Rutas del Desierto, S.A.	127,161	12,115	124,494	0
Sociedad Concesionaria Valles del Bio Bio, S.A.	227,199	15,797	188,699	0
Sociedad Concesionaria Ruta del Algarrobo, S.A.	234,331	18,615	193,936	0
Concesionaria Vial Unión del Sur, S.A.S.	4,146	0	0	0
Sociedad Concesionaria Vial Montes de María, S.A.S.	7,106	0	11,253	0
Total motorways abroad	766,477	101,359	709,299	0
Motorways	815,990	112,752	709,299	0
Escala Braga - Sociedad Gestora do Edificio, S.A.	41,872	22,815	56,429	22,758
Escala Vila Franca - Sociedad Gestora do Edificio, S.A.	29,784	21,863	42,901	23,575
Sociedad Concesionaria Salud Siglo XXI, S.A.	87,452	0	30,035	0
Hospital de Parla, S.A.	78,160	14,811	0	0
Hospital del Noreste, S.A.	78,179	15,944	0	0
Hospitals	315,447	75,433	129,365	46,333
Intercambiador de Transportes de Moncloa, S.A.	137,538	14,515	0	0
Interc. de Transporte de Plaza Elíptica, S.A.	49,374	7,474	0	0
Transport hubs	186,912	21,989	0	0
Testa Residencial, S.L.U.	0	0	4,772	0
Rental property	0	0	4,772	0
Valoriza Servicios Medioambientales, S.A.	51,423	3,630	54,556	3,463
Waste treatment	51,423	3,630	54,556	3,463
Desaladora de Alcudía (Sacyr Construcción, S.A.U. and )	958	112	1,070	110
Water	958	112	1,070	110
Sacyr Construcción, S.A.U (Gisa police stations)	18,259	69	18,340	0
Other	18,259	69	18,340	0
<b>RECEIVABLES, CONCESSION PROJECTS</b>	<b>1,388,989</b>	<b>213,985</b>	<b>917,402</b>	<b>49,906</b>

Concession periods and the investment commitment are as follows:

	Concession period		Committed investment (thousands of euros)
	Date put into service	End of concession	
<b>Motorways</b>			
Autovía del Noroeste Concesionaria de CARM, S.A.	2001	2026	0
Sociedad Concesionaria Vial Sierra Norte, S.A.	2014	2039	192,448
Sociedad Concesionaria Valles del Desierto, S.A.	2011	2024	0
Sociedad Concesionaria Ruta del Limarí, S.A.	2017	2039	77,666
Sociedad Concesionaria Rutas del Desierto, S.A.	2014	2036	195
Sociedad Concesionaria Valles del Bio Bio, S.A.	2016	2031	52,428
Sociedad Concesionaria Ruta del Algarrobo, S.A.	2015	2041	21,072
Concesionaria Vial Unión del Sur, S.A.S.	2015	2044	549,250
Sociedad Concesionaria Vial Montes de María, S.A.S.	2015	2040	124,024
<b>Hospitals</b>			
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	2032	132,364
Hospital de Parla, S.A.	2007	2035	0
Hospital del Noreste, S.A.	2007	2035	0
<b>Transport hubs</b>			
Intercambiador de Transportes de Moncloa, S.A.	2008	2043	0
Interc. de Transporte de Plaza Elíptica, S.A.	2007	2040	0
<b>Waste treatment</b>			
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
<b>Water</b>			
Alcudia desalination plant	2010	2025	0
<b>Other</b>			
Sacyr Construcción, S.A.U (Gisa police stations)	2007	2032	0

There are no significant undertakings for repairs or replacements either now or in the future, other than the habitual repairs and replacements for this type of company. Concession arrangements usually include the following infrastructure procedures:

- a) Major repair and replacement works when they are carried out with respect to periods of use exceeding one year, enforceable in relation to the conditions that must be met by each of the infrastructures to make them suitable for the services and activities for which they are used.
- 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 accounts under this heading of non-current financial assets in 2014 and 2015 were as follows:

2014 Thousands of euros	Balance at 31 December 2013	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2014
Loans to companies accounted for using the equity methc	172,763	20,241	(6,521)	0	(19,477)	0	167,006
Other loans and receivables	52,967	9,551	(5,608)	(19,986)	0	(559)	36,365
Available-for-sale financial assets	246,608	33,972	(3,818)	(31,879)	0	0	244,883
Debt securities	1,686	8,708	(1,686)	(4,846)	0	0	3,862
Financial assets held for trading	71	5,985	(5,160)	0	0	0	896
Non-current guarantees and deposits	41,420	8,354	(2,921)	(5,186)	(14)	1,301	42,954
<b>Cost</b>	<b>515,515</b>	<b>86,811</b>	<b>(25,714)</b>	<b>(61,897)</b>	<b>(19,491)</b>	<b>742</b>	<b>495,966</b>
Provision	(32,291)	(15,570)	0	0	0	0	(47,861)
<b>Impairment</b>	<b>(32,291)</b>	<b>(15,570)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(47,861)</b>
<b>TOTAL</b>	<b>483,224</b>	<b>71,241</b>	<b>(25,714)</b>	<b>(61,897)</b>	<b>(19,491)</b>	<b>742</b>	<b>448,105</b>

2015 Thousands of euros	Balance at 31 December 2014	Additions	Disposals	Reclassific. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2015
Loans to companies accounted for using the equity methc	167,006	189	(10,966)	0	(54,498)	0	101,731
Other loans and receivables	36,365	2,737	(2,431)	16,051	(15,136)	(416)	37,169
Available-for-sale financial assets	244,883	3,192	(122)	(3,200)	0	0	244,753
Debt securities	3,862	567	(19)	0	0	0	4,410
Financial assets held for trading	896	7	(800)	(4)	2	0	101
Non-current guarantees and deposits	42,954	2,190	(7,315)	(182)	(21,363)	(227)	16,057
<b>Cost</b>	<b>495,966</b>	<b>8,882</b>	<b>(21,653)</b>	<b>12,665</b>	<b>(90,995)</b>	<b>(643)</b>	<b>404,221</b>
Provision	(47,861)	0	38	(41,648)	0	0	(89,471)
<b>Provision</b>	<b>(47,861)</b>	<b>0</b>	<b>38</b>	<b>(41,648)</b>	<b>0</b>	<b>0</b>	<b>(89,471)</b>
<b>TOTAL</b>	<b>448,105</b>	<b>8,882</b>	<b>(21,615)</b>	<b>(28,983)</b>	<b>(90,995)</b>	<b>(643)</b>	<b>314,750</b>

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

The scope of consolidation was reduced in 2015 following the change in the method of consolidation of several concession operators, as described in Note 2. This meant that the companies to which credits were granted by the Group were accounted for by the equity method in 2014, but these balances were eliminated in 2015 when they were fully consolidated.

As required by law, Group companies have disclosed all companies in which they have taken up 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 regional governments require as a deposit.

The breakdown of current financial assets at 31 December 2015 and 2014 is as follows:

<i>Thousands of euros</i>	2015	2014
Loans to companies accounted for using the equity method	72,992	73,842
Other current assets	25,058	21,362
Debt securities	12,481	20,041
Loans to third parties	30,834	46,591
Short-term deposits and guarantees	8,329	8,551
Provisions	(9,386)	(8,812)
<b>TOTAL</b>	<b>140,308</b>	<b>161,575</b>

In 2014 there was an increase in debt instruments following 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.

Credits to third parties fell in 2015, mainly due to the reclassification of a loan granted by Sociedad Concesionaria Valles del Desierto, S.A. as non-current, a loan in pesos signed up on 28 June 2012 for 3 years between the company as creditor and "Fondo de Inversión de Empresas Las Américas Emergente" as the borrower. At 31 December 2014 the status of the receivables was changed from long-term to short-term, as the loan was due to be repaid on 28 June 2015. However, a public deed was drawn up on 19 June 2015 to extend the loan period to 5 years, and consequently at 31 December 2015 the status of the receivables was changed from short-term to long-term, as the loan was now due to be repaid on 28 June 2020.

In 2015 and 2014, "Other current financial assets" related mainly to fixed-term deposits.

### 13.1 Itínere

With respect to Itínere 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 of the analysis. The assumptions used by the Group to estimate the recoverable value of the holding in Itínere Infraestructuras, S.A. are as follows:

Cost of equity (Ke): a discount rate of 12.22% was considered, based on the capital asset pricing model (CAPM) for construction, and the following parameters:

- Risk-free rate (Rf): 2.30% (2.75% in 2014).
- Market spread of 6.50% (6.00% in 2014).
- Leveraged beta of 0.634 (0.634 in 2014).

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:

	2015	2014
Audasa	5.10%	4.19%
Aucalsa	5.09%	4.33%
Audenasa	2.93%	4.31%
Autoestradas	2.79%	4.16%
AP-1	3.42%	3.88%

In 2014 valuation adjustments rose by 31 million euros as a result of the increase in value of Itinere Infraestructuras in accordance with the new valuation obtained by the impairment test. The increase in value was mainly accounted for by estimated traffic improvement. In 2015 an increase in the value of the Itinere investment was recognised in the amount of 146 thousand euros.

The Group performed a sensitivity analysis relating to the cost of equity (Ke) of +/- 0.5%. A - 0.5% variation in ke represents a valuation increase attributable to the Sacyr Concessions Group of 22.4 million euros; on the other hand, a +0.5% variation represents a reduction in the valuation attributable to the Sacyr Concessions Group of 20.4 million euros.

On 25 July 2014 Itinere Infraestructuras, S.A.'s subordinated share-convertible bond issue was drawn up on a public deed. 11,000 bonds were issued with a par value of 5 thousand euros, and the bond issue totalled 55 million euros. The bonds carry annual interest of 12%, except in the event of partial obligatory early redemption, which carries a per annum interest of 10%. The final maturity date is 31 October 2018. Via the Parent, the Group subscribed the convertible bonds in its 15.50% stake in Itinere Infraestructuras, S.A. It subscribed 1,705 bonds with a par value of 5 thousand euros, paying out 8,525 thousand euros.

The Group recognised these bonds under "Debt securities". Itinere Infraestructuras, S.A. carried out a partial mandatory early redemption of its bonds on 2 January 2015. Consequently, the Group reclassified the principal and unmatured accrued interest at 31 December 2014, amounting to 5,047 thousand euros, as short term. Finance income recognised in the income statement for the bonds in 2015 amounted to 550 thousand euros (384 thousand euros in 2014).

As mentioned above, the Group subscribed Itinere Infraestructuras, S.A.'s share-convertible bond issue. The option to convert the bonds into shares may be exercised in the first five days of each quarter from 2015 to 2018, both inclusive. The bonds would be converted into new Itinere shares with a par value of 55 million euros and preferential subscription rights. 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 euro per share) or at the lower par value in the case of a capital reduction.

The company assessed the conditions established by the regulatory accounting framework to recognise this share convertibility option separately from the issue of bonds (note on the section addressing loans and receivables). Consequently, a financial asset at fair value through profit or loss was recognised. The variation in fair value in 2015 was as follows:

<i>Thousands of euros</i>	Valuation at 31-12-2015	Valuation at 31-12-2014
<i>Derivatives</i>		
Itinere share conversion option	37,072	36,859
<b>Fair value change</b>	<b>213</b>	<b>5,013</b>

The "exponential" method was used to measure the Itinere share convertibility options (call options). 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, producing an estimated probability of the value of the share.

## 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, Sacyr, S.A. and its subsidiaries decided, with the approval of each company's corporate bodies, to file a consolidated tax return, and duly notified the A.E.A.T. (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. Following the sale of Testa, a number of companies left the tax group in 2015.

### 14.2. Years open for inspection

At year-end 2015, the Group had the years 2011 to 2014 open for inspection in respect of all taxes for which it is liable, i.e. VAT and Income Tax for 2015.

On 11 December 2015, the Spanish Tax Authority's Large Taxpayer Section notified Sacyr, S.A. that inspections had commenced as follows:

- Partial inspection of VAT for the periods from 11/2011 to 12/2012, as Parent of the VAT Group 410/2008.

The returns signed in dispute 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 75,824,683.84 euros, are now being challenged at Spain's Appeals Court ("Audiencia Nacional"). These reviews were instigated against Sacyr, S.A. and included payment agreements and the imposition of penalties, and all of them related to subsidiaries of the Tax Group. Of this amount, 74,607,971.34 euros correspond to the group, as the sum in respect of Testa Inmuebles en Renta, Socimi, S.A. was eliminated because the company no longer forms part of the group.

The returns signed in dispute by Sacyr, S.A. as Parent of the Tax Group 20/02 in relation to Corporate Income Tax for the periods 2007 to 2010, totalling 128,796,080.93 euros, are now being challenged at Spain's Central Administrative Economic Tribunal. These proceedings were initiated against Sacyr, S.A. and will not under any circumstances entail payments to the tax authorities, as they will merely be smaller declared tax loss carryforwards, all accounted for by subsidiaries in the Tax Group. Of this amount, 125,784,482.75 euros correspond to the group, as the sum in respect of Testa Inmuebles en Renta, Socimi, S.A. was eliminated as the company no longer forms part of the group.

The VAT return signed in dispute by Sacyr, S.A. as Parent of the VAT Tax Group 410/08 was considered for inspection for the period between May 2009 and December 2010, in the total cumulative amount of 14,336,876.11 euros, and this is now being challenged at the Central Administrative Economic Tribunal.

The Parent's management and its tax advisers do not expect the final outcome of the review proceedings under way and of the appeals submitted to have a significant impact on the financial statements at year-end 2015.

#### 14.3. Tax rate

The main nominal tax rates used in calculating tax on the income of the Group companies for 2015 are as follows:

- Spain: 28%
- Portugal: 21%
- Chile: 22.5%
- Mexico: 30%
- Panama: 25%
- Brazil: from 15% to 25%
- Ireland: 12.5%
- Great Britain: 20%
- Costa Rica: 30%
- Italy: 27.5%
- United States: 32.5%
- Libya: 15% to 40%
- Algeria: 19% to 25%
- Australia: 30%
- Qatar: 10%
- India: 42%
- Colombia: 25%
- Peru: 28%
- Bolivia: 25%

Income tax expense on continuing operations recognised by the Sacyr Group at 31 December 2015 and 2014 amounted to 157,252 thousand euros and 165,560 thousand euros respectively, which represents an effective rate on pre-tax earnings of -24.48% and 102.27% respectively.

The reconciliation between accounting income and taxable income and tax expense reconciliation before and after deductions and adjustments are as follows:

<u>Thousands of euros</u>	2015	2014 (Restated)*
Consolidated profit before tax	(642,483)	161,878
Profit and loss of companies accounted for using the equity	476,433	(169,203)
Dividends of companies accounted for using the equity met	0	272,732
Other consolidated adjustments	(25,822)	(21,043)
Permanent differences	167,560	59,138
Tax profit/loss	(24,312)	303,502
x average tax rate	35.87%	31.25%
Tax expense before deductions and other adjustments	(8,720)	94,837
Deductions and rebates for the year	(1,793)	(77,883)
Adjustment of prior years' income tax	(9,530)	0
Adjustment due to change in tax rate	7,790	126,063
Other adjustments	169,505	22,543
Income tax	157,252	165,560
Effective tax rate	(24.48%)	102.27%
* As explained in Note 3 the separate consolidated income statement has been restated for the year ended 31 December 2014		
(-/+ ) Deferred tax expense/income from continuing operations	(94,542)	(212,934)
(-/+ ) Current tax expense/income from continuing operations	(62,710)	47,374
	(157,252)	(165,560)

In 2015:

In terms of reconciliation of accounting income and taxable income, in addition to corrections in respect of the results of associates, most of the permanent differences are accounted for by loans to associates where no future tax recovery is expected.

Consolidation adjustments mainly concern the results generated by the fair value of the assets of several group companies after they had been taken over, with no effect on tax expenditure.

In terms of reconciliation between tax expenditure before deductions and adjustments and final tax expense, the major difference under "Other adjustments" arose from the Group's provision for impairment of its tax credits following the sale of Testa, as the credits had been supported by the generation of taxable income by this company's assets.

In 2014:

In terms of reconciliation of accounting income and taxable income, in addition to corrections in respect of the results of associates, the effect of dividends received from associates, mostly Repsol, S.A., was also included. . These dividends, which do not form part of accounting income, formed part of taxable income, although the final impact on tax expense was zero, as they were subject to double-taxation deductions, the effect of which is shown under "Tax credits and deductions" in the amount of -71 million euros.

Most of the permanent differences were accounted for by provision for loans to associates where no future tax recovery was expected.

In terms of reconciliation between tax expense before deductions and adjustments and final tax expense, the major differences were the inclusion of double-taxation deductions applied to the aforementioned dividends received from Repsol, S.A. and recalculation of deferred tax assets and liabilities following application of Corporation Tax Reform Law 27/2014 which, among other measures, established a gradual cut in tax rates from 30% in 2014 to 25% in 2016 (28% in 2015). The rates cut affected the calculation of credits for tax loss carryforwards to be offset, double-taxation deductions and other deferred tax assets and liabilities.

#### 14.4. Change in deferred tax

Movements in deferred tax assets and liabilities in 2014 and 2015 were as follows:

Thousands of euros	Balance at 31 December 2013	Additions	Disposals	Reclassif. and transfers	Changes in scope of consolidation	Exchange rate effect	Impact on equity	Balance at 31 December 2014
Deferred tax assets	1,091,535	30,598	(251,174)	0	(3,768)	8,975	(9,667)	866,499
Deferred tax liabilities	58,365	48,953	(60,524)	1,372	(6,343)	61	(76)	41,808

  

Thousands of euros	Balance at 31 December 2014	Additions	Disposals	Reclassif. and transfers	Changes in scope of consolidation	Exchange rate effect	Impact on equity	Balance at 31 December 2015
Deferred tax assets	866,499	93,879	(159,618)	360	705	(56)	(10,170)	791,599
Deferred tax liabilities	41,808	45,050	643	360	26,140	(2,574)	(1,222)	110,205

In 2015, changes in the scope of consolidation were mainly accounted for by full consolidation of a number of concession operators, stipulated in Note 2, which were taken over during 2015.

Additions to deferred tax assets in 2015 were caused by the generation of tax loss carryforwards for the tax group, and temporary differences due to the different taxation and accounting criteria used to measure certain assets and liabilities, chiefly in the concessions segment.

Disposals of deferred tax assets were mainly caused by the impairment of tax credits as a result of the Group's estimate of their recoverability at year-end 2015, as explained in Note 14.3.

Deferred tax liability additions and disposals were caused by temporary differences due to the different taxation and accounting criteria used to measure certain assets and liabilities, chiefly in the concessions segment.

In 2014, additions to "Deferred tax assets" were mainly accounted for by double-taxation deductions generated by the dividend from Repsol in 2014.

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, representing expenditure 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%. Deferred tax assets arising from the impairment of Repsol fell by 40 million euros.

- Use of tax credits for the double taxation of Repsol dividends amounting to 45 million euros.

In 2014, the change in scope was chiefly accounted for by 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 2015 and 2014, the balance of "Deferred tax assets" breaks down as follows:

Thousands of euros	2015	2014
<b>DEFERRED TAX ASSETS</b>	791,599	866,499
<b>SACYR, S.A. TAX GROUP IN SPAIN</b>	649,052	767,936
1. TOTAL DEDUCTIONS AND CARRYFORWARDS OF THE CONSOLIDATED TAX GROUP	432,035	585,653
1.1. Deductions	291,133	300,589
Sacyr Vallehermoso Participaciones Mobiliarias SL (double taxation on dividends)	200,665	201,223
Rest of consolidated tax group	90,468	99,366
1.2. Tax loss carryforwards	140,902	285,064
Sacyr Vallehermoso Participaciones Mobiliarias SL (sale of 10% of Repsol)	79,425	171,128
Rest of consolidated tax group	61,477	113,936
2. TAX EFFECT OF FINANCIAL INSTRUMENTS	10,933	11,235
3. TEMPORARY DIFFERENCES ARISING BETWEEN ACCOUNTING AND TAXABLE PROFIT	206,084	171,048
Other	206,083	171,048
<b>COMPANIES NOT INCLUDED IN THE TAX GROUP</b>	142,547	122,168

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 were mainly non-deductible finance costs, the impact of which on deferred tax assets was 31 million euros (54 million euros in 2014). Article 16 of Corporate Income Tax Law 27/2014 stipulates a limit on the deductibility of finance costs whereby finance costs may generally only be deducted up to 30% of operating profits.

The Sacyr Group's deferred tax on unpaid dividends from foreign companies was estimated at 39,099 thousand euros in 2015 and at 14,827 thousand euros in 2014.

#### 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.

Unused tax loss carryforwards at 31 December 2015 applicable in future years and considered recoverable break down as follows:

Consolidated tax group		
Year generated	Thousands of euros	Cumulative
2001	1,015	1,015
2002	397	1,412
2003	0	1,412
2004	0	1,412
2005	109	1,521
2006	0	1,521
2007	0	1,521
2008	20,212	21,733
2009	252	21,985
2010	3,963	25,948
2011	326,493	352,441
2012	136,999	489,440
2013	125,873	615,313
2014	0	615,313
2015	130,310	745,623
<b>Total base</b>	<b>745,623</b>	

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

In 2015, 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 125 million euros (generated in 2013) which were not subject to tax relief and which may be deducted in the following tax periods with no time limit. However, in line with the accounting principle of prudence, they were not capitalised since it cannot be guaranteed that they will be deducted over the next ten years.

#### 14.6. Unused tax credits

At 31 December 2015, the Tax Group had 294,504 thousand euros in unused tax credits, accrued in 2015 and previous years (2007 to 2014). The yearly breakdown is as follows:

Year generated	Amount (thousands of euros)	Cumulative (thousands of euros)
2007	20,072	20,072
2008	70,468	90,540
2009	96,104	186,644
2010	38,392	225,036
2011	34,915	259,951
2012	29,506	289,457
2013	1,177	290,634
2014	3,468	294,102
2015	402	294,504
<b>TOTAL</b>	<b>294,504</b>	

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 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 calculated from the period in which they were generated.

## 15. Inventories

The detail of Group inventories at 31 December 2015 and 2014 was as follows:

<i>Thousands of euros</i>	Balance at 31 December 2015	Balance at 31 December 2014
Land and lots	0	204,771
Auxiliary work and start-up costs	62,472	55,949
Advances	53,238	27,542
Construction materials and other supplies	37,975	28,589
Work-in-progress and semi-finished goods	10,357	36,829
Goods for resale	30,857	29,856
Finished goods	5,331	5,870
By-products, waste and recycled materials	55	59
Provisions	(3,624)	(3,109)
<b>TOTAL</b>	<b>196,661</b>	<b>386,356</b>

The Group's inventories, including those of the Vallehermoso Group, which are classified as non-current assets held for sale, include finance costs, and no further amounts were added in 2015. Finance costs in the amount of 1,180 thousand euros were incorporated in 2014. Finance costs included in inventories totalled 2,880 thousand euros in 2015 and 5,198 thousand euros in 2014.

At 31 December 2015, the carrying amount of finished buildings used to secure debts including the Vallehermoso Group, was 2,935 thousand euros (26,043 thousand euros in 2014); and the carrying amount of the land used to secure debts amounted to 73,898 thousand euros (128,183 thousand euros in 2014).

Additionally, at 2015 year-end, including the Vallehermoso Group, the debt guaranteed by finished buildings amounted to 2,627 thousand euros (25,978 thousand euros in 2014); and the debt guaranteed by the land amounted to 28,668 thousand euros (51,112 thousand euros in 2014).

The Group's property assets classified as inventories with a carrying amount of 133 million euros at 31 December 2015, were valued at 141 million euros, representing an unrealised gain of 8 million euros. These inventories are classified as "Non-current assets held for sale". At 31 December 2015, with an accounting value of 420 million euros, they had been appraised as 471 million euros, producing an unrealised gain of 51 million euros. Of these inventories, 202 million euros were classified as "Non-current assets held for sale".

## 16. Trade and other receivables

The breakdown of "Trade and other receivables" at 2015 and 2014 year-end is as follows:

<i>Thousands of euros</i>	2015	2014
Customers	936,325	943,729
Completed work pending certification	670,074	556,741
Personnel	1,171	1,975
Receivable from companies accounted for using the equity method	206,830	229,477
Other receivables	148,933	123,160
Receivable from public entities	133,011	114,153
Impairment	(99,729)	(81,062)
<b>TOTAL</b>	<b>1,996,615</b>	<b>1,888,173</b>

The trade receivables balance was significant. Its breakdown by business and type of customer at 31 December 2014 and 2015 is as follows:

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
Somague	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
<b>TOTAL</b>	<b>170,506</b>	<b>155,615</b>	<b>133,487</b>	<b>103,465</b>	<b>380,656</b>	<b>943,729</b>

2015 Thousands of euros	Central government	Autonomous regions	Local authorities	Public sector companies	Private customers	TOTAL
Sacyr Construcción	66,230	49,130	26,339	16,297	112,860	270,856
Somague	70,106	22,047	5,476	54,565	190,896	343,090
Valoriza	13,607	29,356	60,483	11,980	143,758	259,184
Concessions,	30,139	18,374	3,328	5,371	5,912	63,124
Adjustments and other	0	0	0	0	71	71
<b>TOTAL</b>	<b>180,082</b>	<b>118,907</b>	<b>95,626</b>	<b>88,213</b>	<b>453,497</b>	<b>936,325</b>

The average collection period for the Sacyr Group in 2015 was approximately 150 days (145 days in 2014).

The line-item "Receivable from associates" includes the Group's balances at equity-accounted companies. The largest amount, 135 million euros in 2015 and 150 million euros in 2014, is accounted for by commercial credits with the Italian company SIS S.c.p.A. The Group's investment in the Italian company SIS S.c.p.A. is accounted for using the equity method. It has a stake of 49% in this company, detailed to build and subsequently manage the new Pedemontana-Veneto motorway linking Venice and Treviso. This subsidiary transfers its revenues and expenses to its partners, and therefore 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 2015 and 2014 mainly comprises VAT and Income Tax 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.

### 17. Cash and cash equivalents

The detail of "Cash and cash equivalents" in 2014 and 2015 is as follows:

<u>Thousands of euros</u>	2015	2014
Cash	536,473	282,342
Other cash equivalents	66,349	76,133
<b>TOTAL</b>	<b>602,822</b>	<b>358,475</b>

Of this amount, 484,992 thousand euros are unrestricted (294,113 thousand euros in 2014). The restricted 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 debt (which guarantee the next round of debt servicing).

### 18. Equity

Details and movements in this heading in 2014 and 2015 are shown in the consolidated statement of changes in equity, which forms an integral part of the consolidated annual financial statements.

#### a) Allocation of profits of Sacyr, S.A. (Parent)

The distribution of 2015 profits proposed by the Company directors and to be submitted for approval at the General Shareholders' Meeting is as follows:

<u>Euros</u>	2015	2014
<b>Basis of distribution</b>	<b>809,503,790.88</b>	<b>(42,445,429.34)</b>
Income statement	809,503,790.88	(42,445,429.34)
<b>Application</b>	<b>809,503,790.88</b>	<b>(42,445,429.34)</b>
To legal reserve	41,068,342.17	0.00
To dividends	25,727,156.25	0.00
To retained earnings	742,708,292.46	(42,445,429.34)

On 31 August 2015 the Board of Directors of the Company resolved to pay shareholders an interim dividend against 2015 profits equivalent to 5% of the par value of shares, for a total distribution of 25,727 thousand euros. This dividend was paid on 15 September 2015.

As shown in the following table, the Company has sufficient liquidity to fund this distribution while meeting the maximum limit set forth in current legislation regarding distributable profit from the previous year-end.

<b>SACYR, S.A.</b>	
<b>ACCOUNTING STATEMENT OF EXPECTED LIQUIDITY FOR THE DISTRIBUTION OF INTERIM DIVIDEND AGAINST 2015 PROFITS APPROVED BY THE BOARD OF DIRECTORS ON 31 AUGUST 2015</b>	
Cash and investment at 30 June 2015	3,270,780.21
Credit available at 30 June 2015	48,073,219.79
Estimated receivables and payables at the date of approval	196,514,000.00
<b>NET CASH AVAILABLE</b>	<b>247,858,000.00</b>
<b>JUSTIFICATION OF PROFITS FOR THE DISTRIBUTION OF INTERIM DIVIDEND AGAINST 2015 PROFITS APPROVED BY THE BOARD OF DIRECTORS ON 31 AUGUST 2015</b>	
Net profit at 30 June 2015	553,227,929.04
Appropriation to legal reserve	41,068,342.17
<b>PROFIT AFTER TAX LESS APPROPRIATION TO RESERVES</b>	<b>512,159,586.87</b>
<b>INTERIM DIVIDEND PAID</b>	<b>0.00</b>
<b>MAXIMUM AMOUNT DISTRIBUTABLE</b>	<b>512,159,586.87</b>
<b>DISTRIBUTION OF INTERIM DIVIDEND AGAINST 2015 PROFIT APPROVED BY THE BOARD OF DIRECTORS ON 31 AUGUST 2015</b>	
Shares issued by the company	517,430,991
Treasury shares	2,887,866
Shares with dividend rights	514,543,125
Ordinary dividend per share (euros)	0.0500
<b>INTERIM DIVIDEND</b>	<b>25,727,156.25</b>
<small>* The dividend will fall due and be payable on 15 September 2015</small>	

#### Limitations on the distribution of dividends

The Company is required to transfer 10% of profit for the year to the legal reserve until the reserve reaches at least 20% of share capital. The reserve cannot be distributed to shareholders unless it exceeds 20% of share capital.

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 the end of 2014 and 2015, the Company's share capital amounted to 502,212,433 euros and 517,430,991 euros respectively, represented by 502,212,433 and 517,430,991 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 the shares have been admitted for trading on Spain's electronic market.

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.

At 2014 year-end, the share premium amounted to 667,612 thousand euros.

In 2015 the Company carried out a share capital increase charged to reserves in the amount of 15,218,558 euros, by issuing 15,218,558 shares with a par value of 1 euro each, all the same class.

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.

In 2015 the Company offset losses from previous years with an issue premium and unrestricted reserves, in the respective amounts of 667,611,816.28 euros and 931,868,571.93 euros.

The Company's shareholders at 31 December 2015 and 2014 were as follows:

	2015	2014
Disa Corporación Petrolifera, S.A.	12.66%	12.07%
Grupo Corporativo Fuertes, S.L.	6.27%	5.79%
Cymofag, S.L.	5.06%	5.27%
Beta Asociados, S.L.	5.08%	5.08%
Prilomi, S.L.	4.66%	4.66%
Taube Hodson Stonex Partners LLP	3.06%	4.61%
Prilou, S.L.	3.16%	3.16%
Other	60.05%	59.36%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

c) Reserves

- Reserves of the Parent

The Parent's reserves at 31 December 2015 and 2014 were as follows:

<i>Thousands of euros</i>	2015	2014
Legal reserve	62,418	62,418
Voluntary reserve	30,735	978,639
<b>Total</b>	<b>93,153</b>	<b>1,041,057</b>

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 cover the receivable balance of the income statement if no other reserves are available.

At 31 December 2014 and 2015, the legal reserve amounted to 12.43% and 12.06% of share capital, respectively.

The Company's voluntary reserves are unrestricted.

- Other reserves

In 2014, the changes in reserves were due mainly to the transfer to reserves of profit from the previous year. Other changes also took place in reserves which affected the Group, mainly 29 million euros following the issue of convertible bonds.

In 2015 the change was mainly due to the transfer of the issue premium to reserves.

d) Valuation adjustments

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

- 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, with no deduction of any potential costs to sell, as these costs were non-material. 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 2014 there was an increase in "Available-for-sale financial assets" of 31 million euros, due mainly to Itinere Infraestructuras, S.A., as stated in Note 13. There were no material changes in 2015.

- Hedging instruments

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 2013	(119,968)
Income and expense recognised directly in equity*	(56,296)
Ineffective hedge, changes in scope and other	23,538
Transfer to separate consolidated income statement*	28,835
Fair value at 31 December 2014	(123,891)
Income and expense recognised directly in equity	(12,409)
Ineffective hedge, changes in scope and other	(57,847)
Transfer to separate consolidated income statement	31,902
Fair value at 31 December 2015	(162,245)

\* As explained in Note 3, the consolidated statement of financial position has been restated for the year ended 31 December 2014

- 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 2015 and 2014, the main movements in this heading were due to the performance of Repsol S.A.

e) Treasury shares

At December 31, 2015, the parent company held 4,898,800 treasury shares, equivalent to 0.94675% of its share capital. At the average exchange rate, the price paid was 10.6842 euros per share.

Movements in treasury shares in 2014 and 2015 were as follows:

<b>Balance at 31 December 2013</b>	<b>2,431,162</b>
Shares bought (liquidity contract)	11,479,109
Shares sold (liquidity contract)	(11,144,251)
<b>Balance at 31 December 2014</b>	<b>2,766,020</b>
Shares bought (liquidity contract)	33,874,772
Shares sold (liquidity contract)	(31,820,768)
Bonus share issue	78,776
<b>Balance at 31 December 2015</b>	<b>4,898,800</b>

In 2015, 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.

Between 1 January and 31 December 2015, 33,874,772 and 31,820,768 Sacyr shares were bought and disposed of, respectively.

As a result of the capital increase in June 2015, in the proportion of one new share for every thirty-three outstanding shares, Sacyr received a total of 78,776 new shares, following exercise of subscription rights on the treasury shares held at that time.

At 31 December 2015, Sacyr was the custodian of 2,809 Sacyr shares: 1,210 shares that were not subscribed in the 2013 bonus issue and 1,599 shares not subscribed in the 2015 bonus issue.

On 15 September 2015 the 2,809 shares held in custody received a total gross dividend of 0.05 euro per share (113.06 euros net).

Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, 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 entire period, in the General Deposit Fund, where it will be at the disposal of the holders.

At the end of 2015, the Sacyr share price was 1.814 euros per share, a fall of 36.48% against the previous year-end (2.856 euros per share).

#### f) Equity of 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.

There was a decrease in 2014, mainly due to the sale of companies not wholly owned by the Group, and to the acquisition of 100% of companies that it did not fully own.

There was an increase in 2015 in “Other variations” in the consolidated statement of changes to equity, mainly due to the incorporation of a number of fully consolidated companies which were not, however, wholly owned by the Group, and to a change in the consolidation method used to account for several concession operators, to which the equity method had been applied in 2014, and which were fully consolidated in 2015.

## 19. Deferred income

Movements in “Deferred income” in 2014 and 2015 are as follows:

2014 <i>Thousands of euros</i>	Balance at 31 December 2014	Additions	Disposals	Reclassif. and transfers	Changes in scope of consolidation	Exchange 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
<b>TOTAL</b>	<b>37,493</b>	<b>2,493</b>	<b>(3,821)</b>	<b>(3,573)</b>	<b>(598)</b>	<b>60</b>	<b>32,054</b>
2015 <i>Thousands of euros</i>	Balance at 31 December 2014	Additions	Disposals	Reclassif. and transfers	Changes in scope of consolidation	Exchange rate effect	Balance at 31 December 2015
Government grants	32,054	5,053	(4,613)	0	25,188	0	57,682
<b>TOTAL</b>	<b>32,054</b>	<b>5,053</b>	<b>(4,613)</b>	<b>0</b>	<b>25,188</b>	<b>0</b>	<b>57,682</b>

The balance for 2014 corresponds mainly to the concessions area due to zero-interest loans granted by the Industrial Technology Development Centre and to the construction area due

largely to the contribution made by Seville Town Hall, by virtue of a contract signed on 14 December 2005 between the property zoning authorities (“Gerencia de Urbanismo”) in Seville and the Company, to carry out renovation work at Plaza de la Encarnación and its surroundings. This subsidy entails an economic contribution for the concession to reach the expected return envisaged in the agreement’s financial study.

There was an increase in 2015 due to a change in the scope of consolidation caused by a change in the method used to account for Sociedad Concesionaria de Palma de Manacor, S.A., which was fully consolidated in 2015. This company has a non-refundable subsidy from the regional government in Majorca.

## 20. Provisions

### 20.1. Non-current provisions

Movements in this heading in 2014 and 2015 were as follows:

2014 Thousands of euros	Balance at 31 December 2013	Additions	Disposals		Reclassif. and transfers	Changes in scope of consolidation	Balance at 31 December 2014
			Reversals	Amounts used			
Non-current provisions	462,111	54,735	(42,959)	(15,933)	(174,080)	(4,626)	279,248
<b>Reconciliation</b>							
Provisions for income tax		10,271	0	(4,852)	0	0	
Other provisions (income statement by nature)		10,947	(40,907)	(11,081)	0	(4,321)	
Associates (financial)		29,060	(343)	0	0	0	
Transfer to GUPC loan provision		0	0	0	(115,183)	0	
Transfer to NG loan provision		0	0	0	(13,539)	0	
Major repairs (other operating costs)		4,457	(1,709)	0	0	(305)	
Transfer to current provisions		0	0	0	(45,358)	0	
	462,111	54,735	(42,959)	(15,933)	(174,080)	(4,626)	279,248
<b>2015</b>							
Thousands of euros	Balance at 31 December 2014	Additions	Disposals		Reclassif. and transfers	Changes in scope of consolidation	Balance at 31 December 2015
Non-current provisions	279,248	109,651	(1,859)	(4,577)	(17,729)	(2,930)	361,804
<b>Reconciliation</b>							
Provisions for income tax		5,989	(1,157)	0	1,587	(8,528)	
Other provisions (income statement by nature)		6,278	(634)	0	0	(2,766)	
Associates (financial)		88,638	(1)	0	(41,648)	(4,265)	
Provisions for pensions and similar obligations		50	(67)	0	0	0	
Major repairs (other operating costs)		8,696	0	(4,577)	0	12,629	
Transfer to current provisions		0	0	0	22,332	0	
	279,248	109,651	(1,859)	(4,577)	(17,729)	(2,930)	361,804

Non-current provisions include:

a) Provisions for losses on equity-method companies that exceed the investment in them, in accordance with IAS 28 (paragraphs 29 and 30), amounting to 255 million euros at 31 December 2015 (171 million euros at 31 December 2014). Once the value of the investment in equity-method companies is zero, any additional losses are recorded by the Group insofar as it has incurred in the legal or implicit obligations. The main company in this regard is the construction firm 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 and 2015 the Sacyr Group’s stake in the consortium awarded the contract to build the third set of locks on the Panama Canal was 48% with respect to the customer, and this was the basis whereby the initial guarantees currently in force were established. There are also internal agreements concerning the redistribution of percentages in the results of members of the consortium, which allocate Sacyr, S.A. a 41.6% share in earnings. This company is accounted for using the equity method, and this is the main reason for the variation between the two years, due to the new credits granted to it by the Group.

At 31 December 2015, GUPC had received construction certificates amounting to 3,359.6 million USD, which represents a 93% percentage of completion of the work, recognised and

paid by the Client. At the end of 2015, the balance of advances by the ACP to GUPC amounted to 860 million USD, which relate to advances stipulated in the agreement ("Mobilisation Security" amounting to 248 million USD and "Plant Security" amounting to 300 million USD); and the remainder (312 million USD) to payments made directly to a number of suppliers for changes to the Contract signed with the ACP.

GUPC has filed several objective quantified claims amounting to 3,473 million USD. These claims arising from various unforeseen costs arising in the project are in a settlement phase in line with that stipulated in the contract between the company and the Panama Canal Authority ("Autoridad del Canal de Panamá" - ACP). This contract establishes a system to resolve claims or disputes based on three resolution levels: 1) the claims must be notified to the ACP, which may recognise all or a part thereof; 2) the claims rejected by the ACP should be addressed to the DAB (Dispute Adjudication Board), formed by three experts, one chosen by the ACP, another by GUPC and a third expert who is appointed by mutual agreement between both; 3) lastly, the claims may be addressed to the ICC's Arbitration Court with headquarters in Miami, subject to Panamanian Law, governed by the regulations of the International Chamber of Commerce). The arbitration proceedings established will take a decision on the liability of those unforeseen costs with respect to which the GUPC has presented various claims.

The claims submitted that have been recorded as income in GUPC's financial statements consolidated using the equity method amounted to 1,090 million USD at the end of 2015, i.e. 34% of the claims submitted during the resolution phase.

In 2015 the group did not recognise any income for claims rejected by the DAB Board.

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

The ACP:

- Claim 78 Disruption: this claim, which amounts to 1,484 million USD, interrelates parts of many other claims. Monthly updates of this claim have been presented to the customer. The first presentation to the DAB Board (SOC: Statement Of Case) has been scheduled for 2016.

The DAB Board:

- Claim 14 for 334 million USD concerning a change in the design of the sluice gates: this was rejected by the ACP in 2015, and was therefore sent to the DAB Board in February 2016.
- Claim 93 for 218 million USD regarding the delay and extra costs arising from events and circumstances related to the threat of contract termination, which slowed the pace of work from September 2013 onwards and led to the suspension of production work in January 2014. This was rejected by the ACP in 2015, and therefore documentation is being compiled for presentation to the DAB Board.
- Costs in connection with Project Funding & Cash Flow: a claim of 191 million USD for a delay in finalising the financing agreement for completion of construction work. This was rejected by the ACP in 2015, and documentation is being compiled for presentation to the DAB Board.
- Other claims: of the claims presented to the DAB Board in 2015 that have produced a response (a total of 97 million USD, of which the ACP had previously acquiesced to 3 million USD), the amount approved by the DAB Board totalled 42 million USD. A

decision is pending on the remaining 248 million USD (of which the ACP has acknowledged 19.9 million USD).

Regarding the ICC arbitration:

- Claim 6.1 Pacific Cofferdam, updated in the amount of 188 million USD. the arbitration process with the Miami ICC has commenced. The claim amount is provisional and subject to changes depending on the arbitration process. The intended date of the proceedings has been put back to mid-2016 due to the extensive volume of documentation to be examined.

On 22 January 2016 the independent expert DLF Associate, Ltd. updated the report analysing each claim, describing the status of each until that date, and establishing a fair estimate of the amount that the company can expect from each. 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 1,763 million USD. As 287 million USD have accrued to date, a further 1,476 million USD are pending collection out of a total of 3,473 million USD in claims submitted up to 31 December 2015. Sacyr is due a share of 41.6%, and therefore can reasonably be expected to recover 614 million USD of a total of 1,445 million USD. At 2015 year-end, some of the claims that DLF Associates estimated were recoverable were undergoing arbitration; therefore, based on IAS 37 (paragraphs 31 to 35), these 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. By business areas, these are as follows:

- Services.
  - Provisions for greenhouse gas emissions by several power companies (C.E. Puente del Obispo, C.E. Pata de Mulo, 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.
  - In 2013 the government published Royal Legislative Decree 2/2013 of 2 February on urgent measures for the electricity system and the financial sector, followed by Royal Legislative Decree 9/2013 of 13 July 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 Gazette 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 now 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 and reclassified 7.9 million euros as short-term.

- 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 action.

- Concessions

- Based on the concession sector's circumstances and in view of the uncertainties in the regulatory and market conditions, in 2015 the Group recorded non-current provisions amounting to 50.4 million euros (34.5 million euros in 2014) for the contingencies and liabilities that it would have to assume as the shareholder vis-à-vis third parties in the event of an asset impairment at its investees beyond the capital provided.
- The provisions refer to major repairs envisaged in the concession contracts amounting to 8.7 million euros (17.7 million euros in 2014).

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 Authority in the inspection of years 2001 to 2003. Appeals ran their entire course, and the outcome was unfavourable to the Company. There were no significant changes in 2015.

## 20.2. Current provisions

Movements in this heading in 2014 and 2015 were as follows:

2014 Thousands of euros	Balance at 31 December 2013	Chg. In operating provisions	Additions	Disposals		Reclassif. and transfers	Exchange rate effect	Changes in scope of consolidation	Balance at 31 December 2014
				Reversals	Amounts used				
Current provisions	265,360	(32,251)	41,573	(4,131)	0	45,357	0	0	315,908
<b>Reconciliation</b>									
Chg. Operating provisions		(32,251)	0	0	0	0	0	0	
Transfer from non-current provisions		0	0	0	0	45,357	0	0	
Other responsibilities (income statements by nature)		0	41,573	0	0	0	0	0	
Other trade provisions (income statements by nature)		0	0	(4,131)	0	0	0	0	
	265,360	(32,251)	41,573	(4,131)	0	45,357	0	0	315,908
<b>2015</b> Thousands of euros	<b>Balance at 31 December 2014</b>	<b>Chg. In operating provisions</b>	<b>Additions</b>	<b>Disposals</b>		<b>Reclassif. and transfers</b>	<b>Exchange rate effect</b>	<b>Changes in scope of consolidation</b>	<b>Balance at 31 December 2015</b>
Current provisions	315,908	36,789	5,912	(32,651)	(54,914)	(22,332)	(2,412)	(52)	246,248
<b>Reconciliation</b>									
Chg. Operating provisions		36,789	0	0	0	0	0	0	
Transfer from non-current provisions		0	0	0	0	(22,332)	0	0	
Other responsibilities (income statements by nature)		0	5,912	(29,577)	(54,914)	0	(2,412)	(52)	
Other trade provisions (income statements by nature)		0	0	(3,074)	0	0	0	0	
	315,908	36,789	5,912	(32,651)	(54,914)	(22,332)	(2,412)	(52)	246,248

In 2014, the recognition of current provisions corresponded mainly to the provisioning, through operating expenditure, for the completion, withdrawal and loss of construction work by Chilean construction companies totalling 43.6 million euros. The general criteria for recognising these provisions are described in Note 3.

The Sacyr Group Parent's traffic provisions at the end of 2015, in the amount of 116 million euros (140 million euros in 2014), relate mainly to coverage of the potential risks it had to undertake as shareholder of the Madrid radial motorways in relation to the legal proceedings filed by third parties, along with possible impairment of the guarantees furnished by the Parent to its investees in the area of property development, which may not be recoverable based on trends in business appraisals.

## 21. Contingent liabilities

The Group assesses its obligations and liabilities by considering the potential obligations arising from past events the existence of which must be confirmed by uncertain future events beyond the Group's control as "contingent liabilities". At 31 December 2014 and 2015 there were no material 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 2014 and 2015 Group companies had provided guarantees of 2,164,359 thousand euros and 2,369,596 thousand euros, respectively. The breakdown of guarantees provided in each segment is as follows:

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
<b>TOTAL</b>	<b>514,221</b>	<b>393,663</b>	<b>607,092</b>	<b>649,383</b>	<b>2,164,359</b>

2015 <i>Thousands of euros</i>	Financial guarantees		Technical guarantees		TOTAL
	Spain	Business abroad	Spain	Business abroad	
Holding	78,262	134,181	32,244	243,092	487,779
Construction	69,937	253,029	276,049	527,196	1,126,211
Concessions	1,824	18,735	50,937	315,549	387,045
Valoriza	3,564	27,115	207,941	112,404	351,024
Vallehermoso	5,298	0	12,239	0	17,537
<b>TOTAL</b>	<b>158,885</b>	<b>433,060</b>	<b>579,410</b>	<b>1,198,241</b>	<b>2,369,596</b>

In the construction divisions, these were performance guarantees signed up on contracts with customers and tenders, and any advances received.

In the Concessions division, a distinction is made 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 construction contracts.

In the Real Estate Development division (Vallehermoso Group), a distinction is made between:

- Technical guarantees, relating to the contracts for construction 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.

The holding's technical guarantees mainly concern the project to build the third set of locks on the Panama Canal.

The amount of the guarantees and collateral posted by Sacyr directly or indirectly via Grupo Unidos por el Canal, S.A. (GUPC) for construction of the third set of locks on the Panama Canal is as follows:

<u>Guarantees (millions of USD)</u>	<u>Guarantee by Sacyr</u>
Corporate credit guarantee granted to GUPC	173.3
Guarantee for the payment of suppliers and employees	21.7
Advances	359.4
Guarantees at 31 December 2014	554.4
Partial cancellation of corporate credit guarantee granted to GUPC	(49.2)
Advances	12.3
Guarantees at 31 December 2015	517.5

By virtue of the contract, the GUPC members undertake a joint and several guarantee vis-à-vis the ACP (Panama Canal Authority), as stated in clause 1.7A of the contract, to a maximum amount of 600 million USD.

No liabilities other than those recorded and described in these notes to the consolidated financial statements that would result in an outflow of resources for the Group are expected to arise.

## 22. Bank borrowings

The table below shows the Group's bank borrowings by divisions at year-end 2014. Repayment dates are classified in the consolidated statement of financial position in accordance with the accounting regulations applicable, which explains the differences with this schedule made solely based on their contractual maturity:

2014	2015	2016	2017	2018	2019	Subsequent years	TOTAL BORROWINGS
Sacyr	401,864	330,814	5,705	5,388	259,356	21,625	1,024,752
- Bank 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
Sacyr Group (Concessions)	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
Somaque 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
<b>TOTAL DEBT PAYABLE</b>	<b>3,423,826</b>	<b>867,709</b>	<b>217,029</b>	<b>961,491</b>	<b>340,287</b>	<b>1,120,388</b>	<b>6,930,730</b>
Transaction costs to be distributed	0	0	0	0	0	0	(73,565)
<b>TOTAL DEBT</b>	<b>3,423,826</b>	<b>867,709</b>	<b>217,029</b>	<b>961,491</b>	<b>340,287</b>	<b>1,120,388</b>	<b>6,857,164</b>
Grupo Vallehermoso (1)	73,286	2,703	11,706	482	0	2,563	90,740
<b>TOTAL DEBT PAYABLE</b>	<b>73,286</b>	<b>2,703</b>	<b>11,706</b>	<b>482</b>	<b>0</b>	<b>2,563</b>	<b>90,740</b>

Figures include 68 million euros of accrued unpaid interest.

(1) In Vallehermoso's figures, accounting classification by term differs from the contractual maturities owing to the classification of debt associated with inventories as current debt.

Gross financial borrowings at 31 December 2014 amounted to 6,857 million euros, down by 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 reduced borrowing 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 concessionaires Hospital de Parla, S.A. and Hospital del Noreste, S.A. Testa completed the sale of its 32% interest in Preim Defense 2 and other assets in Madrid: the residential building at Calle Conde de Xiquena and land rights at a home for the elderly. At Valoriza, a 25% stake in the temporary joint venture Aguas de Alcalá, the Olexta and Extragol power plants and certain water concessions in Portugal and Brazil.

Nevertheless, the Group's international expansion required investment in 2014, especially in the infrastructure concession area; this, and maintenance of 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 these transactions.

The detail of the Group's borrowings at 2015 year-end, by divisions and maturities, was as follows:

2015	2016	2017	2018	2019	2020	Subsequent years	TOTAL BORROWINGS
Sacyr	227,906	22,600	66,361	238,020	29,150	18,337	602,374
- Bank borrowings	23,080	22,600	66,361	9,256	3,550	18,337	143,184
- Bonds and other marketable debt securities	204,826	0	0	228,764	25,600	0	459,190
Sacyr Group (Construction)	108,051	6,163	2,932	5,468	3,305	41,441	167,360
Sacyr Group (Concessions) (1)	205,622	95,020	101,761	123,126	181,100	1,261,714	1,968,343
Valoriza Group	104,495	40,239	35,133	34,729	21,696	103,327	339,619
Somague Group	148,084	37,952	17,902	3,685	2,412	3,326	213,361
SVPM (Repsol)	47,659	0	1,627,200	0	0	0	1,674,859
<b>TOTAL DEBT PAYABLE</b>	<b>841,817</b>	<b>201,974</b>	<b>1,851,289</b>	<b>405,028</b>	<b>237,663</b>	<b>1,428,145</b>	<b>4,965,916</b>
Transaction costs to be distributed	0	0	0	0	0	0	(43,001)
<b>TOTAL DEBT</b>	<b>841,817</b>	<b>201,974</b>	<b>1,851,289</b>	<b>405,028</b>	<b>237,663</b>	<b>1,428,145</b>	<b>4,922,915</b>
Grupo Vallehermoso (2)	23,503	11,500	0	435	0	1,675	37,113
<b>TOTAL DEBT PAYABLE</b>	<b>23,503</b>	<b>11,500</b>	<b>0</b>	<b>435</b>	<b>0</b>	<b>1,675</b>	<b>37,113</b>

Figures include 40 million euros of accrued unpaid interest.

- (1) At Sacyr Concesiones current bank borrowings include all Viastur's financial data as the coverage ratio used to service the debt is lower than that stipulated in the contract. Debt maturities are classified according to contractual maturities.  
(2) In Vallehermoso's figures, accounting classification by term differs from the contractual maturities owing to the classification of debt associated with inventories as current debt.

Debt maturities are classified in the consolidated income statement based on the applicable accounting standards, which explains some differences with this schedule made solely based on their contractual maturity, except in the case of Viastur, where all borrowing was classified as short term.

Gross financial borrowings at 31 December 2015 amounted to 4,923 million euros, down by 1,934 million euros against borrowings of 6,857 million euros at 31 December 2014.

In 2015, through a number of operations (sale of shares, shared dividends, share capital reductions and increases), Sacyr S.A. sold its 77.01% in Testa Inmuebles en Renta, Socimi, S.A. to Merlin Properties. Sacyr received 1,555 million euros from the sale of shares.

Bank borrowings fell in 2015 by almost 2,000 million euros, chiefly due to the sale of Testa, which reduced debt and wrote off Group borrowings.

The loan for Sacyr Vallehermoso Participaciones Mobiliarias S.L.U.'s stake in Repsol was refinanced in the first half of 2015 - the final repayment date was extended to 31 January 2018, in the amount of 2,265 million euros.

Also in 2015, Sacyr Vallehermoso Participaciones Mobiliarias S.L.U., the special-purpose vehicle which owns 8.48% of Repsol, S.A., received two dividends against 2014 earnings totalling 116.83 million euros.

Subsequently, in July Sacyr Vallehermoso Participaciones Mobiliarias S.L.U. made an early repayment of 611 million euros to reduce the principal on the loan to 1,654 million euros.

Sacyr Concessions increased its gross borrowing in 2015 for several reasons; the first reason was the change to the consolidation method used to account for a number of concession operators, amounting to 561 millions euros, the second was international expansion requiring greater investment, and thirdly divestment of the 30% stake in the Antofagasta Hospital in

Chile, and its 49% holding in the Chilean concession operator "Ruta Limarí". Sale of these assets reduced debt by 24 million euros.

At 31 December 2014, the Group's financial borrowings were summarised under the following headings and each division had the following basic characteristics:

<i>Millions of euros</i>	Amount	Current average interest rate	Date of next interest rate review	Interest rate review period
Loan for Repsol acquisition	2,265	4.16%	30/01/2015	6 months
<b>Other debt</b>				
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 leases	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	-	-	-
<b>TOTAL</b>	<b>6,857</b>			

Borrowings in connection with the Repsol stake, the largest amount, are fully included in the special-purpose vehicle Sacyr Vallehermoso Participaciones Mobiliarias.

Secondly, debt on the financing of concession projects, where the guarantee received by the lender is limited to the project cash flow and asset value, with limited recourse to shareholders. These guarantees are a usual feature of this kind of financing, and entail pledging the shares of the concessionaire vehicles, along with their major current accounts and collection rights (insurance claims, contracts etc.).

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 collateral from the rental property division. Testa's property leases contributed 92% of the Group's borrowings for lease transactions at 31 December 2014.

Operating working capital needs are financed in the short term by loan/credit lines and sales of trade receivables and intensive strategic investments in capital made by the Group, to be repaid long term, with express financing associated exclusively with them. These investments, along with the non-recourse financing of concession projects, therefore form part of the Group's long-term financing policy.

The main characteristics of borrowings in each division at 31 December 2014 are as follows:

- Holding: The parent company's borrowings included two issues of bonds convertible into the existing ordinary shares and/or convertible into new shares of the issuer, targeting European institutional investors. The first 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 of 250 million euros - 2,500 bonds, each in the amount of 100,000 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 holders 40 days after the closing date and until the end 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. The initial conversion price was 5.725 euros.

Bank borrowings, which all have variable rates, include 245 million euros from bank loans linked to Itinere's shares as available-for-sale financial assets, 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): Bank borrowings totalled 354 million euros, the same amount as at 31 December 2013, they are all variable-rate, and 70% of them fall 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 borrowings come from activity outside Spain.
- Concessions: 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. Divestments were carried out in 2014, with the consequent reduction in borrowing related to the assets disposed of, but the division's investment 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 concession operators Hospital de Parla, S.A. and Hospital del Noreste, S.A., and the remaining 51% was accounted for using the equity method. The overall effect meant that borrowings decreased by 216 million euros.

- Property (Testa Group): gross borrowings decreased to 1,711 million euros against 1,846 million euros at 31 December 2013, due to application of the funds obtained from the divestments made in the year, as part of the division's selective asset turnover policy. 78% matured from 2018 onwards. Debt of the property management business was serviced with the cash flows generated from rentals thanks to the buildings' high occupancy rates. In 2014 the division sold its 32% interest in Preim Defense 2 and other assets in Madrid: the residential building at Calle Conde de Xiquena and land rights at a home for the elderly.
- Residential development (Vallehermoso Group): The booking of Vallehermoso as an available-for-sale non-current asset led to the reclassification of its financial borrowings under "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 sales of land and work completed during the year, the result of agreements drawn up with banks, and the orderly liquidation process of property development 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 structured financing and debt in connection with construction work and contracts. They decreased by 15% due to the proceeds on the sale of some concessions in Portugal and Brazil, 25% of the stake in the Aguas de Alcalá joint venture and the power companies Olextra and Extragol.

Structured debt accounted for 58% of the total, 70% of which, in turn, was hedged against interest rate increases. Structured debt was 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 in relation to construction work and contracts make up the remaining 42% of debt.

This financing is corporate, and funds 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 122,208,433 shares representing 9.05% of the share capital of Repsol, S.A. were held in the Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U. vehicle. In 2014, 139 million euros were redeemed early following full application of the extraordinary dividend of 122 million euros received from Repsol, S.A.

The cost of this loan, signed up in 2006 and novated in 2011, with floating interest rates, is tied to Euribor, and is reviewed twice a year, with an additional spread of 350 basis points. In January 2013 an IRS was arranged to hedge financing, safeguarding more than 60% of funding against interest rate increases. The cost of the hedged loan at 31 December 2014 was 4.16%.

In order to comply with the terms of the contract to guarantee associated debt, the value to loan ratio had to be above 150%. At 31 December 2014, the shares of Repsol, S.A., Testa Inmuebles en Renta, Socimi, S.A. and Valoriza Gestión, S.A.U. were pledged to guarantee compliance with this 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 - along with the added pledge of the other assets, this put the ratio above the level required, allowing the Group to remove surplus guarantees.

Subsequent to 2014 year-end, Sacyr reached an agreement with almost the entire banking syndicate to refinance the loan, extending its maturity to 31 January 2018 under favourable market conditions.

In addition to the pledges described above, other guarantees were granted by the Sacyr Group to the lending parties in the concession project financing arrangements. These guarantees, typical in such arrangements, entail pledging the shares of the special-purpose concession operator 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 the nature of those borrowings, at 31 December 2015:

<i>Millions of euros</i>	Amount	Current average interest rate	Date of next interest rate review	Interest rate review period
Loan for Repsol acquisition	1,654	2.95%	30/01/2016	6 months
<b>Other debt</b>				
Credit facilities	282	5.99%	As per facility	1,3,6,12 months
Loans	297	3.02%	As per loan	1,3,6,12 months
Concession project finance	2,159	5.44%	As per loan	1,3,6,12 months
Mortgage loans and leases	26	4.14%	As per loan	1,3,6,12 months
Bonds and other marketable debt securities	453	5.07%	-	Fixed
Other and accrued unpaid interest	52	-	-	-
<b>TOTAL</b>	<b>4,923</b>			

Financing of concession projects represents the major portion of financial debt, where the guarantee received by the lender is limited to the project cash flow and asset value, with limited recourse to shareholders. These guarantees are habitual practice in this kind of financing, and entail pledging the shares of the concession operators, their major current accounts and collection rights (insurance claims, contracts etc.).

Borrowings in connection with the Repsol stake, after the early redemption in 2015, are the second largest item in the special-purpose vehicle Sacyr Vallehermoso Participaciones Mobiliarias.

Sacyr Construcción, S.A.U. guarantees mortgage loans in the amount of 5.1 million euros and leases in the amount of 1.3 million euros. The credit rights generated by sale of the mortgaged land were also pledged in favour of the bank. The proceeds of the sale will be used to cancel the mortgage loans ahead of schedule.

In May 2015 Sacyr S.A. issued 26.2 million euros in a 5-year bond issue. This, along with the two bond issues in previous years, increased financial debt at year-end to 453 million euros.

Working capital requirements are financed by credit/loan lines and sales of trade receivables. Capital-intensive strategic investments made by the Group where returns are generated in the long term have their own project finance. These investments and the concession projects form part of the Group's long-term financing policy.

The main characteristics of borrowings in each division at 31 December 2015 were as follows:

- Holding: The parent company's financial borrowings include 4,000 bonds issued in April 2011 for a total nominal amount of 200 million euros targeting 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 swapped by holders for existing shares, and/or converted into new ordinary shares of the issuer during the conversion period. The initial swap or conversion price at year-end was 8.24 euros. In May 2014 the company launched the second issue of 250 million euros - 2,500 bonds, each in the amount of 100,000 euros, maturing on 8 May 2019, and paid with a 4% fixed annual nominal coupon on a quarterly basis. The initial swap or conversion price at 31 December 2015 was 5.444 euros.

On 7 May 2015, Sacyr S.A. launched an issue of simple bonds in the amount of 26.2 million euros, maturing at five years on 7 May 2020, with an annual 4.5% coupon payable.

Floating-rate bank debt amounted to 142 million euros, consisting of working capital credits and corporate loans used by Sacyr S.A. to coordinate and provide financial management as the Group's parent.

- Sacyr Vallehermoso Participaciones Mobiliarias S.L. (SVPM): gross debt of 1,670 million euros, associated with the Repsol holding. This loan was novated in the first half of 2015, and the repayment date was extended to 31 January 2018. The capital outstanding at year-end 2015 was 1,654 million euros. Dividends received from the Repsol holding are used to service this debt. The IRS acting as a hedge against higher interest rates, with a notional amount of 1,500 million euros, fell due on 31 January 2015, and no hedges have been arranged subsequently to date.

In order to comply with the terms of the guarantee contract concerned associated debt, the value to loan ratio must be above 130%. At 31 December 2015 the rate was 146%. The assets pledged as a guarantee are all the shares in Repsol, S.A. and shares in other Sacyr group companies.

- Construction (Sacyr and Somague): Bank borrowings totalled 381 million euros, all bearing floating interest, 67% of which were repayable at 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 68% of the borrowings come from activity outside Spain.
- Concessions (Sacyr Concesiones): This heading includes financing for concession projects which, at 31 December 2015, totalled 1,932 million euros; 50% of this lending was hedged against interest rate increases. It will be repaid with cash flow from the concessions and 90% is contractually due from 2017 onwards. Projects outside Spain, i.e. Chile, Portugal and Ireland, account for 46% of the division's borrowings.

The debt of Sacyr Concessions rose by 70% against debt of 1,141 million euros at 31 December 2014.

The increase was mainly brought about because a number of concession operators were fully consolidated, whereas at 31 December 2014 they had been consolidated using the equity method. The reason for the revaluation, conducted in accordance with IFRS 10, was amendments to shareholders' agreements altering the control of Autovía del Arlanzón, Hospital de Parla, S.C., Palma Manacor, Hospital del Noreste, Intercambiadores de Transportes de Moncloa, Hospital del Noreste, Intercambiadores de Transportes de Moncloa y Plaza Elíptica, Autovía del Turia and Autovía del Noroeste.

Secondly, debt was also considerably increased by investment by the division abroad, especially in Chile.

Thirdly, debt was reduced by divestment of the 30% stake in the Antofagasta Hospital and the 49% stake in Sociedad Concesionaria "Ruta del Limari", both in Chile.

- Services (Valoriza Group): distributes 339 million euros of the gross borrowings reported at 31 December 2015 in two blocks. Firstly, structured lending, which represents 50% of the total, 79% of which is in turn hedged against interest rate increases. This is structured debt undertaken by the water treatment, renewable energy and environmental services concession businesses, serviced by cash flows generated by the concessions.

Secondly, borrowings in connection with construction work and contracts account for the remaining 54% of debt. This financing is corporate, and funds the net working capital arising from the operation of service agreements.

Projects abroad on water distribution and treatment at Somague Ambiente in Portugal account for 18% of Valoriza's gross borrowings.

A total of 69% of the 339 million euros is repayable from 2017 onwards.

- Property (Testa Group): The sale of 77.01% of Testa shares brought down gross financial debt, which totalled 1,711 million euros at 31 December 2014.
- Residential development (Vallehermoso Group): The Group continues to draw up agreements with creditors, and at 31 December 2015 gross debt stood at 37 million euros, down by 59% compared to year-end 2014.

The Sacyr Group has non-euro borrowings taken out by companies where cash flows are also generated in foreign currency, thereby providing a natural hedge against currency risk. The breakdown of the Group's consolidated borrowings at 31 December 2015 and 2014 is as follows:

*Thousands of units*

Company	Type of financing	Loan currency	2015. Foreign currency	2015. Thousands of euros	2014. Foreign currency	2014. Thousands of euros
Sacyr Concesiones Chile	Project financing	CLP	8,752,372	11,371	11,711,449	15,955
Sacyr Conc.Valle del Desierto (clp)	Project financing	CLP	114,248,825	148,431	122,562,457	166,972
Rutas del Desierto (link roads to Iquique)	Project financing	CLP	80,303,844	104,330	68,410,128	93,198
Soc. Conc. Bio Bio (Concepción-Cabrero)	Project financing	CLP	141,769,036	184,185	102,289,283	139,353
Sacyr Operaciones y Servicios	Project financing	CLP	0	0	316,367	431
Ruta del Algarrobo (Aut. Serena-Vallenar)	Project financing	CLP	156,671,392	203,546	111,456,583	151,842
Sacyr Chile	Discount/Factoring	CLP	35,399,733	45,991	0	0
Sociedad Concesionaria Salud Siglo XXI	Project financing	CLP	48,148,439	62,554	18,123,935	24,691
Sociedad Concesionaria Ruta del Limarí	Project financing	CLP	18,741,669	24,349	7,169,271	9,767
<b>Chile</b>			<b>604,035,310</b>	<b>784,757</b>	<b>442,039,472</b>	<b>602,209</b>
Sacyr Construccion Panamá	Working-capital loans	USD	4,951	4,556	0	0
<b>Panamá</b>			<b>4,951</b>	<b>4,556</b>	<b>0</b>	<b>0</b>
Sainca	Working-capital loans	USD	15,119	13,914	0	0
Concesionaria Vial Sierra Norte	Project financing	USD	84,178	77,469	0	0
<b>Perú</b>			<b>99,297</b>	<b>91,383</b>	<b>0</b>	<b>0</b>
Sacyr Construction (Qatar)	Corporate loan	QAR	50,993	12,890	0	0
Sacyr Construction (Qatar)	Working-capital loans	QAR	16,702	4,222	0	0
<b>Qatar</b>			<b>67,695</b>	<b>17,112</b>	<b>0</b>	<b>0</b>

Maturity schedules for non-euro borrowings of companies operating in Chile in 2015 and 2014 are as follows:

<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

<i>Thousands of euros</i>	2016	2017	2018	2019	Subsequent years	Total
2015	82,333	17,878	28,968	33,872	621,706	784,757

For Colombia:

<i>Thousands of euros</i>	2015	2016	2017	2018	Subsequent years	Total
2014	0	1,826	0	0	0	1,826

For Peru:

<i>Thousands of euros</i>	2016	2017	2018	2019	Subsequent years	Total
2015	14,088	22,369	16,087	14,042	24,797	91,383

For Qatar:

<i>Thousands of euros</i>	2016	2017	2018	2019	Subsequent years	Total
2015	17,112	0	0	0	0	17,112

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 financial borrowings at 31 December 2015 was 4.50%, compared to 4.20% at 31 December 2014; this change was mainly due more to the composition of the base debt arising from cancellation of Testa debt, the cost of which was less than the Group average, and the greater financial cost of concession projects.

The limit of the Group's working capital credit facilities at 31 December 2015 was 613,857 thousand euros, of which 281,983 thousand euros had been drawn down and accordingly, the Group has unused committed credit facilities available in the amount of 331,874 thousand euros.

At 31 December 2014, the limit on the Group's credit facilities was 545,044 thousand euros, of which 407,939 thousand euros had been drawn down and 137,105 thousand euros were unused.

### 23. Non-current payables

The breakdown of "Non-current payables" in 2015 and 2014 was as follows:

<i>Thousands of euros</i>	2015	2014
Bills of exchange payable	0	2
Other payables	285,554	216,431
Guarantees and deposits received	2,933	27,454
<b>TOTAL</b>	<b>288,487</b>	<b>243,887</b>

"Other payables" mainly comprises payables to suppliers of property, plant and equipment where payment does not fall due for more than a year. In 2015 and 2014, the main balances were provided by Autopista del Guadalmedina Concesionaria Española, S.A., which recognise the subordinated and participating loans granted by the company's other partners. The increase in 2015 was mainly caused by the change in the consolidation method used for Autovía del Arlanzón, S.A., which was accounted for using the equity method in 2014 but fully consolidated in 2015.

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), the interest rates for which are expected to be more favourable to the concession operators. The Group partially hedges the financing based on the arranged derivatives; notional derivatives account for an average of 84% of the principal of the underlying debt.

In 2014, hedged financing and the hedging instruments used could be stated as follows:

	HEDGED ITEM		HEDGE		
	Principal	Benchmark rate payable	Nature	Notional	Benchmark rate hedged
<i>Thousands of euros</i>					
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)
<b>TOTAL</b>	<b>3,151,006</b>			<b>2,232,017</b>	

(1) ICP: "Indice Cámara Promedio"

The main financing lines hedged and the instruments used to hedge them at year-end 2015 were as follows:

	HEDGED ITEM		HEDGE		
	Principal	Benchmark rate payable	Nature	Notional	Benchmark rate hedged
<i>Thousands of euros</i>					
Loans to finance concession projects and others	1,207,465			1,009,380	
Services (Utilities)	156,109	Euribor	IRS	136,614	Euribor
Infrastructure (Motorways, Hospitals, transport hubs)	1,051,356	euribor/ICP (1)	IRS /CCS	872,766	euribor/ICP (1)
<b>TOTAL</b>	<b>1,207,465</b>			<b>1,009,380</b>	

(1) ICP: "Indice Cámara Promedio"

The changes in the notional amounts of derivatives tied to hedge and speculative financing at 31 December 2014 and 2015 were as follows:

<i>Thousands of euros</i>	CHANGE 2014			
	Notional at 31-12-13	Change in current instruments at 31 December 2013	New instruments	Notional at 31-12-14
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
<b>TOTAL</b>	<b>2,496,631</b>	<b>(185,879)</b>	<b>20,836</b>	<b>2,331,588</b>

<i>Thousands of euros</i>	CHANGE 2015			
	Notional at 31-12-14	Change in current instruments at 31 December 2014	New instruments	Notional at 31-12-15
Loan for acquisition of shares in Repsol	1,500,000	0	(1,500,000)	0
Mortgage loans (Testa)	118,700	0	(118,700)	0
Loans to finance service concession projects	148,116	0	(11,502)	136,614
Loans to finance infrastructure concession projects	564,772	20,836	375,836	961,444
<b>TOTAL</b>	<b>2,331,588</b>	<b>20,836</b>	<b>(1,254,366)</b>	<b>1,098,058</b>

The market value of the derivatives contracted by the Group, recognised at 31 December 2015, entails a net liability of 151.9 million euros. Balances at year-end 2014 and 2015, and movements in financial asset and liability instruments, both hedging and speculative, were as follows:

<i>Thousands of euros</i>	31-12-13	Movement	31-12-14	Movement	31-12-15
Hedging instruments	(119,968)	(3,923)	(123,891)	(38,354)	(162,245)
Speculative instruments	(4,545)	(4,320)	(8,865)	(4,568)	(13,433)
Call/put options (Guadalmedina, Itinere)	(13,698)	37,090	23,392	359	23,751
	(138,211)	28,847	(109,364)	(42,563)	(151,927)
Financial assets	2,459	(746)	1,713	12,228	13,941
Financial liabilities	(126,972)	(7,497)	(134,469)	(55,150)	(189,619)
Call/put options (Guadalmedina, Itinere)	(13,698)	37,090	23,392	359	23,751
	(138,211)	28,847	(109,364)	(42,563)	(151,927)

The net value of the put and call options on Guadalmedina and Itinere, the market value of which at 31 December 2015 entails an asset of 23.8 million euros, is not recognised as a hedging instrument.

The valuations of the instruments, not including the aforementioned options, represent net overall liabilities of 175.6 million euros and account for their full 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 13.4 million euros were reclassified as speculative instruments at 31 December 2015, recognised in the year's earnings.

The instruments recorded as hedge transactions for financing account for net liabilities of 162.2 million euros. Of these, 157.8 million euros are pending application to the income statement. The remaining 4.4 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 recognition of part of the valuation in the earnings for the year and previous years.

The valuations of the interest rate derivatives, mostly 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 accordance 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 2015, and the volatility curve of the caps and swaptions on the different strikes.

The technique used at 31 December 2015 to calculate the valuations in accordance with the market curve did not vary with respect to that used at 31 December 2014. In the case of options, an insignificant percentage within the Group, their intrinsic value is separated from their temporary value - the latter is affected by volatilities, with a direct impact on results. With this mechanism, the valuations were obtained without considering the credit risk.

On 1 January 2013, IFRS 13 came 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 this involves derivatives the market value of which 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 12.5 million euros was appraised and recognised in this regard. Without adjusting the credit risk, the valuation of the financial instruments would represent a net liability of 188.2 million euros instead of the 175.6 million euros recognised at 31 December 2015.

At 31 December 2014, the net positive adjustment was 16.7 million euros, without which the net liabilities would have totalled 149.5 million euros instead of the 132.8 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 default by each counterparty. The implicit probability of 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 as overhedged. 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 against the year's earnings.

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 a 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% and 100% and, in the second place, the slope of the regression line which must lie between 0.8 and 1.25. If the hedge is not 100% effective but is within 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 undertaken 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 2015 and 2014.

The breakdown is shown below of the maturity at year-end 2015 and 2014 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 portion, since the ineffective portion and that related to the speculative derivatives were already included in them.

2014 <u>Thousands of euros</u> DERIVATIVES	Valuation	Notional	Notional					Subsequent
			2015	2016	2017	2018	2019	
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 thousand euros. As a result of the partial ineffectiveness of several hedges at year-end 2014, an outstanding amount of 120,147 thousand euros (14,495 thousand maturing in 2015) 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.

2015 <u>Thousands of euros</u> DERIVATIVES	Valuation	Notional	Notional					Subsequent
			2016	2017	2018	2019	2020	
Interest rate derivatives	(157,803)	1,085,362	(42,163)	(160,163)	(110,086)	(166,664)	(64,942)	(541,344)
-Cash flow hedges (1)	(157,803)	996,683	(34,392)	(150,919)	(95,654)	(149,648)	(43,589)	(522,482)
-Other non-hedge derivatives	0	88,679	(7,771)	(9,244)	(14,432)	(17,016)	(21,353)	(18,862)

\* 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 162,244 thousand euros. As a result of the partial ineffectiveness of several hedges at year-end 2014, an outstanding amount of 157,802 thousand euros (10,318 thousand maturing in 2016) was pending recognition in profit and loss. The other 4,441 thousand euros was recognised in the income statement of this year and of previous years.

The expected schedule for future application to the income statement of the valuation of the instruments recognised as hedges, as explained above, is as follows.

<u>Thousands of euros</u>	2014
2015	(14,495)
2016	(21,603)
2017	(16,669)
2018	(13,168)
2019	(8,583)
2020 and subsequent years	(45,629)
<b>TOTAL</b>	<b>(120,147)</b>

<u>Thousands of euros</u>	2015
2016	(24,856)
2017	(26,712)
2018	(25,606)
2019	(20,626)
2020	(13,866)
2021 and subsequent years	(46,137)
<b>TOTAL</b>	<b>(157,803)</b>

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: trading price (unadjusted) on 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. arising from prices); and
- Level 3: variables that are not based on observable market data (non-observable variables).

2014 <u>Thousands of euros</u>	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
2015 <u>Thousands of euros</u>	Level 1	Level 2	Level 3
Financial assets measured at fair value	0	37,693	772,389
	0	37,693	772,389
Financial liabilities measured at fair value			
Hedging derivatives	0	189,619	0
Liabilities associated with non-current assets held for sale	0	0	224,186
	0	189,619	224,186

Financial assets and liabilities measured at fair value decreased in 2014, due mainly to the smaller amount contributed to both items by the Vallehermoso Group.

In 2015 there was an increase in financial assets and liabilities measured at fair value, due mainly to consideration of the 22.6% stake still held by the Group in Testa as a non-current asset held for sale.

In 2014 and 2015, there were no significant transfers between levels in the fair-value hierarchy.

#### 24.1. Other options

Apart from the financial instruments described above, there are other options such as the following:

1. Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A.

Selling options were granted to non-controlling shareholders of the Company, with the following characteristics:

- Date granted: 31 May 2007

- 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 authority concerned, the non-controlling interests will have the option to sell their respective shares (plus subordinated 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 Euribor at one year, plus 0.50 point, provided that the transfers are authorised by the authority concerned, in line with the provisions in this regard 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 that is not attributable to the concession operator, which substantially affects the project's viability."

- Amount: "The transaction price will be determined by the arithmetic average of the appraisal drawn up by two investment banks (among the seven main banks operating in Spain) appointed by mutual agreement of the parties. It will be determined from the end of the construction period."
- Exercise dates: "Non-controlling interests may sell their shares in the company to Sacyr-Itinere, which will be obliged to buy them within 6 months of the end of the first tax year following the approval date of the start-up of Murcia International Airport by the competent authorities.

If the 6-month period referred to in the preceding paragraph elapses and the non-controlling interests have failed to provide reliable notification of their decision to sell their shares, Sacyr-Itinere will be released from the obligation to purchase the 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 in the amount of 5.2 million euros. The Group considered that it was 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 fulfilled, either because it meant that an unconditional obligation no longer existed or that there was a disagreement concerning 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, corresponding to the present value of the amount to be repaid in the event of exercise of the sale options. The amount recognised was included in "Bank borrowings".

The outcomes of two of the three arbitration proceedings were favourable to the Sacyr Group. In 2013 the Group cancelled the provision recognised in 2012.

The Group estimates that the debt valuation of these options is zero for both 2014 and 2015.

2. Autovía del Barbanza, Concesionaria de la Xunta de Galicia, S.A.

A selling option had been granted to the company's non-controlling shareholders at the end of 2014. The shareholders' agreement was drawn up on 1 June 2012, and the conditions were as follows:

- o The non-controlling shareholder was entitled to exercise the sale option on all or part of the shares at any time from 31 May 2015 onwards, on one or several occasions, up to 24:00 h on 31 May 2016.
- o The price per share is the result of dividing the full investment made by the company's non-controlling shareholder (Autovía de Barbanza), as capital or similar to Euribor at 12 months plus one percentage point from the disbursement date until the payment date, divided between the number of shares held by it at each point.
- o Simultaneous to the granting of the deed of purchase entailing the separation of the shareholder, Sacyr Concesiones, S.L.U. would be subrogated to the debtor position in the loan agreements held by it vis-à-vis the company.

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 of exercise of the put options. The amount recognised was included under "Other non-current liabilities" in the amount of 1.2 million euros at year-end 2014.

Finally, on 15 June 2015, Abanca Corporación Industrial y Empresarial, S.L. (which had held the put option up to that point) notified the Group of the exercise of its put option for 10% of share capital and, after obtaining authorisation to do so from the grantor authority, the sale of the shares was recorded on a public deed on 23 July 2015.

At year-end 2015, therefore, there were no ongoing put options concerning Autovía del Barbanza Concesionaria la Xunta de Galicia, S.A.

3. Autopista de Guadalmedina, Concesionaria Española, S.A.

Put options were granted in favour of the company's non-controlling shareholders. The shareholders' agreement was drawn up 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 was recorded in a public deed for 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), which owns 30% of Autopista del Guadalmedina, Sociedad Concesionaria, S.A. This agreement establishes that Sacyr Vallehermoso, S.A. will guarantee a minimum return on the capital outlay, provided UNICAJA continues to own at least 15% of the concession operator. A put option was also agreed on the participating loans, to be exercised between 1 January 2015 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 holds a 30% stake. 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 On 22 September 2015 UNICAJA notified the Group of the exercise of its put option on the participating loans. On 19 November 2015, transfer of the participating loans from UNICAJA to Sacyr, S.A. was recorded on a public deed, with deferred payment.

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 of exercise of the put options. The sum recognised was included under "Other non-current liabilities" in the amount of 41.6 million euros (39.8 million euros in 2014).

## 25. Trade and other payables and current payables to associates

The breakdown of "Trade and other payables" in 2015 and 2014 was as follows:

<i>Thousands of euros</i>	2015	2014
Advances received on orders	296,049	270,053
Certified work pending execution	117,647	105,530
Trade payables	1,046,646	978,968
Bills of exchange payable	193,505	249,797
<b>SUPPLIERS</b>	<b>1,653,847</b>	<b>1,604,348</b>
Bills of exchange payable	1,294	1,267
Other payables	161,075	150,125
Current guarantees and deposits	701	697
<b>OTHER PAYABLES</b>	<b>163,070</b>	<b>152,089</b>
<b>PAYABLE TO EMPLOYEES</b>	<b>27,594</b>	<b>24,105</b>
<b>CURRENT TAX LIABILITIES</b>	<b>90,375</b>	<b>108,654</b>
<b>INCOME TAX PAYABLE</b>	<b>11,809</b>	<b>25,494</b>
<b>TOTAL</b>	<b>1,946,695</b>	<b>1,914,690</b>

"Trade payables" mainly relates to balances from the Construction and Services divisions, which contributed 517,403 thousand euros and 185,853 thousand euros respectively (542,607 thousand euros and 170,588 thousand euros respectively in 2014). Of the construction balance at 31 December 2015 and 2014, 184,591 thousand euros and 208,853 thousand euros respectively corresponded to Sacyr Construcción, S.A.U. and were accrued in the normal course of its business.

This item includes the Group's balances with companies accounted for using the equity method. The largest amount, 184 million euros (203 million euros in 2014), was commercial credits with Italian company SIS S.c.p.A. The Group's investment in the Italian company SIS S.c.p.A. is accounted for using the equity method. It has a stake of 49% in this company, detailed to build and subsequently manage the new Pedemontana-Veneto motorway linking 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.

The increase in "Advances received on orders" is due mainly to developments in the construction business.

"Other tax liabilities" at 31 December 2015 and 2014 mainly consisted of VAT and Corporate Income Tax payable by the Group.

#### 25.1 Average period for payments to suppliers

In accordance with the stipulations of the sole additional provision of the Resolution of 29 January 2016 issued by the Spanish Accounting and Audit Institute (ICAC) on disclosures to be included in the notes to the financial statements with regard to the average payment period to suppliers in commercial transactions, no comparative information is provided, as the 2015 financial statements are regarded as first-time statements for these exclusive purposes in relation to application of the principle of consistency and the comparability requirement.

	Days
Average period for payment to suppliers	45
Ratio of transactions paid	45
Ratio of transactions pending payment	53

  

	Amount (euros)
Total payments made	445,229,786
Total payments outstanding	45,126,343

These amounts do not include payments made to suppliers that are group companies and associates, suppliers of fixed assets or financial lease creditors.

#### 26. Risk management policy

The management control policy implemented by Sacyr Group companies verifies compliance with corporate regulations and procedures established in each of its areas of activity, identifying the risks to which they are exposed and assessing the Group's sensitivity to a range of scenarios caused by changes to current conditions.

The financial risk management policy is conditioned by specific legislation and casuistries of the sectors in which the Group operates and by the situation of finance markets.

The Group's main financial liabilities include financing from banks and trade and other payables. Financial assets include trade and other receivables, and cash and cash equivalents arising directly from the transactions performed. The Group has available-for-sale investments and arranges 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, exchange rates.

At year-end the Group performs impairment tests on all its non-financial assets. However, if any signs of impairment are detected, the recoverable value of the asset will be reassessed in order to identify the scope of the impairment loss.

Group policy does not permit speculative trading with derivatives.

There follows a summary of each risk:

### 26.1. Credit risk

Credit risk is the risk that one of the counterparties fails to 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 the contract, including a solvency survey. When contracts are performed, it monitors debt on a permanent basis, reviewing recoverable amounts and making the necessary corrections.

Customer concentration risk is mitigated by the Group's diverse customer base, 52% (60% in 2014) of which is backed by public sector bodies (central government, regional governments, local corporations and public-sector companies), as explained in Note 16.

The credit risk of balances with banks and financial institutions is managed by the Group's cash department. Cash surpluses are invested in low-risk liquid instruments at highly solvent entities.

- Rental property: in 2015 the Group sold off its stake in Testa, and therefore is no longer exposed to this risk. In 2014 credit risk from the Group's ordinary operations was 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 default.

Average collection periods (in days) from customers for sales and services rendered, based on the statements of financial position at the reporting date in 2014, were as follows:

Thousands of euros	2014
Trade receivables (net of VAT)	6,969
Revenue	187,977
Average collection period (in days)	14

Credit risk was also mitigated by the wide range of products in which the Group invests, which means it also has a wide customer typology range.

- Infrastructure concessions: credit risk is only slight because revenues are mainly earned from national, regional and local tiers of government in Spain and other countries where the Group operates (see Notes 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 an increase in the working capital requirement, although these receivables are acknowledged and covered by the contractual relationship set out in the various service and concession agreements. In transport infrastructures road tolls are paid in cash, eliminating credit risk from a large portion of the division's revenue.

At year-end, therefore, no financial assets were in default or impaired. Nor had any guarantees been accepted against payment.

- Services: Credit risk in the Services division must be analysed individually for the Group's different businesses. The different types of service customer are described in Note 16. Valoriza (Services division) has four main areas of activity.

#### *Industrial*

The potential credit risk is practically nil, since the Company acts as a holding of other power companies and most of its revenue is earned with the other group companies and as the successful bidder on EPC projects where the customers are usually public bodies.

#### *Environment*

Credit risk can be considered to be minimal since the breakdown of customer receivables is as follows:

- Public sector customers: 85.8% (90.8% in 2014).
- Private customers: 14.2% (9.2% in 2014).

Almost 80.5% of public sector customers are town halls (84% in 2014), with central or regional governments making up the remainder. Credit risk is practically non-existent since, even though public-sector companies are not particularly scrupulous in complying with the contract payment conditions and on occasions default or generate delays, public authorities are not insolvent by nature, and any delays or defaults are compensated with late-payment interest under the law governing public procurement contracts and Royal Legislative Decree 8/2013, and therefore most of the default problems to date at certain companies have been resolved.

Naturally, the balance corresponding to Group companies (joint ventures, investees, and other companies in the Sacyr Group) poses no risk.

Private customers with payables dating back over six months do not present major problems of insolvency, as credit reports are required before most contracts are signed. At the end of each year, provision for doubtful debts is posted 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 collection of the rate. Experience in this business indicates a payment default rate of less than 2%.

#### *Multiservices*

Valoriza Facilities' credit risk can be considered minimal, as 68% of average balances receivable by the Company are from public-sector customers (72% in 2014), 18% from Group customers and associates (21% in 2014) and 14% from private customers (7% in 2014). We feel the Company's structure will continue to feature a larger percentage of public-sector customers in its client base. In the private sector, tougher contracting conditions and proactive collection management produce a minimum 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, central and local government represent 32% of the total (47% in 2014), with Group companies making up the remaining 68% (53% in 2014).

Credit risk is low at Cafestore, since most 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, public institutions, regional governments and local councils, i.e. public sector with good credit ratings.

The entire public sector accounted for 58% of customer receivables at 31 December 2015 (76% at 31 December 2014).

- 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 131 days (139 days in 2014).

At year-end, no significant financial assets were in default or impaired. Nor was it 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 2015 breaks down as follows:

- Sale of housing units: 43.36% (2014: 15.13%)
- Sale of land and provision of services: 54.64% (2014: 84.87%)

An analysis of credit risks requires an understanding the mechanics of the home selling process. The customer pays between 10% and 20% of the price before delivery, and on delivery the customer pays the remainder in cash and undertakes the mortgage loan. Consequently, these sales entail no credit risk.

For land sales, the Group generally collects payment in advance 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 there are any doubts regarding payment, 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 investment based on business plans, which require additional funding, and the excessive concentration of short-term loan repayments which require immediate financing. These circumstances could impair the ability to meet payment obligations, albeit temporarily.

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 short-term debt repayments associated with income-generating assets during the year, such as the concession, rental and urban service assets.

The Group identified the likely scenarios by monitoring and controlling the annual budget and updating its monthly case projections on a daily basis, in order to keep ahead of decision-making.

Factors that help mitigate liquidity risk include recurring cash flow generation by the Group's core businesses and the Group's ability to sell assets. The rotation strategy enables the Sacyr Group to reap the benefits of mature high-quality investment, and to manage the liquidity obtained in the interests of a potential improvement in its competitiveness and profitability.

Obtaining new lines of external finance, either through banks or by placements in the capital market, based on the company's long-term business plans, is still the natural liquidity vehicle to fund investment.

Liquidity risk in each of the Sacyr Group's business areas is as follows:

- Rental property: The Group sold off its stake in Testa in 2015, as explained in Note 2.

The sector in which the Testa Group operated, the investments it made, the finance it secured to make these investments, the EBITDA it generated and the occupancy rates of its buildings made liquidity risk virtually zero, and in some cases the Group was cash positive. Short-term cash surpluses were invested in highly liquid risk-free deposits. The Group did not consider the option of acquiring equity options or futures or any other high-risk deposit as a means of investing its short-term cash surpluses.

Investment in buildings was partly financed using resources generated by the Group and partly through non-current loans. This investment generated sufficient cash flow to meet operating costs, service debt (payment of interest and principal), pay the Group's overheads and provide shareholder returns.

The ratio of net debt to the market value of assets in 2014 was as follows:

<i>Thousands of euros</i>	2014
Financial debt	1,710,790
Financial liabilities	10,585
Current financial investments	(14,075)
Cash and cash equivalents	(21,932)
<b>NET FINANCIAL DEBT</b>	<b>1,685,368</b>
<b>ASSET VALUATION</b>	<b>3,180,075</b>
<b>LOAN TO VALUE</b>	<b>53.00%</b>

The average total occupancy rate for all buildings in 2014 in terms of the number of square metres occupied was 94.8%, and 97% in terms of revenue generation.

- Infrastructure concessions: Liquidity risk is low at the concession operators forming part of 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, concession operators do not require credit facilities. Nevertheless, the Parent company of the Sacyr Concessions 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 ongoing projects 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 as far as possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender undertakes substantially all the transaction risks in exchange for guarantees, with limited recourse to developers or shareholders.

Note 22 provides a detailed breakdown of the maturities of liabilities with banks.

Notes 13 and 24 contain information on the various financial options with non-controlling shareholders and banks.

- Services: liquidity risk in services must be analysed individually for the Group's different businesses.

#### *Industrial*

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 as far as possible, without losing sight of the risk/reward trade-off. Financing tends to take the form of structured project financing where the lender undertakes substantially all the transaction risks in exchange for guarantees, with limited recourse to developers or shareholders.

#### *Environment*

The Company's business requires hefty investment at the beginning of the concessions, including machinery, containers, treatment plants, purifiers and other fixed assets. This investment is 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 investment (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, as noted in (a), public-sector customers are legally solvent, even though they may on occasion be very slow to pay, generating short-term cash requirements. To meet these needs, the Company has its own credit lines, 15.41% of which has now been drawn down (67.5% in 2014). Credit terms offered to customers can be traded via factoring lines or by discounting construction certificates. If non-availability of lines of credit entails some kind of

risk, the Company may negotiate certifications and use the 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 cover 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 finance. The composition of its financial liabilities is as follows:

- Credit facilities and loans: 2%
- Finance leases: 11%
- Government-subsidised loans: 87%

Cafestore has no liquidity risk as it has bank loans and is funded by 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 investment. Nevertheless, particularly as a result of current market volatility, lenders are being affected by liquidity tensions, and this 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 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 took the decision to put up its real estate development division for sale. In this regard, negotiations began in 2013 with banks and other interested parties and the division was recognised as an asset held for sale. Divestment of this area of business was practically complete by 31 December 2015.

### 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 floating-rate and fixed-rate loans, either because they are inherently fixed-rate loans or because they are guaranteed with derivative financial instruments.

Underlying debts requiring greater coverage vis-à-vis interest rate fluctuations are project financing loans and those associated with specific assets since they are

exposed during longer periods, in view of the repayment deadlines, and due to their strong correlation with project cash flows.

The schedule and conditions of these derivatives are tied to the characteristics of the underlying debt they cover, and thus their repayment dates are the same as or slightly ahead of debt, and the notional amount is the same as 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 2015 and 31 December 2014, with a distinction made between fixed-rate and protected borrowings - after consideration of hedging arrangements - and floating-rate borrowings, is as follows:

<i>Thousands of euros</i>	2015		2014	
	Amount	%	Amount	%
Fixed-rate or hedged borrowings	1,562,890	31.75%	2,753,367	40.15%
Floating-rate debt	3,360,025	68.25%	4,103,797	59.85%
<b>TOTAL</b>	<b>4,922,915</b>	<b>100.00%</b>	<b>6,857,164</b>	<b>100.00%</b>

The proportion of fixed-interest loans, because of their nature or since they were protected, fell against 2014 levels to around 32%.

Interest rate risk has been mitigated almost exclusively by the use of derivatives, 94% of which are interest rate swaps. Cross-currency swaps and caps account for a very small percentage.

The generic benchmark interest rate for floating-rate loans is the Euribor. The effect of hedges cushions a 100 bp change in this index by around 30%.

To gauge this impact, pre-tax finance expenditure is recalculated, considering the tax rate in force and that the outstanding balances of borrowings would accrue interest following a 100 bp increase. The same procedure is used with derivatives: taking into account the outstanding notionals, a simulation is performed of the impact of such a change on their variable portion. The aggregate of the two financial settlements indicates the impact on income and therefore on equity.

In 2015 and 2014 a sensitivity analysis was not performed with regard to the rate reduction, since the 3M and 6M Euribor benchmark rates used in most borrowings and derivatives stood at less than 1% and therefore it did 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>	2015		2014	
Borrowing cost at current average rate (Co)	243,909		298,930	
	(Co)+1%	(Co)-1%	(Co)+1%	(Co)-1%
Borrowing cost at average cost +100 bp / -100 bp	281,079	-	340,945	-
Changes in profit	(26,891)	-	(29,640)	-
Changes in equity	(7,490)	-	(3,712)	-

\* Estimate based on the debt at the average interest rate at 31 December 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 a simulation ineffective.

Note 24 on derivative financial instruments addresses their composition and breakdown.

Exchange rate risk: as the Group operates abroad, it is exposed to exchange rate risks on currency transactions, but this had had no major impact at year-end 2015 and 2014. The bulk of foreign investment outside the Eurozone was in Chile and Panama, countries that enjoy considerable economic, political and social stability.

Within this risk category, some attention should be drawn to the impact of currency fluctuations on the translation of the financial statements of foreign entities the functional currency of which is not the euro: corporate policy is to mitigate this risk by means of natural hedging, 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. In these 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 was not deemed material at 31 December 2015.

Slowdown in the real estate sector: Divestment of this area of business was practically complete by 31 December 2014.

Risk to demand for concession projects: the main source of revenue in the motorway concessions business is 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 Group's concession motorways, 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 the use of motor vehicles), 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 due consideration

of traffic flow and the economic growth outlook for the market where each concession operates.

The Group's other concessions mainly focus on water, where the predominant 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 boost 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 geographic 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 implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, in order to minimise or eliminate the consequences. The Group also takes out and renews insurance policies to cover these risks, among others.

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, approved by the Board of Directors, 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 spillages.

#### 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 countries in which the Group operates.

The policy also aims to maintain stable credit ratios and maximise shareholder value.

The Group's gearing at the reporting date 2015 and 2014 is as follows:

<i>Thousands of euros</i>	2015	2014
Gross debt	4,922,915	6,857,164
Cash	(602,822)	(358,475)
Current financial investments	(140,308)	(161,575)
<b>Net debt</b>	<b>4,179,785</b>	<b>6,337,114</b>
<b>Equity</b>	<b>1,911,590</b>	<b>1,326,074</b>
<b>Total equity + net debt</b>	<b>6,091,375</b>	<b>7,663,188</b>
<b>Gearing ratio</b>	<b>68.62%</b>	<b>82.70%</b>
<b>Net debt / equity</b>	<b>2.2</b>	<b>4.8</b>

## 27. Revenue

The breakdown of revenue from the Group's ordinary activities in 2014 and 2015, by division and geographical market, is as follows:

<i>Thousands of euros</i>	Holding	Sacyr Group (Construction)	Concessions Group	Valoriza Group	Sacyr Industrial Group	Vallehermoso Group	Testa Group	Somague Group	TOTAL
Spain	32,510	445,748	37,046	653,000	137,639	0	0	20,832	1,326,775
Portugal	0	0	23,937	33,646	0	0	0	57,219	114,802
Ireland	0	0	1,256	0	0	0	0	2,036	3,292
Angola	0	0	0	0	0	0	0	319,689	319,689
Italy	0	118,056	0	0	0	0	0	0	118,056
Costa Rica	0	131	0	0	0	0	0	0	131
Algeria	0	0	0	10,085	0	0	0	0	10,085
Cape Verde	0	0	0	0	0	0	0	21,265	21,265
Australia	0	0	0	12,268	0	0	0	0	12,268
Brazil	0	0	0	2,390	0	0	0	59,342	61,732
Panama	0	30,920	0	0	0	0	0	0	30,920
Mexico	0	19,954	0	0	1,609	0	0	0	21,563
Bolivia	0	0	0	0	10,541	0	0	0	10,541
Israel	0	0	0	20,882	0	0	0	0	20,882
Mozambique	0	0	0	0	0	0	0	30,989	30,989
Colombia	0	26,252	0	0	24	0	0	0	26,276
Qatar	0	28,632	0	0	0	0	0	0	28,632
Togo	0	0	0	0	0	0	0	42,433	42,433
UK	0	3,116	0	0	212	0	0	0	3,328
Peru	0	22,557	28,283	0	43,505	0	0	0	94,345
India	0	388	0	0	0	0	0	0	388
Chile	0	447,484	328,653	52	0	0	0	0	776,189
<b>TOTAL</b>	<b>32,510</b>	<b>1,143,238</b>	<b>419,175</b>	<b>732,323</b>	<b>193,530</b>	<b>0</b>	<b>0</b>	<b>553,805</b>	<b>3,074,581</b>
<b>Consolidation adjustments</b>	<b>(32,510)</b>	<b>(31,768)</b>	<b>(274,110)</b>	<b>(16,826)</b>	<b>(67)</b>	<b>0</b>	<b>0</b>	<b>(1,234)</b>	<b>(356,515)</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>1,111,470</b>	<b>145,065</b>	<b>715,497</b>	<b>193,463</b>	<b>0</b>	<b>0</b>	<b>552,571</b>	<b>2,718,066</b>
<b>DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>485,789</b>	<b>182,659</b>	<b>0</b>	<b>668,448</b>

  

<i>Thousands of euros</i>	Holding	Sacyr Group (Construction)	Concessions Group	Valoriza Group	Sacyr Industrial Group	Vallehermoso Group	Testa Group	Somague Group	TOTAL
Spain	28,818	407,116	143,132	681,546	167,199	0	0	14,880	1,442,691
Portugal	0	0	20,783	29,965	0	0	0	121,754	172,502
Ireland	0	0	1,263	0	0	0	0	7,556	8,819
Angola	0	0	0	0	0	0	0	139,964	139,964
Italy	0	143,076	0	0	0	0	0	0	143,076
Algeria	0	0	0	13,776	0	0	0	0	13,776
Cape Verde	0	0	0	0	0	0	0	12,214	12,214
Australia	0	0	0	19,433	0	0	0	0	19,433
US	0	188	0	0	0	0	0	0	188
Brazil	0	0	0	0	0	0	0	62,265	62,265
Panama	0	37,061	0	0	431	0	0	0	37,492
Mexico	0	56,667	0	0	14,075	0	0	0	70,742
Bolivia	0	0	0	0	8,201	0	0	0	8,201
Israel	0	0	0	6,216	0	0	0	0	6,216
Mozambique	0	0	0	0	0	0	0	67,056	67,056
Colombia	0	39,776	12,745	0	9,400	0	0	0	61,921
Qatar	0	39,847	0	0	0	0	0	0	39,847
Togo	0	0	0	0	0	0	0	5,644	5,644
UK	0	11,347	0	0	2,086	0	0	0	13,433
Peru	0	74,129	82,880	106	88,577	0	0	0	245,692
India	0	28	0	0	0	0	0	0	28
Chile	0	425,073	302,949	12,046	0	0	0	0	740,068
<b>TOTAL</b>	<b>28,818</b>	<b>1,234,308</b>	<b>563,752</b>	<b>763,088</b>	<b>289,969</b>	<b>0</b>	<b>0</b>	<b>431,333</b>	<b>3,311,268</b>
<b>Consolidation adjustments</b>	<b>(28,818)</b>	<b>(14,538)</b>	<b>(239,075)</b>	<b>(40,558)</b>	<b>(430)</b>	<b>0</b>	<b>0</b>	<b>(38,935)</b>	<b>(362,354)</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>1,219,770</b>	<b>324,677</b>	<b>722,530</b>	<b>289,539</b>	<b>0</b>	<b>0</b>	<b>392,398</b>	<b>2,948,914</b>
<b>DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,670</b>	<b>89,570</b>	<b>0</b>	<b>130,240</b>

Disclosures of contracts in progress at the reporting date required by IAS 11 Construction Contracts are shown in the table below, including: aggregate costs incurred and profit recognised (less losses recognised), the amount of advances received and the amount of payments withheld:

<i>Thousands of euros</i>	2015	2014
Cumulative revenue on contracts in progress at year end	8,038,532	6,825,415
Contracts in progress at year end		
Cumulative costs incurred	(7,828,985)	(6,319,865)
Cumulative income recognised	209,547	505,550
Advances received	296,049	270,053
Withholdings	44,494	29,945
Completed work pending approval, net	552,427	451,211
Advanced certification	117,647	105,530

## 28. Supplies

The breakdown of this heading by item and business in 2015 and 2014 is as follows:

<i>Thousands of euros</i>	2015	2014 (Restated)*
Sacyr Construcción	835,255	706,794
Valoriza	348,313	316,124
Somague	74,677	112,112
Concessions,	174	120
Other and adjustments	(11,756)	(12,953)
<b>TOTAL</b>	<b>1,246,663</b>	<b>1,122,197</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

<i>Thousands of euros</i>	2015	2014 (Restated)*
Consumption of commercial inventories	275,089	109,042
Consumption of raw material and other consumables	447,605	426,865
Other external expenses	523,969	586,290
<b>TOTAL</b>	<b>1,246,663</b>	<b>1,122,197</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

## 29. Other operating expenses

The detail of this heading in 2015 and 2014, by item and business area, is as follows:

<i>Thousands of euros</i>	2015	2014 (Restated)*
External services	677,590	618,247
Taxes other than income tax	42,576	41,620
Other operating costs	42,161	37,707
<b>TOTAL</b>	<b>762,327</b>	<b>697,574</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 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 were as follows:

- Sale of land rights at the home for the elderly at calle Rodríguez Marín (Madrid). The sale price was 12.8 million euros, with a pre-tax gain of 2.2 million euros.
- The sale of a residential building on Conde de Xiquena in Madrid. The sale price was 7.3 million euros, with a pre-tax gain of 2.3 million euros.

The results from these sales were recognised as "Profit for the year from discontinued operations", as they were supplied by the Testa group and the data on the separate consolidated income statement for 2014 were restated.

There were no profits from sales of buildings in 2015.

## 31. Gains and losses on disposal of assets

In 2014, gains and losses on the sale of assets were mainly due to the following:

- The sale of 49% of the Group's stake in Hospital de Parla, S.A. and Hospital del Noroeste, S.A. The sale price was 24.6 million euros, generating a gain of 15 million euros before tax.
- The sale of the entire stake in Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía, S.A. The sale price was 58 million euros, generating a gain of 8 million euros before tax.
- The sale of the entire stake in Preim Defense 2, S.A. The sale price was 64 million euros, generating a loss of 11.8 million euros before tax. After the 2014 restatement, this was recognised under "Profit for the year from discontinued activities".

In 2015, gains/losses on the sale of assets were mainly due to the following:

- A number of group companies were fully consolidated as a result of takeovers following agreements with external shareholders unrelated to the Sacyr Concessions group.

This change to the consolidation method used, introduced by business combinations (takeovers) appraised the Group's stake in each company using different assessment criteria for each, producing a total revaluation of 24,643 thousand euros.

Reconciliation of values prior to the business combinations and immediately after 1 January 2015 (fair value) is as follows:

01/01/2015	Previous carrying amount	Adjustments	Fair value
<i>Thousands of euros</i>			
Concession projects	471,563	72,492	544,055
Receivables, concession projects	185,440	42,214	227,654
Other assets	193,966	0	193,966
<b>Total assets</b>	<b>850,969</b>	<b>114,706</b>	<b>965,675</b>
Non-current borrowings	485,147	0	485,147
Deferred tax liabilities	33,978	28,676	62,654
Other non-current liabilities	182,068	0	182,068
Current liabilities	47,882	0	47,882
<b>Total liabilities</b>	<b>749,075</b>	<b>28,676</b>	<b>777,751</b>
Total net assets	101,894	86,030	187,924
Non-controlling interests	(50,606)	(46,503)	(97,109)
<b>Total fair value of net assets</b>	<b>51,288</b>	<b>39,527 (*)</b>	<b>90,815</b>

(\*) Impact on equity: 39,527 thousand euros. Impact on net profit attributable to the Parent: 24,643 thousand euros.

The business combinations were carried through with no assignation of a consideration as stipulated in IFRS 3 addressing *Business Combinations*.

- Sale of Sociedad Hospital Majadahonda Explotaciones, S.A. and Hospital Majadahonda, S.A., with a gain of 11.2 million euros and a loss of 2.9 million euros respectively.
- The outcome of the sale of the Group's stake in Testa is described in Note 4.

### 32. Finance income and costs

The breakdown of finance income and costs in 2015 and 2014 is as follows:

	2015	2014 (Restated)*
Thousands of euros		
Income from other marketable securities	13,633	11,855
Other interest and income	26,828	21,556
Exchange differences	22,430	27,734
<b>TOTAL INCOME</b>	<b>62,891</b>	<b>61,145</b>
Finance costs	(385,897)	(270,935)
From bank loans, credits and obligations	(277,198)	(279,280)
Change in provisions for financial investments	(108,699)	8,345
Gain/(loss) on financial instruments	(31,902)	(28,835)
<b>TOTAL COSTS</b>	<b>(417,799)</b>	<b>(299,770)</b>
<b>FINANCIAL LOSS</b>	<b>(354,908)</b>	<b>(238,625)</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 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.

"Change in provisions for financial investments" increased in 2015, mainly due to provisions in connection with the "Grupo Unidos Por el Canal" consortium.

### 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.

	2015	2014
Net profit/(loss) attributable to equity holders of the parent (thousands of euros)	370,006	32,720
Weighted average number of shares outstanding (thousands of shares)	514,725	502,212
Less: average number of treasury shares held ('000)	(2,764)	(2,590)
Average number of shares used to calculate basic earnings per share	511,961	499,622
Basic earnings per share (euros)	0.72	0.07

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the Parent (after adjustment of the interest of potentially dilutive shares) by the weighted average number of additional ordinary shares that would have been outstanding if all the potential ordinary shares with dilutive effect had been converted to ordinary shares. Dilution is assumed to occur either at the start of the period or at the issue date of the potential ordinary shares if these were issued during the year.

	2015	2014
Net profit/(loss) attributable to equity holders of the parent (thousands of euros)	370,006	32,720
Plus: Convertible bond interest (thousands of euros)	34,798	29,078
Adjusted net profit/(loss) attributable to equity holders of the parent (thousands of euros)	404,804	61,798
Weighted average number of shares outstanding (thousands of shares)	514,725	502,212
Less: average number of treasury shares held ('000)	(2,764)	(2,590)
Plus: average number of convertible bond shares held (thousands of shares)	68,761	43,684
Average number of shares used to calculate basic earnings per share	580,722	543,306
Diluted earnings per share (euros)	0.70	0.11

Earnings per share in discontinued operations are as follows:

	2015	2014 (Restated)*
Net profit/(loss) on discontinued operations att. to equity holders of the parent (thousands of euros)	1,183,393	43,029
Weighted average number of shares outstanding (thousands of shares)	514,725	502,212
Less: average number of treasury shares held ('000)	(2,764)	(2,590)
Average number of shares used to calculate basic earnings per share	511,961	499,622
Basic and diluted earnings per share for discontinued operations (euros)	2.31	0.09

(\*) As explained in Note 2 the separate consolidated income statement at 31 December 2014 has been restated.

### 34. Order book by activity

The breakdown of the order book by activity and nature of business at 31 December 2015 and changes since 2014 is as follows:

Thousands of euros	2015	2014 (Restated)*	Chg. Abs.	Chg. %
Sacyr Construction (total backlog)	4,130,084	3,877,439	252,645	6.52%
Civil work backlog	3,900,374	3,715,969	184,405	4.96%
Construction backlog	229,710	161,470	68,240	42.26%
Residential construction	26,155	25,097	1,059	4.22%
Non-residential construction	203,554	136,373	67,181	49.26%
Somague (total construction backlog)	932,048	1,110,020	(177,972)	(16.03%)
Civil work backlog	308,353	513,814	(205,461)	(39.99%)
Construction backlog	623,694	596,206	27,489	4.61%
Residential construction	30,815	35,550	(4,735)	(13.32%)
Non-residential construction	592,879	560,655	32,224	5.75%
Sacyr Concesiones (revenue backlog)	13,338,583	11,402,703	1,935,880	16.98%
Valoriza (revenue backlog)	6,031,287	6,258,645	(227,358)	(3.63%)
Sacyr Industrial (services backlog)	2,413,417	2,418,314	(4,898)	(0.20%)
<b>TOTAL</b>	<b>26,845,418</b>	<b>25,067,121</b>	<b>1,778,297</b>	<b>7.09%</b>

The Sacyr Constructions order book expanded during the year on the strength of the following major contracts, among others: in Colombia, construction of the new "Pasto-Rumichaca" motorway, 245 million euros; construction of the "Al Mar 1" motorway, 192 million euros;

construction of the "Pumarejo" bridge in Barranquilla, 155 million euros, and construction of the new "Puerta de Hierro-Cruz del Viso" motorway, 113 million euros; in Qatar: the Qatar Economic Zone 1 (QEZ-1) development project 209 million euros; in Peru: construction of a new road, "Cajamarca", 55 million euros; in Mexico: construction of the new Querétaro Hospital, 34 million euros; in Uruguay: construction of the "Nueva Palmira-Mercedes" motorway, 34 million euros; in Chile: upgrade of the "Ruta 7 Chaitén" toll road, and construction of the "Donatello" building in Santiago, 12 million euros.

The Sacyr Concessions order book also expanded during the year thanks to the following contracts: in Colombia: the new "Pasto-Rumichaca" motorway, with estimated earnings of 3,343 million euros, and the "Puerta de Hierro-Cruz del Viso" motorway, with future earnings of 883 million euros; and, in Uruguay: the "Nueva Palmira-Mercedes" motorway, with estimated earnings of 191 million euros.

The decrease in Sacyr Industrial's Valoriza portfolio was due to own billings in 2015.

<i>Thousands of euros</i>	2015	%	2014 (Restated)*	%
International backlog	14,390,100	53.60%	11,460,611	45.72%
Backlog in Spain	12,455,318	46.40%	13,606,510	54.28%
<b>TOTAL</b>	<b>26,845,418</b>	<b>100.00%</b>	<b>25,067,121</b>	<b>100.00%</b>

International business made up 53.60% of the Group's order book at 31 December 2015, and Spanish business the remaining 46.40%. International business made up 45.72% of the Group's order book at 31 December 2014, and Spanish business the remaining 54.28%.

### 35. Directors' remuneration and other benefits

#### 35.1. FY 2014

There were no changes to the Board of Directors in 2014.

The remuneration agreed by the Board for 2014 was as follows:

- For Board members: 59,580 euros gross per year.
- For members of the Executive Committee: 39,720 euros gross per year.
- For members of the Audit Committee or Appointments and Remuneration Committee: 19,860 euros gross per year.

There follows an itemised breakdown of the remuneration earned at year-end 2014:

By-law-stipulated emoluments to directors	Board of Directors	Audit Committee	Executive Committee	App. and Remun. Comm.	Total 2014 allowances
Manuel Manrique Cecilia	59,580.00	0.00	39,720.00	0.00	99,300.00
Demetrio Carceller Arce	59,580.00	0.00	39,720.00	19,860.00	119,160.00
Matias Cortés Domínguez	59,580.00	0.00	0.00	19,860.00	79,440.00
Francisco Javier Adroher Biosca	59,580.00	0.00	0.00	0.00	59,580.00
Juan M <sup>o</sup> Aguirre Gonzalo	59,580.00	19,860.00	0.00	0.00	79,440.00
Augusto Delkader Teig	59,580.00	0.00	0.00	0.00	59,580.00
Raimundo Baroja Rieu	59,580.00	0.00	0.00	0.00	59,580.00
Diogo Alves Diniz Vaz Guedes	59,580.00	19,860.00	0.00	0.00	79,440.00
Prilou, S.L. (J.M. Loureda Mantiñán)	59,580.00	0.00	39,720.00	19,860.00	119,160.00
Prilomi, S.L. J M Loureda López	59,580.00	0.00	0.00	0.00	59,580.00
Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jover)	59,580.00	19,860.00	0.00	0.00	79,440.00
Beta Asociados, S.L. (José del Pilar Moreno Carretero)	59,580.00	0.00	0.00	0.00	59,580.00
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	59,580.00	0.00	0.00	19,860.00	79,440.00
Cymofag, S.L. ( Gonzalo Manrique Sabatel)	59,580.00	0.00	0.00	0.00	59,580.00
<b>TOTAL</b>	<b>834,120.00</b>	<b>59,580.00</b>	<b>119,160.00</b>	<b>79,440.00</b>	<b>1,092,300.00</b>

The remuneration accruing in 2014 to members of the Board and Senior Management at the Company, by items, was as follows:

Euros	Fixed	Floating rate	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
<b>TOTAL</b>	<b>3,825,969.00</b>	<b>2,326,720.00</b>	<b>3,509.00</b>	<b>6,156,198.00</b>

In 2014 there were changes to the number of members and persons forming part of the Senior Management team, which is considered to include executives reporting directly to the Company's Executive Chairman, incorporating 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 for Group employees who meet certain requirements regarding length of service and professional category, at year-end the Group had obligations to pay life insurance premiums to members of the Executive Committee covering 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 undertaken 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, while the contingencies of death and permanent disability are insured by a total premium 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 for reasons beyond 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 that in which the scenario that gave rise to termination occurred. A non-competition obligation is also established for a period of two years following the date on which the employment contract is terminated for reasons other than retirement, death or disability, or dismissal for reasons attributable to the director. By way of economic compensation for this obligation, the director will receive 1.5 times the fixed remuneration received over the twelve months prior to the date on which the employment contract is terminated, 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 were granted to Senior Management in 2014.

The detail of balances outstanding and amounts repaid by the Company's directors and senior management in 2014 was as follows:

LOANS:	Amount outstanding 31/12/2014	Interest rate	Characteristics	Amount repaid
Senior management	237	Euribor 3m+ 1	5 years	214

### 35.2. FY 2015

In 2015, the following changes were made to the Board of Directors:

- On 11 June 2015, Ms. Isabel Martín Castellá was appointed as an independent director.
- Mr. Diogo Alves Diniz Vaz Guedes left his post as proprietary director on 11 June 2015.

For 2015, the remuneration agreed by the Board was as follows:

- For Board members: 59,940 euros gross per year.
- For members of the Executive Committee: 39,960 euros gross per year.
- For members of the Audit Committee or Appointments and Remuneration Committee: 19,980 euros gross per year.

There follows an itemised breakdown of the remuneration earned at year-end 2015:

Euros	REMUNERATION 2015					
	Bylaw-stipulated emoluments	Board of Directors	Committee Audit	Executive Committee	App. and Remun. Comm.	Total allowances 2015
	Manuel Manrique Cecilia	59,940.00	0.00	39,960.00	0.00	99,900.00
	Demetrio Carceller Arce	59,940.00	0.00	39,960.00	19,980.00	119,880.00
	Matias Cortés Domínguez	59,940.00	0.00	0.00	9,990.00	69,930.00
	Francisco Javier Adroher Biosca	59,940.00	0.00	0.00	0.00	59,940.00
	Isabel Martín Castellá	29,970.00	9,990.00	0.00	9,990.00	49,950.00
	Juan M <sup>a</sup> Aguirre Gonzalo	59,940.00	19,980.00	0.00	0.00	79,920.00
	Augusto Delkader Teig	59,940.00	9,990.00	0.00	9,990.00	79,920.00
	Raimundo Baroja Rieu	59,940.00	9,990.00	0.00	0.00	69,930.00
	Diogo Alves Diniz Vaz Guedes	29,970.00	9,990.00	0.00	0.00	39,960.00
	Prilou, S.L. (J.M. Loureda Mantiñán)	59,940.00	0.00	39,960.00	19,980.00	119,880.00
	Prilomi, S.L. (J.M. Loureda López)	59,940.00	0.00	0.00	0.00	59,940.00
	Grupo Satocán Desarrollos, S.L. (Juan Miguel Sanjuan Jover)	59,940.00	19,980.00	0.00	0.00	79,920.00
	Beta Asociados, S.L. (José del Pilar Moreno Carretero)	59,940.00	0.00	0.00	0.00	59,940.00
	Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	59,940.00	0.00	0.00	19,980.00	79,920.00
	Cymofag, S.L. (Gonzalo Manrique Sabatel)	59,940.00	0.00	0.00	0.00	59,940.00
<b>TOTAL</b>		<b>839,160.00</b>	<b>79,920.00</b>	<b>119,880.00</b>	<b>89,910.00</b>	<b>1,128,870.00</b>

The remuneration, by type, received by the Company's directors and senior management in 2015 is as follows:

Euros	Fixed	Floating rate	Life insurance	Total
Manuel Manrique Cecilia	1,404,200.00	1,390,158.00	8,210.16	2,802,568.16
Senior management	2,306,692.62	868,588.05	50,525.88	3,225,806.55
<b>TOTAL</b>	<b>3,710,892.62</b>	<b>2,258,746.05</b>	<b>58,736.04</b>	<b>6,028,374.71</b>

In 2015 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.

The Group has obligations to pay life insurance premiums to members of Senior Management covering death and total permanent disability, with an annual group premium of 50,526 euros.

In accordance with the relevant corporate resolutions, payment obligations for defined contribution insurance premiums were undertaken in favour of the Chairman of the Board of Directors to cover the survival contingency, the 2015 premium of which was 371,423 euros, while the contingencies of death and permanent disability are insured by a premium that amounts to a total of 8,210 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 for reasons beyond 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 that in which the scenario that gave rise to the termination occurred. Similarly, a non-competition obligation is established for a period of two years following the date on which the employment contract is terminated for reasons other than retirement, death or disability, or dismissal for reasons attributable to the director. As economic compensation for this obligation, the director will receive 1.5 times the fixed remuneration received over the twelve months prior to the date on which the employment contract is terminated, distributed pro rata on a monthly basis over the two years of the term of the agreement.

At 31 December 2015, one member of the senior management team had indemnity or golden parachute clauses.

No loans were granted to senior management in 2015.

The detail of balances outstanding and amounts repaid by the Company's directors and senior management in 2015 is as follows:

LOANS:	Amount outstanding 31/12/2015	Interest rate	Characteristics	Amount repaid
Senior management	23	Euribor 3m+1	5 years	427

There follows information concerning Article 29 of Spain's Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, in the terms of Law 31/2014 amending the Corporate Enterprises Act to enhance corporate governance, for those serving as directors of the Company in 2015 and persons associated with them in the same year, in companies engaging in an identical, similar or complementary activity to that of the Company or its Group.

- Mr. Manuel Manrique Cecilia reports that in 2015 and to date he - and any persons associated with him - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Mr. Demetrio Carceller Arce reports that in 2015 and to date he - and any persons associated with him - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.

He also reports that he holds the following functions or posts in companies unrelated to the Sacyr Group engaging in an identical, similar or complementary activity to that of the company: he is Chairman of the Board of Directors at Syocsa-Inarsa, S.A.

- Mr. Augusto Delkader Teig reports that in 2015 and to date he - and any persons associated with him - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Mr. Raimundo Baroja Rieu reports that in 2015 and to date he - and any persons associated with him - has not been affected by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Mr. Juan María Aguirre Gonzalo reports that in 2015 and to date he has not carried out directly, or through an agreement with any person or companies in which he may exercise significant influence, any major related operations (other than ordinary company trading or exchange business, and/or carried out in conditions other than market conditions, and/or that could affect the true and fair image of the company's assets, its financial position or results), and that he has no knowledge of any related operations carried out by his close relatives either directly or through companies in which he has interests or exercises significant influence, and/or other than ordinary company trading or exchange business, and/or carried out in conditions other than market conditions, and/or that could affect the true and fair image of the company's assets, its financial position or results).

He also reports that he holds the following interests and posts at companies unrelated to the Sacyr, S.A. Group engaging in an identical, similar or complementary activity to that of the company: he is a member of the Boards of Directors of Grupo Eom (Director), with an ownership interest of 10.7%; Compañía General Urbana (Director), with an ownership interest of 11.8%; Compañía General de Edificación (Director), with an ownership interest of 17.2%, and Mantbraca Corporation (Director), with an ownership interest of 47.4%.

- Mr. Matías Cortés Domínguez reports that in 2015 and to date he - and any persons associated with him - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Prilou, S.L. reports that in 2015 and to date it - and any persons associated with it - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Prilomi, S.L. reports that in 2015 and to date it - and any persons associated with it - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.

- Cymofag, S.L. reports that in 2015 and to date it - and any persons associated with it - has not been affected by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Beta Asociados, S.L. reports that in 2015 and to date it is and has been, directly or indirectly - including any persons associated with it - in the following situation of "Possible Competition" with the Company, in the construction industry only and only in certain parts of Spain: Beta Asociados, S.L. forms part of the Corporate Group "Altec Empresa de Construcción y Servicios, S.A.", at which the person representing Sacyr, S.A. as a Director, Mr. José del Pilar Moreno Carretero, acts as Joint Director and Controlling Shareholder. This corporate group is in a situation of Possible Competition, in Spain only, and only in the "Sacyr, S.A." construction business, as it carries on a portion of its business in the building sector.

"Balpia, S.A." and "C.L.M Infraestructuras y Servicios, S.L." also belong to this group of companies. "Altyum Proyectos y Obras, S.A." does not form part of this group. A minority interest is held in this company, which also operates in the construction sector.

- Mr. Francisco Javier Adroher Biosca reports that in 2015 and to date he - and any persons associated with him - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.
- Grupo Corporativo Fuertes, S.L. reports that: (i) it has not carried out any transactions with the company other than ordinary operations, which were conducted in the standard conditions for customers and were not material in the terms stipulated in Article 229.1.a) of the Corporate Enterprises Act; (ii) it has not used the name of the Company or declared its status as director to exert unwarranted influence on private operations; (iii) it has not made use of corporate assets, including confidential information of the Company, for private purposes; (iv) it has not obtained any benefits or remuneration from third parties other than the Company and its group in association with the exercise of its post.

In connection with the scenario described in Article 229.1.f) of the Corporate Enterprises Act, the company carries out its own business and projects for third parties the business purpose of which may be understood to constitute effective competition (real or potential) with the Company at the following entities: Gerocentros Mediterráneo, S.L., with a 42.50% stake (Director), Ausur Servicios de la Autopista, S.A., with a 20% stake (Director), Autopista del Sureste CEA, S.A., with a 20% stake (Director) and Autopista de la Costa Cálida CEA, S.A., with a 7.15% stake. In the same regard, it reports there are parties related to Grupo Corporativo Fuertes, S.L. (in the terms of Article 231 of the Corporate Enterprises Act) that could be carrying out their own business and projects for third parties the business purpose of which may be understood to constitute effective competition (real or potential) with the Company at these entities.

Mr. Tomás Fuertes Fernández (as the representative of Grupo Corporativo Fuertes, S.L.) reports that he is not affected by any of the situations stipulated in sections a) to e), both inclusive, of Article 229 of the Corporate Enterprises Act and that, as far as he is aware, no party associated with Grupo Corporativo Fuertes, S.L. or himself could be understood to be affected by any of the aforementioned situations with respect to the Company.

- Grupo Satocan Desarrollos, S.L. reports that in 2015 and to date it - and any persons associated with it - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act. It does, however, report a possible hypothetical situation of competition vis-à-vis

the Sacyr Group considering its status as director and partner of Grupo Satocan, S.A. with a holding of 49.88%, and its status as Managing Director and partner at Satocan, S.A., a company operating in the construction sector in the Autonomous Community of the Canary Islands.

- Ms. Isabel Martin Castellá reports that in 2015 and to date she - and any persons associated with her - has not been affected directly or indirectly by any of the scenarios of a conflict of interests stipulated in Article 229 of the Corporate Enterprises Act.

### 36. Related party transactions

Transactions with related parties are carried out and recognised at fair value.

The prices of transactions with related parties are determined on an appropriate basis, 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 2014 is as follows, in addition to the income indicated in Note 27 and the remuneration indicated in Note 35:

December 2014 Thousands of euros		RELATED PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM CONTINUING OPERATIONS		Significant shareholders 0	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
<b>TOTAL COSTS</b>		<b>4,594</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,594</b>
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
SEDIALANTIC		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
<b>TOTAL INCOME</b>		<b>14,602</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,602</b>

December 2014 Thousands of euros		BALANCES WITH RELATED PARTIES				
OTHER BALANCES FROM CONTINUING OPERATIONS		Significant shareholders 0	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

December 2014 Thousands of euros		RELATED PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS		Significant shareholders 0	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
<b>TOTAL COSTS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>TOTAL INCOME</b>		<b>0</b>	<b>0</b>	<b>9,178</b>	<b>0</b>	<b>9,178</b>

The main transactions with related parties in 2015 are reported in greater detail below:

December 2015 Thousands of euros		RELATED PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM CONTINUING OPERATIONS		Significant shareholders 0	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Finance costs		0	0	0	0	0
2) Management or collaboration contracts		0	0	0	0	0
3) Transfers of R&D and license agreements		0	0	0	0	0
4) Leases		0	0	0	0	0
5) Services received		6,383	0	0	0	6,383
LUIS JAVIER CORTES DOMINGUEZ		2,883	0	0	0	2,883
TESCOR PROFESIONALES ASOCIADOS		3,500	0	0	0	3,500
6) Purchase of goods		0	0	0	0	0
7) Valuation adjustments for bad debts and doubtful receivables		0	0	0	0	0
8) Losses on disposal of assets		0	0	0	0	0
9) Other expenses		2	0	0	0	2
EYCOVA, S.L.		2	0	0	0	2
<b>TOTAL COSTS</b>		<b>6,385</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,385</b>
1) Finance income		0	0	0	0	0
2) Management or collaboration contracts		0	0	0	0	0
3) Leases		0	0	0	0	0
4) Services rendered		887	0	0	0	887
EL POZO ALIMENTACION		887	0	0	0	887
5) Sale of goods (finished goods and work in progress)		5,916	0	0	0	5,916
EL POZO ALIMENTACION		4,942	0	0	0	4,942
DAMM		892	0	0	0	892
PROFU		82	0	0	0	82
6) Gains on disposal of assets		0	0	0	0	0
7) Other income		0	0	0	0	0
<b>TOTAL INCOME</b>		<b>6,803</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,803</b>

  

December 2015 Thousands of euros		BALANCES WITH RELATED PARTIES				
OTHER BALANCES FROM CONTINUING OPERATIONS		Significant shareholders 0	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1.a. Purchase of items of property, plant and equipment, intangible assets and other assets		0	0	0	0	0
1.b. Financing agreements: Loans and capital contributions		0	0	0	0	0
1.c. Finance leases (lessor)		0	0	0	0	0
1.d. Repayment or cancellation of loans and lease agreements (lessor)		0	0	0	0	0
2.a. Sale of items of property, plant and equipment, intangible assets and other assets		0	0	0	0	0
2.b. Financing agreements: loans and capital contributions (borrower)		0	0	0	0	0
2.c. Finance leases (lessee)		0	0	0	0	0
2.d. Repayment or write-off of loans and lease agreements (lessee)		0	0	0	0	0
3.a. Guarantees provided		0	0	0	0	0
3.b. Guarantees received		0	0	0	0	0
4) Other transactions		874	0	0	0	874
EL POZO ALIMENTACION		564	0	0	0	564
DAMM		119	0	0	0	119
PROFU		68	0	0	0	68
LUIS JAVIER CORTES DOMINGUEZ		123	0	0	0	123

  

December 2015 Thousands of euros		RELATED PARTY TRANSACTIONS				
INCOME AND EXPENSE FROM DISCONTINUED OPERATIONS		Significant shareholders 0	Directors and executives	Related individuals, companies or Group entities	Other related parties	Total
1) Services received		0	0	0	0	0
<b>TOTAL COSTS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1) Services rendered		0	0	10,234	0	10,234
AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U.		0	0	1,144	0	1,144
AUTOPISTA ASTUR LEONESA (AUCALSA)		0	0	1,869	0	1,869
AUTOPISTAS DE GALICIA (AUTOESRADAS)		0	0	2,399	0	2,399
AUTOPISTAS DEL ATLANTICO (AUDASA)		0	0	4,822	0	4,822
2) Sale of goods (finished goods and work in progress)		0	0	0	0	0
3) Gains on disposal of assets		0	0	0	0	0
4) Other income		0	0	0	0	0
<b>TOTAL INCOME</b>		<b>0</b>	<b>0</b>	<b>10,234</b>	<b>0</b>	<b>10,234</b>

### 36.1. Contracts with related parties

The main contracts with related parties are as follows:

- Sacyr, S.A. has signed consultancy contracts with two law firms - Luis Javier Cortés and Tescor, Profesionales Asociados, S.L., which are both related parties of Matías Cortés (Director of Sacyr), for variable amounts which in 2015 totalled 2,883 thousand euros and 3,500 thousand euros respectively.

- Sacyr Construcción, S.A.U. expanded and reformed the El Pozo Alimentación facilities, related to Grupo Corporativo Fuertes, S.L. (Director of Sacyr) - the project was worth 5,829 thousand euros.

### 36.2. Other information

In 2015, no valuation adjustments were made for doubtful receivables 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 after 31 December 2015, 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 Authority), again upheld the posture of GUPC in two new claims concerning the additional costs and delays occasioned by civil disturbances on the Atlantic seaboard in 2012 and the national strike in April and May 2014, compelling the ACP authority to pay 17.5 million dollars to GUPC.

At the end of January 2016 the DAB (Dispute Adjudication Board) gave its approval to a new claim for the various oncosts incurred during construction work on the project. The new resolution stipulated that the ACP must pay GUPC a total of 24.6 million dollars for additional labour costs over a greater number of working days, owing to faults discovered in the basalt and concrete.

On the same date the DAB (Dispute Adjudication Board) dismissed another claim for 7.5 million dollars for extra labour costs as the result of a collective bargaining agreement in Panama.

- On 12 January 2016, via its subsidiary Sacyr Vallehermoso Participaciones Mobiliarias, S.L., Sacyr received a gross dividend of 0.466 euro per share from REPSOL, generating total net income of 56.95 million euros.
- On 25 February 2016 Repsol announced payment of a dividend in addition to profits earned in 2015 of 0.30 euro per share, payable in July of that year. Sacyr Vallehermoso Participaciones Mobiliarias, S.L. will receive a net total of 36.66 million euros.

In the Group's Construction division headed up by Sacyr and Somague, the following significant events occurred after the reporting date:

- On 3 February 2016 Sacyr Construcción announced it intended to present a Redundancy Plan ("ERE") to restructure its staffing requirements and cost structure in accordance with low demand in the sector, particularly in Spain.
- On 5 February 2016 Sacyr Construction opened the first 5.6 km section of the "Buenaventura" highway in Colombia. When it has been completed, the new structure will run over 20 kilometres between Cali and Buenaventura.
- On 15 February 2016, through its associate SIS, Sacyr Construction commissioned its tram system in Palermo (Italy).

The system runs over a total of 18.3 kilometres on 3 independent lines, connecting western and southern Palermo to the city centre. SIS will also handle start-up and maintenance of the facilities over 4 years.

- On 15 February 2016 Sacyr Construcción, S.A. officially notified its employees that it intended to implement the Collective Redundancy procedure stipulated in Article 51 of the Employee Statute, and that this would affect all the company's work facilities in Spain.
- On 16 March 2016 Sacyr Construcción S.A. commenced the period of consultations, although at the date of this document these had not been completed and therefore no information is available concerning the scope of the Collective Redundancy in terms of the number of employees affected and the impact on the 2016 income statement.

In the Infrastructure Concessions division, headed by Sacyr Concessions, the main events after the reporting date were as follows:

- On 28 January 2016 Sacyr Concessions sold its 20% stake in Sociedad Concesionaria del Hospital Puerta de Hierro, Majadahonda, Madrid. The purchaser was the infrastructure fund DIF, and the total value of the operation was 55 million euros, including associated debt.
- On 3 March 2016 Sacyr Concessions sold off a 98% interest in its company HC-Hospitais Concesionados to the infrastructure fund Aberdeen. This company holds a stake in the concessions of three hospitals in Portugal: Braga and Vila Franca de Xira, 51%, and a 40% holding in Isla de Terceira (Azores). The total value of the operation was 113 million euros, including associated debt.
- On 21 March 2016 the Murcia High Court of Justice issued a provisional ruling (Appeal Nº 601/2014). The ruling dismissed the appeal for reconsideration submitted by SCAM against the previous ruling of 2 March (rectified by a material error on 3 March 2015) issuing authorisation for provisional execution as requested by the Regional Government of Murcia and expressly ordering SCAM to "deliver the International Murcia Airport to the Regional Government of Murcia, with dismissal of testimony for failure to comply with orders issued by the judicial authority".

There were two further considerations:

- i. The Ruling of 21 March 2016 has not yet been confirmed, as proceedings were submitted for a cassation appeal on 22 March.
- ii. The Regional Government of Murcia took possession of the facilities on 23 March 2016. On that date, despite presentation the same morning of a special appeal against the infringement of basic rights with a request for special preliminary measures by SCAM, representatives of the Regional Government of Murcia took possession of the facilities.

In connection with the events of 23 March, it should firstly be pointed out that the current situation whereby the Regional Government of Murcia took possession of the airport facilities is provisional. This provisional situation is determined by appeals pending:

- a) A cassation appeal was submitted by SCAM against the Ruling of 2 October 2015, and accepted by the Supreme Court's Contentious-Administrative Section.
- b) A cassation appeal was also submitted against the aforementioned rulings (Ruling of 2 March, confirmed by the Ruling of 21 March), agreeing to provisional implementation of the Ruling.
- c) Finally, the appeal for reconsideration not yet resolved, which was also submitted by SCAM against the Ruling which dismissed the provisional measure.

Consideration of any of these appeals could entail a reversal of the previous situation, restoring possession of the airport facilities to SCAM.

Secondly, it should be noted that the facilities were delivered exclusively in the terms of the Ruling of 21 March 2016 declaring dismissal of testimony for failure to comply with orders issued by the judicial authority in the event of refused access, and also enlisting the assistance of the forces of law and order.

It should therefore be pointed out that SCAM has not waived or desisted from its legal arguments; not only does it stand by the appeals pending, but it has also submitted a new appeal against what it considers constitutes de facto proceedings by the Regional Government of Murcia through the special procedure for basic rights. The Ruling of 21 March 2016 and a criterion of prudence and the utmost respect for judicial rulings led SCAM to declare its non-consent to the takeover of the facilities and to refrain from taking any measures to prevent compliance with the judicial decision. Any other course of action, far from resolving the situation, would have made it worse by leading the SCAM representatives to commit an unlawful act.

Thirdly, it should be stated that, in compliance with the judicial decision and as a result of termination of the contract, the takeover of the airport facilities by the Regional Government of Murcia is not a definitive consequence.

Until the process has been completed by a confirmed ruling either way by the Supreme Court, this is merely a provisional non-definitive ruling on the issue. In this interim situation, provisional implementation –in the same way as the measure taken was provisional– constitutes a decision which, regardless of whether or not it is correct, provisionally backs the Ruling challenged because it is felt that this is in the general interest.

It is true, however, that from the point of view of the merits of the case, the decision taken does not add anything with respect to the situation created by the Ruling of 2 October 2015, and is merely a provisional, interim, contingent and ancillary execution with respect to the status of the main proceedings, which leave the legal position of SCAM intact, regardless of the fact that the provisional situation upholding its possession of the facilities was challenged.

From the point of view of its legal position, the situation remains unchanged with respect to the situation arising from the Ruling of 2 October 2015: it will be the Ruling on the cassation appeal that will determine the final situation, and if this is dismissed, this provisional situation will be final, but if it is upheld it will entail the reestablishment

of the legal position of SCAM to the position prior to the Order terminating the contract.

By way of conclusion:

- 1) Delivery of the facilities was a mandatory act, in view of the contents of the Ruling of 21 March 2016 which expressly declared dismissal of testimony for failure to comply with orders issued by the judicial authority if measures were taken to prevent the takeover of the facilities.
- 2) Said delivery is strictly a provisional interim measure and cannot under any circumstances be considered final, and is therefore subject to the outcome of the appeals submitted.
- 3) The legal position of SCAM has been unchanged since the Ruling of 2 October 2015; the facts of the situation may have changed as it is not currently in possession of the facilities, but its legal position has not, and will continue as before, and will depend on the outcome of the cassation appeal now pending at the Supreme Court.

In view of this situation at the date of these consolidated financial statements, Group Management is conducting an analysis of the potential impact of the aforementioned events. In this regard, if hypothetically SCAM is finally dispossessed of the concession project (see Note 6), the RPA described in this note in accordance with Article 266 of the Revised Law of Public Procurement would be applied, and in this case the recoverable value of the asset would be greater than the current carrying amount, and there would therefore be no adverse impact on assets.

In the Services division, headed by Valoriza Gestión, major events after the reporting date were as follows:

- On 17 February 2016, Sadyt won the public service contract for operation, maintenance and conservation of the system to capture, treat and channel water from the Narcea Canal in Ablaneda (Asturias) to be used in the mains network, for an overall contract price of 5.1 million euros, with a maximum concession period of 7 years.
- On 8 March 2016, a consortium in which Valoriza Agua holds a 51% stake was awarded a contract for the design, construction, operation and maintenance of one of the largest sea water desalination plants in Oman. With desalination capacity of 250,000 cubic metres of water a day, the project, located in the city of Sohar, will raise income of USD1,200 million over the 20 years of the concession.

### 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 outstanding, and it has therefore set aside no provision for this item in the consolidated statement of financial position at 31 December 2014 and 2015.

### 39. Audit fees

Audit fees paid to all the auditors of the parent company and its subsidiaries in the consolidation scope in 2015 amounted to 1,982 thousand euros and 2,055 thousand euros in 2014. Of these amounts, Ernst & Young received 1,905 thousand and 1,922 thousand euros in the two years.

The Group's auditors also invoiced the Group 894 thousand euros in 2015 and 676 thousand euros in 2014 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 2015 and 2014 was as follows:

Average number of employees	2015		2014	
	Women	Men	Women	Men
Senior management	28	217	12	184
University graduates	330	1,152	453	1,035
Other qualified employees	325	613	336	651
Skilled technicians	352	1,575	210	1,730
Administrative staff	1,169	736	1,161	685
Other	6,449	9,477	6,107	9,259
<b>TOTAL</b>	<b>8,653</b>	<b>13,770</b>	<b>8,279</b>	<b>13,544</b>

At 31 December 2015, 16,904 employees of the total headcount were assigned to Spain (16,385 in 2014).

The number of employees by gender and professional category at 31 December 2015 and 2014 was as follows:

Employees at year-end	2015		2014	
	Women	Men	Women	Men
Senior management	38	230	9	158
University graduates	433	1,006	479	1,071
Other qualified employees	339	600	339	647
Skilled technicians	274	1,558	216	1,739
Administrative staff	1,138	705	1,160	721
Other	6,566	9,581	5,984	9,225
<b>TOTAL</b>	<b>8,788</b>	<b>13,680</b>	<b>8,187</b>	<b>13,561</b>

The detail of staff costs incurred by the Group in 2015 and 2014 is as follows:

<i>Thousands of euros</i>	2015	2014 (Restated)*
Wages, salaries and similar exp	582,020	550,929
Employee welfare costs	159,418	161,191
<b>TOTAL</b>	<b>741,438</b>	<b>712,120</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

“Wages, salaries and similar expenses” for senior management and directors in 2015 totalled 32,348 thousand euros (29,498 thousand euros in 2014) and “Social security costs” were 3,109 thousand euros (2,767 thousand euros in 2014).

#### 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, Cabo Verde, Costa Rica, Peru, Colombia, Mexico, Ireland, India, United Kingdom, Brazil and Qatar.
- Concessions (Sacyr Concesiones Group): motorway, transport hub, airport and hospital concessions business.
- Valoriza: multi-services business.
- Industrial: Industrial construction and engineering business.
- Residential development (Vallehermoso Group): real estate development business.
- Rental property (Testa Group): rental property business.
- Repsol, S.A.: 8.58% of Repsol, S.A. (8.93% in 2014) 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:

- The businesses engage in similar economic activities.
- To provide consolidated financial statements to 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 for the years ended 31 December 2015 and 2014, in thousands of euros.

2014

ASSETS	HOLDING	CONSTRUCTION	CONCESSIONS	VALORIZA	INDUSTRIAL	PROPERTY DEVELOPMENT	REPSOL	EQUITY	CONSOLIDATION ADJUSTMENTS	TOTAL
A) NON-CURRENT ASSETS	3,324,557	442,940	2,274,911	644,499	129,629	77,572	2,802,014	3,118,892	(4,359,539)	8,455,475
I. Property, plant and equipment	3,568	154,219	4,248	122,374	110,629	1,816	0	0	(1,815)	395,039
II. Concession projects	0	50,419	869,050	247,276	0	0	0	46,930	0	1,213,675
III. Investment property	0	0	0	0	0	571	0	2,020,315	(174,290)	1,846,596
IV. Other intangible assets	984	199	104	4,344	1,282	0	0	0	0	6,913
V. Goodwill	0	18,482	0	99,829	0	0	0	0	0	118,311
VI. Investments accounted for using the equity method	0	43,811	46,570	64,554	2,153	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	0	4,772	0	917,402
VIII. Non-current financial assets	2,907,481	102,034	325,127	19,111	1,448	235	0	998,940	(3,906,271)	448,105
IX. Derivative financial instruments	0	0	36,859	0	0	0	0	2	0	36,861
X. Deferred tax assets	221,751	54,258	154,290	31,917	14,117	69,706	372,510	17,550	(69,600)	866,499
XI. Other non-current assets	190,773	642	0	3	0	179	0	0	(190,952)	645
B) CURRENT ASSETS	338,216	2,570,603	208,449	426,588	108,040	244,478	91,108	48,170	(886,834)	3,148,818
I. Non-current assets held for sale	0	0	0	0	0	0	0	0	302,623	302,623
II. Inventories	376	156,497	2,578	14,971	7,163	202,054	0	0	2,717	386,356
III. Trade and other receivables	120,435	1,953,333	58,035	343,152	62,211	28,455	33,276	11,125	(721,849)	1,888,173
IV. Receivables from concessions	0	55	46,333	3,518	0	0	0	0	0	49,906
V. Current financial investments	195,066	303,239	26,047	17,240	744	541	57,682	14,075	(453,059)	161,575
VI. Derivative financial instruments	0	0	1,710	0	0	0	0	0	0	1,710
VII. Cash and cash equivalents	22,234	157,479	73,128	46,320	37,164	12,864	150	21,932	(12,796)	358,475
VIII. Other current assets	105	0	618	1,387	758	564	0	1,038	(4,470)	0
<b>TOTAL ASSETS</b>	<b>3,662,773</b>	<b>3,013,543</b>	<b>2,483,360</b>	<b>1,071,087</b>	<b>237,669</b>	<b>322,050</b>	<b>2,893,122</b>	<b>3,167,062</b>	<b>(5,246,373)</b>	<b>11,604,293</b>
<b>EQUITY AND LIABILITIES</b>										
A) EQUITY	595,457	602,157	502,286	257,641	66,452	(119,880)	486,187	1,383,118	(2,447,344)	1,326,074
EQUITY OF THE PARENT	595,457	598,239	394,420	254,176	57,055	(124,301)	486,187	1,383,118	(2,439,052)	1,205,299
EQUITY OF NON-CONTROLLING INTERESTS	0	3,918	107,866	3,465	9,397	4,421	0	0	(8,292)	120,775
B) NON-CURRENT LIABILITIES	1,581,102	536,710	1,475,812	314,317	72,193	62,500	0	1,604,654	(1,502,440)	4,144,848
I. Deferred income	0	23,222	76	3,978	4,778	0	0	0	0	32,054
II. Non-current provisions	1,449	348,088	52,248	48,514	4,163	36,728	0	15,560	(227,502)	279,248
III. Bank borrowings	574,220	102,559	962,604	164,176	58,048	5,474	0	1,550,253	(5,474)	3,411,860
IV. Non-current payables	1,005,433	34,140	335,103	66,444	1,597	15,363	0	26,231	(1,240,424)	243,887
V. Derivative financial instruments	0	0	98,095	22,649	3,625	0	0	8,335	0	132,704
VI. Deferred tax liabilities	0	7,905	26,025	8,556	(18)	4,935	0	4,275	(9,870)	41,808
VII. Non-current payables to associates	0	20,796	1,661	0	0	0	0	0	(19,170)	3,287
C) CURRENT LIABILITIES	1,486,214	1,874,676	505,262	499,129	99,024	379,430	2,406,935	179,290	(1,296,589)	6,133,371
I. Liabilities associated with non-current assets held for sale	0	0	0	0	0	0	0	0	219,771	219,771
II. Bank borrowings and other financial liabilities	414,865	251,588	178,158	117,460	17,335	85,265	2,305,362	160,536	(85,265)	3,445,304
III. Trade and other payables	116,239	1,248,321	245,937	229,316	70,337	18,117	3	6,558	(20,138)	1,914,690
IV. Current payables to associates	813,894	234,549	68,905	117,365	7,224	260,122	100,961	9,669	(1,391,123)	221,566
V. Derivative financial instruments	0	0	9,324	1,186	1,862	0	609	2,250	0	15,231
VI. Current provisions	141,216	135,410	2,938	33,802	2,266	15,926	0	277	(15,927)	315,908
VII. Other current liabilities	0	4,808	0	0	0	0	0	0	(3,907)	901
<b>TOTAL LIABILITIES</b>	<b>3,662,773</b>	<b>3,013,543</b>	<b>2,483,360</b>	<b>1,071,087</b>	<b>237,669</b>	<b>322,050</b>	<b>2,893,122</b>	<b>3,167,062</b>	<b>(5,246,373)</b>	<b>11,604,293</b>

2014 (Restated)\*

SEPARATE INCOME STATEMENT	HOLDING	CONSTRUCTION	CONCESSIONS	VALORIZA	INDUSTRIAL	PROPERTY DEVELOPMENT	REPSOL	EQUITY	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	32,510	1,697,043	419,175	732,323	193,530	485,794	0	187,977	(1,030,286)	2,718,066
Revenue from third parties	0	1,329,445	163,199	678,756	193,021	485,789	0	182,660	(314,804)	2,718,066
Revenue from group companies	32,510	367,598	255,976	53,567	509	5	0	5,317	(715,482)	0
Own work capitalised	0	4,942	2,736	376	0	0	0	519	(519)	8,054
Other operating income	33,644	50,692	10,422	18,166	688	6,087	0	1,547	(40,173)	81,073
Government grants released to the income statement	446	668	0	0	1,362	0	0	0	0	2,476
Gain on disposal of assets	0	0	0	0	0	13	0	4,492	(4,506)	0
<b>TOTAL OPERATING INCOME</b>	<b>66,600</b>	<b>1,753,345</b>	<b>432,333</b>	<b>750,865</b>	<b>195,580</b>	<b>491,894</b>	<b>0</b>	<b>194,535</b>	<b>(1,075,483)</b>	<b>2,809,669</b>
Change in inventories	0	(55,921)	(3)	1,303	2,502	(778,743)	0	0	778,744	(52,118)
Supplies	0	(818,906)	(120)	(182,333)	(133,791)	94,218	0	0	(81,265)	(1,122,197)
Staff costs	(17,638)	(248,596)	(17,571)	(413,129)	(15,187)	(2,773)	0	(5,931)	8,705	(712,120)
Losses on disposal of assets	0	0	0	0	0	(310)	0	0	310	0
Depreciation and amortisation expense	(1,496)	(24,042)	(16,322)	(30,054)	(6,777)	(123)	0	(30,352)	30,475	(78,691)
Impairment of goodwill	0	0	0	(250)	0	0	0	0	0	(250)
Change in trade provisions	3,000	(10,758)	42,724	(2,452)	(92)	32,319	0	(171)	(32,148)	32,422
Change in provisions for intangible assets, PP&E and securities	(57)	0	4,125	0	10,567	0	0	13,614	(13,614)	14,635
Other operating expenses	(59,449)	(526,708)	(340,185)	(93,501)	(41,935)	(25,694)	(131)	(50,331)	440,360	(697,574)
<b>TOTAL OPERATING EXPENSES</b>	<b>(75,640)</b>	<b>(1,684,931)</b>	<b>(327,352)</b>	<b>(720,416)</b>	<b>(184,713)</b>	<b>(681,106)</b>	<b>(131)</b>	<b>(73,171)</b>	<b>1,131,567</b>	<b>(2,615,893)</b>
<b>NET OPERATING PROFIT</b>	<b>(9,040)</b>	<b>68,414</b>	<b>104,981</b>	<b>30,449</b>	<b>10,867</b>	<b>(189,212)</b>	<b>(131)</b>	<b>121,364</b>	<b>56,084</b>	<b>193,776</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	0	3,192	11,131	1,132	(70)	(600)	155,834	799	(819)	170,599
GAIN/(LOSS) ON DISPOSAL OF ASSETS	10	(2,045)	36,161	2,844	(840)	(2)	0	(11,816)	11,816	36,128
Revenue from equity investments	80,079	0	0	0	0	0	0	3,684	(83,763)	0
Revenue from other marketable securities and asset-backed loans	20,886	0	6,324	8	178	0	25	0	(15,566)	11,855
Other interest and similar income	0	28,340	423	12,151	129	176,088	0	29,578	(225,153)	21,556
Exchange differences	213	25,201	397	113	1,810	0	0	0	0	27,734
<b>TOTAL FINANCE INCOME</b>	<b>101,178</b>	<b>53,541</b>	<b>7,144</b>	<b>12,272</b>	<b>2,117</b>	<b>176,088</b>	<b>25</b>	<b>33,262</b>	<b>(324,482)</b>	<b>61,145</b>
Finance costs and similar expenses	(108,987)	(37,462)	(54,651)	(18,051)	(811)	(26,169)	(119,738)	(36,777)	123,366	(279,280)
Change in provisions for financial investments	0	1,123	(3,907)	11,112	17	381	0	(1,344)	963	8,345
Gain/(loss) on financial instruments	0	0	(18,441)	(6,210)	(3,948)	0	0	(4,183)	3,947	(28,835)
Exchange differences	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FINANCE COSTS</b>	<b>(108,987)</b>	<b>(36,339)</b>	<b>(76,999)</b>	<b>(13,149)</b>	<b>(4,742)</b>	<b>(25,788)</b>	<b>(119,738)</b>	<b>(42,304)</b>	<b>128,276</b>	<b>(299,770)</b>
<b>FINANCIAL LOSS</b>	<b>(7,809)</b>	<b>17,202</b>	<b>(69,855)</b>	<b>(877)</b>	<b>(2,625)</b>	<b>150,300</b>	<b>(119,713)</b>	<b>(9,042)</b>	<b>(196,206)</b>	<b>(238,625)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(16,839)</b>	<b>86,763</b>	<b>82,418</b>	<b>33,548</b>	<b>7,332</b>	<b>(39,514)</b>	<b>35,990</b>	<b>101,305</b>	<b>(129,125)</b>	<b>161,878</b>
Corporate income tax	30,078	(46,452)	(60,568)	(6,846)	(1,309)	(965)	(78,681)	(28,713)	27,896	(165,560)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>13,239</b>	<b>40,311</b>	<b>21,850</b>	<b>26,702</b>	<b>6,023</b>	<b>(40,479)</b>	<b>(42,691)</b>	<b>72,592</b>	<b>(101,229)</b>	<b>(3,682)</b>
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	0	0	0	0	0	0	0	0	43,029	43,029
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>13,239</b>	<b>40,311</b>	<b>21,850</b>	<b>26,702</b>	<b>6,023</b>	<b>(40,479)</b>	<b>(42,691)</b>	<b>72,592</b>	<b>(58,200)</b>	<b>39,347</b>
NON-CONTROLLING INTERESTS	0	311	(2,965)	318	(3,911)	(27)	0	0	(353)	(6,627)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	13,239	40,622	18,885	27,020	2,112	(40,506)	(42,691)	72,592	(58,553)	32,720

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 has been restated.

2015										
A S S E T S	HOLDING	CONSTRUCTION	CONCESSIONS	VALORIZA	INDUSTRIAL	PROPERTY DEVELOPMENT	REPSOL	EQUITY	CONSOLIDATION ADJUSTMENTS	TOTAL
A) NON-CURRENT ASSETS	2,824,170	372,996	3,181,175	640,973	203,574	63,862	2,174,960	0	(2,683,625)	6,778,085
I. Property, plant and equipment	3,406	137,004	3,618	125,395	106,725	1,713	0	0	(1,713)	376,148
II. Concession projects	0	48,220	1,353,153	242,480	0	0	0	0	0	1,643,853
III. Investment property	0	0	0	0	0	0	0	0	0	0
IV. Other intangible assets	1,547	130	50	7,805	5,284	0	0	0	0	14,816
V. Goodwill	0	19,335	0	99,414	67,829	0	0	0	0	186,578
VI. Investments accounted for using the equity method	0	32,912	18,225	58,177	2,150	3,871	1,913,206	0	(7,099)	2,021,442
VII. Receivables from concessions	0	18,739	1,318,347	51,903	0	0	0	0	0	1,388,989
VIII. Non-current financial assets	2,496,418	24,501	267,035	18,065	2,635	219	0	0	(2,494,123)	314,750
IX. Derivative financial instruments	0	0	37,072	0	0	0	0	0	0	37,072
X. Deferred tax assets	200,157	92,155	183,675	34,896	18,951	50,007	261,754	0	(49,996)	791,599
XI. Other non-current assets	122,642	0	0	2,838	0	8,052	0	0	(130,694)	2,838
B) CURRENT ASSETS	345,155	2,517,204	558,395	443,177	162,699	145,054	125,395	316,840	(934,530)	3,679,389
I. Non-current assets held for sale	0	0	0	0	0	560	0	316,840	210,135	527,535
II. Inventories	695	165,121	2,570	14,477	13,799	133,287	0	0	(133,288)	196,661
III. Trade and other receivables	318,559	2,012,866	132,905	339,958	81,934	4,848	67,967	0	(962,422)	1,996,615
IV. Receivables from concessions	0	125	210,174	3,686	0	0	0	0	0	213,985
V. Current financial investments	17,990	117,712	27,390	14,691	452	203	56,949	0	(95,079)	140,308
VI. Derivative financial instruments	0	0	620	0	0	0	0	0	0	620
VII. Cash and cash equivalents	7,857	211,668	184,248	70,365	65,200	5,696	479	0	57,309	602,822
VIII. Other current assets	54	9,712	488	0	1,314	460	0	0	(11,185)	843
<b>TOTAL ASSETS</b>	<b>3,169,325</b>	<b>2,890,200</b>	<b>3,739,570</b>	<b>1,084,150</b>	<b>366,273</b>	<b>208,916</b>	<b>2,300,355</b>	<b>316,840</b>	<b>(3,618,155)</b>	<b>10,457,474</b>
EQUITY AND LIABILITIES	HOLDING	CONSTRUCTION	CONCESSIONS	VALORIZA	INDUSTRIAL	PROPERTY DEVELOPMENT	REPSOL	EQUITY	CONSOLIDATION ADJUSTMENTS	TOTAL
A) EQUITY	1,388,335	563,463	738,171	252,537	132,712	87,470	(89,885)	316,840	(1,478,054)	1,911,590
EQUITY OF THE PARENT	1,388,335	567,994	529,915	247,257	83,231	85,144	(89,885)	316,840	(1,472,702)	1,656,130
EQUITY OF NON-CONTROLLING INTERESTS	0	(4,531)	208,256	5,280	49,481	2,326	0	0	(5,352)	255,460
B) NON-CURRENT LIABILITIES	395,297	567,342	2,420,859	423,191	62,641	46,916	2,342,450	0	(1,206,377)	5,052,319
I. Deferred income	0	22,624	23,339	6,834	4,885	0	0	0	0	57,682
II. Non-current provisions	1,429	335,927	82,947	58,501	5,642	30,418	0	0	(153,060)	361,804
III. Bank borrowings	371,297	118,875	1,730,853	182,038	46,666	2,935	1,622,575	0	(2,936)	4,072,303
IV. Non-current payables	22,571	53,210	378,010	148,653	2,986	13,563	719,875	0	(1,050,381)	288,487
V. Derivative financial instruments	0	0	140,545	19,285	2,009	0	0	0	0	161,839
VI. Deferred tax liabilities	0	36,706	65,165	7,880	453	0	0	0	0	110,204
VII. Non-current payables to associates	0	0	0	0	0	0	0	0	0	0
C) CURRENT LIABILITIES	1,385,693	1,759,395	580,540	408,422	170,920	74,530	47,790	0	(933,724)	3,493,565
I. Liabilities associated with non-current assets held for sale	102,000	0	0	0	0	0	0	0	122,186	224,186
II. Bank borrowings	229,928	261,846	200,956	79,589	30,635	34,178	47,658	0	(34,178)	850,612
III. Trade and other payables	112,342	1,173,926	281,032	235,980	116,925	10,603	70	0	15,819	1,946,696
IV. Current payables to associates	825,121	225,461	70,276	55,514	18,685	20,847	62	0	(1,017,923)	198,043
V. Derivative financial instruments	0	0	24,562	1,373	1,845	0	0	0	0	27,780
VI. Current provisions	116,302	98,162	3,714	25,240	2,830	8,902	0	0	(8,902)	246,248
VII. Other current liabilities	0	0	0	10,726	0	0	0	0	(10,726)	0
<b>TOTAL LIABILITIES</b>	<b>3,169,325</b>	<b>2,890,200</b>	<b>3,739,570</b>	<b>1,084,150</b>	<b>366,273</b>	<b>208,916</b>	<b>2,300,355</b>	<b>316,840</b>	<b>(3,618,155)</b>	<b>10,457,474</b>

2015

SEPARATE INCOME STATEMENT	HOLDING	CONSTRUCTION	CONCESSIONS	VALORIZA	INDUSTRIAL	PROPERTY DEVELOPMENT	REPSOL	EQUITY	CONSOLIDATION ADJUSTMENTS	TOTAL
Revenue	28,818	1,665,641	563,752	763,088	289,969	40,695	0	92,143	(495,192)	2,948,914
Revenue from third parties	0	1,205,740	320,742	704,129	283,985	40,670	0	89,570	304,078	2,948,914
Revenue from group companies	28,818	459,901	243,010	58,959	5,984	25	0	2,573	(799,270)	0
Own work capitalised	0	1,227	0	2,248	796	0	0	366	(366)	4,271
Other operating income	32,752	81,907	12,092	12,655	4,127	1,798	0	376	(38,649)	107,058
Government grants released to the income statement	0	637	1,587	353	575	0	0	0	(1)	3,151
Gain on disposal of assets	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING INCOME</b>	<b>61,570</b>	<b>1,749,412</b>	<b>577,431</b>	<b>778,344</b>	<b>295,467</b>	<b>42,493</b>	<b>0</b>	<b>92,885</b>	<b>(534,208)</b>	<b>3,063,394</b>
Change in inventories	0	(1,014)	(1)	1,476	1,076	(67,869)	0	0	67,869	1,537
Supplies	0	(909,373)	(174)	(192,595)	(155,717)	1,292	0	0	9,904	(1,246,663)
Staff costs	(17,818)	(254,580)	(22,905)	(417,744)	(28,391)	(2,123)	0	(3,199)	5,322	(741,438)
Losses on disposal of assets	0	0	0	0	0	(3)	0	0	3	0
Depreciation and amortisation expense	(1,617)	(24,519)	(45,295)	(30,837)	(7,744)	(112)	0	(15,113)	15,225	(110,012)
Impairment of goodwill	0	0	0	(310)	0	0	0	0	0	(310)
Change in trade provisions	(30,000)	(5,286)	(21,449)	2,674	(1,180)	79,062	0	3	(79,064)	(55,240)
Change in provisions for intangible assets, PP&E and securities	6	(1,126)	0	0	0	0	0	0	0	(1,120)
Other operating expenses	(73,351)	(506,670)	(372,472)	(99,941)	(91,406)	(74,207)	(987)	(21,480)	478,187	(762,327)
<b>TOTAL OPERATING EXPENSES</b>	<b>(122,780)</b>	<b>(1,702,568)</b>	<b>(462,296)</b>	<b>(737,277)</b>	<b>(283,362)</b>	<b>(63,960)</b>	<b>(987)</b>	<b>(39,789)</b>	<b>497,446</b>	<b>(2,915,573)</b>
<b>NET OPERATING PROFIT</b>	<b>(61,210)</b>	<b>46,844</b>	<b>115,135</b>	<b>41,067</b>	<b>12,105</b>	<b>(21,467)</b>	<b>(987)</b>	<b>53,096</b>	<b>(36,762)</b>	<b>147,821</b>
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	0	97	5,510	5,336	(4)	(1,054)	(478,407)	304	375	(467,843)
GAIN/(LOSS) ON DISPOSAL OF ASSETS	0	1,044	32,983	(1,372)	(233)	27	0	0	(2)	32,447
Revenue from equity investments	577,878	0	0	0	0	0	0	0	(577,878)	0
Revenue from other marketable securities and asset-backed loans	42,858	10	3,391	149	79	0	11	0	(32,865)	13,633
Other interest and similar income	0	11,673	3,663	4,576	842	6,327	0	12,492	(12,745)	26,828
Exchange differences	1,132	21,834	0	367	1,036	0	0	0	(1,939)	22,430
<b>TOTAL FINANCE INCOME</b>	<b>621,868</b>	<b>33,517</b>	<b>7,054</b>	<b>5,092</b>	<b>1,957</b>	<b>6,327</b>	<b>11</b>	<b>12,492</b>	<b>(625,427)</b>	<b>62,891</b>
Finance costs and similar expenses	(74,075)	(29,881)	(93,870)	(11,810)	(2,828)	(3,592)	(99,178)	(16,075)	54,111	(277,198)
Change in provisions for financial investments	(685,092)	(2,185)	(4,189)	(2,354)	(576)	(5,036)	0	(431)	591,164	(108,699)
Gain/(loss) on financial instruments	0	0	(25,936)	(5,966)	(3,840)	0	0	(2,046)	5,886	(31,902)
Exchange differences	0	0	(1,938)	0	0	0	0	0	1,938	0
<b>TOTAL FINANCE COSTS</b>	<b>(759,167)</b>	<b>(32,066)</b>	<b>(125,933)</b>	<b>(20,130)</b>	<b>(7,244)</b>	<b>(8,628)</b>	<b>(99,178)</b>	<b>(18,552)</b>	<b>653,099</b>	<b>(417,799)</b>
<b>FINANCIAL LOSS</b>	<b>(137,299)</b>	<b>1,451</b>	<b>(118,879)</b>	<b>(15,038)</b>	<b>(5,287)</b>	<b>(2,301)</b>	<b>(99,167)</b>	<b>(6,060)</b>	<b>27,672</b>	<b>(354,908)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>(198,509)</b>	<b>49,436</b>	<b>34,749</b>	<b>29,993</b>	<b>6,581</b>	<b>(24,795)</b>	<b>(578,561)</b>	<b>47,340</b>	<b>(8,717)</b>	<b>(642,483)</b>
Corporate income tax	(35,661)	(29,357)	(3,757)	(11,534)	(425)	(14,138)	(76,170)	(13,198)	26,988	(157,252)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>(234,170)</b>	<b>20,079</b>	<b>30,992</b>	<b>18,459</b>	<b>6,156</b>	<b>(38,933)</b>	<b>(654,731)</b>	<b>34,142</b>	<b>18,271</b>	<b>(799,735)</b>
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	1,043,674	0	0	0	0	0	0	0	139,719	1,183,393
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>809,504</b>	<b>20,079</b>	<b>30,992</b>	<b>18,459</b>	<b>6,156</b>	<b>(38,933)</b>	<b>(654,731)</b>	<b>34,142</b>	<b>157,990</b>	<b>383,658</b>
NON-CONTROLLING INTERESTS	0	(11)	(12,874)	203	(1,169)	65	0	0	134	(13,652)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	809,504	20,068	18,118	18,662	4,987	(38,868)	(654,731)	34,142	158,124	370,006

## 42. Disclosures by geographic location

The table below shows the external income, gross assets and acquisition of property, plant and equipment by activity and geographical area in 2015 and 2014:

	2015			2014		
	Revenue	Gross assets	Acquisitions of fixed assets	Revenue (restated)*	Gross assets	Acquisitions of fixed assets
<b>Holding company - Continuing operations</b>	<b>28,818</b>	<b>41,786</b>	<b>2,018</b>	<b>32,510</b>	<b>40,319</b>	<b>1,149</b>
Spain	28,818	41,786	2,018	32,510	40,319	1,149
<b>Construction - Continuing operations</b>	<b>1,665,641</b>	<b>463,512</b>	<b>21,999</b>	<b>1,697,043</b>	<b>475,775</b>	<b>57,194</b>
Chile	425,073	20,694	558	447,483	22,141	3,521
Spain	421,996	200,917	6,417	466,580	214,205	21,955
Italy	143,076	0	0	118,056	0	0
Angola	139,964	26,067	1,579	319,690	24,209	8,631
Portugal	121,754	147,876	2,129	57,219	148,986	3,295
Peru	74,129	210	85	22,557	139	139
Mozambique	67,056	17,767	10,284	30,989	9,962	0
Brazil	62,265	1,471	101	59,342	1,867	919
Mexico	56,667	22,456	393	19,954	23,099	15,318
Qatar	39,847	0	0	28,632	0	0
Colombia	39,776	208	208	26,520	0	0
Panama	37,061	207	21	30,920	186	186
Cape Verde	12,214	10,611	126	21,265	14,141	225
UK	11,347	81	90	3,116	0	0
Ireland	7,556	37	0	2,036	37	37
Togo	5,644	417	8	42,433	451	14
Other	216	14,493	0	251	16,352	2,954
<b>Concessions - Continuing operations</b>	<b>563,752</b>	<b>1,627,151</b>	<b>17,489</b>	<b>419,175</b>	<b>966,863</b>	<b>20,107</b>
Chile	302,949	17,949	9,425	328,653	10,987	6,050
Spain	143,132	1,604,963	7,983	37,046	951,715	14,012
Peru	82,880	95	57	28,283	42	40
Portugal	20,783	194	3	23,937	190	5
Colombia	12,745	0	0	0	5	0
Ireland	1,263	3,933	12	1,256	3,915	0
Mexico	0	17	9	0	9	0
<b>Valoriza - Continuing operations</b>	<b>763,088</b>	<b>535,744</b>	<b>40,118</b>	<b>732,323</b>	<b>570,402</b>	<b>21,384</b>
Spain	681,546	321,704	32,398	653,000	372,813	17,709
Peru	106	0	0	0	0	0
Portugal	29,965	195,797	5,933	33,646	190,232	226
Australia	19,433	152	20	12,268	129	48
Mexico	0	4	3	0	0	0
Algeria	13,776	1,323	0	10,085	3,715	32
Chile	12,046	16,715	1,715	52	143	0
Colombia	0	0	0	0	3,369	3,369
Bolivia	0	0	0	0	1	0
Israel	6,216	0	0	20,882	0	0
UK	0	0	0	0	0	0
Panama	0	0	0	0	0	0
Brazil	0	0	0	2,390	0	0
US	0	49	49	0	0	0
<b>Industrial - Continuing operations</b>	<b>289,969</b>	<b>275,260</b>	<b>74,420</b>	<b>193,530</b>	<b>195,463</b>	<b>1,961</b>
Spain	167,199	274,306	73,940	137,639	194,990	1,534
Peru	88,577	419	112	43,505	319	319
Mexico	14,075	10	11	1,609	0	0
Colombia	9,400	42	45	24	3	3
Bolivia	8,201	326	155	10,541	149	103
UK	2,086	0	0	212	0	0
Australia	0	0	0	0	2	2
Panama	431	157	157	0	0	0
<b>Property management - Continuing operator</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,501,517</b>	<b>11,059</b>
Spain	0	0	0	0	2,501,517	11,059
<b>Total continuing operations</b>	<b>3,311,268</b>	<b>2,943,453</b>	<b>156,044</b>	<b>3,074,581</b>	<b>4,750,339</b>	<b>112,854</b>
<b>Adjustments</b>	<b>(362,354)</b>	<b>(208)</b>	<b>(50)</b>	<b>(356,515)</b>	<b>(130,076)</b>	<b>(8,540)</b>
Total adjustments, net	2,948,914	2,943,245	155,994	2,718,066	4,620,263	104,314
<b>Total discontinued operations</b>	<b>130,240</b>	<b>4,104</b>	<b>0</b>	<b>668,448</b>	<b>5,152</b>	<b>0</b>

(\*) As explained in Note 3 the separate consolidated income statement at 31 December 2014 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 prevails. These consolidated financial statements are presented on the basis of International Reporting Standards adopted by the European Union. Consequently, certain accounting practices applied by the Group do not conform with generally accepted accounting in other countries.

## APPENDIX I: SCOPE OF CONSOLIDATION 2014

*NOTE: Indirect shareholdings are calculated based on the owner of the holding.*

Company	Percentage ownership	Owner of the stake	Investment (million euros)	Consolidation method	Activity performed	Share capital	Reserves	Profit	Interim dividend
<b>Sacyr Group</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%				Holding company of Sacyr Valletemoso Group	502,212	82,992	13,239	-
Sacyr Valletemoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	1,600.00	Full consolidation	Ownership of investments in Repsol, S.A.	600,000	(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	690	(10,656)	-
<b>CONSTRUCTION</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	297.83	Full consolidation	Property management 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	Ownership of investments in Sacyr Chile	2,400	(430)	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. Patric. Accionariales, S.L.	13.13 2.56 60.40	Full consolidation	Ownership of investments in Chilean construction firms	74,700	33,940	29,884	-
Somague, S.G.P.S. Rua da Tapada da Quinta de Oms, Lirinhó Sintra - Portugal	100.00%	Sacyr, S.A.	229.40	Full consolidation	Holding company of Somague Engenharia	130,500	37,277	119	-
Sacyr Construcción México, S.A. de C.V. Paseo de la Reforma n° 360, Piso 11 - Colonia Juárez, Delegación Cuauhtémoc, México D.F. - Mexico	99.998% 0.002%	Sacyr Construcción, S.A.U. Peinur, S.A.U.	0.722 0.000	Full consolidation	Construction, in Mexico	722	65	(677)	-
<b>Construction</b>									
Caosa, Obras y Proyectos, S.A. Paseo de la Castellana, 83-85 Madrid	91.00% 9.00%	Peinur, S.A.U. Sacyr Construcción, S.A.U.	4.12 0.85	Full consolidation	Explosives, blasting and drilling/boring	5,151	30,340	164	-
Sofinseer, S.A. Avenida Cors Catalanes, 2, 2. local 3 - Sarri Gugar del Valles, Barcelona	85.00%	Sacyr Construcción, S.A.U.	0.51	Full consolidation	Civil engineering	-	58,511	(2,279)	-
Peinur, 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	-
Ideyca, S.A.U. Calle Jarama, s/n, parcela 8 rave 3 Toledo	100.00%	Peinur, S.A.U.	0.30	Full consolidation	Technical trials and quality control	301	(2,867)	(370)	-
Caosa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile	100.00%	Caosa, S.A.	0.98	Full consolidation	Explosives, blasting and drilling/boring	2,583	220	115	-
Fabide, S.A.U. Calle Gran Via 35 5ª Vázquez	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	-
Construccion 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	-
Construccion 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	-	-
Construccion 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	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)	(176)	-
Tecnologica Lena, S.L. Calle La Vega 5, 4ª - Campomanes Asturias	35.00% 15.00%	Sacyr Construcción, S.A.U. Caosa, S.A.	0.32 0.14	Equity method	Civil engineering	906	(1,735)	351	-
Construccion San José - San Ramón, S.A. Distrito séptimo La Uruca, cantón primero Osa Rica	33.00%	Sacyr Costa Rica, S.A.	0.05	Equity method	Construction of the San José - San Ramón road link	155	112	23	-
Construccion San José - Caldera C.S.C. S.A. Atajueh - Costa Rica	33.00%	Sacyr Costa Rica, S.A.	0.0005	Equity method	Construction of the San José - Caldera	1	6,586	(83)	-
SE, S.C.P.A. Van Inveria, 24/A, Turin - Italy	49.00%	Sacyr Construcción, S.A.U.	7.35	Equity method	Construction, in Italy	15,000	-	-	-
Noto Di Palermo, S.p.A. Van Inveria, 24/A, Turin - Italy	99.80%	SIS, S.C.P.A.	39.92	Equity method	Construction, in Italy	10,000	-	-	-
Superstrada Pedemontana Veneta, SRL Van Inveria, 24/A, Turin - Italy	99.999% 0.001%	SIS, S.C.P.A. Itinere Infraestructuras, S.A.	199.99 0.01	Consolidation ownership	Construction, in Italy	50,008	3,993	(481)	-
Somague Engenharia, S.A. Rua da Tapada da Quinta de Oms, Lirinhó Sintra - Portugal	100.00%	Somague, S.G.P.S.	58.45	Proportionate consolidation	Civil engineering and building	58,450	111,851	2,473	-
Sacyr Costa Rica, S.A. San José, Escazú de la Tienda edificio Terraforte, 4ª, Carrión-Costa Rica	100.00%	Sacyr Construcción, S.A.U.	1.38	Proportionate 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)	(14)	-
NI 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	-
MSO (DKC) Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland	42.50%	Sacyr Ireland Limited	0.000065	Equity method	Construction, in Ireland	-	(7,470)	62	-
Sacyr Servicios México, S.A. de C.V. Periférico Sur 4302 - 105 - Col. Jardines del Pedregal, México D.F. - Mexico	99.998% 0.002%	Sacyr México, S.A. de C.V. Sacyr Construcción, S.A.U.	0.025 0.000	Full consolidation	Construction, in Mexico	25	(8)	10	-
SVLIDCO Construcciones Generales Al Segehya, Madheen 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 Mill Vasant Kunj- New Delhi-110070, Delhi, India	99.99% 0.01%	Sacyr Construcción, S.A.U. Caosa, 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. Caosa, S.A.	2.139 0.00	Full consolidation	Construction, in Peru	2,139	(1,302)	(600)	-
Sacyr Colombia, S.A. Tansur - 194- N99-12 Oficina 801A, Bogotá, Colombia	99.00% 1.00%	Sacyr Construcción, S.A.U. Caosa, 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 Valpoza Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile	50.00% 50.00%	Valpoza Chile, S.P.A. Sacyr Construcción, S.A.U.	0.039 0.039	Full consolidation	Water treatment in Mantoverde	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 2/8 Horse Banack Lane, 2. B, 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)	-
Consejo GDL Viaducto, S.A. de C.V. c/ Alejandro Dumas, 828, Tlahpantla 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	-
ConsejoTúnel Guadalupe, S.A. de C.V. c/ Alejandro Dumas, 828, Tlahpantla 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, 89-85 Madrid	100.00%	Sacyr, S.A.	766.06	Full consolidation	Property management holding company	404,667	88,863	32,321	-
Somaqo Concesiones, S.A. Rua da Tapada da Quinta de Oms, Lirihó Sintra - 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 Terraforte, 4º Costa Rica	100.00%	Sacyr, S.A.	1.41	Full consolidation	Ownership of investments in Costa Rican concessions	966	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 management 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 management holding company	50	-	-	-
SyV México Holding, S.A. de C.V. Paseo de la Reforma, 350 México D.F. - 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. Avda 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	(298)	(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	-
Abzor Inversiones, S.A. (ALAZOR) Carretera de circunvalación M50, KM 67,500, Villavieja de Odon - Madrid	25.16%	Sacyr, S.A.	56.25	Equity method	Concession R3 and R6 motorways	223,600	(322,970)	26,026	-
Sociedad Concesionaria de Palma-Maracor, S.A. Carretera Palma-Maracor Km 25,500 Algaida - Mallorca	40.00%	Sacyr Concesiones, S.L.	7.45	Equity method	Concession C-715 motorway Palma-Maracor 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)	(22,543)	-
Hospitales Concesionados, S.L. Paseo de la Castellana, 89-85 Madrid	51.00%	Sacyr Concesiones, S.L.	7.630	Equity method	Maintenance and operation of hospital infrastructure	543	14,412	1,184	-
Autovía del Turiá, 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-6 - north alternate route	36,250	(33,159)	(4,644)	-
Vastur 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 Terraforte, Cuatro 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 Mondoa, S.A. Paseo de la Castellana, 89-85 Madrid	100.00%	Conc. Intercambiadores de Transporte, S.L.	18.07	Equity method	Construction and operation of the Mondoa transport hub	16,862	(6,250)	3,301	-
Autovía del Eresma Conc. de la Junta de Castilla y León, S.A. Carbонеро 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 Vilasfr Boiro 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 Guadalmedina Concesionaria Española, S.A. Calle Perforcillos, 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.	3.86	Equity method	Majadahonda Hospital Concession	18,283	(14,683)	5,271	(2,676)
Hospital de Parla, S.A. Paseo de la Castellana, 89-85	100.00%	Hospitales Concesionados, S.L.	27.24	Equity method	Construction and concession of Parla Hospital	11,820	873	2,812	-
Hospital del Noreste, S.A. Paseo de la Castellana, 89-85	100.00%	Hospitales Concesionados, S.L.	32.96	Equity method	Construction and concession of Hospital del Noreste	14,300	4,949	2,677	-
Interc. de Transporte de Plaza Elíptica, S.A. Paseo de la Castellana, 89-85 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 Antares, S.A. Carretera N-122, Km 272, Aranda de Duero - Burgos	50.00%	Sacyr, S.A.	11.86	Equity method	Motorway concession	23,723	(14,851)	5,417	-
Inversora Autopista de Leante, S.L. Plaza Manuel Gomez Moreno 2 edificio Alfredo Méndez Madrid	40.00%	Valoria Consers. e Infrastr. S.A.	5.00%	Equity method	Santo Tomé de Puerto-Burgos motorway	67,919	(167,382)	(23,645)	-
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	3,925	-
Autovías de Peaje en Sombra, S.L. Paseo de la Castellana, 89-85 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, 89-85 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 - Ballinestee N6 stretch	50	(41,678)	(6,990)	-
N6 Operaciones Ltd 25-28 North Wall Quay Dublin 1 - Ireland	50.00%	Sacyr Concesiones Limited	0.00	Equity method	Maintenance and operation of the Galway - Ballinestee N6 stretch	-	514	781	(500)
SyV Servicios México, S.A. de C.V. Delegación Cooyacán, México D.F. - 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	-
Tenemetro, S.L. Carretera general la Cuesta-Taco 104 La Laguna - Santa Cruz de Tenerife	30.00%	Sacyr Concesiones, S.L.	0.83	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.A.	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 Torralba	67.33%	Sacyr Concesiones, S.L.	17.12	Full consolidation	Construction, in Spain	25,000	(23,506)	3,186	-
Sociedad Concesionaria Vales 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-Cabero Motorway	51,189	(142)	4,454	-
Sociedad Concesionaria Ruta 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 Iquique 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% 0.0003%	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 Liman, 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.	25.39 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	95.39% 4.61%	Sacyr Concesiones Chile, S.A. Sacyr Chile, S.A.	100.034 12.860	Full consolidation	Construction and operation of concessions in Chile	137,709	(2,919)	(18)	-
S.C. Vespucio Oriente, S.A. C/ Puente Miraflores, 82, Of. 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. Ternaveral 23, Of 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, 89-85 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 Perú	35.00% 32.00%	Sacyr Concesiones, S.L. Sacyr Concesiones Perú, S.L.	8.018 7.41	Full consolidation	Construction and operation of concessions in Peru	23,147	1,435	1,951	-
Sacyr Operación y Servicios Perú, S.A.C. C/ Victor Andrés Bello: Av 181 - Lima - Perú	0.004% 99.996%	Sacyr Concesiones, S.L. Sacyr Concesiones Perú, S.L.	0.000 0.008	Full consolidation	Construction and operation of concessions in Peru	7	-	-	-

**SERVICES**

Subsidiaries and holding companies									
Valoriza Gestión S.A.U. Paseo de la Castellana, 89-85 Madrid	100.00%	Sacyr, S.A.	166.54	Full consolidation	Property management holding company	122,133	50,228	26,723	-
Somague Ambiente, S.A. Rua da Tapada da Quinta de Oms, Lino 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, 89-85 Madrid	100.00%	Valoriza Gestión S.A.U.	31.82	Full consolidation	Power generation projects	20,545	20,699	(1,677)	-
Valoriza Agua, S.L. Paseo de la Castellana, 89-85 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, 89-85 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 Espaldor, 11-13 Madrid	92.47% 6.53%	Valoriza Gestión S.A.U. Hidrocarburos, S.A.	136.31 0.21	Full consolidation	Environmental management	17,129	41,157	8,653	-
Suavidos Servicios Marítimos de Barcelona, S.L. Calle Ajalá, 6 Madrid	50.03%	Valoriza Gestión S.A.U.	3.10	Full consolidation	Maritime services	3	7,646	524	-
Enerxior Naval, S.L. Lugar Santa Tecla, 69 Vigo - Pontevedra	40.00%	Valoriza Gestión S.A.U.	0.18	Equity method	Construction and maintenance of wind farms	450	(364)	(6)	-
Valoriza Minería, S.L. Paseo de la Castellana, 89-85 Madrid	100.00%	Valoriza Gestión S.A.U.	0.50	Full consolidation	Extraction of iron and minerals	500	-	(423)	-
	17.00%	Valoriza Gestión S.A.U.	0.0135						
	8.00%	Sacyr Industrial, S.L.U.	0.0012						
Consortio Stable Via Società c.p.a. Via Invernò n.24/A Turin Italy	17.00% 8.00%	Valoriza Cons.e Infraestructuras, S.A. Valoriza Ser. Medioambientales, S.A.	0.0012 0.0012	Equity method	Construction and management of all types of infrastructure	38	-	-	-
	8.00%	Valoriza Agua, S.L.	0.0012						
	8.00%	Valoriza Facilites, S.A.U.	0.0012						
Services									
<b>Environment</b>									
Valoriza Conservación de Infraestructuras, S.A. Paseo de la Castellana, 89-85 Madrid	100.00%	Valoriza Gestión S.A.U.	0.74	Full consolidation	Environmental consultancy and management	750	5,309	3,400	-
Simulador Validad Invernal, S.L. Paseo de la Castellana, 89-85 Madrid	60.00%	Valoriza Conservación de Infraestructuras, S.A.	0.007	Full consolidation	Preparation of programmes and training in new technologies	12	-	2	-
<b>Energy</b>									
Repsol, S.A. Calle Méndez Alvaro, 44 Madrid	8.94%	Sacyr Participaciones 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)
Secadinos de Biomasa, S.A. (SEDEBSA) Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	78.28%	Sacyr Industrial, S.L.U.	2.43	Full consolidation	Energy recovery from pomace oil	2,900	599	413	-
Biomazas de Puente Genil, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	78.08%	Sacyr Industrial, S.L.U.	2.18	Full consolidation	Power generation projects	2,600	4,739	1,358	-
Compañía Energética de Pata de Mulo, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	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. Seville	90.00%	Sacyr Industrial, S.L.U.	1.17	Full consolidation	Power generation projects	1,300	1,529	115	-
Compañía Energética Las Vilas, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	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. Seville	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, 89-85 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, 89-85 Madrid	100.00%	Sacyr Industrial, S.L.U.	0.06	Full consolidation	R&D research and research projects	60	(25)	(3)	-
Geolix Climatización, S.L. Calle Correa Weglison 4, 2 A, Jafin	64.73%	Sacyr Industrial, S.L.U.	1.48	Full consolidation	R&D research and research projects	2,295	(3,360)	(109)	-
Desarrollos Edificios Extremos, 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. Seville	60.30%	Valoriza Renovables, S.L.	1.00	Full consolidation	R&D research and research projects	6,161	(6,182)	8,105	-
Compañía Ojuna de Linares, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	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. Seville	81.43%	Valoriza Renovables, S.L.	6.86	Full consolidation	Biomass-fueled electricity generation plant	9,500	(975)	(82)	-
Iberrola Energía Aragón, S.A. Paseo de la Constitución, 4 Zaragoza	50.00%	Sacyr Industrial, S.L.U.	0.20	Equity method	Wind power	400	(320)	(93)	-
Solución Renovables, S.L. Planta Termosolar Lebrija 1, Pájaros 12053 sector B13, Las Matruernas de Lebrija, Seville	50.00%	Sacyr Industrial, S.L.U.	50.30	Equity method	R&D research and research projects	100,602	(204,383)	(5,762)	-
Soleneo Renovables, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	50.00%	Sacyr Industrial, S.L.U.	0.0017	Equity method	R&D research and research projects	3	2,408	208	-
Vaicar 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 Seville	6.00%	Sacyr Industrial, S.L.U.	0.180	Equity method	R&D research and research projects	3,000	(2,000)	(25)	-
Biomazas de Talavera, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	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. Seville	100.00%	Sacyr Industrial, S.L.U.	0.006	Full consolidation	R&D research and research projects	3	(1)	-	-
Biomazas Puente Obispo, S.L. Calle Luis Montoto, 107-113. Pl 4 Mod J, Edificio Cristal. Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	R&D research and research projects	3	(1)	-	-
Biohal Energía, S.L. Paseo de la Castellana, 89-85 Madrid	51.00%	Sacyr Industrial, S.L.U.	0.0015	Full consolidation	R&D research and research projects	3	-	-	-
Iberrola Energía Aragón, S.A. 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	12	(401)	379	-
Quatro T&D Limited 281 Springhill Parkway - Lanarkshire - Scotland	33.00%	Sacyr Industrial, S.L.U.	0.30	Equity method	Construction of an electricity substation	897	(523)	(303)	-
Sacyr Industrial Perú, S.A.C. Av. La Floresta, 497, int 401-San Boja-Lima-Perú	100.00%	Sacyr Industrial, S.L.U.	0.259	Full consolidation	R&D research and studies projects	260	(45)	(148)	-
Grupo Sainca, S.A.C. Av. La Floresta, 497, int 401-San Boja-Lima-Perú	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)	-
Comercio 1420 SF Sacyr mexicana, S.A. de C.V. C/O Taine - chapultepec Morales, 11570, Mexico	60.00%	Sacyr Industrial, S.L.U.	0.0017	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, 89-85 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, 89-85 Madrid	100.00%	Sacyr Industrial, S.L.U.	2.00	Full consolidation	Telecommunications Services	301	1,523	187	-
Burosoft, Sistemas de Información, S.L. Carretera de la Coruña Km23,200 edificio Efeu Las Rozas - Madrid	70.00%	Valoriza Facilites, 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 Rolón, 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	40	-	-	-
Gaída Skikda, 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	-
Gaída Timcen, 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, 89-85, Madrid	100.00%	Valoriza Agua, S.L.	5.27	Full consolidation	Water treatment and purification	2,500	2,062	6,044	-
Santacrucera de Aguas, S.L. Avenida La Salle, 40 Las Palmas de Gran Canarias	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)
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	(442)	(873)	-
Valoriza Chile, S.P.A. Avenida Viscuso 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 Quitaravides, 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 Soria, S.L. Plaza Meyer, 7, Soria	74.00%	Valorinima, S.L.	3.70	Full consolidation	Water treatment and purification	5,000	-	176	-

**Valoriza Servicios Medioambientales Grupo**

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	40	(85)	-	-
Compost del Piñero S.L. Calle Juan Espardú, 11-13 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	0.98	Equity method	Development of sludge composting plants (waste-water purification plants)	1,161	(880)	(57)	-
Metrotang S.L. Final Rambla Pin, s/n Barcelona	21.80%	Valoriza Servicios Medioambientales, S.A.	2.71	Equity method	Management & construction over 15 years of the San Adria de Besos purification plant	12,554	(358)	873	-
Boremer S.A. Calle Ribera del Loiro 42, edificio 3 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	1.09	Equity method	Contacting and management of project cleaning services	2,176	192	(4,109)	-
Biomassas del Piñero S.A. Calle San Bartolomé, 11 Alcalá de Guenra - Huesca	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	300	(165)	-	-
Valdemingómez 2000, S.A. Calle Albaracín, 44 Madrid	40.00%	Valoriza Servicios Medioambientales, S.A.	1.20	Equity method	Degassification 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 Eólico la Sobonera, S.L. Plaza Antonio Beltrán Martínez, 14 Zaragoza	30.16%	Valoriza Servicios Medioambientales, S.A.	0.80	Equity method	Production of renewable energy	2,000	5,480	104	-
Hidroandaluza, S.A. Paseo de la Castellana, 89-85 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 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 Salmón, 8 Madrid	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Waste management	40	(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 Bolívar Jerez de la Frontera - Cádiz	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 Huehela, S.L. Calle Lope, 12 Caraya - 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 Espardú, 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)	-
Degassificación de Vertederos, S.A. Calle Federico Salmón, 8 Madrid	50.00%	Eurocomercial S.A.U.	0.03	Equity method	Recovery of biogas from degassification of landfill sites	40	(239)	(1)	-
Alcorec, S.L. Avenida Kansas City, 3 10 Sevilla	10.00%	Valoriza Servicios Medioambientales, S.A.	0.086	Equity method	Construction and demolition waste management	174	147	23	-
Surge Ambiental, S.L. Calle de Juan Espardú, 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 Yakarta, 8 Sevilla	50.00%	Alcorec, S.L.	0.250	Equity method	Construction and demolition waste management	3	37	-	-
Sarcom, 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	40	43	(35)	-
Tratamiento Residuos de La Rioja, S.L. Calle La Real 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)	-
Ecotrading 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 Ponzasa, 5 Burriana - 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 Armez, S.L. C/Ercano 1, Bilbao	70.00%	Valoriza Servicios Medioambientales, S.A.	0.002	Full consolidation	Management of processing plants and equipment	2	-	-	-

**Multiservices**

Valoriza Servicios Socio Sanitarios, S.L. Paseo de la Castellana, 89-85 Madrid	100.00%	Valoriza Facilites, 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, 89-85 Madrid	100.00%	Val. Servicios Socio Sanitarios, S.L.	9.00	Full consolidation	Provision of social services	3,588	955	165	-
Calstore, S.A. Paseo de la Castellana, 89-85 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, 89-85 Madrid	100.00%	Calstore, S.A.	0.003	Full consolidation	Operation of service stations	3	22	5	-

**PROPERTY DEVELOPMENT**

Subsidiaries and holding companies									
Vallehermosa División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	441.89	Full consolidation	Property management holding company	117,343	(188,648)	(43,486)	-
Somage Inmobiliaria S.A. Rua da Tapada de Quinta de Ome, Lino Sintra - Portugal	100.00%	Vall. Div. Promoción, S.A.U.	18.21	Full consolidation	Property management holding company in Portugal	15,000	(26,433)	(1,252)	-
Property developers									
Esantat, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Vall. Div. Promoción, S.A.U.	0.47	Full consolidation	Property development	150	(442)	(186)	-
Proscacy Ocio, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Vall. Div. Promoción, S.A.U.	20.99	Full consolidation	Property development	4	2,847	2,057	-
Capaco, S.L.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Vall. Div. Promoción, S.A.U.	0.20	Full consolidation	Property development	153	1,913	46	-
Ticéfalo, S.A. Paseo de la Castellana, 83-85 Madrid	60.00%	Vall. Div. Promoción, S.A.U.	9.37	Full consolidation	Property development	9,015	1,969	68	-
Club de Campo As Mariñas, S.A. Calle Tarrío, s/n Culleredo - La Coruña	19.99%	Vall. Div. Promoción, S.A.U.	0.18	Equity method	Property development	271	(408)	-	-
Camante Golf, S.A. Paseo de la Castellana, 81 Madrid	26.00%	Vall. 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%	Vall. Div. Promoción, S.A.U.	10.73	Equity method	Property development	7,654	(4,591)	(1,043)	-
M Capital, S.A. Puerta del Mir. 20 Málaga	4.97%	Vall. 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%	Vall. 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 management 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	-
Talde 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 11 11 Bickell Avenue Miami - USA	100.00%	Testa Inmuebles en Renta, S.A.	70.88	Full consolidation	Property rental	70,387	77,099	(304)	-
Gestofesta, 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	354	-
Proscacy 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	184	-
Itacero, 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	-
Bardomar, 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	-
Proctan 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.	5.69	Equity method	Property rental	5,801	(1,043)	(118)	(75)
Parking Pabau, 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.	10.58	Equity method	Property rental	16,351	(25,924)	(3,024)	-
	11.11%	Sacyr Construcción, S.A.U.	2.65						

## **APPENDIX I: SCOPE OF CONSOLIDATION 2015**

*NOTE: Indirect shareholdings are calculated based on the owner of the holding.*

Company	Percentage ownership	Owner of the stake	Investment (million euros)	Consolidation method	Activity performed	Share capital	Reserves	Profit	Interim dividend
<b>Sacyr Group</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%				Holding company of Sacyr Vallehermoso Group	517,431	67,426	809,504	(25.7)
Sacyr Vallehermoso Participaciones Mobiliarias, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	1,600.00	Full consolidation	Ownership of investments in Repsol, S.A.	600,000	(113,362)	(575,946)	-
Sacyr Gestión de Activos, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	22.19	Full consolidation	Acquisition, management of securities and advisory services	4	12,220	(11,578)	-
FINSA, S.R.L. Via Invorio 24A, Turin	49.00%	Sacyr, S.A.	0.044	Equity method	Acquisition, management of securities and advisory services	90	(2)	(6)	-
Sacyr Finance, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	0.060	Full consolidation	Acquisition, management of securities and advisory services	60	-	4	-
<b>CONSTRUCTION</b>									
<b>Subsidiaries and holding companies</b>									
Sacyr Construcción, S.A.U. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr, S.A.	287.83	Full consolidation	Property management holding company	52,320	221,467	46,098	-
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	Ownership of investments in Sacyr Chile	2,400	(435)	21	-
Sacyr Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile	6.12% 0.52% 93.33%	Sacyr Construcción, S.A.U. Inchisacyr Sacyr Const. Partic. Accionariates, S.L.	13.13 2.58 134.47	Full consolidation	Ownership of investments in Chilean construction firms	149,383	50,156	1,881	-
Somague, S.G.P.S. Rua da Tapada da Quinta de Cima, Linhó Sintra - Portugal	100.00%	Sacyr, S.A.	229.40	Full consolidation	Holding company of Somague Engenharia	130,500	36,355	(26,947)	-
Sacyr Construcción México, S.A. de C.V. Paseo de la Reforma nº 350, Piso 11 - Colonia Juárez Delegación Cuauhtémoc, México D.F. - M	99.996% 0.002%	Sacyr Construcción, S.A.U. Pinar, S.A.U.	0.722 0.000	Full consolidation	Construction, in Mexico	722	(429)	(3,184)	-
<b>Construction</b>									
Cavosa, 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	30,350	672	-
Sciniser, S.A. Avenida Corts Catalanes, 2, 2, local 3 - Sant Cugat del Valles, Barcelona	100.00%	Sacyr Construcción, S.A.U.	2.51	Full consolidation	Civil engineering	601	56,233	857	-
Pinar, S.A.U. Calle Luis Moroto 107-113 - Edificio Citisal, planta 4ª, modulo J, Seville	100.00%	Sacyr Construcción, S.A.U.	3.18	Full consolidation	Civil engineering	3,185	12,218	4,843	-
Idesco, S.A.U. Calle Jerama, s/n, parcela 6 nave 3 Toledo	100.00%	Pinar, S.A.U.	0.30	Full consolidation	Technical trials and quality control	301	(3,237)	(274)	-
Cavosa Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes Chile	100.00%	Cavosa, S.A.	0.98	Full consolidation	Explosives, blasting and drilling/boring	2,583	219	141	-
Febide, S.A.U. Calle Gran Via 35 5ª - Vizcaya	100.00%	Sacyr Construcción, S.A.U.	0.75	Full consolidation	Civil engineering	601	(460)	1,407	-
Pazo de Congressos de Vigo, S.A. Avenida Garcia Barbón, 1 Pontevedra	11.11%	Sacyr Construcción, S.A.U.	2.65	Equity method	Property rental	11,100	(19,996)	(1,424)	-
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	36	61	-
Construtora 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)	2	-
Construtora Sacyr-Necso, 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	31	-	-
Construtora Necso-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	52	-	-
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	(334)	(178)	-
Tecnológica Lenta, S.L. Calle La Vega 5, 4ª - Campomanes Asturias	35.00% 15.00%	Sacyr Construcción, S.A.U. Cavosa, S.A.	0.32 0.14	Equity method	Civil engineering	906	(1,384)	-	-
Construtora 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	35	(6,087)	-
Construtora San José - Caldera CSJC, S.A. Alajuela - Costa Rica	33.00%	Sacyr Costa Rica, S.A.	0.0005	Equity method	Construction of the San José - Caldera	1	7,239	(186)	-
SIS, S.C.P.A. Via Invorio, 24/A, Turin - Italy	49.00%	Sacyr Construcción, S.A.U.	7.35	Equity method	Construction, in Italy	15,000	-	-	-
Nodo Di Palermo, S.p.A. Via Invorio, 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 Invorio, 24/A, Turin - Italy	99.999% 0.001%	SIS, S.C.P.A. Itinere Infraestructuras, S.A.	199.99 0.01	Consolidation ownership	Construction, in Italy	85,008	4,440	138	-
Somague Engenharia, S.A. Rua da Tapada da Quinta de Cima, Linhó Sintra - Portugal	100.00%	Somague, S.G.P.S.	58.45	Full consolidation	Civil engineering and building	58,450	113,285	(26,751)	-
Sacyr Costa Rica, S.A. San José, Escasuz de la Tienda edificio Terafonte, 4ª, Carrón-Costa Rica	100.00%	Sacyr Construcción, S.A.U.	1.49	Proportionate consolidation	Construction, in Costa Rica	1,519	1,963	41	-
Eurmlink, S.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	(41,441)	(17)	-
NB Construction Limited 70, Sir John Rogerson's Quay Dublin 2 - Ireland	42.50%	Sacyr Ireland Limited	0.00002	Equity method	Construction, in Ireland	-	(90,390)	4	-
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	-	(7,608)	-	-
Sacyr Servicios México, S.A. de C.V. Periférico Sur 4302 - 105 - Col. Jardines del Pedregal, México D.F. - 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	1	(11)	-
SV-LIDCO Construcciones Generales Al Seyehiya, Madreen Street (Behind Bader Mosque) Tripoli - Libya	60.00%	Sacyr Construcción, S.A.U.	3.31	Full consolidation	Construction, in Libya	5,360	(16,849)	-	-
Sacyr Panamá, S.A. Panama City, Republic of Panama	100.00%	Sacyr Construcción, S.A.U.	1.86	Full consolidation	Construction, in Panama	1,861	964	216	-
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	(493,728)	(343)	-
Sacyr India Infra Projects Private Limited SF-08, Second Floor, Vasant Square Mill Vasant Kury- New Delhi-110070, Delhi, India	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	1.66 0.00	Full consolidation	Construction, in India	766	(961)	(3)	-
Sacyr Perú, S.A.C. C/ Monseñor 655 - Dpto 202, Lima, Peru	99.99% 0.01%	Sacyr Construcción, S.A.U. Cavosa, S.A.	2.139 0.00	Full consolidation	Construction, in Peru	2,141	(1,980)	1,411	-
Sacyr Colombia, S.A. Transv. 194- N86-12 Oficina 801A, Bogotá, Colombia	99.00% 1.00%	Sacyr Construcción, S.A.U. Cavosa, S.A.	4.528 0.01	Full consolidation	Construction, in Colombia	3,943	(3,049)	(1,027)	-
Sacyr Valorița Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102 Santiago de Chile	50.00% 50.00%	Valorița Chile, S.P.A. Sacyr Construcción, S.A.U.	0.039 0.039	Full consolidation	Water treatment in Mantovene	79	(13,399)	832	-
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	(10,852)	(3,575)	-
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	176	419	-
Sacyr Construcción Participaciones Accionariates, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr Construcción, S.A.U.	60.46	Full consolidation	Acquisition, administration and management of securities	6,049	54,401	(4)	-
Consorcio GDV, Vixaduto, S.A. de C.V. C/ Alejandro Dumas, 82R, Tlalrepan 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	3	2,063	-

ConsortioTúnel Guadalupe, S.A. de C.V. C/ Alejandro Duran, 628, Tlalreparita 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	(140)	3,310	-
Sacyr Construcción Colombia, S.A. CL 9723-60 PB Edif Prokso - Bogotá - Colombia	100.00%	Sacyr Construcción, S.A.U.	0.0740	Full consolidation	Contracting and execution of private and public works	58	20	(174)	-
Sacyr Construcción USA LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100.00%	Sacyr Construcción, S.A.U.	4.7800	Full consolidation	Construction and assembly of works	4,788	57	(870)	-
Sacyr Construcción Australia Pty Level 12, 1 Pacific Highway, North Sydney NSW 2060.	100.00%	Sacyr Construcción, S.A.U.	0.0001	Full consolidation	Construction and assembly of works	-	(4)	(512)	-
Sacyr Construcción Uruguay, S.A. C/ Zabalá 1504, Montevideo- Uruguay.	100.00%	Sacyr Construcción, S.A.U.	0.0060	Full consolidation	Construction and assembly of works	1	(363)	(245)	-
Consortio Sahel Cajamarca República de Panamá 35331, Interior 404, 27- San Isidro- Lima- Peru	67.00%	Sacyr Perú, S.A.C.	0.0000	Full consolidation	Contracting and execution of engineering works	-	-	(1)	-

## CONCESSIONS

Subsidiaries and holding companies									
Sacyr Concesiones, S.L.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	866.00	Full consolidation	Property management holding company	405,667	220,330	(4,988)	-
Somagus Concesiones, S.A. Rua de Tavora da Quinta de Cima, Lino Sines - Portugal.	100.00%	Sacyr Concesiones, S.L.	38.61	Full consolidation	Operation of holding company	40,920	19,022	(1,057)	-
SyV Conc. Costa Rica, S.A. San José, Edificio Temoforte, # Costa Rica.	100.00%	Sacyr, S.A.	1.41	Full consolidation	Ownership of investments in Costa Rican concessions	956	226	2	-
Sacyr Concesiones Limited 5th Floor, Harmony Court, Harmony Row Dublin 2 - Ireland.	100.00%	Sacyr Concesiones, S.L.	30.16	Full consolidation	Property management holding company	30,159	10,426	4,101	-
NE Concession Holding Ltd 25-28 North Wall Quay Dublin 1 - Ireland.	45.00%	Sacyr Concesiones Limited	0.02	Equity method	Property management holding company	50	(50)	-	-
SyV México Holding, S.A. de C.V. Paseo de la Reforma, 350 México D.F. - Mexico	99.999% 0.001%	Sacyr, S.A. Sacyr Conc. Participaciones I, S.L.	3.92 0.00	Full consolidation	Construction in Mexico	105	2,035	(2,048)	-
Sacyr Perú, S.A.C. Avda del Pinar, Urbanización Chacarilla del Estanque - Santiago de Surco - Lima - Peru.	99.999% 0.001%	Sacyr Concesiones, S.L. Sacyr Conc. Participaciones I, S.L.	3.106 0.00	Full consolidation	Construction and operation of concessions in Peru	3,106	(2,160)	(3,698)	-
Hospitales Concesionados, S.L. Paseo de la Castellana, 83-85 Madrid.	51.00%	Sacyr Concesiones, S.L.	8.144	Full consolidation	Maintenance and operation of hospital infrastructure	543	16,595	3,510	-
Conc. Intercambios de Transporte, S.L. Paseo de la Castellana, 83-85 Madrid	51.00%	Sacyr Concesiones, S.L.	4.09	Full consolidation	Construction, maintenance and operation of infrastructure	6,336	1,227	1,502	-
Autovías de Peaje en Sombra, S.L. Paseo de la Castellana, 83-85 Madrid	51.00%	Sacyr Concesiones, S.L.	6.16	Full consolidation	Construction, maintenance and operation of infrastructure	7,704	6,746	2,641	-
S.C. Viales Andinas, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Concesiones Chile, S.A.	122.26	Full consolidation	Construction and operation of concessions in Chile	123,441	(8,264)	541	-
Sacyr Concesiones Chile, S.A.S. Transversal 23, nº 84-33, Of 801 - Bogotá - Colombia.	100.00%	Sacyr Concesiones, S.L.	30.49	Full consolidation	Construction and operation of concessions in Colombia	274	27,179	(3,006)	-
Concession operators									
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	Full consolidation	Concession Autovía del Noroeste	14,440	9,582	7,375	-
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	(298,402)	(19,584)	-
Sociedad Concesionaria de Palma-Manacor, S.A. Carretera Palma-Manacor Km 25,500 Algaide - Mallorca	40.00%	Sacyr Concesiones, S.L.	7.45	Full consolidation	Concession C-715 motorway Palma-Manacor motorway	19,650	(22,808)	24,795	-
Inversora de Autopistas del Sur, S.L. Plaza Manuel Gomez Morano, 2, Madrid	35.00%	Sacyr Concesiones, S.L.	99.83	Equity method	Concession, R-4 Motorway	44,185	(206,469)	(38,649)	-
Autovía del Turis, Conc. de la Generalitat Valenciana, S.A. CV-39 Km - PK 8.300 Paterna - Valencia.	89.00%	Autovías de Peaje en Sombra, S.L.	23.33	Full consolidation	Concession, CV-36 Motorway and CV-5 north alternate route	36,250	(18,618)	16,276	-
Viasur Concesionaria del Principado de Asturias, S.A. Lugo de Llanera - Llanera - Asturias.	70.00%	Sacyr Concesiones, S.L.	10.03	Full consolidation	Concession, AS-16 Motorway and widening of the AS-17 road	14,326	(38,046)	(1,283)	-
Intercambiador de Transportes de Moncloa, S.A. Paseo 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	8,335	18,222	-
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	(14,381)	(376)	-
Autovía del Barbanza Conc. de la Xunta de Galicia, S.A. Calle Vitanilo Boiro La Coruña.	100.00%	Sacyr Concesiones, S.L.	9.94	Full consolidation	Construction and operation of Barbanza Motorway	9,400	(29,642)	(1,555)	-
Autopista del Guadalmedina Concesionaria Española, S.A. Calle Parancillos, 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	5,741	(4,691)	-
Hospital de París, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	27.24	Full consolidation	Construction and concession of Parfa Hospital	11,820	14,242	3,191	-
Hospital del Noroeste, S.A. Paseo de la Castellana, 83-85	100.00%	Hospitales Concesionados, S.L.	32.96	Full consolidation	Construction and concession of Hospital del Noroeste	14,300	15,702	3,227	-
Inter. de Transporte de Plaza Elíptica, S.A. Paseo de la Castellana, 83-85 Madrid	100.00%	Conc. Intercambiadores de Transporte, S.L.	18.50	Full consolidation	Construction and concession of Plaza Elíptica transport hub	19,505	6,285	391	-
Autovía del Atarón, 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	8,434	2,072	-
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	(191,027)	(24,671)	-
NE Concession Ltd Paseo de la Castellana, 83-85 Madrid	100.00%	NE Concessions Holding Ltd	0.05	Equity method	Construction, maintenance and operation of infrastructure	50	(46,725)	(8,199)	-
NE 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 NE stretch	-	789	779	(0,5)
SyV Servicios México, S.A. de C.V. Delegación Coyoacán, México D.F. - Mexico.	99.998% 0.002%	SyV México Holding, S.A. de C.V. Sacyr Conc. Participaciones I, S.L.	0.003 0.000010	Full consolidation	Construction in Mexico	3	3	9	-
Tenemetro, S.L. Carretera general la Costa-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	(8,712)	35	-
Sacyr Concesiones Chile, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	100.00%	Sacyr Concesiones, S.L.	124.05	Full consolidation	Construction and operation of concessions in Chile	123,540	(10,423)	(1,701)	-
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	8,466	1,413	-
Sacyr Operación y Servicios, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	37.90% 1.11% 61.00%	Sacyr Concesiones Chile, S.A. Sacyr Concesiones, S.A. Val. Conesation and Infra. Chile, S.p.A.	3.30 0.101 3.980	Full consolidation	Construction and operation of concessions in Chile	6,728	(2,024)	508	-
Sociedad Concesionaria Aeropuerto de la Región de Murcia, S.A. Calle Molina de Segura, 8 Torralgo	67.33%	Sacyr Concesiones, S.L.	17.12	Full consolidation	Construction, in Spain	14,750	(18,884)	(15,336)	-
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-Cabrero Motorway	51,189	1,410	5,815	-
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 Iquique civil engineering	30,281	1,060	7,409	-
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 0.002 0.239	Full consolidation	Construction and maintenance of Ruta Norte project	46,946	(1,687)	7,459	-
S.C. Salud Siglo XXI, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	70.00%	Sacyr Concesiones Chile, S.A.	15.41	Full consolidation	Maintenance and operation of the Antofagasta Hospital public works	21,960	(6,618)	2,632	-
S.C. Ruta del Limari, S.A. Avenida Vitacura Nº 2939, oficina 1102, comuna de Las Condes, Santiago - Chile	51.00%	S.C. Viales Andinas, S.A.	14.93	Full consolidation	Maintenance and operation of the Ruta 43 public works	29,280	(2,318)	332	-
S.C. Vespucio Oriente, S.A. C/ Padre Meriano, 82- Of. 1403 - Santiago de Chile	50.00%	Sacyr Concesiones Chile, S.A.	59.790	Equity method	Construction and operation of concessions in Chile	119,585	(2,316)	825	-
GSI 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	2,302	1,883	(0,5)
Sacyr Conc. Participaciones I, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr Concesiones, S.L.	0.06	Full consolidation	Construction and operation of infrastructure	58	(13)	(3)	-
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.	14.313 13.09	Full consolidation	Construction and operation of concessions in Peru	40,909	1,354	4,968	-
Sacyr Operación y Servicios Perú, S.A. C. C/ Victor Andrés Belande, Av 181- Lima - Peru	40.00% 60.00%	Sacyr Concesiones Perú, S.L. Val. Conesation and Infra. S.A.	0.001 0.004	Full consolidation	Construction and operation of concessions in Peru	7	-	-	-

Operador AVO, S.A. C/ Padre Mariano 82 - Of. 1403 - Santiago de Chile	50.00%	Sacyr Concesiones Chile, S.L.	0.03	Equity method	Construction and operation of the concession "Americo Vesputio Oriente"	26	(19)	(11)	-
Sacyr Infrastructure USA LLC Centerville Road suite 400 - 02711 Wilmington DE 19808 USA	100.00%	Sacyr Concesiones, S.L.	2.83	Full consolidation	Construction and operation of concessions in USA	2,835	41	(985)	-
Soc. Conc. Vial Montes de María, S.A.S. Cl. 97 NO 23-60 ED To Proksoel P8 - Bogotá.	100.00%	Sacyr Concesiones Chile, S.A.S.	3.30	Full consolidation	Construction and operation of concessions in Colombia	290	2,947	535	-
Soc. Conc. Vial Unión del Sur, S.A.S. Cl. 97 NO 23-60 ED To Proksoel P8 - Bogotá.	80.00%	Sacyr Concesiones Chile, S.A.S.	13.69	Full consolidation	Construction and operation of concessions in Colombia	52	22,704	483	-
Desarrollo Vial al Mar, S.A.S. Cl. 97 NO 23-60 ED To Proksoel P8 - Bogotá.	37.50%	Sacyr Concesiones Chile, S.A.S.	0.00	Equity method	Construction and operation of concessions in Colombia	-	(22)	186	-
<b>SERVICES</b>									
<b>Subsidiaries and holding companies</b>									
Valoriza Gestión S.A.U. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr, S.A.	165.54	Full consolidation	Property management holding company	122,133	76,952	14,317	-
Somague Ambiente, S.A. Rua de Tapada da Quinta de Cima, Lirinhó Sirera - Portugal	100.00%	Valoriza Gestión S.A.U.	15.30	Full consolidation	Environmental consultancy and management	10,000	31,857	(754)	-
Sacyr Industrial, S.L.U. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Gestión S.A.U.	51.89	Full consolidation	Power generation projects	40,920	19,022	(1,057)	-
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	5,765	1,077	-
Valoriza Facilities, 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	12,573	5,332	-
Valoriza Servicios Medioambientales, S.A. Calle Juan Esplandiú, 11-13, Madrid	93.47% 6.53%	Valoriza Gestión S.A.U. Hidroandulza, S.A.	135.31 0.21	Full consolidation	Environmental management	17,129	42,449	7,238	-
Suardiaz Servicios Marítimos de Barcelona, S.L. Calle Ayala, 6, Madrid	50.03%	Valoriza Gestión S.A.U.	3.10	Full consolidation	Maritime services	3	8,171	620	-
Eneñator Naval, S.L. Lugar Santa Tecla, 69 Vigo - Pontevedra	40.00%	Valoriza Gestión S.A.U.	0.18	Equity method	Construction and maintenance of wind farms	450	(380)	(17)	-
Valoriza Minería, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Gestión S.A.U.	0.82	Full consolidation	Extraction of iron and minerals	500	(103)	(38)	-
	8.00%	Valoriza Gestión S.A.U.	0.0135						
	8.00%	Sacyr Industrial, S.L.U.	0.0012						
Consortio Stabile Vis Società c.p.a. Via Invito n 24/A Turin - Italy	9.00% 8.00% 8.00% 8.00%	Valoriza Cons.e Infraestructuras, S.A. Valoriza Ser. Medioambientales, S.A. Valoriza Agua, S.L. Valoriza Facilities, S.A.U.	0.0012 0.0012 0.0012 0.0012	Equity method	Construction and management of all types of infrastructure	150	-	-	-
<b>Services</b>									
<b>Environment</b>									
Valoriza Conservación de Infraestructuras, S.A. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Gestión S.A.U.	0.74	Full consolidation	Conservation, maintenance and operation of motorways and roads.	750	6,522	5,607	-
Simulador Validad Invenal, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Valoriza Conservación de Infraestructuras, S.A.	0.054	Full consolidation	Preparation of programmes and training in new technologies	12	2	-	-
European Tungsten Company, S.L. Paseo de la Castellana, 83-85, Madrid	51.00%	Valoriza Minería, S.L.	0.033	Full consolidation	Exploration, research and sale of minerals	66	(2)	-	-
Tungsten San Finx, S.L. Santa Eulalia de Vilacoba, Lousame Mira San Finx - A Coruña	100.00%	Valoriza Minería, S.L.	0.003	Full consolidation	Exploration, research and sale of minerals	3	-	(29)	-
Valoriza Conservación de Infraestructuras Chile S.p.A. Avenida Isidora Goyenechea, 2800, oficina 2401, pl 24, Columnas de las Condes - Santiago de Ch	100.00%	Valoriza Conservación de Infraestructuras, S.A.	4.390	Full consolidation	Conservation, maintenance and operation of motorways and roads.	4,535	(413)	7	-
<b>Energy</b>									
Repsol, S.A. Calle Méndez Alvaro, 44, Madrid	8.58%	Sacyr Partic.Mobil.S.L.	3,264.40	Equity method	International integrated oil and gas company	1,442,000	(1,227,000)	26,802,000	(228,000.0)
Secaderos de Biomasa, S.A. (SEDEBISA) Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	78.28%	Sacyr Industrial, S.L.U.	2.43	Full consolidation	Energy recovery from pomace oil	2,900	976	975	-
Biomasa de Puente Genil, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	78.08%	Sacyr Industrial, S.L.U.	2.18	Full consolidation	Power generation projects	2,600	6,042	1,718	-
Compañía Energética de Pala de Mulo, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	78.08%	Sacyr Industrial, S.L.U.	2.18	Full consolidation	Power generation projects	2,600	1,074	1,485	-
Compañía Energética de La Roda, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	90.00%	Sacyr Industrial, S.L.U.	1.17	Full consolidation	Power generation projects	1,300	1,643	184	-
Compañía Energética Las Villas, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	90.00%	Sacyr Industrial, S.L.U.	0.05	Full consolidation	Research projects and energy generation	700	3,273	1,492	-
Compañía Energética Puente del Obispo, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	90.00%	Sacyr Industrial, S.L.U.	0.45	Full consolidation	Research projects and energy generation	500	1,430	1,484	-
Fotovoltaicas Dos Ríos, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	0.08	Full consolidation	Research projects and energy generation	60	(54)	-	-
Bioeléctrica de Valladolid, S.L. Paseo de la Castellana, 83-85, Madrid	100.00%	Sacyr Industrial, S.L.U.	0.08	Full consolidation	Research projects and energy generation	60	(28)	(17)	-
Geotit Climatización, S.L. Calle Corea Weglison 4, 2 A, Jaén	64.73%	Sacyr Industrial, S.L.U.	1.62	Full consolidation	Research projects and energy generation	2,295	(3,275)	(149)	-
Desarrollos Eléctricos Extremeños, S.L. Calle Borrego, 2 Cáceres	50.00%	Sacyr Industrial, S.L.U.	0.95	Equity method	Research projects and energy generation	1,910	(394)	(45)	-
Compañía Energética Linares, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	60.30%	Valoriza Renovables, S.L.	1.00	Full consolidation	Research projects and energy generation	6,161	2,220	904	-
Compañía Oujera de Linares, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	51.00%	Valoriza Renovables, S.L.	1.18	Full consolidation	Oil extraction	2,332	184	(82)	-
Bioeléctrica de Linares, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	81.43%	Valoriza Renovables, S.L.	6.86	Full consolidation	Biomass-fuelled electricity generation plant	9,500	(578)	660	-
Ibernator Energía Aragonesa, S.A. Paseo de la Constitución, 4 Zaragoza	50.00%	Sacyr Industrial, S.L.U.	0.20	Equity method	Wind power	400	(414)	(14)	-
Solucia Renovables, S.L. Planta Termosolar Lebrija 1. Parcela 12053 sector B13. Las Marismas de Lebrija. Seville	50.00%	Sacyr Industrial, S.L.U.	68.41	Equity method	Research projects and energy generation	60	(35,434)	120	-
Soleval Renovables, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	50.00%	Sacyr Industrial, S.L.U.	0.0017	Equity method	Research projects and energy generation	3	2,527	39	-
Vaicán Renovables, S.L. Calle La Verde. Herrera, s/n Camargo - Cantabria	65.00%	Sacyr Industrial, S.L.U.	0.325	Full consolidation	Research projects and energy generation	500	(449)	-	-
Soc. Andaluza Valoración de la Biomasa, S.A. Centro de empresas de pabellón de Italia Calle Isaac Newton, s/n Seville	6.00%	Sacyr Industrial, S.L.U.	0.180	Equity method	Research projects and energy generation	3,000	(2,024)	(12)	-
Biomasa de Talavera, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	Research projects and energy generation	3	(9)	-	-
Bipuge II, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	100.00%	Sacyr Industrial, S.L.U.	0.006	Full consolidation	Research projects and energy generation	3	(1)	(6)	-
Biomasa Puente Obispo, S.L. Calle Luis Montoto, 107-113. Pl 4. Mod J. Edificio Cristal. Seville	100.00%	Sacyr Industrial, S.L.U.	0.003	Full consolidation	Research projects and energy generation	3	(1)	(1)	-
Bisbal Energía, S.L. Paseo de la Castellana, 83-85, Madrid	51.00%	Sacyr Industrial, S.L.U.	0.0015	Full consolidation	Research projects and energy generation	3	-	-	-
Iberesa Bolívar, S.R.L. Carretera Doble Vía La Guardia Km 712 - Santa Cruz de la Sierra - Bolivia	100.00%	Sacyr Industrial, S.L.U.	0.0160	Full consolidation	Research projects and energy generation	4	(368)	(13)	-
Quatro T&D Limited 281 Springhill Parkway - Lanarkshire - Scotland	47.91%	Sacyr Industrial, S.L.U.	0.43	Full consolidation	Construction of an electricity substation	437	(93)	(100)	-
Sacyr Industrial Peru, S.A.C. Av. La Floresta, 497, int 401-San Borja-Lima-Perú	100.00%	Sacyr Industrial, S.L.U.	0.259	Full consolidation	Research projects and studies	260	(347)	519	-
Grupo Sainca, S.A.C. Av. La Floresta, 497, int 401-San Borja-Lima-Perú	71.00%	Sacyr Industrial, S.L.U.	0.21	Full consolidation	Research projects and studies	2	388	1,127	-
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	Research projects and studies	474	(368)	105	-
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	-	28	(44)	-
Sacyr Industrial México, S.A. de C.V. C/ Taine - chapultepec Morales, 11570, México	50.00% 50.00%	Sacyr Industrial, S.L.U. Valoriza Agua, S.L.	0.30 0.30	Full consolidation	Civil works and industrial projects	300	229	(701)	-

Consortio 1420 5F Sacyr mondisa, S.A. de C.V. C/ Taine - Chapultepec Morales, 11570, México	60.00%	Sacyr Industrial, S.L.U.	0.0017	Full consolidation	Oil works and industrial projects	2	207	(1,333)	-	
Sacyr Industrial, Pty Ltd PO Box 700, West Perth, W.A. 6872 - Australia	100.00%	Sacyr Industrial, S.L.U.	0.000	Full consolidation	Oil works and industrial projects	-	(369)	(303)	-	
Valoriza Renovables, S.L. Paseo de la Castellana, 83-85 Madrid	100.00%	Sacyr Industrial, S.L.U.	7.980	Full consolidation	Oil works and industrial projects	7,981	(4)	(1)	-	
Sacyr Industrial USA LLC Centennial Road suite 400 - 02711 Warrington DE 19008 USA	100.00%	Sacyr Industrial, S.L.U.	0.046	Full consolidation	Oil works and industrial projects	46	(1)	(23)	-	
Sacyr Industrial LLC Al Naha Tower 2, Floor 6, Office 10, PO Box 1955 - 133 Ghala Muscat OMAN	70.00%	Sacyr Industrial, S.L.U.	0.410	Full consolidation	Oil works and industrial projects	414	(310)	(119)	-	
Ekamar, S.A. Paseo de la Reforma Av 301 piso - 06500 Cuauhtemoc - México DF	54.00%	Sacyr Industrial, S.L.U.	0.4100	Full consolidation	Execution of project 308-substations peninsula transmission lines	3	80	(1,359)	-	
Valoriza Servicios Medioambientales Bolivia, S.R.L. Santa Cruz de la Sierra, Departamento de Santa Cruz - Bolivia	30.00%	Sacyr Industrial, S.L.U.	0.0070	Full consolidation	Construction and management of bridges, waducts and gas pipelines	8	19	14	-	
Sacyr Fluor, S.A. Av Parateron 4-6 28042 Madrid	50.00%	Sacyr Industrial, S.L.U.	40.740	Full consolidation	Engineering services for the petrochemicals industry.	60	9,088	971	-	
Sacyr Industrial Mondisa Mantenimientos Eléctricos Panamá, S.A. Bella Vista Cl 50 y Sto Domingo Torre Global Bank Cl. 1307 Panama.	60.00%	Sacyr Industrial, S.L.U.	0.005	Full consolidation	Electricity lines maintenance service - high and medium-voltage	9	-	1	-	
Sacyr Nevión, S.L.R. C/ Ibañez de Bilbao, 28, 3º C, 48009 Bilbao (Vizcaya).	50.00%	Sacyr Industrial, S.L.U.	0.060	Equity method	Construction, repair and maintenance of electromechanical machinery and facilities	120	-	-	-	
<b>New technologies</b>										
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	2,089	(60)	-	
Burosoft, 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)	-	-	
<b>Water</b>										
Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) Calle Comodoro Róin, 4 Santa Cruz de Tenerife	100.00%	Sacyr, S.A.	25.38	Full consolidation	Water supply	1,346	18,344	583	-	
Geida Skiddá, 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	(75)	4,131	(2,9)	
Geida Tlemcen, 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	2,479	7,447	(8,7)	
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	26,247	4,011	(952)	-	
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	3,313	3,022	-	
Santacruenera 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	271	204	-	
Valoriza Water Australia, PTY Ltd 256 Adelaide Terrace Perth - Australia	100.00%	Valoriza Agua, S.L.	0.00003	Full consolidation	Water treatment and purification	-	6,681	997	-	
Secanarías, 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	(1,335)	(906)	-	
Valoriza Chile, S.P.A. Avenida Vitacura Nº 2930, oficina 1102 Santiago de Chile.	100.00%	Valoriza Agua, S.L.	9.60	Full consolidation	Water treatment and purification	9,811	(236)	(58)	-	
Valoririma, S.L. Calle Quitavoces, 17, Las Tablas Madrid	20.00%	Valoriza Agua, S.L.	0.0006	Equity method	Water treatment and purification	3	-	158	-	
Sociedad Economía Mixta de Aguas de Soría, S.L. Plaza Mayor, 7, Soría.	74.00%	Valoririma, S.L.	3.70	Full consolidation	Water treatment and purification	5,000	-	177	-	
Valoriza Agua Perú, S.A.C. Av 497 La Floresta 42923 Lima - Perú.	99.00%	Valoriza Agua, S.L.	0.3000	Full consolidation	Water treatment and purification	290	14	(217)	-	
	1.00%	SADYT	0.0030							
<b>Valoriza Servicios Medioambientales Group</b>										
Gestión Participes del Biorreciclaje 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	(65)	-	-	
Compost del Pirineo 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	(937)	(63)	-	
Metrohings 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	533	1,535	-	
Boremer S.A. Calle Ribera del Loira 42, edificio 3 Madrid	50.00%	Valoriza Servicios Medioambientales, S.A.	1.09	Equity method	Contacting and management of project cleaning services	2,176	(3,917)	(1,602)	-	
Biomassas del Pirineo S.A. Calle San Bartolomé, 11 Alcalá de Guaraa - Huesca.	44.00%	Valoriza Servicios Medioambientales, S.A.	0.13	Equity method	Development of biomass energy systems	300	(165)	-	-	
Valdemingómez 2000, S.A. Calle Albaracín, 44 Madrid	40.00%	Valoriza Servicios Medioambientales, S.A.	2.44	Equity method	Degasification project at the Valdemingómez landfill site	775	(420)	(2,607)	-	
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	(70)	(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	-	(177)	-	
Panque Edificio la Solonera, 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	5,705	292	-	
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	3,577	598	-	
Gestión de Infraestructuras Canarias, S.A. Plaza de José Anzures 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 Biorreciclaje, S.A. Calle Federico Salmón, 8 Madrid	33.34%	Valoriza Servicios Medioambientales, S.A.	0.02	Equity method	Waste management	60	(120)	-	-	
Biorreciclaje de Cádiz, S.A. Calle San Juan, 12 Medina Sidonia - Cadiz	98.00%	Participes del Biorreciclaje, S.A.	4.87	Equity method	Management, storage, transport, and treatment of elimination of waste	1,803	13,882	541	-	
Iniciativas Medioambientales del Sur, S.L. Complejo Medioambiental de Boleiros Jerez de la Frontera - Cádiz	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	(218)	(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 Huelva, S.L. Calle Lepo, 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	2,649	(22)	-	
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	40	(240)	-	-	
Alcorec, S.L. Avenida Kansas City, 3 10 Sevilla.	10.00%	Valoriza Servicios Medioambientales, S.A.	0.086	Equity method	Construction and demolition waste management	174	204	(87)	-	
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	(60)	39	-	
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	-	-	-	
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	8	(114)	-	
Tratamiento Residuos de La Rioja, S.L. Calle La Red de Yanes, s/n Villamediana de Iregua - La Rioja	100.00%	Valoriza Servicios Medioambientales, S.A.	0.003	Full consolidation	Construction and demolition waste management	3	(3,854)	(838)	-	
Secado Térmico de Castellón, S.A. Calle Panzara, 5 Burriana - Castellón	60.00%	Valoriza Servicios Medioambientales, S.A.	1.80	Full consolidation	Construction and demolition waste management	3,000	62	-	-	

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)	107	-
Planta de Tratamiento de Agua S.L. C/ Elcano 1, Bilbao.	70.00%	Valoriza Servicios Medioambientales, S.A.	0.002	Full consolidation	Management of processing plants and equipment	3	-	-	-
Valoriza Environment Services Pty Australia Level 9, 256 Adelaide Terrace Pier, Weshem - Australia.	100.00%	Valoriza Servicios Medioambientales, S.A.	0.000	Full consolidation	Development and operation of environmental projects in Australia	-	-	-	-
Plataforma por la Movilidad, A.I.E. C/ Covarrubias, 1, B de 7c - Madrid.	14.68%	Valoriza Servicios Medioambientales, S.A.	0.000	Equity method	Development and management of the full platform	3	-	1	-
Sacyr Environment USA LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.	100.00%	Valoriza Servicios Medioambientales, S.A.	2.960	Full consolidation	Development and operation of environmental projects in the United States	2.960	12	(912)	-
<b>Multiservices</b>									
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	459	75	-
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	1,120	306	-
Cafestore, 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	121	138	-
Burguestore, S.L. Paseo de la Castellana, 83-85 Madrid.	100.00%	Cafestore, S.A.	0.003	Full consolidation	Operation of service stations	3	25	20	-
<b>PROPERTY DEVELOPMENT</b>									
<b>Subsidiaries and holding companies</b>									
Vallehermoso División de Promoción, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Sacyr, S.A.	0.00	Full consolidation	Property management holding company	117,343	9,158	(32,332)	-
Somague Inmobiliaria S.A. Rua da Tapada de Quinta de Cima, Livind Sintra - Portugal.	100.00%	Val. Div. Promoción, S.A.U.	18.21	Full consolidation	Property management holding company in Portugal	15,000	(27,685)	(890)	-
<b>Property developers</b>									
Etartos, S.A.U. Paseo de la Castellana, 83-85 Madrid.	100.00%	Val. Div. Promoción, S.A.U.	1.10	Full consolidation	Property development	150	2	74	-
Proacacyr 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	1,974	(30)	-
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	1,960	45	-
Ticéfalo, S.A. Paseo de la Castellana, 83-85 Madrid.	60.00%	Val. Div. Promoción, S.A.U.	6.30	Full consolidation	Property development	3,915	2,062	(161)	-
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	(4,129)	(201)	-
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	(5,634)	(12,176)	-
M.Capital, S.A. Puerta del Mir, 20 Málaga.	4.97%	Val. Div. Promoción, S.A.U.	0.41	Equity method	Property development	5,377	(5,414)	-	-
Puerta de Oro Toledo, S.L. Calle Príncipe de Viegara, 15 Madrid.	35.00%	Val. Div. Promoción, S.A.U.	2.10	Equity method	Property development	6,000	(12)	-	-
<b>PROPERTY MANAGEMENT</b>									
<b>Subsidiaries and holding companies</b>									
Testá Inmuebles en Renta, S.A. Paseo de la Castellana, 83-85 Madrid.	22.61%	Sacyr, S.A.	126.57	Equity method	Property management holding company	30,794	548,485	(13,074)	-

## APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2014

Company
SACYR , S.A.
AUTOVIA DE BARBANZA CONCESIONARIA DE LA XUNTA DE GALICIA
AUTOVIA DEL ERESMA SA
BIOELECTRICA DE LINARES
BIOELECTRICAS VALLADOLID
BIOMASA DE PUENTE DEL OBISPO SL
BIOMASA DE TALAVERA SL
BIOMASAS DE PUENTE GENIL, S.L.
BIPUGE II SL
BURGUERSTORE
C.E. LAS VILLAS, S.L.
CAFESTORE, S.A.
CAPACE S.L.
CAVOSA, S.A.
CE PUENTE DEL OBISPO S.L.
CIA ENERG LA RODA, S.L
CIA ENERG. PATA MULO, S.L.
EMMASA
ERANTOS, S.A.
EUROCOMERCIAL, S.A.
FOTOVOLTÁICA DOS RIOS SL
FORTUNA GOLF
GESCENTESTA SL
GESFONTESTA, S.A
HIDROANDALUZA S.A.
IDEYCO, S.A.
INCHISACYR. S.A.
GESFITESTA
NISA VALLEHERMOSO, S.A.
OBRAS Y SERVICIOS DE GALICIA Y ASTURIAS, SA
PRINUR, S.A.
PROSACYR HOTELES, S.A.
PROSACYR OCIO, S.L.
SACYR CONCESIONES
SACYR CONCESIONES PARTICIPADAS I
SACYR CONCESIONES PARTICIPADAS II
SACYR CONCESIONES PARTICIPADAS III
SACYR CONCESIONES PARTICIPADAS IV
SACYR CONCESIONES PARTICIPADAS V
SACYR CONCESIONES PARTICIPADAS VI
SACYR CONSTRUCCIÓN, S.A.
SACYR CONSTRUCCION PARTICIPACIONES ACCIONARIALES
SACYR GESTIÓN DE ACTIVOS, S.L.
SACYR INDUSTRIAL
SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.
SADYT, S.A.
SANTACRUCERA DE AGUA S.L.
SCRINSER. S.A.
SEDEBISA, S.L.
SURGE AMBIENTAL S.L.
TESTA INMUEBLES EN RENTA, S.A.
TESTA RESIDENCIAL, S.L.
TRADE CENTER HOTELES, S.L.
TRATAMIENTO DE RESIDUOS DE LA RIOJA S.L.
VALORIZA AGUA S.A.
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURA S.A.
VALORIZA ENERGÍA OPERACIÓN Y MANTENIMIENTO SL
VALORIZA FACILITIES,S.A
VALORIZA GESTIÓN, S.A.
VALORIZA MINERIA
VALORIZA RENOVABLES SL
VALORIZA SERVICIOS MEDIOAMBIENTALES S.A.
VALLEHERMOSO DIVISION PROMOCIÓN S.A.
WASTE RESOURCES

## APPENDIX II: CONSOLIDATED TAX GROUP OF SACYR, S.A. FOR 2015

Company
SACYR, S.A.
AUTOVIA DE BARBANZA CONCESIONARIA DE LA XUNTA DE GALICIA SA
AUTOVIA DEL ERESMA SA
BIOELECTRICA DE LINARES
BIOELECTRICAS VALLADOLID
GESTION DE ENERGÍA Y MERCADOS SL
BIOMASA DE TALAVERA SL
BIOMASAS DE PUENTE GENIL, S.L.
BIPUGE II SL
BURGUERSTORE
C.E. LAS VILLAS, S.L.
CAFESTORE, S.A.
CAPACE S.L.
CAVOSA, S.A.
CE PUENTE DEL OBISPO S.L.
CIA ENERG LA RODA, S.L
CIA ENERG. PATA MULO, S.L.
EMMASA
ERANTOS, S.A.
EUROCOMERCIAL, S.A.
FOTOVOLTÁICA DOS RIOS SL
HIDROANDALUZA S.A.
IDEYCO, S.A.
INCHISACYR. S.A.
OBRAS Y SERVICIOS DE GALICIA Y ASTURIAS, SA
PRINUR, S.A.
PROSACYR OCIO, S.L.
SACYR CONCESIONES
SACYR CONCESIONES PARTICIPADAS I
SACYR CONCESIONES PARTICIPADAS II
SACYR CONCESIONES PARTICIPADAS III
SACYR CONCESIONES PARTICIPADAS IV
SACYR CONCESIONES PARTICIPADAS V
SACYR CONCESIONES PARTICIPADAS VI
SACYR CONSTRUCCIÓN, S.A.
SACYR CONSTRUCCION PARTICIPACIONES ACCIONARIALES
SACYR FINANCE
SACYR SECURITIES
SACYR GESTIÓN DE ACTIVOS, S.L.
SACYR INDUSTRIAL
SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.
SADYI, S.A.
SANTACRUCERA DE AGUA S.L.
SCRINSER. S.A.
SEDEBISA, S.L.
SURGE AMBIENTAL S.L.
TRATAMIENTO DE RESIDUOS DE LA RIOJA S.L.
TUNGSTEN SAN FINX
VALORIZA AGUA S.A.
VALORIZA CONSERVACIÓN DE INFRAESTRUCTURA S.A.
VALORIZA ENERGÍA OPERACIÓN Y MANTENIMIENTO SL
VALORIZA FACILITIES,S,A
VALORIZA GESTIÓN, S.A.
VALORIZA MINERIA
VALORIZA RENOVABLES SL
VALORIZA SERVICIOS SOCIO SANITARIOS
VALORIZA SERVICIOS A LA DEPENDENCIA
VALORIZA SERVICIOS MEDIOAMBIENTALES S.A.
VALLEHERMOSO DIVISION PROMOCIÓN S.A.
WASTE RESOURCES

Sacyr Group

Sacyr, S.A. and Subsidiaries

CONSOLIDATED MANAGEMENT REPORT  
for the year ended 31 December 2015

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. SITUATION OF THE ENTITY:

The Sacyr Group, active for over 29 years, is structured into four different areas of activity and operates in a total of 25 countries:

- Construction: performed through the heads 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 Concesiones, with a presence in Spain, Portugal, Italy, Ireland, Chile, Peru and Uruguay, leader in the management of infrastructures for motorways, hospitals, transport hubs, etc.
- Services: provided by Valoriza, specialised in the management of the following services:
  - Environmental: provided through the parent Valoriza Servicios Medioambientales, leading company in the operation of:
    - Municipal services: leader in management of concessions in the main Spanish towns: street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, parking-metre management and towing services.
    - Waste treatment: 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: 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 waste water treatment, agricultural treatment, etc.) and the end-to-end management of the water cycle under public sector concessions or in the private sector.

- Multi-services: provided through:
  - 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: Valoriza Infraestructuras is the Group company engaged in road maintenance and upkeep, and other infrastructures: dams, irrigations 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, as a result of the integration of various companies and areas of the company, in charge of engineering and industrial construction activities. Covering the development, performance, start-up and operation of 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, in cogeneration plants, and in the development of biomass, solar energy and geothermal plants. It operates and maintains energy 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 the construction of high-voltage electricity lines, electricity 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 Talent Management and 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

The global economic performance of the main blocks and states was uneven in 2015. Although, as in the previous year, many countries such as the United States, Japan and most EU countries saw positive growth, BRICS nations (the major emerging markets) are being negatively impacted by the sharp fall in raw materials prices, especially oil prices, and by the reheating of their economies due to surplus production, particularly in the case of China.

Although the ECB and the US Federal Reserve both maintained monetary stimulus packages throughout most of the year, and the United States increased interest rates in December, this would not appear to be sufficient to offset one of the biggest enemies of all economies at the present time: low inflation rates. While these institutions have implemented all the measures at their disposal, they are proving to be insufficient to achieve sustainable and stable growth if they are not accompanied by other actions.

In terms of economic development, among the major economies, the United States posted GDP growth of 2.4% in 2015, exactly the same figure as the previous year. High job creation and, once again, cheaper energy products boosted consumption, although the appreciation of the dollar and international economic weakness hurt exports. In line with expectations, at the end of the year the Federal Reserve increased its benchmark interest rates by a quarter of a point, to the range of 0.25%-0.50%, on the back of the economic recovery during the year. Rates had been fixed at zero since December 2008. With regard to employment, 2015 was the second best year since the end of the 1990s, with 2.65 million new jobs created, putting the jobless rate at 5%, its lowest for eight years. In terms of inflation, government figures show that 2015 closed with an increase of 0.7%, compared to 0.8% the previous year. Inflation is still low after seven years of large-scale monetary stimulus packages implemented by the Federal Reserve, compounded by the continued collapse of energy prices in 2015.

According to data provided by the government itself, China's GDP rose by 6.9% in 2015, the lowest rate in 25 years. The gradual cooling-off of the second largest economy in the world has been confirmed for the second year running, as the growth model based on exports abroad has been weakened by the drop in demand. The country is facing strong salary growth (7.4% in 2015), surplus production capacity and a rapidly aging population. The Chinese authorities have announced a number of wide-ranging reforms seeking to change this model based on exports, low costs and growth, above all, and usher in a system based on domestic demand and innovation.

The economic performance of euro zone countries was also uneven in 2015. Although Eurostat has not published its definitive GDP figures, and in many cases the data we have is provisional, we can confirm that the euro zone as a whole grew 1.5%, compared with 0.9% the previous year, nearing pre-crisis levels but still much lower than the other world economic powers. By country, the highest growth rates were as follows: Ireland (+6.8%); Malta (+5.6%); Luxembourg (+5.4%); Slovakia (+4%); Spain (+3.2%); Cyprus (+2.7%); Latvia (+2.6%); Slovenia and Lithuania (+2.1%); Germany, France and Belgium (+1.3%); Holland and Portugal (+1.2%); Italy (+1%); and Estonia (+0.9%). While GDP shrunk the most in: Finland (-0.2%) and Greece (-1.9%). The European Union, however, posted overall growth of 1.8% in the year, with the following highlights: Czech Republic (+4.5%); Sweden (+3.9%); Romania (+3.8%); Poland (+3.6%); Bulgaria (+3.1%); Hungary (+3.0%); Croatia (+2.7%) and the United Kingdom (+1.9%). The European Central Bank has continued to pursue 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. In terms of economic prospects for the years ahead, the European Commission has forecast 1.8% growth for the eurozone in 2016 and 1.9% in 2017, while the European Union in its entirety is expected to post growth of 2% in 2016 and 2.1% in 2017.

Economic recovery will eventually gain ground in Europe thanks to the low oil prices, the pick-up in domestic demand, exports, the depreciation of the euro and improved competitiveness. The main stumbling blocks of the "Old Continent" in the years to come, however, will be low, if not negative, inflation, financing constraints and excessively high unemployment.

Year-on-year inflation in the eurozone, according to data provided by Eurostat, was 0.2% in 2015, compared to -0.2% the previous year. Once again, the sharp decline in energy prices (down 5.8%) due to the strong depreciation of the barrel of Brent crude, which fell from US\$57 to US\$37 at the end of December pushed prices to historic lows. Underlying inflation, i.e. excluding the price of energy and fresh food, stood at 0.9% in the eurozone, compared to 0.06% the previous year. In 2016, oil will remain cheap since the OPEC has chosen not to reduce production, and demand is likely to remain stagnant as economic recovery has not yet become firmly entrenched. 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 ECONOMIC ENVIRONMENT IN SPAIN.

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 3.2% in 2015, compared to the 1.4% increase recorded the previous year. This is the second year of positive growth, following six years of contraction. By sector, agriculture, livestock and fisheries stand out, with a year-on-year increase of 6.2%; in addition to Construction, with an increase of 4%; and Industry and Services, both up 3.4%. For the second year in a row, domestic demand grew (4.1%), thanks once again to the boost from household consumption, the favourable performance of the labour market and the fall in the cost of borrowing for families. Imports increased by 7.7% in 2015, exerting a strong pull on the trade balance. Exports of goods and services grew by only 5.3%, with destinations such as the United States and Asia being the most notable, thanks to the weakness of the euro against the US dollar. Additionally, according to data provided by the Ministry of Industry, Energy and Tourism, in 2015, and for the fourth year running, Spain saw a record number of overseas visitors, with 68.1 million tourists visiting the country, 4.9% more than in 2014. Forecasts suggest that the total amount spent by these visitors was 63,657 million euros, compared to 63,000 million the previous year.

The European Commission's forecasts for Spain in 2016 and 2017 are fairly encouraging in all key components: GDP growth, job creation and unemployment figures. In 2016, it expects an increase of 2.8% in GDP, and of 2.5% in 2017, mainly due to increased domestic demand as a result of employment growth and growth in disposable income due to falling prices. Exports should also continue to grow thanks to the improved competitiveness of the Spanish economy. Regarding the unemployment rate, levels of around 20.4% and 18.9% are expected in 2016 and 2017, 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 of 525,100 jobs last year, 21% more than in 2014, with growth in all sectors, especially Services (+421,500). Unemployment ended the year at 20.9% of the active population, compared to 23.7% the previous year. With regard to the social security system, 2015 saw an average number of 17.31 million employees registered, an improvement of more than 533,186 compared to the previous year, according to figures provided by the Department of Social Security, the largest rise since 2006. Under the General Social Security Regime, all sectors of activity performed well, except for Public Administration and Financial and Insurance Activities where there was a small decline in the number of employees registered. The Special Regime

for Self-Employed Persons also performed well during the year, and closed with an average of 3.17 million workers registered, 1.3% more than in 2014.

With respect to price variations, according to the Spanish National Statistics Institute, inflation was 0.0% in 2015, as opposed to -1.0% in the preceding year, the third lowest level recorded since 1961 when the historical series began to be compiled. Groups experiencing negative variations during the year were: Transport (-2.8%), due to the sharp fall in the price of fuels and lubricants, as a result of the precipitous decline in oil prices during 2015 and Housing (-2.3); meanwhile, the following sectors showed slight growth: Food and non-alcoholic beverages (+1.8%), Alcoholic beverages and tobacco (+1.3%), Hotels, cafeterias and restaurants (+0.9%), Apparel and footwear (+0.5%), Communications (+0.5%), Education (+0.5%) and Medicine (+0.5%). Underlying inflation, excluding fresh food and energy products, stood at 0.9%, down against the 0.0% observed the previous year.

Spain's main stock index, the IBEX-35 ended the year with losses. Specifically, in the last trading session of the year it closed at 9,544.20 points, an annual loss of 7.06% vs. the 3.56% gain seen the previous year.

According to data published by the Spanish Association of Construction Companies (SEOPAN) public tenders totalled 10,111.85 million euros of real investment, a year-on-year decrease of 22.2%. Of this total, central government accounted for 4,959.52 million euros, with 1,213.13 million euros invested by Directorate General for Roads, 1,211.25 million by ADIF and 670.06 million euros invested by the Ministry of Agriculture, Food and the Environment. Local governments invested a total of 2,608.13 million euros through tenders and regional government invested 2,544.2 million euros.

According to the government budget, public investment will be 10,129 million euros in 2016, more than half of which will be assigned to the railway system (5,460 million euros). A 3,679 million euro package for Spain's high-speed "AVE" rail system will once again account for most of this type of investment. The northeast corridor that will link Madrid with Galicia will receive an investment of 1,160 million euros, the Mediterranean corridor will receive 1,343 million euros and the high speed link to the north 1,018 million euros. 2,383 million euros will be assigned to public roads, of which 1,174 million euros will correspond to the construction of new roads and 1,058 million to maintenance. 1,000 million euros will be earmarked for ports and maritime security, of which 875 million euros will go to national ports. The Ministry of Public Works will allocate a 609 million euro package to the airline sector.

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.

Depending on the macroeconomic scenario 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 modernisation of conventional railway transport, with 1,310 million euros.

Despite constantly calling for austerity, European authorities are aware of the importance of developing Europe-wide infrastructure in the new world economic order. The European Commission work group created for this purpose continues to implement a portfolio of projects to be carried out in the short and medium term focusing on key sectors to drive competition and potential growth in the European Union, especially with regard to research and development, the digital economy, energy and transport infrastructure, social infrastructure 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 is expected to receive a total investment of 49,800 million euros, of which at least 10% will be covered with EU 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 Castilla 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 2015

#### 3.1.- Activities of the Sacyr Group

Group revenue was 2,949 million euros, an 8.5% increase on 2014 driven mainly by the international business. Of this amount, 54% was earned outside Spain compared to 49% the previous year. The Group maintains its strong commitment to international growth and now has a strong foothold in countries including: Chile, Angola, Italy, Portugal, Brazil, Bolivia, Panama, Colombia, Peru, Mexico, Uruguay, Australia, Israel, Algeria, Ireland, Cape Verde, Togo, Mozambique and Qatar.

EBITDA was 318 million euros, 33% above the figure for 2014. As a result, the EBITDA margin stood at 11%, up from 9% the previous year. Net attributable profit was 370 million euros. However, this figure is not comparable with 2014, as it includes the following non-recurring items: a gross capital gain of 1,280 million euros from the sale of Testa, and the corresponding asset impairment for deferred tax, amounting to -180 million euros; the re-measurement of the stake in Repsol to fair value (-373 million euros) and in keeping with the criteria of prudence, working capital and financial provisions were made amounting to 130 million euros.

In terms of key balance sheet indicators, in 2015 total assets stood at 10,561 million euros, while equity was 1,914 million euros. In the past seven years, the Group has considerably reduced its net debt, from 19,526 million euros at 31 December 2008 to 4,180 million euros at 31 December 2015.

Continued business momentum at the Group is underpinned by the order book, which at 31 December 2015 stands at 26,845 million euros, and more than 53% of this now corresponds to international projects.

In 2015, 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 drivers, i.e., the management of construction and concession projects, and the consolidation of the Group's new industrial division: Sacyr Industrial.

All the foregoing, tied to management measures based on reducing costs and debt will lead to a stronger, more innovative and more competitive Group, that is more committed to the

traditional values of our Company: prudence, austerity, quality and compliance with the commitments assumed.

### 3.2.- Most significant events in 2015

Some of the most significant events are set out over the next few pages, followed by an overview of each business unit.

#### a) Testa

On 8 June 2015, Sacyr and Merlin Properties signed an agreement by which the latter would acquire a majority shareholding in the share capital of Testa Inmuebles en Renta, Socimi, S.A. orchestrated in several phases:

- On 8 June 2015, following the capital reduction made by Testa, by returning capital to its shareholders, Sacyr received a total of 667 million euros (5.80 euros per share). Additionally, Testa paid an extraordinary dividend of 4.57 euros per share, as a result of which Sacyr received an additional inflow of 525 million euros. Sacyr S.A. used these funds to cancel the debt it held with Testa (953 million euros) and obtained free cash flow of 239 million euros.
- On the same date, Merlin Properties subscribed to and paid a capital increase at Testa, for a cash amount of 430,838,704.01 euros, through the issue of 38,491,930 new ordinary Testa shares, with a nominal value of twenty euro cents each and an issue premium of 10.9929618497 euros per share, representing 25% of the property management company's share capital.
- On 23 July, Sacyr made the first delivery of 38,645,898 Testa shares to Merlin Properties, representing 25.1% of the total owned by Sacyr, for an amount of 861,240,363.77 euros. Merlin now holds a 50.1% stake in Testa.
- The acquisition also by Merlin Properties, no later than 30 June 2016, through a second delivery of 76,248,281 Testa shares owned by Sacyr, for the amount of 694 million euros, after which Merlin Properties would own 99.6% of Testa. This second delivery of shares may be divided in various tranches as agreed by the parties. On 12 August, the transfer of 41,437,761 shares to Merlin Properties was agreed, accounting for 26.91% of Testa's share capital. These shares, along with those previously subscribed and paid up by Merlin Properties, represent 77.01% of the share capital of Testa.

After Merlin Properties gained control of Testa on 23 July, the latter submitted to the Spanish Stock Exchange Commission (CNMV) a preliminary announcement of the request for authorisation to launch a takeover bid for 100% of Testa's shares, in compliance with prevailing regulations, at a price of 13.54 euros per share, payable in cash. Sacyr irrevocably agreed to immobilise its shares in Testa and not to take part in the bid.

The takeover bid was authorised by the CNMV on 28 October 2015. The acceptance period ran from 2 - 16 November 2015, both inclusive. The operation, announced in a Significant Event notice dated 18 November, had take-up of 472,527 shares, representing 81.24% of the shares the offering was directed at (581,609 shares) and 0.31% of Testa's share capital.

As a result of the aforementioned transaction Sacyr obtained 1,794 million euros (capital reduction, dividend payout and subsequent sale of Testa's shares for a total of 1,555 million euros).

This important transaction will significantly improve the Group's financial position and allow it to develop its global strategy in the areas of construction, infrastructure concessions, services and industrial activities.

#### b) Stake in Repsol

On 13 February 2015, the refinancing of the loan for the Group's stake in Repsol was completed, following the legal agreement for all banks making up the banking syndicate, after the previous agreement made with 80% of them.

The agreement, which came into full effect from 7 May 2015, involved the extending the final maturity date of the loan to 31 January 2018. The amount refinanced totalled 2,265 million euros.

On 23 July 2015, Sacyr repaid 600.16 million euros of the debt associated with its stake in the oil company early, reducing, at that date, the principal of the loan pending payment to 1,665 million euros.

In 2015, Sacyr, through its investee, Sacyr Vallehermoso Participaciones Mobiliarias, S. L. received dividends from Repsol, S.A. for 116.83 million euros (a dividend on account of 2014 profits, for 57.68 million euros, at the beginning of January and another, final, dividend of 59.15 million euros, at the beginning of July).

#### c) Panama Canal.

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 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 234 million USD and also granted a six-month extension of the agreement.

In the first half of the year the last sluice gates of the 16 along the canal were installed. Once the installation was complete, testing began for flooding and the operation of the sluice gates, a process which lasted the entire second half of the year.

At year-end 2015, the project is 96% complete and is expected to be inaugurated in May.

#### d) Bonus share issue

On 11 June 2015, the General Shareholders' meeting approved point eight on the agenda, a capital increase, with a charge to unrestricted reserves, amounting to 15,218,558 euros through the issuance and placement of 15,218,558 shares of the same class and series, with the same rights as the outstanding inventories as of that date. The new shares issued were freely assigned to the shareholders of Sacyr in the ratio of 1 new share for each 33 outstanding shares.

On 29 July 2015, the new shares began trading on the Spanish bourses: Madrid, Barcelona, Bilbao and Valencia, with a new share capital of 517,430,991 shares.

#### e) Dividend

On 31 August 2015, the Board of Directors of Sacyr approved the payment of an interim dividend against 2015 profits for a total of 25,727,156.25 euros (gross), 0.05 euros per share. This remuneration was paid on 15 September.

#### f) Strategic agreements

In 2015, Sacyr signed various agreements with other companies aimed at boosting the businesses considered to be strategic by the Group. These agreements include:

- **Fluor Corporation:** in July, Sacyr bought up 50% of Fluor SA, the Spanish subsidiary of the multinational engineering company Fluor Corporation, to create SacyrFluor, owned equally by the two firms. The new company, created in September following approval by the European Union Competition Authority will provide engineering services and manage "EPC" projects (Engineering, Procurement and Construction) in the oil and gas sector and the onshore petrochemicals industry in Spain, Southern Europe, North Africa and Latin America.
- **Nervion Industries:** in October, Sacyr Industrial created Sacyr Nervión, on an equal footing with Nervión Industries, a company dedicated to assembly and industrial maintenance services and applied engineering in different areas. The purpose of the new company will be the comprehensive repair of all types of storage tanks, in any part of the world, and all types of maintenance services for refineries or other productive facilities in the oil & gas sector and the industrial sector.
- **Isotron:** in December Sacyr Industrial signed a collaboration agreement with Isotron to bid jointly for EPC projects for power generation and transmission, electric substations, thermal generation plants (gas, diesel, biomass, etc.) and renewable energy plants (photovoltaic, solar and wind plants).
- **Río Narcea Nickel (Grupo Lundin):** in March, Valoriza Minería signed a collaboration agreement with the Canadian multinational mining leader Lundin Mining to participate in exploration projects within the territories controlled by Ossa Morena and Faja Pirítica Ibérica in south-eastern Spain. Lundin owns 24 Investigation permits and Valoriza Minería is in charge of operating and managing the mining exploration activity.

#### 3.3.- Performance of the Construction division (Sacyr-Somague).

In 2015, the construction division posted revenues of 1,666 million euros, virtually in line with the previous year's sales figures.

The EBITDA margin reached 4.7%, thereby maintaining a level of return in accordance with the Group's requirements.

The construction backlog stood at 5,062 million euros, up 1.5% on the previous year. This improvement, which allows 36 months of activity to be covered at current billing rates, is largely due to contracts obtained abroad.

The strategy of internationally expanding the construction division is reflected in the weight of billing made overseas, which represents 75% of total revenue. Noteworthy is the business carried out in Colombia, Qatar, Angola, the UK, Mexico, Portugal, Chile and Uruguay, among others, where important contracts were awarded:

- In Colombia, Sacyr has strengthened its presence after being awarded several major contracts. These include: construction by a consortium formed by Sacyr Concesiones and the Ecuadorian company Hedoiza Crespo of the "Pasto-Rumichaca" motorway, for an amount of 322 million euros; construction of the "Pumarejo" bridge over the Magdalena river in Barranquillas for 220 million euros; construction of the "Mar 1" motorway for 191 million euros, and construction of the "Corredor 5: Puerta de Hierro-Cruz del Viso" motorway for an amount of 112 million euros.
- In Qatar, a consortium formed by Sacyr Construcción and UCC (Urbacon Trading & Contracting) was awarded the contract for the design and construction the urban development works in the Qatar Economic Zone 1 (QEZ-1), in the area of Ras Bufontas, for an amount of 415 million euros.
- In Angola, Somague has been awarded numerous construction contracts. These include: construction of an office complex for the Ministry of Transport in Luanda, for 49.88 million euros; construction of a residential building also in Luanda, for 21.73 million euros; construction of various buildings for the Instituto Superior Politécnico de Tecnologías y Ciencias (ISPTEC), for 19.92 million euros, etc.
- In the UK, Sacyr won the contract to build the new Ulster University campus in Belfast, Northern Ireland, for an amount of 91 million euros.
- In Mexico, Sacyr has won several contracts including the project to build a new regional hospital in Querétara for 43.5 million euros.
- In Portugal, where Somague remains one of the leading companies in the ranking of contracts awarded, the following stand out: construction of an expressway in "Cámara de Lobos" on the island of Madeira, for 25.8 million euros, and work to expand the "Porto de Velas" wharf on the island of San Jorge in the Azores, for 7.6 million euros.
- In Chile, Sacyr remains a dominant player after being awarded several projects. These include: works to upgrade the "Ruta 7" motorway in Chaitén (Los Lagos) area for 18.5 million euros and the 13.3 million euros contract for the construction of the "Bachelor Donatello" office building in Santiago.
- In Uruguay, where Sacyr is working for the first time, the construction of the "Corredor Vial 21 and 24" motorway Nueva Palmira – Mercedes" stands out, for a total investment of 144 million euros.

#### 3.4.- Performance of the Concessions division (Sacyr Concesiones).

Revenue in the concessions business totalled 564 million euros in 2015, 34% higher compared to 2014, due to improved traffic figures on concessions in operation, construction revenues from new concession operators in Latin America (Chile, Peru and Colombia), and to the change in the consolidation method (from equity-accounted to full consolidation) of eight concessions in Spain following changes in company control.

EBITDA was 184 million euros, with an EBITDA margin of 66%.

The following major contracts were awarded in 2015:

- In Colombia, Sacyr Concesiones was awarded the following projects:
  - Project to restore, update and operate the Corredor N° 5 road between “Puerta de Hierro-Palmar de Varela-Carretero-Cruz del Viso” (202 km), with planned investment of around 256 million euros and projected future revenues of 883 million euros over the concession's 25-year lifespan.
  - “Pasto – Rumichaca” motorway: construction and subsequent operation, for 25 years, of the road linking the city of Pasto, in the southeast of the country with the town of Rumichaca on the border with Ecuador. The investment for this project is 1,023 million euros for 80 km of road. Future revenue is projected at 3,342.9 million euros.
  - Construction and operation for a 25-year period of the “Autopista al Mar 1” road. The 176 km new road will link the towns of San Jerónimo and Santafé, and extend to Bolombolo. Total projected investment in the project amounts to over 930 million euros, while future revenues are estimated at 2,025 million euros.
- In Uruguay, Sacyr Concesiones was awarded the contract for a new project to restore and manage for a period 24 years, the 179 km stretch of motorway between the cities of Nueva Palmira and Mercedes. Total investment in the project will exceed 144 million euros, while future revenues are estimated at 306 million euros.

Other corporate transactions that took place during the year include:

- In May, the first stretch of the Chilean motorway "Rutas del Algarrobo", linking the towns of La Serena and Vallenar, started operating. The 100 km segment connects Límite Regional III Región de Chile with the entrance to the city of Vallenar.
- Sacyr Concesiones sold 30% of Sociedad Concesionaria del Hospital de Antofagasta, in Chile, to Global Dominion Access, for 8 million euros, a transaction in which the acquirer also took over the proportional part of the concession operator's guarantees.
- Sacyr Concesiones also sold 49% of its ownership interest in the concession operator "Ruta de Limari" (Chile). "Ovalle – La Serena" motorway to the investment fund "Prime Infraestructura II", for 94 million euros.
- The company secured 182.4 million euros in financing for the "Autopista Longitudinal de la Sierra", stretch II (Peru) motorway from Banco Santander, .

At year-end 2015, the Group had 34 concessions distributed throughout eight countries (Spain, Italy, Portugal, Ireland, Chile, Colombia, Uruguay and Peru) 23 of which were in operation and 11 of which were under development. There are 25 motorway and road concessions in the EU and Americas (11 in Spain, six in Chile, three in Colombia, one in Italy, one in Portugal, one in Ireland, one in Peru and one in Uruguay), in addition to concessions for six hospitals, two transport hubs and one underground railway line.

Sacyr Concesiones' order backlog stood at 13,339 million euros at 31 December 2015, 17% larger year-on-year, with 60% deriving from the international markets..

### 3.5.- Performance of the Services division (Valoriza)

In 2015, Valoriza posted revenues of 763 million euros, 4.2% higher than in 2014. This growth was fuelled by the Environment and Multi-services businesses (5.2% and 6.8%, respectively).

EBITDA was 70 million euros, with a year-on-year variation of 13%. The EBITDA margin was 9.2%.

At 31 December, Valoriza's backlog stood at 6,031 million euros, of which 31% derives from the international market. Valoriza remains firmly committed to tendering activity in all its business areas both in Spain and abroad.

#### Environment

In 2015, 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 has 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 urban solid waste (USW) (including underground recycling containers), gardening and maintenance of green areas, parking metre management, and towing services. Contracts won in 2015 included the following:
  - Management of public services for the collection and transport of urban solid waste (USW) and road cleaning for the city of Guadalajara and neighbouring districts. The contract is worth 100.73 million euros, with a term of 15 years for the concession.
  - Extension of the contract to provide USW collection and transport and road cleaning services for the city of Lérida. This 2-year contract is worth 22.58 million euros.
  - Amendment of the mobility contract in Madrid (Zone III), for 15.96 million euros.
  - Management of the USW collection, road cleaning and container service in Concejo de Poio (Pontevedra). This contract is worth 11.13 million euros, with a term of 16 years for the concession.
  - Management of public services for the collection and transport of urban solid waste (USW) and garden maintenance for the town of Trujillo (Cáceres). This 10-year contract is worth 9.22 million euros.
- Waste treatment: This business area, which has won substantial long-term concessions in recent years, builds and operates plants to treat urban 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 waste-water 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 waste water treatment, agricultural treatment, etc.) and the end-to-end 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.

In this area, the following noteworthy contracts were awarded in 2015:

- Project and execution of the works for the preliminary design and addendum of the waste water treatment plants (EDAR) in Sant Antoni de Portmany and Santa Eularia des Rius, on the island of Ibiza (Balearics). This 3-year contract is worth 20.13 million euros.
- Contract for the maintenance of water mains, drinking water supply, wastewater treatment and remote control systems and ornamental fountains in the city of Melilla, for a budget of 9.1 million euros under a 6-year contract.
- Ancillary works, operation and maintenance of the seawater desalination plant (IDAM) in Mutxamel (Alicante), and works to shore up the drinking water supply network in the towns of Mutxamel and Campello, for an amount of 7.14 million euros, and a 4 year concession term.
- Project and execution of the works to remodel and expand the seawater desalination plant (IDAM) on the island of Formentera (Balearics) for an amount of 7.35 million euros, with a concession period of 13 years.

## 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.

The main cleaning contracts awarded in 2015 were as follows:

- Cleaning service in terminals and external facilities of Barcelona- El Prat Airport, for an amount of 34.9 million euros, with a 3-year concession period.

- Cleaning service in terminals 1, 2 and 3, Batch 1 at Adolfo Suárez - Barajas airport (Madrid), for an amount of 22.35 million euros, with a 3-year concession period.
- Cleaning contract for Carlos III University in Getafe, Madrid, for a total amount of 6.25 million euros, with a 2-year concession period.
- Cleaning service for the legal buildings and juvenile facilities of the Basque Government's Department of Justice and Public Administration, amounting to 4.73 million euros, with a 2-year concession period.
- Cleaning service for the premises belonging to the Spanish Mint in Madrid. The contract is worth 2.88 million euros, with a term of 2 years for the concession.

The most significant facility management and maintenance contracts were as follows:

- Full range of services for of the Moncloa transport hub in Madrid for an amount of 7.68 million euros and a concession period of 5 years.
- Services to implement the new Facilities Management (FM) model in all ATENTO central offices across Spain. The project entails an investment of 4.29 million euros and has a completion schedule of 2 years.

The most significant social-healthcare services were as follows:

- Home assistance service for the Alava provincial government's social services area. This 2-year contract is worth 9.42 million euros.
- The comprehensive management of the senior citizen's home and day centre in Benidorm (Alicante), worth 8.81 million euros, with a term of 4 years for the concession.
- A contract for the comprehensive management of the senior citizen's home and day centre in Villa del Prado, Madrid. This 3-year contract is worth 7.63 million euros.
- Full management of the senior citizen's home and day centre in Benejúzar (Alicante). This 4-year contract is worth 5.36 million euros.
- Home assistance service for the Badalona (Barcelona) provincial government's social services area. This 2-year contract is worth 5.24 million euros.

Valoriza Conservación de Infraestructuras is the Group company engaged in road maintenance and upkeep. Among other activities, the company maintains an equivalent of 6,656 kilometres of motorways, as well as one dam, two networks of irrigation channels covering over 140 kilometres and the Bilbao port. Noteworthy in 2015 were the following significant contracts:

- Full road maintenance services for the Tafalla and Tudela (Navarre) conservation centres. This 4-year contract is worth 14.36 million euros.
- Contract to repair the pavement of the AP-9 "Autopista del Atlántico" on the "Sur de Santiago - Pontevedra" stretch for 11.37 million euros and with a term of 2 years.
- Renewal of the maintenance contract for the A-52 motorway "Autovía de las Rías Bajas", in the province of Zamora. This 2-year contract is worth 6.18 million euros.

- Contract for the maintenance and conservation of infrastructures belonging to the Bilbao Port Authority. This 4-year contract is worth 6.16 million euros.

Cafestore, a Group company that specialises 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 organisations. At year-end 2015, the Group had a total of 46 points of sale: 27 service areas throughout Spain, restaurants at three hospitals in the Autonomous Community of Madrid, two cafeterias in the transport hub, two homes for the elderly and facilities in 13 public organisations (Madrid, Castilla La Mancha, Extremadura and Andalusia).

The following contracts won are noteworthy:

- Restaurant and cafeteria services and the installation of food and drinks dispensing machines at the Spanish tax office ("AEAT") in Madrid.
- Restaurant services for visitors to the Centro Eurolatinoamericano de la Juventud (CEULAJ), in Malaga.
- Restaurant services for the Santa María Home for the Elderly in Benequerencia, Toledo.

### 3.6.- Performance of the Industrial division (Sacyr Industrial)

Revenue for Sacyr Industrial amounted to 290 million euros in 2015, up 50% on the previous year thanks to new EPC (Engineering, Procurement and Construction) contract wins in electricity infrastructure (Mexico, Peru, Panama) and in Oil and Gas (Cartagena regasification plant in Colombia, and the middle distillate block at the Pampilla refinery in Peru) and Environmental activities (the Oruro cement plant in Bolivia).

EBITDA also improved to 21 million euros vs 10 million euros in 2014 million, leaving a margin of 7.3%. In 2015, the company's power plants benefited from higher electricity pool and gas prices compared to the previous year.

The following major contracts were awarded in the year:

- A 156 million euro contract was signed to adapt the petrol blocks of La Pampilla refinery in Peru to new fuel specifications.
- The new project in Panama for operation and maintenance services for the Empresa de Distribución Metro Oeste (EDEMET) worth 20 million euros.
- A 12 million euro contract for work on substations and the 4th phase Eastern transmission lines in Mexico for the Federal Electricity Commission (CFE) for the amount of 12 million euros.
- In Spain, a major contract was also secured for the installation of geothermal systems at the Hotel Santa Marta and Mercado del Val (Valladolid), worth a total of 1.5 million euros.

A number of significant transactions were also finalised which are in line with the strategic targets of this division, to increase its market share and boost its capacity to face new challenges.

- Sacyr Fluor: in July 2015, Sacyr acquired 50% of Fluor S.A., the Spanish subsidiary of the US engineering multinational, Fluor Corporation. The new company will provide

engineering services and manage EPC projects in the oil and gas sector and the onshore petrochemical industry in Spain, Southern Europe, North Africa and some Latin American countries.

- Sacyr Nervión: in October, Sacyr Industrial and Nervión Industries, Engineering and Services, S.L. created a partnership with a 50% share each - the company Sacyr Nervión. The new company will operate in projects related to the following:
  - Full repair services for all manner of storage tanks, anywhere in the world.
  - All types of maintenance services for refineries or other productive facilities in the oil & gas sector and other selective maintenance and assembly projects of industrial works.
- Isotron: in December, Sacyr Industrial and Isotron signed a partnership agreement to make joint combined bids in EPC electrical generation and transmission tenders.

Sacyr Industrial's activity over the next few years is fully assured by an order book of 2,413.42 million euros at 31 December 2015.

### 3.7.- Holding in Repsol, S.A.

In 2015, Sacyr remained a core shareholder in Repsol, S.A., through its investee Sacyr Vallehermoso Participaciones Mobiliarias, S.L.

Repsol is the leading company in its sector in Spain and one of the world's leading energy groups, with a strong presence in geo-politically stable countries (OECD). Repsol also holds a 30.001% stake in Gas Natural SDG, S.A.

On 8 May 2015, Repsol purchased 100% of the Canadian oil company Talisman Energy Inc. for 8,300 million dollars (6,670 million euros), plus a debt of 4,700 million dollars (3,776 million euros.)

This acquisition, which was the largest international transaction carried out by a Spanish company over the last five years, makes Repsol one of the 15 largest private oil companies worldwide, with a presence in more than 40 countries and more than 27,000 employees.

Repsol has significantly strengthened its exploration and production activity given that Talisman Energy has significant, high-quality assets in production and areas with great exploration potential in North America (Canada and the United States) and in Southeast Asia (Indonesia, Malaysia and Vietnam), as well as in Colombia and Norway, among other countries.

North America will represent almost 50% of the capital used in the area for oil and gas exploration in the new group, causing Latin America to move down to second position, with 22% of the total. In addition, the new Repsol Group will increase its production by 76% to 680,000 barrels of oil equivalent per day, increasing its reserves by 55% to reach 2,300 million barrels of oil equivalent.

The joint management of assets creates synergies of over 350 million dollars (280 million euros) a year, mainly through the optimisation of functions, management of the business and exploration portfolio, increased supply capacity in north America and the application of technological improvements and better operating practices. Furthermore, the city of Calgary (Canada) will become one of Repsol's largest corporate centres outside Spain.

As a result of this, on 15 October, Repsol presented its new Strategic Plan for 2016-2020, based on the following lines: the company's proven capacity to generate value even in a climate of low oil prices; management efficiency that enables self-financing; maintaining shareholder remuneration and the reduction of company debt.

The objective is to double EBITDA according to CCS by the end of the period included in the plan to 11,500 million euros. To do this, the company will actively manage its business portfolio to obtain 6,200 million euros through the divestment of non-core assets and reduce its investments by up to 38% until the desired company profile is achieved.

Following the acquisition of Talisman, a great number of synergies have been identified that will enable cost savings of 2,100 million euros a year to be made from 2018 onwards.

In the Upstream (Exploration and Production) business, Repsol will develop three regions: North America, Latin America and South East Asia. Exploration costs are expected to be lower, with a 40% reduction in investment, and production will remain within the established range of 700,000 - 750,000 barrels of oil equivalent a day, guaranteed by current reserves volumes.

In the downstream business (Refining and Marketing), thanks to the investment made in the Cartagena and Petronor refineries, which have improved refining margins, Repsol now tops the list of integrated European companies in terms of efficiency. This ensures value creation and resilience in a climate of depressed oil prices. Divestments of non-core assets will be made in this area, in addition to a reduction in energy costs and CO2 emissions, generating an average free cash flow of 1,700 million euros per year.

In 2015, Repsol, S.A. reported total turnover of 39,737 million euros, with an attributable net result of -1,227 million euros, including the 2,957 million euro provision made for low oil and gas prices. However, adjusted net profit was 1,860 million euros, an increase of 9% on the previous year.

EBITDA, calculated according to the valuation of inventories at replacement cost (CCS) stood at 5,013 million euros, a year-on-year increase of 6%.

During the year, Repsol, S.A. paid a final gross dividend of 0.956 euros per share (0.472 euros as an interim dividend against 2014 profit and 0.484 euros as a final dividend for that year). Sacyr Vallehermoso Participaciones Mobiliarias, S.L.U.'s share of the dividend amounted to 116.83 million euros.

As part of the programme to optimise non-core assets, during the year Repsol sold 10% of its stake in CLH for 325 million euros, realising a capital gain of 300 million euros.

It also sold part of its piped gas business to Gas Natural Distribución and Rexis Gas, for 652 million euros, producing a capital gain of 367 million euros.

Repsol, S.A. is listed on Spain's IBEX-35 index, as well as on the leading index in the United States. At year-end 2015, the company's share price stood at 10.12 euros (a 34.81% decline in value compared with 2014) and its market capitalisation was 14,171.65 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 "Risk management policy" note to these financial statements.

Lastly, the contractual obligations and off-balance-sheet obligations are included under "Provisions and Contingent Liabilities" in the notes to these consolidated financial statements.

#### 4. 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, Services and Infrastructure Concessions 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. The Group, therefore, has no significant credit risks due to the considerable solvency of its customers and the short collection periods agreed.
- *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.

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 debt is fixed-rate through the use of hedging instruments such as interest rate swaps, which reduce exposure to increases in rates.
  - 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 expansion in recent years means that in the future it may encounter situations that expose it to currency risk. Should this occur, the Group would consider how this risk can best be minimised through the use of hedging instruments pursuant to corporate criteria.

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 their consequences.

## 5. EVENTS AFTER THE BALANCE-SHEET DATE

Events after the reporting date are detailed in the note to these consolidated financial statements.

## 6. OUTLOOK

The strategies and objectives of the Sacyr Group for the next few years are as follows:

1. To continue promoting and developing the business in which we are experts and leaders (core business) in Spain and abroad, in order to consolidate our position 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 taking precedence over scale.
3. To continue to expand abroad, seeking new markets where profitability and legal security prevail over all else, as well as consolidating activities in the countries where we are present.
4. To contain costs and structural expenses in order to be more competitive.
5. To reduce financial debt, in order to reduce the Group's gearing and all debt borne by the projects generating them.
6. To develop new business areas, which are complementary to the current areas, and enable synergies to emerge between the Group's companies and divisions.

## 7. 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 innovation departments germinate in this environment, thereby allowing the Group to subsequently improve its materials, systems, processes and, therefore, its results.

In 2015, the Sacyr Group consolidated its backlog of 27 new R&D projects with external recognition of this activity by obtaining grants, loans and/or tax credits from various official bodies.

Although none can be considered significant, due to their small budget as a part of total revenues, the Group's R&D+i activities involved all business areas: construction, services, concessions and rental properties.

## 9. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report forms part of these financial statements and is available in full on the website of the Spanish National Securities Market Commission ([www.cnmv.com](http://www.cnmv.com)) and the company's website ([www.sacyr.com](http://www.sacyr.com)).

## 10. ACQUISITION AND DISPOSAL OF TREASURY SHARES

At 31 December 2015, Sacyr's share capital was fully subscribed and paid. Share capital was composed of 517,430,991 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 year-end 2015, Sacyr's market cap was 938.62 million euros. Share performance on the continuous market is as follows:

SHARE PRICE IN 2015	
N° of shares admitted for trading	517,430,991
Trading volume (thousands of euros)	5,427,009
Trading days	256
Closing price 2014 (euros)	2.86
Closing price 2015 (euros)	1.81
High (on 08/04/15) (euros)	4.27
Low (on 16/12/15) (euros)	1.78
Average weighted share price (euros)	3.18
Average daily trading vol. (n° of shares)	6,657,374
Liquidity (shares traded/capital)	3.29

At year-end 2015, Sacyr's share price was 1.814 euros per share, compared to 2.856 euros in previous year. The share price reached its intraday day high of 4.279 euros on 8 April, and its daily closing high of 4.211 euros on 9 April. The intraday day low was 1.782 euros, on 16 December, while the daily closing low stood at 1.814 euros per share, on 31 December.

Sacyr's share price marked an uneven performance against the IBEX-35, the General Index and the National Construction Index. Sacyr's shares were more volatile than the benchmark indices, with a weighted average fluctuation of 3.18 euros per share. Average daily trading volume was over 6.65 million shares, for a total of 5,427 million euros for the year.

STOCK MARKET INFORMATION	2015	2014	% 15/14
Share price (euros)			
High	4.28	5.38	-20.46%
Low	1.78	2.65	-32.75%
Average	3.18	4.03	-21.09%
Year-end	1.81	2.86	-36.64%
Average daily trading vol. (n° of shares)	6,657,374	7,447,109	-10.60%
Annual trading volume (thousands of euros)	5,427,009	7,654,663	-29.10%
N° of shares admitted for trading at year-end	517,430,991	502,212,433	3.03%
Market capitalisation (thousands of euros)	938,620	1,437,834	-36.64%

At 31 December 2015, the parent company held 4,898,800 treasury shares, equivalent to 0.94675% of its share capital. At the average exchange rate, the price paid was 10.6842 euros per share.

Throughout 2015, Sacyr continued to abide by 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.

Between 1 January and 31 December 2015, 33,874,772 and 31,820,768 Sacyr shares were bought and disposed of, respectively.

At 31 December 2015, Sacyr was the custodian of 2,809 Sacyr shares: 1,210 shares that were not subscribed in the 2013 bonus issue and another 1,599 shares not subscribed in the bonus issue carried out in July 2015.

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 will be at the disposal of the holders.

At the end of 2015, the Sacyr share price was 1.814 euros per share, a fall of 36.48% against the previous year-end (2.856 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 31 March 2016, has authorised for issue, in accordance with the provisions of Article 253 of the Spanish Corporate Enterprises Act, the 2015 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, 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 financial position and 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 2015, 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).

In Madrid, at 31 March 2016.

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Manuel Manrique Cecilia  
*Chairman and CEO*

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Demetrio Carceller Arce  
*Deputy chairman*

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Jose Manuel Loureda Mantiñán  
*For Prilou, S.L.*  
*Director*

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Isabel Martín Castellá  
*Director*

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Matías Cortes Domínguez  
*Director*

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Jose Manuel Loureda López  
*For Prilomi, S.L.*  
*Director*

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Gonzalo Manrique Sabatel  
For Cymofag, S.L.  
Director

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Javier Adroher Biosca  
Director

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Juan Miguel Sanjuan Jover  
For Grupo Satocán Desarrollos, S.A.  
Director

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Tomás Fuertes Fernández  
For Grupo Corporativo Fuertes, S.L.  
Director

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José Moreno Carretero  
For Beta Asociados, S.L.  
Director

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Raimundo Baroja Rieu  
Director

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Juan María Aguirre Gonzalo  
Director

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Augusto Delkader Teig  
Director

As secretary I hereby certify, in Madrid, the transparency of the issuers' information, pursuant to articles 11.3 and 3 of RD. 1362/07, of 19 October.

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Elena Otero-Novas Miranda  
Secretary of the Board of Directors