The company receives the backing of its reference banking institutions through a 747 million euro syndicated agreement

OHL ends 2016 by definitively curtailing the global impact of the legacy projects on its accounts and embarks on a change in cycle

- Legacy projects. Impact on results up to the end of performance included in full in the 2016 accounts. Impact on cash limited to the outflow of 165 million euros in the next two years and inflow of 284 million starting in 2019
- Change in cycle: The 2016 financial year leaves a sound and reinforced balance sheet which constitutes a solid base on which to build the company's future
- Successful asset rotation policy with capital gains in all cases
- Rating agencies. Regaining their confidence is now an absolute priority for OHL
- Strategic Plan 2020. The company will announce the updating of the Plan at the end of March

28 / 02 / 2017. On the whole, 2016 has been a financial year of poor results for OHL, strongly influenced by the impact of the full recognition of the losses in its legacy projects and by the adverse exchange rate trend.

On the operating level, the income statement has been weighted down by both factors, which have led to losses of 432 million euros. The normalized income statement, de-linked from the target revision of the legacy projects and at a constant exchange rate, would show a net profit of 248 million euros, four times higher than the result obtained in 2015, that is, 57 million euros. A highlight in the period was the excellent performance of the Concessions Division, where Sales and EBITDA from tolls (at a constant exchange rate and excluding the effect of the change in the consolidation method of Metro Ligero Oeste) grew +11.7% and +20.5% respectively, thanks to the outstanding performance of the concessions in Mexico, with growth figures in local currency of +14.7% and +14.8%, respectively.

Despite the adverse results, the 2016 financial year leaves a sound and reinforced balance sheet that constitutes a solid base on which to build the future of the company which faces this new stage led by Juan Villar-Mir de Fuentes, Chairman, and Tomás García Madrid, CEO.

Main milestones
The impact of the legacy projects definitively eliminated, and their impact on cash curtailed. At the close of accounts for the year, the final targets for these projects were re-estimated, which has translated into lower figures for EBITDA and results by the equity method totaling 520 million and 149 million, respectively. With this situation resolved, OHL will be able to center on the management of the rest of the construction business, now on sound footing and producing a positive cash flow.

Looking towards 2017 and 2018, an overall outflow of cash from these projects is expected to total 165 million (64 million euros in 2017 and 101 million euros in 2018). Starting in 2019, however, the inflow of cash is expected to reach 284 million euros.

Rotation of assets with capital gains in all cases. This policy is applied in the company’s ordinary course of business and has enabled debt reduction and the simplification of the financial structure of OHL. This rotation, which has involved 1.5 billion euros in 2016 and 627 million euros in the first two months of 2017, has led to a net result of 330 million euros in 2016. In addition, in the first two months of 2017, approximately 100 million euros more have been obtained, following the recent divestiture of the 2.5% stake in Abertis and the partial rotation of the Mayakoba and Canalejas assets.

Complete elimination of trigger risk. Following the sale of the 4.425% stake in Abertis on October 3, 2016, the process was completed for the elimination of all of the borrowings with trigger risk which, at the start of 2015, totaled 1.5 billion euros.

Concessions. Process opened to incorporate new partners into the greenfield assets. New partners to hold a 49% interest in Vespucio Oriente, Puente Industrial, Río Magdalena, Nogales-Puchuncaví and Puerto Valparaiso by the end of 2017. This incorporation would cut the equity contributions by approximately half and, according to current estimates, these would then be reduced to 146 million euros delivering a cash inflow of around 116 million euros, corresponding to the proportionate part of the equity already contributed to these projects at the close of accounts for 2016.

Backed by the banking sector. Caixabank, Banco Sabadell, Bankia, Santander, Popular, Société Générale and Crédit Agricole, following a detailed study of the present and future situation of OHL, have decided to maintain their positions and commit a package of additional financing in a total amount of 747 million euros: 190 million in a credit line, 465 million in a line of securities and 92 million in a reverse factoring line. This transaction confirms the support of these institutions to the business plan designed by the company, which in the last few months has had to confront high volatility in the markets caused basically by the rating agency downgrades.

Regaining the confidence of the rating agencies. This has become an absolute priority for OHL in 2017. In this regard, it is expected that the measures taken and the good performance of the construction business, having absorbed the impact of the legacy projects, will make it possible to reach a recourse leveraging ratio at the end of 2017 of at least 1x, an aspect which is expected to bring about a positive impact on the rating.

Strategic Plan. OHL will make the updating of the Plan public at the end of March, once the Plan has been adapted to the current situation of the company and of the market. OHL will reinforce its presence in its eight home markets and will give priority to the return-risk ratio over the growth target in works completed, in addition to reinforcing the risk control and contract management mechanisms in the tendering and performance stages.

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<tbody>
<tr>
<td>Sales</td>
<td>3,862.6</td>
<td>154.8</td>
<td>117.0</td>
<td>4134.4</td>
<td>-11.6%</td>
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On the whole, 2016 has been a financial year of poor results for OHL, strongly influenced by the impact of the full recognition of the losses in its legacy projects and by the adverse exchange rate trend.
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Projects</th>
<th>Exchange rate effect</th>
<th>2016 normalized</th>
<th>Var. (%) 2016/2015</th>
<th>Var. (%) 2016N/2015</th>
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<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>222.9</td>
<td>520.2</td>
<td>103.4</td>
<td>846.5</td>
<td>-76.9</td>
<td>-12.5</td>
</tr>
<tr>
<td><strong>Attributable Net Profit</strong></td>
<td>-432.3</td>
<td>669.6</td>
<td>10.2</td>
<td>247.5</td>
<td>n.a.</td>
<td>345.1</td>
</tr>
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</table>

From right to left: Juan Villar-Mir de Fuentes and Tomás García Madrid, President and CEO, respectively of OHL Group.