



Sacyr

Integrated
Annual
Report

20

13



SACYR
Integrated
Report

20

13







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-  Construction
-  Infrastructure concessions
-  Real estate
-  Services





Main indicators

3,065

Millions of Euros
Business
turnover

1,614

Millions of Euros
International
business turnover

37,741

Millions of Euros
Total
portfolio

20,163

Millions of Euros
International
portfolio

Financial figures

| | Dec 2013 | Dec 2012 | % Var. 13/12 |
|--|---------------|----------|--------------|
| Total business turnover | 3,065 | 3,424 | (10.5%) |
| International business turnover | 1,614 | 1,482 | 8.9% |
| International business turnover (%) | 53% | 43% | 10 p.p. |
| Portfolio* | 37,741 | 38,646 | |
| International portfolio | 20,163 | 20,627 | (2%) |
| International portfolio (%) | 53% | 53% | 0 p.p. |
| Construction | 81% | 80% | (1%) |
| Concessions | 65% | 62% | 3 p.p. |
| Services | 31% | 33% | (2 p.p.) |
| Net financial debt | 6,642 | 8,643 | (23%) |
| Corporate debt | 319 | 360 | (11%) |

*Adjusted for disposals in 2013

International Business Portfolio

%

53% 53%



2012 2013

International business turnover

%

2012 2013

+9%



Portfolio

Millions of Euros

2012 2013



Construction +1 p.p.

Services (2 p.p.)

Concessions +3 p.p.

81%

31%

65%

80%

33%

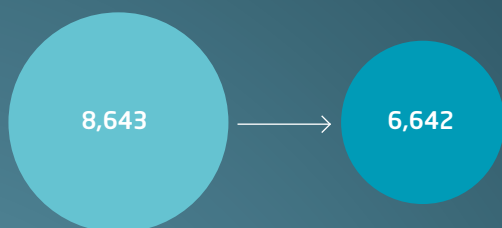
64%



Net Financial Debt

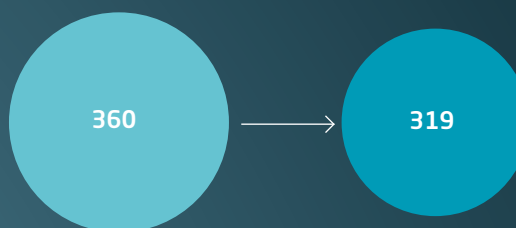
Millions of Euros
2012 2013

-2,001



Corporate Debt

Millions of Euros



NEW R+D+i PROJECTS WITH GRANTS

Number of projects

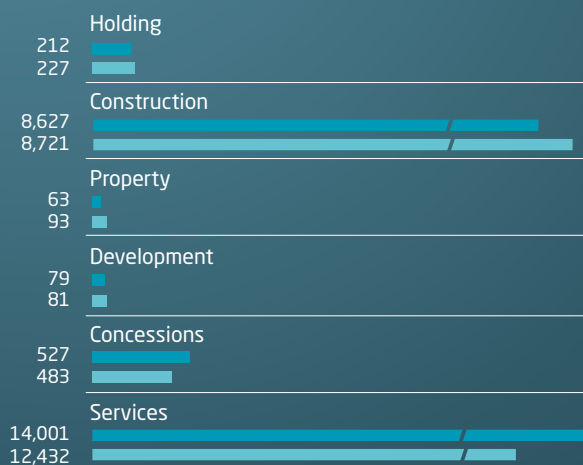
Total
146



Workforce by Business Area

Number of employees
2012 2013

+6,27%
Contracts



Workforce by Gender

Number of employees
Sacyr Spain Sacyr International





01



In contact with the Chairman



Manuel Manrique Cecilia,
Chairman of Sacyr

Conscious renaissance

Leonardo da Vinci, the Italian Renaissance genius and probably the world's most famous engineer ever, said *"I have been impressed by the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do"*.

Here at Sacyr we agree with this urgency of doing, the need to outdo ourselves. Even in difficult circumstances, such as those engulfing the Spanish economy during the last six years, we have been able to transform in order to continue to do things.

The crisis has forced us to reinvent ourselves, albeit without ever losing sight of our quintessence as a company, which is shaped by leading expertise, doing things well and cautious management.

The company characterised by high exposure to the Spanish market, particularly its real estate sector, and excessive leverage is a thing of the past. Today we are a smaller company and a more profitable one; we are focused on the businesses in which we have a competitive edge, opportunities abroad and the ability to innovate.



The transformation has been hard work and I'd like to voice my tremendous gratitude to our more than 20,000 professionals for their huge effort. It has been worth it: we are approaching the end of the company's restructuring process (in 2013 we slashed debt by €2 billion) and the outlook medium and long term is excellent. This optimistic outlook is underpinned by three factors: (i) growing profitability; (ii) international business momentum, lending earnings stability and visibility; and (iii) the restoration of financial health, a yardstick on which we are ahead of our peers.

2013 provides good examples of all three lines of initiative. All of our core businesses posted a profit thanks to cautious risk management and extreme vigilance over operating expenses. Our gross margin exceeded 12% as a result, the highest in the sector.

Last year we entered several new markets, including Peru, Colombia, India, Qatar, Mexico, the UK, Togo and Mozambique, markets in which we plan to expand our construction, concessions and industrial businesses. We also reinforced our presence in existing markets, such as Chile, Brazil, Panama and Angola, securing new contracts which entrench the company's international footprint. Business outside Spain increased to account for 53% of the total last year, compared to 43% in 2012; this trend is expected to continue short term as we do not anticipate a significant recovery in the home market.

Last year we also forged ahead with the process embarked on in 2011 with a view to injecting transparency and clarity into the company's financial snapshot: we wrote down our tax assets to better reflect the new paradigm and recognised impairment charges on our real estate assets to bring their value in line with the debt carried by this business so that its sale in the future

will not generate an accounting loss. These last charges bring the write-downs to an end, barring unforeseen circumstances.

It was not all good news, however. The new renewable energy sector legislation undermined EBIT at Valoriza, the company's services division; we opted to neutralise this one-off development by provisioning 100% of our exposure to this issue. Elsewhere, the revision of the budget for building the third set of locks at Panama Canal forced us to record a provision covering the potential loss. On this matter we also erred on the side of extreme caution so that any positive outcome in the arbitration proceedings undertaken to resolve the underlying issues will have a positive impact on future earnings.

Another noteworthy milestone last year was the group's decision to classify Vallehermoso, the property development business holding company, as an asset held for sale. In light of the grave crisis afflicting the sector, the Board of Directors decided to separate this subsidiary from the rest of the group in order to structure it with an orderly liquidation in mind in the form of mortgage releases (deeds in lieu of foreclosure) and the subsequent sale of the remaining assets. Nevertheless, the group plans to retain its core team of professionals, the sector's finest, in order to carry on business operations on a scale with the new property development paradigm in Spain: lower demand, lower leverage and lower prices.

In the early months of 2014 we also addressed two major issues which had generated uncertainty: (i) financing for the Panama Canal works, in which Sacyr is involved through its consortium, GUPC; and (ii) negotiation with the Argentine government of damages for our investee Repsol in connection with the expropriation of YPF in 2013.



The agreement reached with the Panama Canal Authority, allowing the works to recommence, satisfies all the parties involved and demonstrates, yet again, Sacyr's ability to manage crises. I would like to stress the fact that the differences with the customer are restricted to contractual and budgetary issues; at no point in time has Sacyr's technical capacity been called into question. To the contrary. The customer has expressed its pride in the work performed to date and the standard of quality provided by the consortium headed up by our company on several occasions. One of the most complex civil engineering operations in the world, the project has given rise to multiple unforeseen complications, some of which significant, all of which have been overcome thanks to the hard work, dedication and unparalleled expertise of our professionals. I am certain that we will ultimately be made whole for the costs associated with these unforeseen developments in the arbitration rulings that will eventually settle the differences between the parties.

We are likewise very satisfied with the agreement reached between the Argentine government and Repsol establishing fair compensation for the expropriation of YPF. I would like to congratulate the Repsol management team for securing the best possible payment along with all the necessary guarantees. I am convinced that Repsol will perform well in the future and generate an adequate return for the shareholders which have supported the company in difficult times.

With both lawsuits on the right path, in 2014 we will continue to develop and fine-tune one of the group's hallmark attributes: our expertise. The excellent standards we provide are the result of our professionals' skills and know-how as well as our ongoing strategic commitment to innovation.

Innovation is not empty rhetoric at Sacyr. We never settle at Sacyr. Part of our work consists of researching and imagining new ways of satisfying customer demands in order to save money and use resources more efficiently: development of road maintenance simulators, new techniques for harnessing the energy trapped in waste, alternative formulae for financing public-private initiatives, highly resistant and durable cement, etc. I personally encourage our teams to flex their innovative muscle on every project in order to differentiate Sacyr's proposals from those of our competitors.

Thanks to this effort to continually do things better, we have won important contracts, having been named preferred bidder for the contract for a waste treatment and recovery plant in Australia, presented the best proposal for the Américo Vespucio Oriente urban motorway in Santiago de Chile, proving our ability to compete in international markets.

Against this backdrop, the strategic goal in the construction business in 2014 is to further expand and entrench our international footprint. To this end we plan to reinforce our presence in our core international markets, while exploring opportunities in new markets in which we have identified attractive prospects medium and long term. These projects will be increasingly tied to the concessions business, as the combination of these activities allows us to operate in a more stable and less risky environment. We will also continue to develop new public-private initiatives worldwide, leveraging our credibility in the financial markets and our reputation and credentials in project construction and management.



In the services segment, our aim is to secure new contracts that offer reasonable margins and collection guarantees. Our obsession is profitability, not scale. Many of these target contracts fall under the umbrella of Sacyr Industrial, our newest line of business and one for which we are very optimistic.

As Da Vinci suggested, we are doing. We continue to do things. Not the same things we were doing before, nor in the same way; but preserving our

corporate culture nevertheless. The world, increasingly complex and uncertain, has changed. Sacyr too has changed. Now we have a solid financial structure and a well-defined strategy. I am certain of our ability to negotiate this decisive transformation phase with efficiency and caution.



Swing bridge
Leonardo da Vinci



02



Organisational structure and operational environment



2.1

Vision, mission and values

One of the key points for our Group is the definition of its Mission, Vision and Values, since these components of the business culture will communicate with and respond to our stakeholders, and will be transformed into the company's watchword and performance benchmark as a framework to define its future courses of action.

Our Mission, Vision and Values are drawn up clearly and concisely, and must constitute a long-term reference that identifies Sacyr and distinguishes it from its peers.

MISSION



The **Mission** of the company is a declaration of intent insofar as it reflects why it was created and what it contributes to society. Thus it defines the company's *raison d'être*, its essential aims and goals vis-à-vis stakeholders.

"To orient our business towards the wider community via a sustainable and profitable business management model that creates value for all stakeholders by applying innovation, technological development and excellence to the execution of all activities undertaken by our various businesses."

VISION



The **Vision** of a company, however, includes its long-term expectations and future projection, the position it seeks, and how the organisation wishes to be perceived by its customers and society in general. A proper definition of the organisation's vision is a signal to stakeholders of a major challenge and business strength because, since there is conceptual clarity with regard to future construction, this enhances the capacity for management, administration and execution towards permanent success.

"To maintain an integrated and diversified Group that achieves the status of a social benchmark, moves forward towards sustainable development and acts in awareness of emerging social needs to build a better future, ensuring socially responsible decision-making in all our activities and endeavouring to satisfy all our stakeholders."

VALUES



The Mission and the Vision defined by the organisation are based on a set of clear **Values**, considered as a set of principles, ideals, beliefs and rules that act as an essential framework for organisational decision-making. This means values are qualities that lead to certain behavioural patterns which identify the company and guide its management, its policies, strategies and processes.

- Innovation
- Excellence
- Geared towards people
- Concern for the environment
- Team spirit
- Integrity
- Commitment
- Austerity



Innovation: Taking up creative challenges and solutions in a constant search for continuous improvement of processes and products, increasing the value the company provides to its clients and to the wider community.

Sacyr Vallehermoso gears its activities towards the continuing progress of society and the communities in which it operates. Our hallmark is a bid to build a sustainable business model and adapt flexibly to a fast-moving environment.

Excellence: Striving for excellence in all the company's businesses and courses of action, to the highest standards of quality.

Everything the Group does will exemplify our professionalism, through the experience, expertise and values of all our employees.

Finding solutions that serve customers' interests and meet their needs, to the highest standards of quality, by investing in innovation in a constant search for excellence to improve processes, products and services.

Geared towards people: Finding solutions that serve customers' interests and meet their needs, to the highest standards of quality, by investing in innovation in a constant search for excellence to improve processes, products and services.

Sacyr's key asset is the effort and dedication of everyone who works for the Group. We regard every employee as unique, and accordingly invest in enhancing their potential and career expectations and nurture their pride in belonging to the organisation.

Providing the best possible health and safety conditions in the workplace. We require a high degree of safety in processes, installations and services, and pay particular attention to protection of employees, suppliers, customers and the local environment, a principle that is applied throughout the organisation.

All action taken by the Group and its employees will fully respect the Human Rights and Civil Liberties set out in the Universal Declaration of Human Rights

Concern for the environment: Everything the Group does will be guided by the utmost concern and care for the environment. Sacyr considers itself an integral part of the communities in which it operates, and as such is committed to driving and promoting their social, economic and cultural development.

Team spirit: Encouraging teamwork, creating multidisciplinary teams that foster major career development.

Developing a global vision of all our goals, values and principles in accordance with Group guidelines and policy, to create a yardstick that brings together all Sacyr's companies and business units. In our daily tasks, providing a model of hard work and dedication, surmounting difficulties and working together to achieve our professional goals.

Improving the sharing of knowledge and expertise among our employees through continuous training, to support present and future professional success.



Integrity: The Group's business and professional activities will be carried out in strict compliance with legislation in force in each location in which it operates.

Maintaining irreproachable conduct, necessarily in accordance with honesty and integrity, eschewing all forms of corruption and respecting the specific circumstances and needs of all parties involved in the Group's business and professional activities. The Group will ensure that corporate practices reflect its values.

Disclosing accurate, reliable company management information. Information that is true and comparable. Clear internal and external communication fostering dialogue with and commitment to our stakeholders.

Undertaking our responsibilities and acting accordingly, applying our full capacity to meet our objectives, carrying out sustainable business based on the criteria of economic, social and environmental responsibility.

Commitment: This is a reflection and materialisation of what we call the "Sacyr Spirit". An ongoing effort to ensure that our Company is a permanent success story, in which all women and men are cornerstones with a vital role to play.

All efforts are focused on the same goal: the on-going desire to create and provide value for the group. Non-conformism, and not mere compliance. The sense of belonging and sharing the values and formulas which have been the key to our success during the first 28 years of our history.

Austerity: We live in a world of scant resources, and we are currently experiencing a period of market restrictions. This means that every item used has to be productive. Investments have to be made quickly, but also carefully. The most important concern must be genuine creation of value: value for human resources, value for our actions and businesses, value for the markets and value for society as a whole.

Responsibility, control and efficiency applied to the development of our business plans will stand us in good stead in the future.

The most important concern must be genuine creation of value:

value for human resources, value for our actions and businesses, value for the markets and value for society as a whole.

Responsibility, control and efficiency applied to the development of our business plans will stand us in good stead in the future.



Rutas del desierto
highway, Chile



2.2

Business culture and corporate responsibility

In recent years Sacyr has developed a structure of responsibilities designed to definitively implant a model of responsible management and extend it across all levels of the organisation, with the ultimate aim of making Corporate Responsibility a key focus of all management decisions.

As the company's highest corporate body, the Board of Directors has primary responsibility for defining, promoting and overseeing the Group's Corporate Responsibility strategy.

Sacyr also has a Corporate Responsibility division reporting directly to the Finance Department and Corporate Development Department, the main tasks of which are to implement the Corporate Responsibility decisions taken by the Group's governance and management bodies, advise them in their decision-making processes and coordinate any relevant activities by Sacyr's organisational units.

In addition, the Group has a Corporate Responsibility Working Group, composed of one representative of each business area and one representative of each of the corporate departments most directly involved in guaranteeing the Company's responsible management (Corporate Governance, Human Resources, Internal Audit, Environment, Risk Prevention and R+D+i).

The designated representatives serve as the main point of contact between the Corporate Responsibility Department and their respective areas of activity. They attend, and exercise

decision-making powers at, all interdepartmental meetings called to discuss issues concerning Corporate Responsibility.

Other Group employees may also be invited to attend the meetings, depending on their respective responsibilities and the specific requirements of each meeting.

Guidelines for action

Sacyr is committed to a responsible management model designed to create long-term value for all its stakeholders and to contribute to progress in society and the economy through sustainable development.

Sacyr views responsible management as an unavoidable commitment to its stakeholders: the Company must be respectful of society in all its operations and activities and always take account of the rights, needs and wishes of the different groups with which it interacts. This basic principle should shape all our business decisions, from strategic considerations to daily management choices.

The Group's corporate mission reflects Sacyr's commitment to the principles of Corporate Responsibility, highlighting, among other issues, the importance it attaches to customer service and its confidence in the value contributed by the professional integrity of its employees.



Corporate Responsibility Master Plan

Sacyr embarked upon its first Corporate Responsibility Master Plan in late 2009, approving an action plan spanning 2010 and 2011. Once that plan had come to an end, the Board of Directors approved the implementation of a second plan which would be used to shape the responsible management of the Group and all its companies, in force during 2012 and 2013. The 2014-2015 Plan has now been approved, and it establishes the actions carried out by the Group in the field of Corporate Responsibility and defines the corporate elements specified in its policy:

The main aspects of the Sacyr business culture fall into 7 categories:

- Encouraging communication with stakeholders by creating dialogue platforms that make us aware of their expectations and enable us to draw up the proper action plans to meet their requirements.
- Nurturing employees' pride in their sense of belonging, and making the company a first-choice employer by improving key areas such as integration, equality, health and safety, welfare benefits, training, work-life balance and career development.
- Extending the Group's ethical and social principles to the supply chain (suppliers/ subcontractors) by introducing a responsible procurement policy that lays down guidelines for engaging, assessing and monitoring our suppliers.
- Reinforcing good governance mechanisms to convey a message to stakeholders of transparency and ethics in everything we do, ensuring compliance with statutory requirements and eschewing any involvement in corruption, bribery or violations of human rights.
- Supporting the development of the host communities where the Group operates by undertaking ground-breaking projects and taking up public-interest initiatives via the Group's Foundation.
- Putting mechanisms in place to mitigate the environmental impact of our projects and activities, respecting and caring for the environment in everything we do.
- Integrating all Corporate Responsibility actions and principles in the entire decision-making process.



The definition of this culture is transformed into specific indicators through Sacyr's Corporate Responsibility Master Plan, establishing the following priority guidelines for 2014 and 2015:

- To improve dialogue with stakeholders.
- To help improve all matters relating to the Company's Corporate Reputation.
- To promote the Group's ethical values and principles at all levels of the organisation and establish guidelines for social action policies.
- To strengthen Sacyr's contribution to the development of the society in which it carries out its activities, establishing a measurement and monitoring system.
- To continue strengthening our global environmental action plan, maximising our contribution towards sustainability in all Group activities.
- To strengthen R+D+i policies, as a basic component of our capacity and technological expertise.
- To maintain continuity in the adoption of international policies and standards in the field of CSR.
- To adopt a global internal assurance system to guarantee achievement of CSR goals.



2.3

Operating structure and management

In recent years the development of the businesses making up Sacyr has been marked by rapid growth in activity, the increasing complexity of projects undertaken, diversification of activities and significant international expansion.

At Sacyr we are aware that our future success is to a great extent dependent on our ability to adapt. For this reason, we have adjusted our structure to these changes with a view to ensuring that the various organisational units making up the Group

are at all times equipped to furnish the most efficient and effective response possible to any new challenges that may arise.

The Group is structured under an Executive Chairman. Two main lines of command report to the Executive Chairman: each business area has a Non-Executive Chairman and a CEO. There is also a series of Staff Departments to provide backup in different areas of Group business, as follows:



Chairman
and CEO

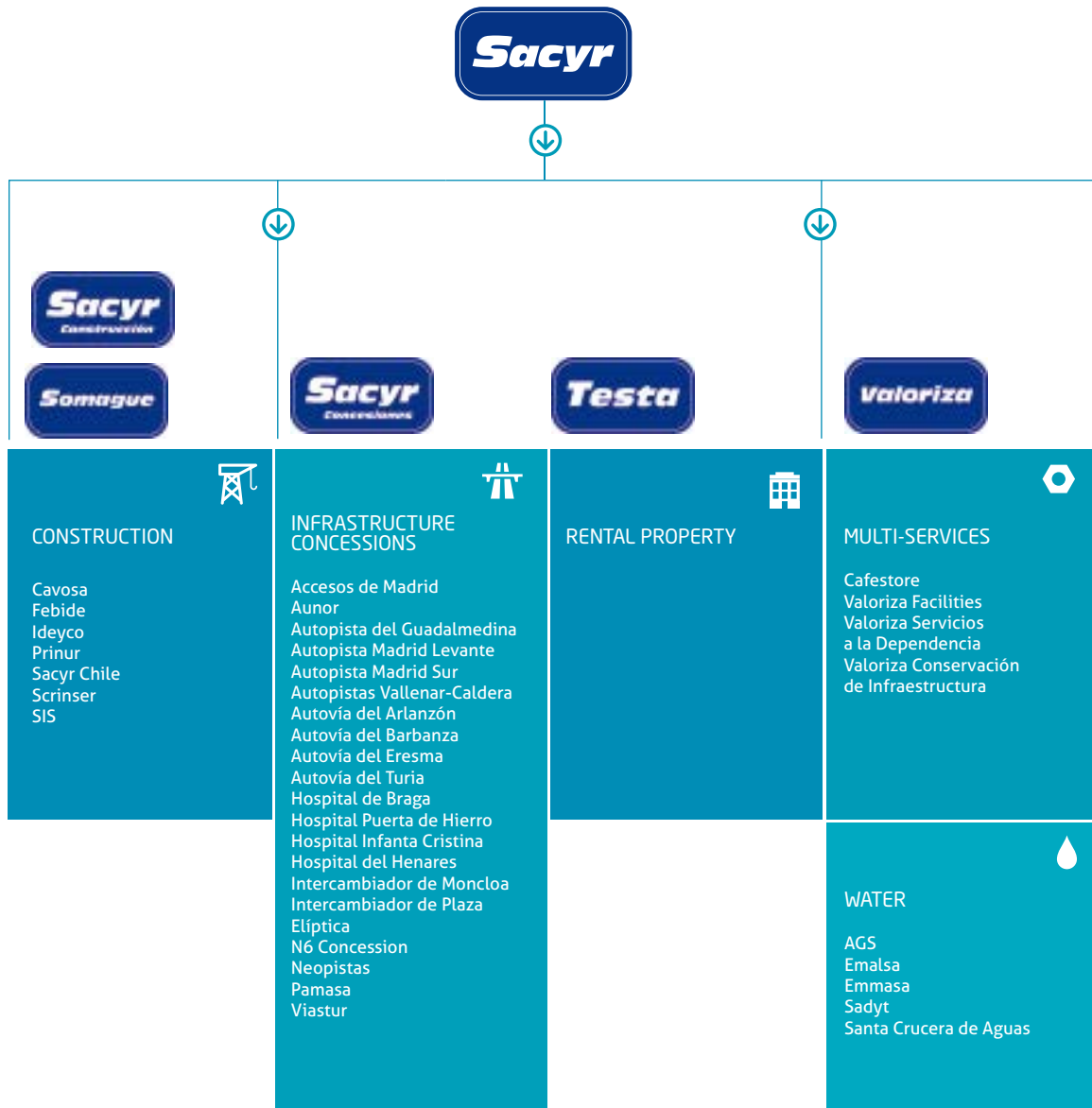
Sacyr Construcción
Testa Inmuebles en Renta
Sacyr Concesiones
Valoriza

General Finance and Corporate
Development Department

General Administration and
Operations Department

General Resources Department

General Legal Department/
Secretary of the Board of Directors





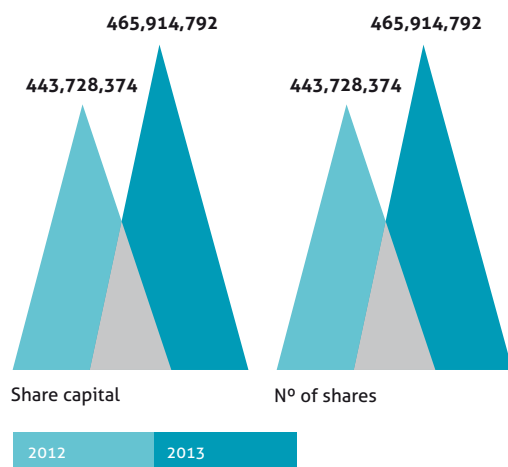
Construction work on the
high-speed railway line in
Almería, Spain



2.4 Ownership structure

At 31 December 2013 the share capital of Sacyr, S.A. was composed of 465.9 million shares of €1 par value each, of the same class and series, with the same rights, fully subscribed and paid up.

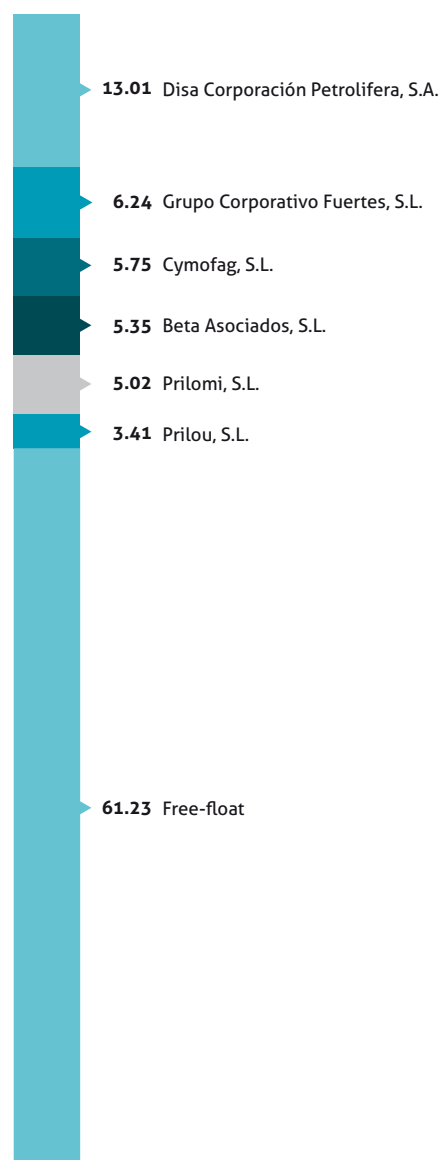
CHANGES TO CAPITAL Euros



The distribution of share capital at the same date was established as follows:

| 2013 | % |
|------------------------------------|------------|
| Disa Corporación Petrolífera, S.A. | 13.01 |
| Grupo Corporativo Fuertes, S.L. | 6.24 |
| Cymofag, S.L. | 5.75 |
| Beta Asociados, S.L. | 5.35 |
| Prilomi, S.L. | 5.02 |
| Prilou, S.L. | 3.41 |
| Free-float | 61.23 |
| TOTAL | 100 |

COMPOSICIÓN ACCIONARIAL %





2.5 Resources

Human resources

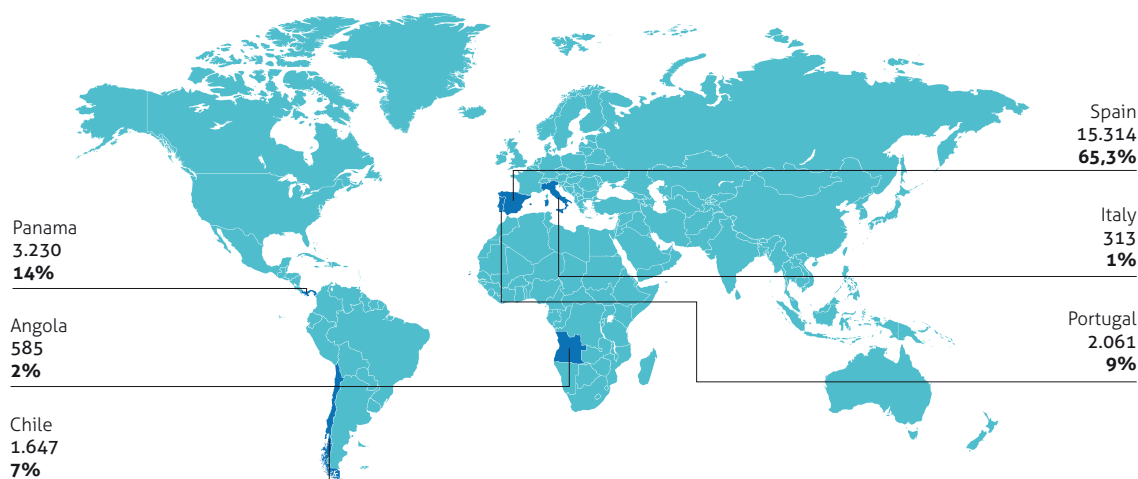
In the current social and economic climate, human capital is the main competitive advantage available to organisations wishing to generate added value in a global market. This notion constitutes the historical point of reference for the policies implemented by the Group. It has enabled us to become one of the fastest growing and developing companies in the European Union, and to secure our position as a benchmark in the sector at both international and national level.

Taking this international situation into account, we must point out the diversity of employment relations models with which Sacyr interacts, on the basic

premises of strict adherence to the internal legislation and regulations of each country, and respect for the cultural habits and realities of our teams.

Proper management of information, communicating individual duties and responsibilities and the objectives to be achieved, concern for our employees' professional development, welfare and work-life balance have enabled us to attract and keep employees that are not only highly qualified, but also motivated and committed to our corporate culture and development. This means we can guarantee a suitable working environment that is much more effective and efficient.

GEOGRAPHICAL BREAKDOWN OF SACYR EMPLOYEES, 2013





GEOGRAPHICAL BREAKDOWN OF SACYR EMPLOYEES

| 2012 | | | | | 2013 | | | | |
|--------------|---------------|--------------|---------------|------------|---------------|--------------|---------------|------------|-------------|
| COUNTRY | MEN | WOMEN | TOTAL | % | MEN | WOMEN | TOTAL | % | CHG. % |
| Spain | 7.439 | 6.904 | 14.343 | 65,0 | 8.093 | 7.221 | 15.314 | 65,3 | 6,77 |
| Panama | 3.268 | 152 | 3.420 | 15,5 | 3.052 | 178 | 3.230 | 14 | -5,56 |
| Portugal | 1.884 | 314 | 2.198 | 10,0 | 1.774 | 287 | 2.061 | 9 | -6,23 |
| Chile | 772 | 98 | 870 | 3,9 | 1.512 | 135 | 1.647 | 7 | 89,31 |
| Angola | 480 | 90 | 570 | 2,6 | 493 | 92 | 585 | 2 | 2,63 |
| Italy | 341 | 14 | 355 | 1,6 | 301 | 12 | 313 | 1 | -11,83 |
| Cape Verde | 81 | 18 | 99 | 0,4 | 76 | 17 | 93 | 0,4 | -6,06 |
| Australia | 31 | 32 | 63 | 0,3 | 30 | 23 | 53 | 0,2 | -15,87 |
| Brasil | 33 | 13 | 46 | 0,2 | 33 | 16 | 49 | 0,2 | 6,52 |
| Ireland | 25 | 19 | 44 | 0,2 | 26 | 15 | 41 | 0,2 | -6,82 |
| Israel | 11 | 4 | 15 | 0,1 | 15 | 4 | 19 | 0,1 | 26,67 |
| Colombia | 0,0 | 0,0 | 0 | 0,0 | 10,0 | 6,0 | 16 | 0,0 | -- |
| Mozambique | 0 | 0 | 0 | 0,0 | 12 | 3 | 15 | 0,1 | -- |
| Libia | 12 | 2 | 14 | 0,1 | 12 | 2 | 14 | 0,1 | 0,00 |
| Bolivia | 0 | 0 | 0 | 0,0 | 5 | 3 | 8 | 0,0 | -- |
| Costa Rica | 31 | 10 | 41 | 0,2 | 3 | 1 | 4 | 0,0 | -90,24 |
| Peru | 0,0 | 1 | 1 | 0,0 | 0,0 | 1 | 1 | 0,0 | 0,00 |
| India | 1 | 1 | 2 | 0,0 | 1 | 1 | 2 | 0,0 | 0,00 |
| Argelia | 0,0 | 0,0 | 0 | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,00 |
| Qatar | 0,0 | 0,0 | 0 | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,00 |
| Mexico | 0,0 | 0,0 | 0 | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,00 |
| TOTAL | 14.409 | 7.672 | 22.081 | 100 | 15.448 | 8.017 | 23.465 | 100 | 6,27 |

Employment information is the Consolidated Average Headcount, which is zero for countries where the Group has started work only recently and has few employees - Peru, India, Qatar etc.

Technical and material resources

Although human resources are essential for any kind of activity, they are not sufficient if they are not accompanied by proper technical and material resources. Given the extensive range of activities undertaken on a daily basis by the Group, the scope of the technical and material resources provided for its use is also diverse and quantitatively relevant.

By way of example, although this list is not exhaustive, the following are a few items to provide some idea of the dimensions and size of the resources used:



Buildings and facilities

The Group's central services take up some 11,000 square metres at offices mostly located in the city of Madrid, along with regional offices and head offices in other countries.

Design and development

- Externally developed corporate applications: 8 - SAP R/3 (Finance/Controlling processes, Testa's commercial processes), LOGA (Human Resources processes) and PLIDO (Sacyr Construcción's Work Management and Planning processes).
- In-house corporate applications: 10 - applications providing backup for Prevention, Quality and Environmental processes and Contracting processes.
- In-house departmental applications: 30 - SIA, providing backup for Sacyr Construcción's purchasing function.
- Web sites and applications: 18 web sites - the Group's corporate web site, the Employee Portal and the Testa web site.
- The User Service Centre deals with almost 5,000 incidents (support, upgrading, errors) reported by users.

Hardware

- **Work centres:** Network and communication infrastructures in more than 30 centres in Spain and abroad providing connectivity to work stations throughout the Group.
- **Central infrastructure:** Comprises more than 140 centralised systems supporting all corporate and business applications, security layers, access control, content filtering, etc.

Applications supported include:

- Citrix environment, with nearly 40 published applications: Quality, Environment, Prevention, OHS, etc.
- Accounting and financial systems: SAP
- Personnel and HR applications.
- Reporting and data processing: Qlikview.
- Business management systems: CRM, BW, PLIDO
- Access and perimeter security systems: McAfee, Checkpoint.
- E-mail: Exchange.
- Database servers: SQL, INFORMIX, ORACLE.
- Corporate and business web environments.
- **Communications systems:**
 - Over 300 communications circuits providing access to work centres: ADSLs, Macrolan, MPLS, Satellite, etc.
 - Backbone circuits providing "Intranet" connectivity to all Group work centres and users.
 - "Internet" connectivity circuits. Browsers, VPN SSL solutions.



2.6

Activities and markets

Sacyr divides its activities into four large lines of business:

- Construction
- Concessions
- Property Management
- Services and Industrial

It actually has far more areas of activity, as it carries out work and provides services with their own specific characteristics within each of these groups. As these areas are extremely numerous, they have been set out in the table below along with their areas of operation:



Avda. de Bruselas 24 -26
building, Madrid.
Spain.



EUROPE



AMERICA



ASIA



AFRICA



OCEANIA

| | | SPAIN | PORTUGAL | ITALY | IRELAND | UK | FRANCE | CHILE | MEXICO | PANAMA | COLOMBIA | PERU | BOLIVIA | BRAZIL | ISRAEL | QATAR | INDIA | MOZAMBIQUE | CAPE VERDE | ANGOLA | ALGERIA | TOGO | LIBYA | AUSTRALIA |
|---------------------|--|-------|----------|-------|---------|----|--------|-------|--------|--------|----------|------|---------|--------|--------|-------|-------|------------|------------|--------|---------|------|-------|-----------|
| CONSTRUCTION | Roads/Highways | • | • | • | | | | • | • | | • | • | | | | | | | | | | | | |
| | Railways | • | | | | | | • | | | | • | | • | | • | • | | • | | | | | |
| | Hydraulic | • | • | | | | | • | | • | | | | • | | | | • | | | | | | |
| | Airports | • | | | | | | | | • | | | | | • | | | | | | | | | |
| | Non-Residential Building | • | • | | | | | | | | | | | • | | | | | • | • | | • | | |
| | Residential Building | • | • | | | • | | | | | | | | | | | | • | • | • | | | | |
| | Hospitals | • | • | | | | | • | | | | | | | | | | | | • | | | • | |
| CONCESSIONS | Motorways | • | • | • | • | | | • | | | | • | | | | | | | | | | | | |
| | Hospitals | • | • | | | | | • | | | | | | | | | | | | | | | | |
| | Transport Hubs | • | | | | | | | | | | | | | | | | | | | | | | |
| | Metro Lines | • | | | | | | | | | | | | | | | | | | | | | | |
| | Airports | • | | | | | | | | | | | | | | | | | | | | | | |
| | Service Stations | • | | | | | | | | | | | | | | | | | | | | | | |
| PROPERTY MANAGEMENT | Offices | • | | | | | • | | | | | | | | | | | | | | | | | |
| | Hotels | • | • | | | | | | | | | | | | | | | | | | | | | |
| | Commercial | • | • | | | | | | | | | | | | | | | | | | | | | |
| | Housing | • | • | | | | | | | | | | | | | | | | | | | | | |
| | Industrial | • | | | | | | | | | | | | | | | | | | | | | | |
| | Homes For The Elderly | • | | | | | | | | | | | | | | | | | | | | | | |
| | Parking Facilities (Garage Parking Spaces) | • | | | | | | | | | | | | | | | | | | | | | | |
| SERVICES | Energy And Industry | • | | | | • | | | | | | • | | | | | | | | | | | | |
| | Water | • | • | | | | | • | | | | | • | | | | | | | • | | | | • |
| | Environment | • | • | | | | | | | | | | | | | | | | | | | | | |
| | Multi-Services | • | • | | | | | | | | | | | | | | | | | | | | | |



2.7

Major changes

In recent years Sacyr has successfully dealt with the various challenges posed by the economic situation. The companies making up the Group have gradually adapted to the new situation, focusing on activity in core businesses and forging opportunities in new markets, and this called for an adaptation of the organisational structure of Sacyr businesses.

In 2012 a number of significant changes were made to the Group's structure, and these may be consulted in the 2012 Integrated Report. In 2013 the Board decided to declare the Property Development division, Vallehermoso, a "held-for-sale" asset. This led to deconsolidation of the division in the results for the third quarter of the year.

2.8

Economic market conditions

International economic context

Although 2013 was also a year of economic crisis worldwide, many countries such as the United States, Japan and most European Union Member States are now glimpsing the light at the end of the tunnel.

There are still a number of economic problems such as scarce and more expensive lending conditions for governments, businesses and households and therefore a lack of liquidity coupled with high levels of unemployment, particularly in Mediterranean countries. Thanks to the monetary stimulus of the US Federal Reserve and the European Central Bank, however, it would seem that the economies of the world's developed nations are now improving, albeit very slowly indeed.

Risk premiums in southern European countries have now settled at more sustainable levels, and harsh wage adjustment measures have considerably boosted countries' competitiveness, with a positive impact on trade balances. Next year will determine whether we have reached a turning point leading to a new phase of economic growth, or whether a period of adjustments and penalties still lies ahead, although the latest statistics indicate that we have reached the end of "a long trek through the wilderness".

Trends in the Chinese economy merit special mention. According to government data, in 2013 China's GDP climbed by 7.7%, as it had the previous year, representing its smallest increase



since 1999. A gradual slowdown in the planet's second largest economy has been confirmed, bringing an end to a growth model based on exports, now weakened by falling demand due to worldwide economic crisis, particularly in Europe. The Chinese authorities have announced a number of wide-ranging reforms seeking to change this model and gradually usher in a system based on domestic demand for stable long-term growth.

In terms of the world's leading economies, it should be noted that in 2013 the United States posted GDP growth of 2.4%, as against 2.2% the previous year. Adverse weather conditions and falling exports during the last quarter of the year hit expectations of growth. In December the Federal Reserve began its tapering of economic stimuluses from 85,000 million to 75,000 million dollars, monthly treasury bill purchases and mortgage-based assets, and this will have an immediate future effect. Despite economic growth, the job market was still struggling with unemployment running at 6.7%, though this was a slight improvement on 7.8% at year-end 2012. 2013 saw the creation of 2.2 million new jobs, and so in absolute terms, according to statistics produced by the US Department of Employment, the total number of jobless was 10.4 million. Although this is a record low for the last five years, it is still below the structural level of 5%. A large portion of the reduction in unemployment figures was due to the fact that the active job market population fell to 1978 levels. The economy is not expanding at a sufficient pace to reduce unemployment to this level.

In terms of inflation, government figures show that 2013 closed with an increase of 1.5%, compared to +1.7% the previous year. This confirms the peculiarity of economic recovery in the US after its most severe and prolonged recession in almost eight decades. Inflation is still low after six years of tremendous monetary stimuluses by the Federal Reserve, because private consumption is still largely in the doldrums. Finally, the Fed once again kept interest rates below 0.25% during the year to stimulate economic recovery.

As noted at the beginning, the economic performance of Eurozone countries varied widely in 2013. Although Eurostat has not as yet published its final GDP figures, and in many cases the data we have are provisional, we can confirm that overall growth in the Eurozone fell by 0.5%, compared to -0.6% the previous year. The European Union, however, posted overall growth of 0.1% in the year.

Nineteen Member States suffered a drop in GDP in the last quarter of the year, including the two most powerful economies in the European Union: Germany and France, slumping by 0.4% and 0.3% respectively. Among the countries for which data is available, four were still in recession during the last quarter of the year: Cyprus (-1%), Denmark (-0.5%), Finland (-0.3%) and Estonia (-0.1%). On the positive side of things at the end of the year, a return to growth was observed in Sweden (+1.7%), the Czech Republic (+1.6%), Romania (+1.5%), Slovenia (+1.2%), Lithuania (+1.2%), the United Kingdom, the Netherlands and Latvia (all +0.7%), Hungary and Poland, both with +0.6%, Belgium and Portugal with +0.5%, Slovakia (+0.4%), Austria and Bulgaria, with +0.3%, our own country, with +0.2%, and Italy (+0.1%). Tension continued in the first six months of 2013 in peripheral



countries in terms of soaring risk premiums. By the last quarter of the year, however, premiums had repeatedly fallen to minimum annual levels. Spain's risk premium finished the year at 223 basis points (bp), compared to the maximum of 391 bp recorded in February, Italy's stood at 221 bp and Portugal's at 421 bp, while the Greek risk premium hardly budged from 650 bp the entire year. The ECB continued to intervene by systematically purchasing government bonds from peripheral countries, and arranging liquidity auctions to normalise national credit situations.

In terms of economic prospects for the years ahead, the European Commission has forecast 1.2% growth for the Eurozone in 2014 and 1.8% in 2015, while the European Union in its entirety is expected to post growth of 1.5% in 2014 and 2% in 2015. Economic recovery will eventually gain ground in Europe thanks to the gradual recovery of internal demand and exports as competitiveness improves, especially in countries around the Mediterranean that were hit hardest by the crisis. The main stumbling blocks of the "Old Continent" in the years to come, however, will be financing constraints and high unemployment.

Year-on-year inflation in the Eurozone was 0.8% in 2013, as against 2.2% the previous year, whereas the European Union as a whole posted 1%, vs. 2.3% a year earlier. Underlying inflation, i.e. excluding the price of energy and fresh food, stood at 0.9% in the Eurozone. The lowest figures for year-on-year inflation in the Eurozone were posted by Greece (-1.8%), Cyprus (-1.3%), Portugal (+0.2%) and Spain (+0.3%), and the highest in

Estonia (+2%), Austria (+2%), Finland (+1.9%) and Luxembourg (+1.5%). The highest inflation figures in countries that have not yet adopted the single currency were: United Kingdom (+2%), the Czech Republic (+1.5%) and Romania (+1.3), and the lowest were: Bulgaria (-0.9%), Latvia (-0.4%) and Sweden (+0.4%). During the year the European Central Bank cut interest rates to an all-time low of 0.25% in order to kick-start struggling European economies.

National economic context

Measured in terms of GDP, according to Bank of Spain figures, the Spanish economy shrank by 1.2% in 2013, as against a fall of 1.4% the previous year.

The sovereign debt crisis, and problems in the financial sector as a whole, continued to batter the Spanish economy, tightening borrowing terms and undermining the confidence of the main economic players. As a result of further deterioration in the job market and the ongoing credit clampdown, consumption remained almost flat. Domestic demand had another adverse year in 2013, falling by 2.7% in year-on-year terms. The greatest decreases were observed in household spending (-2.1%) and in purchases of durable goods and services. The only positive item in 2013, for the second year running, was the sharp rise in exports of goods and services, which climbed by 4.9% year on year.



According to figures supplied by the Ministry of Industry, Energy and Tourism, in 2013 Spain played host to a record number of 60.6 million tourists, up by 5.6% against 2012 and beating its 2007 record of 58.66 million. In 2013 Spain also regained its third position in world tourist rankings, behind only France and the United States.

The European Commission's 2014 and 2015 forecasts for Spain are quite promising as they are now predicting an exit from economic crisis, with 1% growth in GDP in 2014 and 1.7% by 2015.

With respect to the job market, according to data published by Spain's National Statistics Institute ("INE"), the Spanish Workforce Survey ("EPA") shows that job creation is still at a standstill across all economic areas in our country, and so unemployment affects 26.03% of the active population, virtually a repeat of the 26.02% recorded the previous year. The social security system was also hit hard again in 2013, showing 16.36 million people in paid work at year-end, unchanged since 2012 and representing a return to 2003 levels, according to data from the Social Security Treasury Department.

In terms of prices, the INE reported that inflation was 0.3% in 2013, compared to 2.9% in 2012 - its lowest level since 1961, when records began. By groups, price rises were observed in alcoholic beverages and tobacco (+5.6%); tuition (+1.9%); food and non-alcoholic beverages (+1.2%) and transport (+1.0%), whereas the largest price decreases were observed in communications (-6.6%) and leisure and culture (-1.2%). Underlying inflation, excluding fresh food and energy, stood at 0.2%, down against the 1.6% observed the previous year.

Spain's main stock market index, the IBEX-35, pulled off a positive performance in 2013 after two consecutive years of losses. Specifically, the last trading session in 2013 closed at 9,917, a gain in the year of 21.41% against losses of 4.65% in 2012.

According to data published by the Spanish Association of Construction Companies ("SEOPAN"), public tenders finished 2013 with a total value of €9,141.81 million, up by 24% against 2012, putting an end to four consecutive years of decreases. Of this total, central government accounted for €3,981 million, representing 43.55% of public tenders, up by 50.28% against the previous year, followed by local governments, with €2,706 million, 29.6% of the total, up by 6.87% against 2012, and finally regional governments, with €2,455 million, 26.86% of the total, up by 11.74% against 2012.

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 macroeconomic scenarios in Spain, the total sum of investment earmarked in the "PITVI" Plan ranges between 0.89% and 0.94% of GDP up to 2024.

Of the total amount planned, approximately 90% is to be allocated to transport policies and 10% to housing. Of the former, €52,403 million will be allocated to roads, including €18,668 million for the construction of 3,500 km of new high-capacity routes, with a further €1,265 million earmarked for the expansion of existing roads. A €25,000 million package is to be allocated to Spain's high-speed "AVE" rail system.

At the end of 2011 the European Transport Commission approved the new routings on the European rail transport plan. Spain, with five corridors crossing the entire country, is to be one of the main beneficiaries. The network, which will criss-cross the country's territory, should be completed before 2030, and it is expected to receive a total investment of €49,800 million, of which at least 10% will be covered by Community funds. The Central Corridor will link Algeciras to France through the centre of the peninsula; the Atlantic-Mediterranean Corridor will run from Lisbon to Valencia; a branch of the corridor will run from Portugal to France, crossing the Castille plateau and the Basque Country; the Mediterranean Corridor will link Algeciras to Murcia, Valencia, Catalonia and the French border; and another corridor will run from the Cantabrian Sea to the Mediterranean, linking Bilbao to Valencia and passing through Pamplona and Zaragoza.



Construction work on a high-speed railway station in Pontevedra, Spain

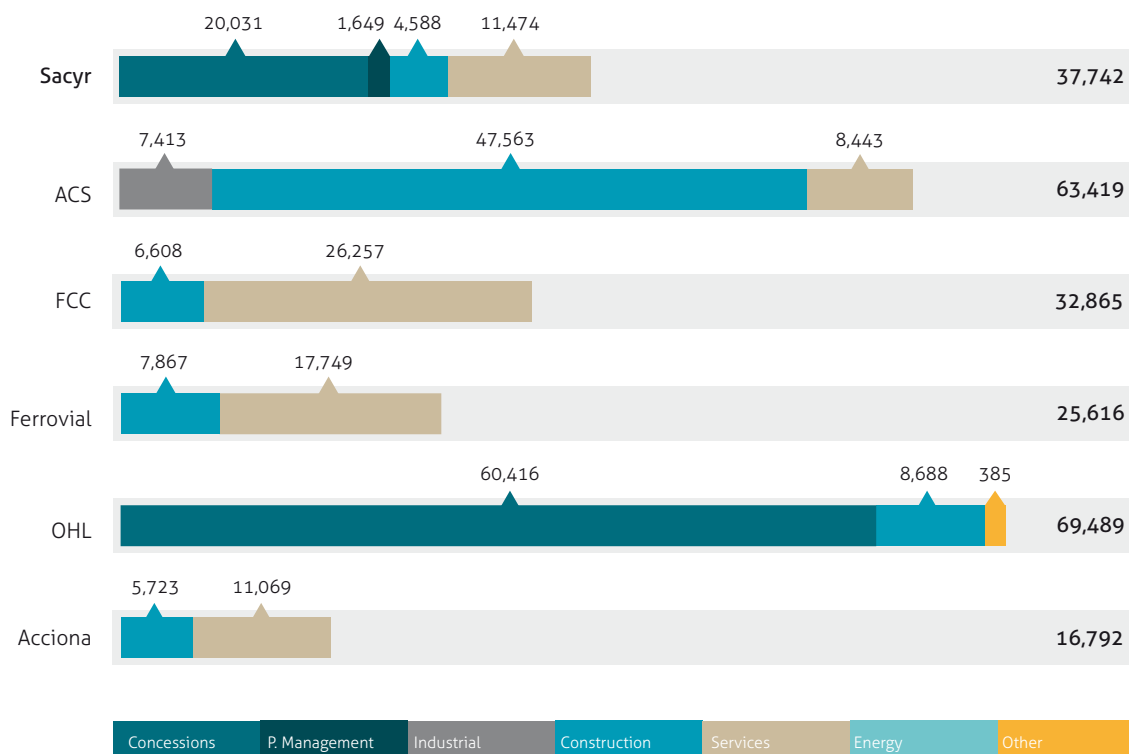


2.9 Positioning

With a corporate history spanning 28 years, Sacyr has become one of the market's leading construction, infrastructures and services operators. On the domestic front it is one of the country's six main operators, with acknowledged capability for highly technical projects. The Group has positioned itself as a company that guarantees maximum construction quality.

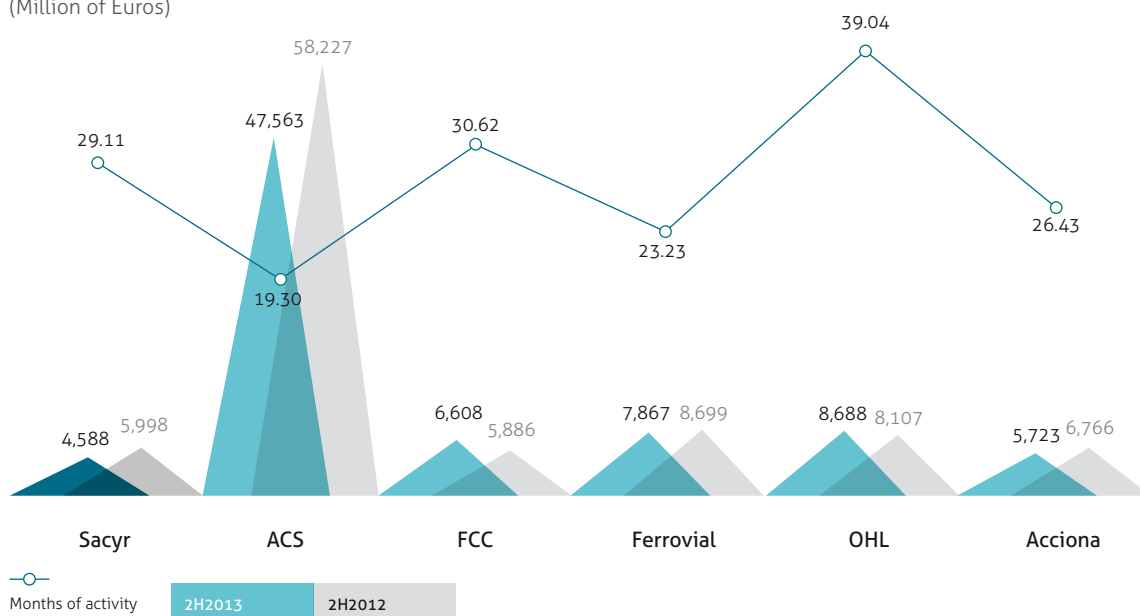
PORTFOLIO BY BUSINESS AREAS
(Million of Euros)

TOTAL

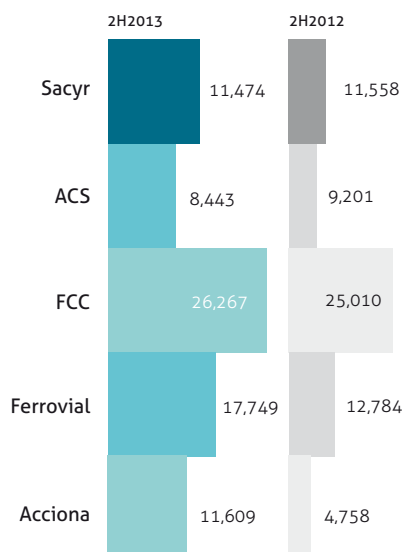




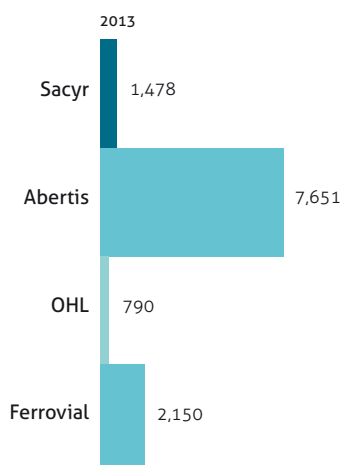
CONSTRUCTION PORTFOLIO AND MONTHS OF ACTIVITY (Million of Euros)



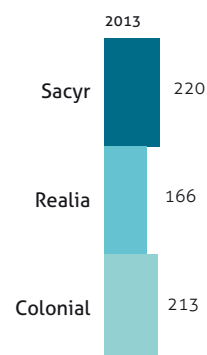
SERVICES PORTFOLIO



CONCESSIONS (in Kilometres)



PROPERTY MANAGEMENT INCOME (Million of Euros)





2.10

Third countries and social conditions of the environment

Sacyr currently operates in more than a score of countries, on all 5 continents. These include countries in highly developed regions, but the Group also operates in emerging regions and developing countries.

| COUNTRIES | POPULATION | Nominal GDP (MM \$) | PER CAPITA INCOME (\$) | CURRENCY |
|------------|---------------|---------------------|------------------------|-------------------|
| Spain | 47,129,783 | 1,355,660 | 28,764 | Euro |
| Italy | 59,433,744 | 2,014,079 | 33,888 | Euro |
| Portugal | 10,562,178 | 223,700 | 21,179 | Euro |
| Ireland | 4,593,100 | 210,416 | 45,811 | Euro |
| Panama | 3,706,596 | 36,252 | 9,780 | US dollar |
| Chile | 16,634,603 | 268,413 | 16,136 | Chilean peso |
| Colombia | 47,387,109 | 378,713 | 7,992 | Colom. peso |
| Costa Rica | 4,889,826 | 45,107 | 9,225 | Colón |
| Bolivia | 10,027,254 | 27,012 | 2,694 | Boliviano |
| Brazil | 201,032,714 | 2,421,637 | 12,046 | Real |
| Peru | 30,475,144 | 200,292 | 6,572 | Nuevo Sol |
| Mexico | 112,336,538 | 1,162,841 | 10,351 | Mexican peso |
| Cape Verde | 500,585 | 1,367 | 2,731 | Cape V. escudo |
| Togo | 6,791,000 | 5,901 | 869 | CFA franc |
| Angola | 21,256,000 | 109,533 | 5,153 | Kwanza |
| Mozambique | 21,284,701 | 18,600 | 874 | Metical |
| Algeria | 34,800,000 | 157,759 | 4,533 | Algerian dinar |
| Libya | 5,670,688 | 36,874 | 6,503 | Libyan dinar |
| Israel | 8,134,100 | 288,176 | 35,428 | New shekel |
| Qatar | 2,045,239 | 173,847 | 85,001 | Qatari riyal |
| India | 1,241,492,000 | 1,237,000 | 996 | Indian rupee |
| Australia | 21,507,717 | 1,487,000 | 69,138 | Australian dollar |



2.11

Regulatory framework

Sacyr is subject to compliance with the general Spanish legal system, as the headquarters of its central structure are located in Spain, and also to compliance with the laws of other countries in which it operates. (*see page 40*).

At the present time our activities are not included in what are known as “regulated sectors”.

Law 1/2013, of 14 May, on measures to reinforce protection of mortgage debtors, restructuring of mortgage debt and rented social housing.

Law 4/2013, of 4 June, on measures to increase the flexibility of and promote the housing rental market.

Law 11/2013, of 26 July, on measures to support entrepreneurs and stimulate growth and job creation.

Law 14/2013, of 27 September, on support for entrepreneurs and their internationalisation.

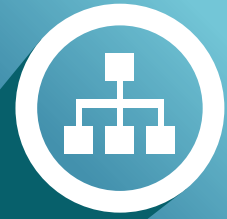
Law 27/2013, of 27 December, on the rationalisation and sustainability of local administration.

Royal Decree–Law 3/2013, of 22 February, amending the rules on fees in the justice system and the free legal aid system.

Royal Decree–Law 8/2013, of 28 June, on urgent measures against general government late payments and support measures for local municipalities with financial problems.



03



Corporate governance



3.1

General Meeting, Board and Committees

Governance bodies

The Company's ultimate decision-making body is the General Meeting of Shareholders. It represents all Sacyr Group shareholders, and thus all its share capital. The General Meeting of Shareholders is responsible for taking decisions on issues attributed to it either by law or the company bylaws that include, but are not limited to, the appointment and removal of directors, approval of the annual financial statements and management report, amendments to company bylaws and any decisions on company transformations, mergers and spinoffs.

In all areas other than those reserved for shareholders at the General Meeting, the Board of Directors is the Company's main decision-making body.

Some of its major responsibilities include approval of general strategy, oversight and control of how the company is managed and assessment of the performance of managers.

Sacyr's Board of Directors had 14 members at 31 December 2013: 1 executive director, 9 proprietary directors, 3 independent directors and 1 external director. This composition ensures that the Board remains vigilant concerning profitability for all shareholders, and monitors strict compliance with the company's strategy.

Pursuant to Order ECC/461/2013 of 20 March, internal directors (also called executive directors) are directors that perform senior management functions or are employees of the company or its Group. Likewise, when a director carries out senior management functions and simultaneously is or represents a major shareholder or representative on the Board, this director will be considered an executive or internal director for the purposes of the Ministerial Order. There are also external directors, who may be proprietary or independent directors: (i) proprietary directors are directors that have a shareholding greater than or equal to the amount legally considered as significant or that have been appointed due to their status as shareholders, even if their stake is less than this amount, and those representing this kind of shareholder; (ii) independent directors are directors that are appointed in view of their personal and professional prestige, and can carry out their functions with no conditioning factors imposed upon them by relations with the company, its majority shareholders or directors.



| NAME | POST | REPRESENTATIVE | DIRECTORSHIP | REPRESENTING | DIRECT VOTING RIGHTS | INDIRECT VOTING RIGHTS | TOTAL | % |
|----------------------------------|---------------------------------|------------------------------|--------------|------------------------------------|----------------------|------------------------|------------|-------|
| Manuel Manrique Cecilia (1) | Chairman and CEO | | Executive | | 257 | 26,798,962 | 26,799,219 | 5.752 |
| Demetrio Carceller Arce (2) | First Vice-Chairman | | Proprietary | Disa Corporación Petrolífera, S.A. | 5,390 | 203,350 | 208,740 | 0.045 |
| Diogo Alves Diniz Vaz Guedes | | | Independent | | 0 | 1,600,871 | 1,600,871 | 0.361 |
| Grupo Satocan Desarrollos, S.L. | Director | Juan Miguel Sanjuan Jover | Proprietary | | 1,173,932 | 0 | 1,173,932 | 0.252 |
| Matias Cortés Domínguez | Director | | External | | 100 | 0 | 100 | 0.000 |
| Beta Asociados, S.L (3) | Director | | Proprietary | | 24,919,324 | 0 | 24,919,324 | 5.348 |
| Prilomi, S.L. (4) | Director | José Manuel Loureda López | Proprietary | | 23,378,134 | 0 | 23,378,134 | 5.018 |
| Prilou, S.L. (4) | Director | José Manuel Loureda Mantiñán | Proprietary | | 15,865,075 | 23,378,134 | 39,243,209 | 8.423 |
| Cymofag, S.L. (1) | Director | Gonzalo Manrique Sabatel | Proprietary | | 26,798,962 | 0 | 26,798,962 | 5.752 |
| Grupo Corporativo Fuertes, S.L. | Director | Tomás Fuertes Fernández | Proprietary | | 29,067,640 | 0 | 29,067,640 | 6.239 |
| Francisco Javier Adroher Biosca | Director | | Proprietary | | 150,000 | 0 | 150,000 | 0.035 |
| Augusto Delkader Teig | Director | | Independent | | 105 | 0 | 105 | 0.000 |
| Raimundo Baroja Rieu | Director | | Proprietary | Disa Corporación Petrolífera, S.A. | 4,790 | 0 | 4,790 | 0.001 |
| Juan María Aguirre Gonzalo | Director | | Independent | | 10,500 | 0 | 10,500 | 0.002 |
| Elena María Otero-Novas Miranda | Non-Board Member Secretary | | | | | | | |
| Gerardo Manso Martínez de Bedoya | Non-Board Member Vice-Secretary | | | | | | | |

(1) Manuel Manrique Cecilia's indirect interest is held through Telbasa Construcciones e Inversines, S.L., which in turn controls 100% of the capital of Cymofag, S.L.U.

(2) Demetrio Carceller's indirect interest is held through a controlled company (0.038%) and related parties (0.006%).

(3) In connection with the holding of Beta Asociados, S.L.; José del Pilar Moreno Carretero controls 100% of Beta Asociados, S.L. through a stake in Altec, Empresa de Construcción y Servicios, S.A. and Marbevelsa, S.L. He also controls Cantevel 1, S.L. through Marbevelsa, S.A.

(4) Prilou, S.L. has a total holding of 8.423% (3.405% direct and 5.018% indirect through Prilomi, S.L.). José Manuel Loureda Mantiñán holds 47% of the capital of Prilou, S.L. and Prilou, S.L. holds 86% of the capital of Prilomi, S.L.



The Board of Directors' Regulations, which govern its organisation and functioning, provide for three committees to help it carry out its functions:

- **The Executive Committee**, which is delegated all the Board's powers other than those reserved exclusively for the Board by law or by company bylaws or the Board's own regulations.
- **The Audit Committee**, the key duties of which include reporting to the General Meeting on issues raised by shareholders in areas within the remit of the Committee: proposing the appointment of the statutory auditor, in accordance with the regulations applicable; overseeing the drafting process and the integrity of the financial information of the Company and, where applicable, of the Group, reviewing compliance with regulations, proper delimitation of the scope of consolidation and proper application of accounting criteria; supervising the effectiveness of the Company's internal control, internal audit, where applicable, and reviewing risk management and internal control systems to ensure that major risks are identified, managed and properly brought to light; discussing with the auditor any major weaknesses in the internal control system detected during the audit process;

overseeing the drafting and presentation of the regulated financial statements; liaising with the auditor, receiving any information on certain issues that could jeopardise the independence of the auditor and on any other issues relating to the audit process, and receiving information and maintaining communication with the auditor as stipulated in audit legislation and other technical auditing standards. In any event, the Audit Committee must receive annual written confirmation from the auditor of its independence from the Company and any companies linked directly or indirectly to the Company, and information concerning additional services of any kind provided to these entities by the auditor or by persons or entities linked to the auditor, pursuant to prevailing audit regulations on audit reporting, and must issue an annual report prior to the audit report on the financial statements, expressing an opinion on the auditor's independence. This report must contain information on provision of the additional services mentioned above, and also concerning transactions with Board members of the Company that entail or may entail conflicts of interest or related transactions which, according to Board Regulations, must be made known to the Executive Committee or the Board.



- **The Appointments and Remuneration Committee**, which assesses the professional background and evaluates the suitability of candidates for membership of the Board of Directors and Board committees. The Committee ensures that Board candidates have recognised solvency, skills and experience.



Sacyr, Board of Directors.
May 2014





| NAME | EXECUTIVE COMMITTEE | AUDIT COMMITTEE | APPOINTMENTS AND REMUNERATION COMMITTEE |
|---|---------------------|-----------------|---|
| Manuel Manrique Cecilia | Chairman | | |
| Cymofag, S.L. (Gonzalo Manrique Sabatel) | | | |
| Demetrio Carceller Arce | Member | | Member |
| Diogo Alves Diniz Vaz Guedes | | Member | |
| Matías Cortés Domínguez | | | Chairman |
| Prilou, S.L. (José Manuel Loureda Mantiñán) | Member | | Member |
| Prilomi, S.L. (José Manuel Loureda López) | | | |
| Grupo Satocan Desarrollos, S.L. (Juan Miguel Sanjuan Jover) | | Member | |
| Beta Asociados, S.L. (José del Pilar Moreno Carretero) | | | |
| Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández) | | | Member |
| Francisco Javier Adroher Biosca | | | |
| Juan María Aguirre Gonzalo | | Chairman | |
| Raimundo Baroja Rieu | | | |
| Augusto Delkader Teig | | | |

This Committee is also responsible for submitting proposals for appointment of independent directors to the Board (for appointment through co-opting or for approval by the General Meeting); notifying appointment proposals for the other directors (for appointment through co-opting or for approval by the General Meeting); making proposals to the Board concerning members who are to sit on each of the Committees, and also concerning the system and sums of annual remuneration of directors and

members of the Company's Management Committee and of directors carrying out executive functions; periodically reviewing the remuneration schemes, appraising their suitability and performance; informing the Board of any cases in which it is concluded that the continuation of one or more directors as members may jeopardise the interests of the Company or adversely affect its credit and reputation, and ensuring transparency in connection with remuneration.



3.2

Chain of command

As set out in the Board Regulations, the Board delegates day-to-day management of the Company to executive bodies and the management team to enable it to focus on its general supervisory role.

The body responsible for ordinary management of the organisation is as follows:

| NAME OR CORPORATE NAME | POST/S | SENIOR MANAGEMENT |
|-----------------------------------|--|-------------------|
| Manuel Manrique Cecilia | Chairman and Ceo of Sacyr, S.A. | • |
| Fernando Rodríguez-Avial Llardent | Chairman of Testa Inmuebles en Renta, S.A. | • |
| José María Orihuela Uzal | CEO of Sacyr Concesiones, S.L. | • |
| Miguel Heras Dolader | CEO of Sacyr Construcción, S.A. | • |
| Fernando Lozano Sainz | CEO of Valoriza Gestión, S.A. | • |
| Daniel Loureda López | CEO of Testa Inmuebles en Renta, S.A. | • |
| José Manuel Naharro Castrillo | General Manager, Resources | • |
| Fernando Lacadena Azpeitia | General Manager, Finance | • |
| José Carlos Otero Fernández | General Manager, Administration and Operations | • |
| Elena Otero-Novas Miranda | Board Secretary and General Manager, Legal Department | • |
| José Manuel Loureda López | General Manager, International Expansion and Institutional Relations | • |
| Aquilino de Pravia Martín | Director of Internal Audit Division | • |



Management Committee
Sacyr. Madrid, may 2014



The Management Committee is responsible for implementing the decisions taken by the Board of Directors and Executive Committee. The Chairmen and/or CEOs of each business division and the holding's central services' General Managers sit on this committee.

The Company's Management Team consists of the heads of each business line and corporate services that report directly to the Chairman and/or the CEO, but do not take part in collective decisions concerning Group management. At 31 December 2013 it was composed of Manuel Manrique Cecilia, Fernando Rodríguez-Avial Llardent, José Manuel Naharro Castrillo, José Carlos Otero Fernández, Fernando Lozano Sainz, Elena Otero-Novas Miranda, Miguel Heras Dolader, José Manuel Loureda López, Fernando Lacadena Azpeitia, José María Orihuela Uza, Daniel Loureda López and Aquilino Pravia Martín.

For information purposes, in this section the company defines the Management Team as managers with executive functions that report directly to the Board, the Executive Committee or the CEO.

This definition, established solely for informative purposes, is not an interpretation of the classification for the purposes of regulations that apply to the Company (such as that stipulated in Royal Decree 1382/1985), nor does it have the effect of creating, recognising, modifying or cancelling legal or contractual rights or obligations. Specifically, provided members of the Management Committee have not expressly entered into a written contract pursuant to the provisions of Royal Decree 1382/1985, they will be considered to be fully subject, for all purposes, to a standard employment contract.



3.3

Good governance practices

Our corporate governance practices are geared towards guaranteeing efficient governance of the Company, safeguarding the rights of all shareholders and ensuring maximum transparency in reporting the Company's operations and financial position.

Sacyr complies with all legally imposed corporate governance requirements, and employs the recommendations of the Unified Good Governance Code issued by the Spanish Securities Market Commission ("CNMV") as its principal reference for best practices in its management tasks.

The management structure of Sacyr ensures that functions and responsibilities are properly distributed among the various governance bodies: the General Meeting, the Board of Directors and the three committees that assist the Board in the execution of its duties: the Executive Committee, the Audit Committee and the Appointments and Remuneration Committee.

This structure is governed by internal regulations consisting of the Bylaws, the Board of Directors' Regulations, the General Meeting's Regulations and the Internal Code of Conduct, all of which can be consulted on the Group's web site.

Sacyr chiefly complies with best corporate governance practices in the following areas:

- The Sacyr bylaws do not contain any "poison pills" limiting the maximum number of voting rights that can be exercised by any one shareholder or any other type of restriction designed to block a potential takeover bid through purchase of shares on the market.
- External directors on the Sacyr Board outnumber executive directors, thereby guaranteeing the Board's general oversight function.
- The distribution of different types of directors at Sacyr may be considered appropriate to the company's capital structure; directors represent shareholders from different areas, and do not make up a monolithic block. This diversity among external proprietary directors encourages a culture of mutual oversight that benefits all shareholders. There is also a Vice-Chairman, who is an external proprietary director.
- Power is further decentralised through the Executive Committee, which is composed of three directors.
- The company's governance structure does not operate as a mere figurehead. In 2013 the various governance bodies were active in many genuine areas of the Group's operations, requiring a total of twelve Board meetings, eight meetings of the Executive Committee, seven Audit Committee meetings and three meetings of the Appointments and Remuneration Committee.
- Members of the Board of Directors may consult any member of the company, and are also entitled to consult external advisors.
- Executive directors must tender their resignation from the Board of Directors at 65 years of age; the company has other protocols for Board resignations, as a measure to prevent directors becoming involved in situations where their suitability may have been compromised.
- The total remuneration paid to directors for performing their Board duties and fees for functions as executive directors are deemed moderate in comparison with market standards.



- As an additional transparency measure, Sacyr discloses this remuneration as individual breakdowns. In addition, in accordance with Article 43.2 of the company's bylaws, each year the remuneration paid to executive directors for their functions is approved by the General Meeting.
- All changes to the composition of the Board of Directors and Board committees, or to the remuneration of their members, are reported by the Appointments and Remuneration Committee (which is exclusively composed of external directors) prior to approval by the Board.
- The Audit Committee (also exclusively composed of external directors) carries out a broad range of tasks designed to enhance the transparency of the company's management.
- Interim financial information is drawn up under the same accounting principles and professional practices as the annual financial statements, in order to guarantee standardisation of data supplied at any given time.
- The company ensures that its shareholders have access to sufficient information in accordance with recommendations on good corporate governance. Sacyr has established various different channels, as explained on the company's web site – interim financial reports, customised attention through the Investor Relations Department etc.
- The procedures for proxy voting at General Meetings have been broadened and improved, as have attendance procedures, with the introduction of remote appointment of proxies and remote voting through electronic and postal communications, and a shareholder e-forum.
- To help shareholders exercise their voting rights in the best possible fashion, separate votes are taken at General Meetings on separate items to enable shareholders to express their preferences in each case, especially with regard to the appointment or ratification of directors.
- The Sacyr Board takes steps to periodically check and assess the quality and efficiency of its own operation and that of its committees, based on reports prepared by the committees. The Appointments and Remuneration Committee also evaluates the work of the Chairman. The evaluation process takes account of the level of fulfilment of responsibilities, ease of access to company information and the possibility of consulting directors and advisors and obtaining the information sought.
- The Board conducted a self-assessment of its functions in 2013 pursuant to Recommendation 22 of the Unified Corporate Governance Code, and it was found that its functions were efficient and of good quality.
- The risk management and control policy is formally presented to and approved by the Board of Directors annually.
- The Company operates a Code of Conduct that regulates forbidden or undesirable actions in a more explicit manner, expressly including the criminal risks for legal entities stipulated in Law 5/2010 of 22 June on the reform of the Criminal Code.
- In addition to the Code of Conduct, a body has been established to oversee the Code and ensure it is applied throughout the Group, assisted by a Compliance Department.



- As part of this Code of Conduct, an Ethics hotline has been set up with two functions: one for consultation, and another to report breaches of rules set out in the Code of Conduct. The latter function ensures the confidentiality of the person reporting the breach and respect for the rights of the person reported.
- Board Regulations specifically regulate procedures for preventing conflicts of interests within the ultimate governance body. In this regard, directors are required to notify the Board of any potential direct or indirect conflict between their own interests and those of the company. In the event of conflict, the director concerned will refrain from participating and voting in deliberations concerning the transactions to which the conflict relates.

The company bylaws also stipulate that, whenever the Executive Committee considers it necessary, the Audit Committee must report transactions with Sacyr directors that give rise to or could give rise to conflicts of interests. In any case, conflicts of interests involving directors of the company must be disclosed in the Annual Corporate Governance Report.

The Internal Code of Conduct regulates management of insider information and confidential operations, operations carried out on their own account by individuals subject to this code, treasury stock transactions or conflicts of interests and related party operations.

- The Board of Directors encourages informed participation by shareholders at General Meetings, and undertakes to take any steps that are necessary to ensure that General Meetings carry out their functions efficiently and in compliance with the law and company bylaws.

Specifically, the Board of Directors will adopt the following measures:

- Prior to the General Meeting, the Board will distribute to shareholders all information that may be of interest and may reasonably be distributed, in addition to all the information that is legally required.
- The Board will respond, to the best of its ability, to requests for information by shareholders prior to the General Meeting.
- It will respond, also to the best of its ability, to questions posed by shareholders during the General Meeting.



3.4

Remuneration and incentives

Directors' remuneration

Pursuant to the Company bylaws, members of the Sacyr, S.A. Board are entitled to receive remuneration from the Company consisting of a fixed annual amount and attendance fees.

For 2013, the remuneration agreed by the Board was as follows:

- Members of the Board: a gross annual sum of 44,550 euros.
- Members of the Executive Committee: a gross annual sum of 29,700 euros.

- Members of the Audit Committee or Appointments and Remuneration Committee: a gross annual sum of 14,850 euros.

The table below shows the individual breakdown of the amounts received by directors for the exercise of their duties in 2013:



| BOARD | | AUDIT | EXECUTIVE | APPOINTMENTS | GROSS | TOTAL |
|--|-------------------|------------------|------------------|------------------|-------------------|-------------------|
| Manuel Manrique Cecilia | 44,550.00 | | 29,700.00 | | 74,250.00 | 43,065.00 |
| Demetrio Carceller Arce | 44,550.00 | | 29,700.00 | 7,425.00 | 81,675.00 | 47,371.50 |
| Matias Cortés Domínguez | 40,837.50 | | | 7,425.00 | 48,262.50 | 27,992.25 |
| Francisco Javier Adroher Biosca | 44,550.00 | | | | 44,550.00 | 25,839.00 |
| Juan M ^a Aguirre Gonzalo | 27,843.75 | 7,425.00 | | | 35,268.75 | 20,455.88 |
| Augusto Delkader Teig | 27,843.75 | | | | 27,843.75 | 16,149.38 |
| Raimundo Baroja Rieu | 27,843.75 | | | | 27,843.75 | 16,149.38 |
| Diogo Alves Diniz Vaz Guedes | 44,550.00 | 14,850.00 | | | 59,400.00 | 44,698.50 |
| Austral, B.V. (Pedro del Corro García-Lomas) RESIGNATION 5/3/13 | 2,784.38 | 1,237.50 | 3,712.50 | | 7,734.38 | 5,820.12 |
| Nueva Compañía de Inversiones, S.A. (J. Abelló Gallo) RESIGNATION 5/3/13 | 2,784.38 | | | | 2,784.38 | 2,199.66 |
| Prilou, S.L. (J.M. Loureda Mantiñán) | 44,550.00 | | 29,700.00 | 7,425.00 | 81,675.00 | 64,523.25 |
| Prilomi, S.L. (J.M. Loureda López) | 44,550.00 | | | | 44,550.00 | 35,194.50 |
| Grupo Satocán Desarrollos, S.L. (Arrived 27/6/13) | 22,275.00 | 7,425.00 | | | 29,700.00 | 23,463.00 |
| Grupo Satocán, S.A. (Juan Miguel Sanjuan Jover) RESIGNATION 27/6/13 | 22,275.00 | 7,425.00 | | | 29,700.00 | 23,463.00 |
| Beta Asociados, S.L. (José del Pilar Moreno Carretero) | 44,550.00 | | | | 44,550.00 | 35,194.50 |
| Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández) | 44,550.00 | | | 7,425.00 | 51,975.00 | 41,060.25 |
| NCG Banco, S.A. (Fernando Vazquez de la Puerta) RESIGNATION 5/6/13 | 16,706.25 | 7,425.00 | | | 24,131.25 | 19,063.69 |
| NCG Corporacion Industrial, S.L. (Luis Camares Viéitez) RESIGNATION 3/6/13 | 16,706.25 | | | 5,568.75 | 22,275.00 | 17,597.25 |
| Cymofag, S.L. (Gonzalo Manrique Sabatel) | 44,550.00 | | | | 44,550.00 | 35,194.50 |
| TOTAL | 608,850.00 | 45,787.50 | 92,812.50 | 35,268.75 | 782,718.75 | 544,494.59 |



The breakdown of remuneration received by the Company's Directors and senior management in 2013 is as follows:

| NAME | FIXED REM. | VARIABLE REM. | LIFE INS. | TOTAL REM. |
|-------------------------|------------------|------------------|--------------|------------------|
| Manuel Manrique Cecilia | 1,400,000 | 1,071,376 | 554 | 2,471,930 |
| Management team | 2,491,830 | 1,011,297 | 2,880 | 3,506,007 |
| TOTAL | 3,891,830 | 2,082,673 | 3,434 | 5,977,937 |

At year-end the Group had no commitments to members of the Board of Directors in respect of life insurance premiums or any share-based payments. Nor were there any arrangements entitling the Company's directors to receive compensation following departure from the Board.



3.5

Audits and internal control

The main aim of Sacyr's Internal Control Department is to provide Senior Management and the Audit Committee with a reasonable guarantee that the control environment and the internal control systems at the Group have been properly devised and are managed correctly. Achieving this aim has required the following action to be taken:

- Monitoring the existence and suitability of internal control and the quality and reliability of financial information and management information (audits to review financial information and management information, review and analysis of compliance with policies, plans and procedures and analysis of effectiveness, efficiency and economy of operations), making a contribution to continuous improvement, ascertaining that operations and procedures are being put in place and carried through as planned, and checking that the results obtained match the targets established.
- Reviewing and updating the risk map, and proactive involvement in the Group's risk management and control policy.

- Furnishing an independent contrasted opinion on the interpretation and application of prevailing regulations on issues in connection with the risks to which Sacyr is exposed.
- Ensuring proper physical and legal protection for assets, and proper registration of accounts in connection with the assets.
- Helping to improve corporate governance.

To meet its objectives, the Internal Audit Department has a Spanish team composed of the manager, two supervisors and two auditors. It also has a three-strong team in Portugal, including the deputy manager, to address the needs of Somague and all its foreign subsidiaries.



3.6

Risk management and anti-corruption policies

Due to its considerable international presence, Sacyr carries out its activity in a number of sectors, social and economic environments and regulatory frameworks. This entails a number of different risks that are consubstantial to the areas of business and sectors in which the company operates.

Sacyr has established a sound policy to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation.

As established in the Sacyr risk control and management policy, the process begins with identification and a preliminary evaluation of risks. Due to the changing nature of the environments in which the organisation operates, this identification and evaluation process must be regularly updated.

The outcome of the first stage entails risk maps and profiles identifying and grouping the main strategic and operating risks into different categories (business environment, regulation, image and reputation, human resources, operations, financial, information for decision-making, technology and IT systems and good governance), and an evaluation of the possible impact and likelihood that each risk will materialise.

After identifying the risks facing the Group, management's knowledge of each risk is analysed, as are the appropriateness and effectiveness of decisions taken to mitigate risk. Armed with this information, each business unit's management, under the supervision of the Internal Audit Department, establishes its risk priorities and determines the measures to be implemented, taking into account operating viability, possible effects, and the cost/benefit ratio of implementation.

PROCESS FOR IDENTIFYING RISKS AND ESTABLISHING CONTROL MEASURES





Risk management and control responsibility structure

It is the responsibility of the Board of Directors to formally approve the Group's risk management and control policy and regularly review information and control systems. This guarantees the Board of Director's direct involvement in overseeing the risk identification process and implementation and monitoring of proper control and information systems.

In 2012 the Internal Audit Department renewed the Quality Certificate issued by the international Institute of Internal Auditors. Most of its auditors have passed the entrance exam to obtain the CIA "Certified Internal Auditor" certificate, and also the CRMA certificate ("Certification in Risk Management Assurance").

This quality certificate and the CIA and CRMA qualifications entail recognition by the Institute of the quality of the work of our internal auditors, and certify their commitment to the highest professional standards.

The general aim of the Internal Audit Department, which reports directly to the Chairman and is supervised by the Audit Committee, is a systematic assessment of the efficiency of risk identification, control and management procedures. The Department draws up an annual Internal Audit Plan that is subject to approval by the Audit Committee, and establishes the year's priorities and the work plan required to achieve the Department's goals.

To reinforce this structure, the various Group business areas have assigned control and management personnel to monitor achievement of

the specific objectives identified by each business area or company as part of the overall strategic plan in force at all times.

Risk management and control activities in 2013

One of the main aims of the 2013 Internal Audit Plan was to continue the progress made in terms of developing and updating specific risks maps for each line of business, and defining and incorporating improvements in the Sacyr Risk Management and Control Policy. Our Group has moved from a single global risk map to a more complex structure, in which each business line has its own risk map. When these individual risk maps are combined, the new overall Group risk map will be much more complete, detailed and up to date.

Over the last four years, due to the international economic crisis, there have been major changes to the scope and likelihood of occurrence of the various risks. Accordingly, in 2013 we focused on updating the risk maps for Testa, Valoriza, Concesiones, Somague and Sacyr Construcción, paying particular attention to countries where these subgroups carry out major operations (Portugal, Angola, Cape Verde, Chile, Panama, Ireland and Brazil).

Furthermore, high-level risk maps have been updated independently of risk maps for the various businesses, and we can use these as tools to manage risks associated with new regulatory frameworks; supervision of internal control over financial reporting by the Audit Committee, and the impact on the company of Spain's new Criminal Code, under which legal entities are held criminally liable for any offences committed.



The Group's Board has undertaken the responsibility of formally approving the Risk Management and Control Policy and monitoring information and control systems. Thus, following the Audit Committee's analysis and supervision of risk management and control during the year, the Board of Directors approved the 2013 Risk Management and Control Policy.

The 2013 Internal Audit Plan schedules its work in accordance with COSO internal control methodology. In 2013, no incidents with a material impact were detected as a result of this work, which encompasses all the Group's areas and business lines.

The following sections analyse Sacyr's management of certain compliance risks that require a more detailed explanation due to their relevance or specific characteristics.

Compliance risks

The Sacyr Code of Conduct establishes compliance with laws as one of the basic principles that must govern the conduct of the Group and of its employees, and stipulates that "Sacyr is committed to reliable and respectful compliance with all legal obligations to which it is subject in any country in which it carries out activities".

Compliance with the various legal provisions is monitored primarily by the Legal Department, and also by the Internal Audit Department, which has had a special Compliance Unit since 2008.

Other organisational areas such as the Quality and Environmental Department and the Occupational Health and Safety Service also help guarantee adherence to prevailing legislation in their respective fields.

In view of the large volume, diversity and complexity of Group activities, claims occasionally arise in connection with the supply and use of products and services, or for other reasons in connection with the different regulatory and sectoral regulation environments applicable to Sacyr subsidiaries. These claims are processed accordingly, and are either accepted or challenged by the Group. The number of claims is not significant in respect of the Group's overall activity.

Corruption and bribery

The Group's Code of Conduct expressly prohibits any behaviour by its employees which could be considered to entail corruption or bribery.

In 2011 Sacyr set up the Code of Conduct Control Body ("OCCC"), composed of members of the Group's Senior Management. This unit processes all reports filed within the Group, and is also responsible for ensuring strict compliance with the Code of Conduct.

Among other provisions, the Code expressly prohibits Sacyr employees from offering any type of payment to illicitly obtain benefits, and from accepting gifts or any considerations that could compromise employees' objectivity or influence a commercial, professional or administrative relationship.



The Group's Internal Audit Department is responsible for establishing the necessary mechanisms to prevent and detect any possible instances of corruption. The Department has specific fraud-detection software and avails itself of external experts whenever necessary, and also deploys specialist personnel to prevent and detect any such instances.

Any signs of corruption are analysed in depth, and if any clear or circumstantial evidence exists specific action is taken accordingly. In all cases the Department reviews the specific business procedure that failed to prevent corruption practices, and improvements to the procedure are sought.

Other risks

In addition to the aforementioned compliance risks, Sacyr's Risk Management and Control Policy also establishes control and communication mechanisms for a number of other risks, including the following:

- Risk of inadequate information for the decision-making process.
- Risks in connection with technology and IT systems: network management, physical and programme security and integrity of information.
- Risk of inadequate adaptation to the environment or market in which the company operates.
- Risk of inadequate management of aspects relating to corporate responsibility and sustainability, as well as the corporate image.
- Risks in connection with human resources: positioning, capacitation, flexibility, dependence on key personnel, working atmosphere etc.
- Financial risks: credit, interest rate, exchange rate and liquidity risk.



3.7

Money laundering prevention

Sacyr is fully committed in this respect, and cooperates proactively with international programmes and initiatives to prevent money laundering and the financing of terrorism.

To comply with prevailing legislation in this area, Sacyr has the necessary internal control procedures and bodies to prevent and impede transactions associated with money laundering in all areas under its control.

The principal management tool adopted by the Group is its internal protocol for the prevention of money laundering and financing of terrorism, a document that establishes both the structure of responsibilities in the different areas involved and the mechanisms for controlling and investigating transactions that could generate risk.

It has been amended on several occasions to adapt to prevailing regulations, and was updated in August 2013.

This protocol shows the structure of the functional dependence of the principal control bodies with a view to increasing their autonomy and guaranteeing cover of all Group companies and lines of business that could be involved in money laundering. The structure is as follows:

- The Internal Control Body ("OCI"), forming part of the Group's Legal Department. This body aims to analyse, control and report to the Bank of Spain's Executive Service all information on operations or events suspected of links to money laundering.





- The Group's Money Laundering Prevention Department, which reports to the Group's General Administration and Operations Department and is overseen by the Internal Control unit, has the management of anti-money laundering activities as its exclusive remit.

In addition, in order to bolster the Group's activities to prevent money laundering, the Internal Audit Department supervises all the Group's prevention activities on an ongoing basis.

The main mechanisms for the prevention of money laundering established in the protocol are the following:

- Training and specialised courses for Sacyr personnel and personnel belonging to the external sales network.
- Internal audits and annual examinations by external experts of procedures and control bodies for the prevention of money laundering and financing of terrorism.
- Implementation of strict preventive control and review measures for operations, through the Money Laundering Prevention Department and the OCI.
- Strict compliance with measures aimed at gathering information on new customers and safeguarding confidentiality
- Addition to the IT system of a complex system of automatic alerts that limits the possibility of human error in the detection of risk situations.
- Addition to contracts drawn up with businesses in the sales network of clauses requiring them to ensure strict compliance with regulations for the prevention of money laundering.

Every quarter the Department produces a newsletter which is sent to a list of recipients selected in accordance with their relationship with the prevention of money laundering (Board members and Group managers, and trained staff in each business area). This allows the Group to report on new developments in this field and raise awareness within the Group of the importance and need to comply with established procedures.

At the end of each year the Money Laundering Prevention Department draws up an annual report setting out the issues addressed at meetings of the OCI, statistics on anti-money laundering activities, the degree of compliance with the annual plan, an assessment of the adequacy of the human and technical resources assigned to the area, any new legislative developments in the year, the results of the internal auditors' report and the report by the external expert, and the extent to which the recommendations, if any, have been adopted.

In addition to its annual report, the Money Laundering Prevention Department also draws up an annual plan at the beginning of each year. The plan assesses the Group's exposure to risk, provisions made for the addition or removal of subsidiaries from the OCI's scope of operation, provisions for making changes to the Group's anti-money laundering bodies, and the status of IT alerts.



The main aim of training policy is to inform all staff whose tasks directly or indirectly relate to the prevention of money laundering prevention concerning Law 10/2010 of 28 April and its applications to Group procedures. As no new major developments in legislation were introduced making it necessary to extend the training plan to most Sacyr employees, in 2013 training consisted of completing the initial plan by training all staff that had not yet been trained, in addition to new employees. An online course was set up on the Group platform and the procedure was continued this year, with all the necessary updates, and a customised training plan was devised to make it applicable in occasional circumstances. A total of 12 employees were convened and trained in 2013.

Sacyr has a number of property development subsidiaries in Portugal, and must therefore comply with money laundering prevention regulations.

The Money Laundering Prevention Department receives a monthly report on new operations showing the amount of the transaction, the name of the customer, the company making the sale, the contract type, and whether or not it is considered that the transaction entails a risk. The information is analysed monthly at OCI meetings.

Subsidiaries must file two half-yearly money laundering prevention reports (in July and December). At the date of this report, information is being received with respect to the second half of 2013.

The Money Laundering Prevention Department is carrying out monthly reviews of the state of play of physical and digital documentation generated by deeds of sale in 2013. The outcome was satisfactory in that there is a high level of documentation, mainly concerning identification and knowledge of customers. This review procedure will again be one of our objectives in 2013.



3.8 Code of Conduct

Following the introduction of Organic Law 5/2010 reforming the Criminal Code, Sacyr introduced a new Code of Conduct governing the conduct of Sacyr and its employees both in the fulfilment of their duties and in their relationships with third parties and the market.

Based on a series of ethical values and basic principles, the Code sets out the conduct that should be observed by all employees in matters such as equal opportunities and non-discrimination, occupational health and safety, fair competition, protection of competition and environmental protection, to name but a few. The new Code came into effect on 1 December 2010.

Principles on which the Code of Conduct is based

Professional Values

- Innovation
- Excellence
- Geared towards people
- Concern for the environment
- Team spirit
- Integrity
- Commitment
- Austerity

United Nations Global Compact

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on the Environment and Development
- The UN Convention against Corruption

Fundamental Ethical Principles

- Compliance with legislation
- Integrity
- Transparency
- Responsibility
- Safety
- Respect for human rights





The ethical values reflected in this Code form the basis of the Group's commitment to stakeholders. Sacyr encourages compliance with this Code by distributing it widely, offering specific employee training courses, and monitoring vigilance and compliance.

Internal Rules of Conduct

In addition to its Code of Conduct, Sacyr has a set of Internal Rules of Conduct that implement specific courses of action applicable to both members of the Group and any third parties that may affect the SCYR share price or make unauthorised use of privileged information.

Non-compliance with the Code

Sacyr employees may report any deviations from the Code of Conduct, either by reporting any such incidents to the head of their area or by using the advice and reporting helpline.

Advice and Reporting Helpline

This is a confidential service that can be used by all employees through the Group Intranet, e-mail and by post.

The Advice and Reporting Helpline was launched in March 2006 in response to Sacyr's desire to improve its corporate governance mechanisms in line with the CNMV's Unified Good Governance Code. In addition to reporting possible infringements of the Code of Conduct, this service may be used to make inquiries and to receive advice on the policies and legislation applicable to economic and financial issues related to potential instances of fraud.

The Helpline establishes mechanisms to protect the parties involved in the matters reported. The confidentiality of the employee reporting the case is respected at all times, and the system is supervised to ensure that no retaliation is taken against employees that report an alleged breach in good faith. In addition, the system safeguards the rights of persons allegedly involved in a possible breach.

The Helpline is managed by Sacyr's Code of Conduct Compliance Unit. This Unit is composed of senior technicians and executives. It has far-ranging powers to implement internal procedures and rules to guarantee the detection of possible breaches of the Code of Conduct.



Complaints made through the Helpline are initially received and analysed by the Internal Audit Department and the Compliance Department. They are then exhaustively studied by the Code of Conduct Compliance Unit, which determines their relevance, the impact of the matters reported, and where applicable, any action to be carried out, which must always be well-founded and duly substantiated. At this point, if the complaint does not appear to disclose any punishable offence, it is shelved; otherwise, it is referred to internal bodies that have the power to impose penalties.

The Helpline is one of the applications used by the Code of Conduct Compliance Unit to detect possible breaches of the Code.

Specifically, 3 complaints were received in 2013. They were all accepted, and at the date of publication of this report they were still ongoing.

United Nations Global Compact

In 2007 Sacyr signed up to the UN Global Compact, an ethical initiative designed to create a corporate citizenry that reconciles corporate interests and processes against the values and demands of the general public.

In becoming a signatory of the Global Compact, Sacyr undertook to support and implement the ten ethical principles underpinning the initiative, which are based on universal declarations and conventions and encompass four areas: human rights, employment, the environment and the fight against corruption.

THE GLOBAL COMPACT'S TEN PRINCIPLES

| | | | |
|---|--|--|---|
| HUMAN RIGHTS (The Universal Declaration of Human Rights)  | Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights. | Principle 2 Make sure they are not complicit in human rights abuses. | |
| LABOUR (The International Labor Organization's Declaration on Fundamental Principles and Rights at Work)  | Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Principle 4 The elimination of all forms of forced and compulsory labour. | Principle 5 The effective abolition of child labour. |
| |  | | Principle 6 The elimination of discrimination in respect of employment and occupation. |
| ENVIRONMENT (The Rio Declaration on Environment and Development)  | Principle 7 Businesses should support a precautionary approach to environmental challenges. | Principle 8 Undertake initiatives to promote greater environmental responsibility. | Principle 9 Encourage the development and diffusion of environmentally friendly technologies. |
| ANTI-CORRUPTION (The United Nations Convention against Corruption)  | Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery. |  | |



04



Business model



4.1

Key factors and competitive edge

Business mix and asset equality

A combination of businesses with long-term profitability with little exposure to economic cycles (Property Management, Concessions and Services) alongside short-term business with a closer link to developments in the economy (Construction) is a sound distribution of activities that helps offset downturns in economic cycles. The Group's historical capacity to create a portfolio containing top-quality assets gives major flexibility to the standard asset rotation policy. Our business activities also complement each other, with a high degree of synergy.

International expansion

International business accounted for 27% of the Group portfolio at the end of 2008. By year-end 2013 this had increased to 53%. In certain areas our expansion has gone even further afield: 81% of the Construction portfolio is business outside Spain, 65% of Concession business is carried on outside Spain, while Services and Industrial carries on 31% of the portfolio overseas.

In terms of turnover, 72% of this is earned on foreign markets by Construction, Concessions 68% and Services and Industrial 23%.

INTERNATIONAL ACTIVITY

| | BACKLOG | TURNOVER |
|-----------------------|---------|----------|
| Construction | 81% | 72% |
| Concessions | 65% | 68% |
| Services - Industrial | 31% | 23% |

This process has become the main driver of future growth, and is set to guarantee a stable turnover amid possible fluctuations on the domestic market or beyond.



Technological capacity

During its trajectory Sacyr has won unanimous recognition by the sector and by markets of its excellent technological capacity and level of performance in all areas of its business. Capacity ranges from construction, with some of the world's largest civil engineering projects (including the largest of all, construction of the third set of locks on the Panama Canal), the Services and Industrial division that has built the world's largest reverse osmosis desalination plant in Perth (Australia), and also other specific technical areas such as tunnelling (through our Cavesa subsidiary) or construction of high-speed rail infrastructures.

Meanwhile, both the Concessions and Property Management divisions have won well deserved acknowledgement of their management capacities, with ratios well above average in the case of the former, or excellent returns with practically full occupancy in the case of Testa.

Ability to adapt

In recent years Sacyr has demonstrated it is more than capable of adapting to its environment, especially the new characteristics of an extremely complex global economy in which financing, consumption and public investment have been seriously affected.

Against this backdrop the Group has shown it is capable of spearheading an ambitious financial consolidation project that has entailed a drastic reduction of debt, restructuring of debt and repayments due, bolstering the company's equity through two share capital increases and a bond issue, and two major refinancing schemes in the approximate amount of €3,800 million. These schemes are of particular importance if we take account of the complexity of this market at the present time.

All this action was taken with no adverse effect on core businesses, while a new strategy was being deployed alongside.

Cost structure-profitability

Hard work in this area produced a cost structure which may be considered one of the leanest in the sector. Following an initial workforce adjustment, chiefly in 2010, the reduction of the remaining cost structure not only made it possible to give a substantial boost to profitability in terms of EBITDA, but also created a large number of jobs over the last two years with no curtailment of greater profitability.

4.2

Value chain

All companies should be guided by the desire to create value in the community, and this is particularly relevant in the case of Sacyr, as its activities make it a major driver of social and economic growth.

Group companies are involved in numerous activities, often in conjunction with public entities, which directly and indirectly improve the communities in which they operate.

This is the case of construction and maintenance of public infrastructures (roads, health centres, airports etc.), energy generation from renewable sources and water supply and treatment activities, to name but a few examples.

Thus Sacyr contributes to the layout of territory, strengthening society and the economy and, in short, improving lifestyles in these areas.



Mechanical-biological
processing plant in Bilbao,
Spain



4.3

Description of the businesses

Construction: Sacyr Construcción

Since the Group's inception, its policy of diversifying into mutually complementary activities has not only led to a constant increase in activity, but has also allowed it to develop synergies between areas of business. Its civil engineering and building construction areas complement not only its residential development arm, but also the property and concession management areas as well as business lines involved in integrated water cycle management, renewable energies, environmental and other services. The range of activities also protects against dips in the economic cycle. This, together with the vital efficiency, effectiveness and management autonomy and use of advanced technology, is a natural way of maximising profitability and preventing risk.

Sacyr Construcción and the rest of the Group's construction companies have an enormous technical and technological capacity. This enables them to undertake highly demanding projects, requiring the best possible human and technical resources. Ongoing work such as the Panama Canal project and the Sants-La Sagrera tunnel link, or completed projects such as the Plaza Elíptica transport hub or the Sacyr Tower in Madrid, are good examples of the Group's capacity.

The Sacyr Construcción strategy is based on three concepts:

- Locally based structure and equipment.
- Utilisation of synergies with Sacyr Concesiones, Testa and Valoriza.
- Cutting-edge technology, quality, delivery of projects to schedule and risk prevention.

Concessions: Sacyr Concesiones

The Group's concessions business started up in 1996 when the Group was awarded its first concession in Chile.

The sale of a number of investees making up Itínere was completed in 2009. Sacyr kept stakes in 25 concessions under construction and in the ramp-up stage, in addition to non-motorway concessions (service stations, transport hubs, airports and hospitals). These concessions were contributed to a newly created company, Sacyr Concesiones, the Group's vehicle for its infrastructure concession business, focusing on "greenfield" projects.



Services and Industrial: Valoriza

Valoriza Gestión is the parent company of the Group's services division, providing general management and administration services. Valoriza has demonstrated strong dynamic growth in recent years, underpinned by corporate restructuring and the acquisition of a number of service sector companies.

Although it is the newest addition, the services arm is the fastest-growing division in the Group, thanks to heavy outsourcing in its four business areas:

- Public services (comprehensive building maintenance, road and motorway maintenance, road and motorway service stations, healthcare services and hospital management).
- Water services (integrated water cycle management, drinking water, desalination, purification and reuse).
- Industry (energy plants, waste treatment plants, oil and gas, electrical facilities).
- Environmental services (municipal services, waste management, landscaping restoration work and environmental projects).

Environmental services, water, multi-services and alternative forms of energy are without a doubt dynamic business lines that offer a most promising future. They are also a good fit with the Group's other activities: construction, property management and concessions, due to their undoubtable synergies and a counter-cyclical stabilising effect.

Property Management: Testa

Sacyr carries on this business through its subsidiary Testa Inmuebles en Renta, a listed company in which the Group holds a 99.5% stake.

Testa has a huge capacity to generate recurrent earnings, thanks to the extensive lifespan of assets on stream and its customer portfolio, enabling it to create sustainable value. The upward revaluation potential of its property assets produces capital gains in addition to rental income.



Testa has a top-range portfolio at the best sites, rented out to large companies on medium and long-term leases.

The scheme contemplates rotation of mature assets, provided their liquidation generates funds for new and more profitable investment and no estimates have been made of significant increases in their value if they remain in the portfolio.



Ruta del Limarí
highway.
Chile



05



Opportunities and risks



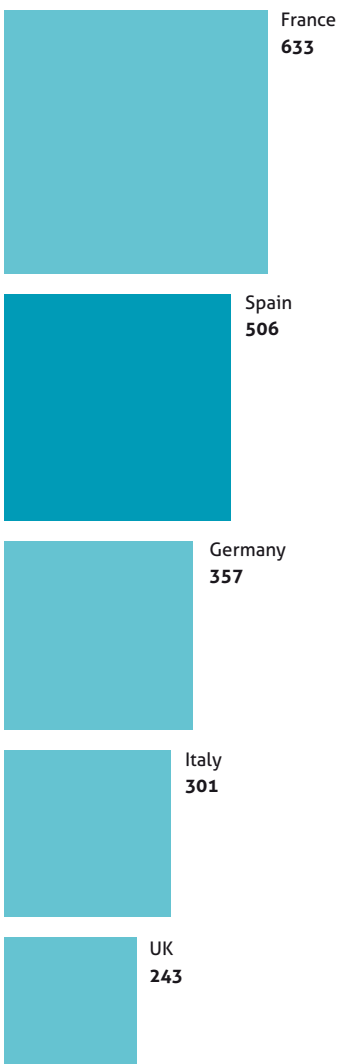
5.1 Opportunities

Spain's unique characteristics in terms of surface area and population call for a greater Investment/GDP ratio than the EU average. An annual ratio of €1,500 of investment per square kilometre and per

million inhabitants means that Spain's investment/GDP effort exceeds Germany's by 1.6 point, Italy's by 1.5 point, the UK's by 1.1 point and France's by 0.3 point.

SURFACE AREA

(Thousand km²)



POPULATION

(Million people)





Against a difficult backdrop, a number of sectors in which our Group takes decisive action reveal obvious opportunities for development in the immediate future, on the basis of a number of investment plans:

- Emerging markets doubling their construction volume by 2020
- US transport infrastructure renovation plan (476Bn\$ investment between 2013 and 2019)
- Industrial construction investment programmes, especially in Latin America, e.g. Brazil and Mexico
- EU landfill restrictions (-65% landfills by 2016 vs. 1995 - EU Landfill Directive)
- Need for infrastructures in the waste treatment sector
- Growing demand for integral water management in areas of water stress, especially in Latin America and the Middle East and North Africa
- Urban growth in emerging countries, creating a need for greater investment in hydraulic infrastructures.

Construction-Civil engineering-Infrastructures

From the domestic perspective, there are medium-term opportunities available on public/private projects in sectors such as integrated water cycle management, rail freight transport, rail transport of passengers on local networks, and harbour systems. There is also a possibility changes will be made to the infrastructure usage model, with increases in user rates and a lesser focus on the free network.

Contracts and turnover abroad in 2013 accounted for 1.6% of GDP. Contracts in North, Central and South America, accounting for almost 50% of the total, formed the largest market generating new business, followed by Europe.

Industrial construction-energy

Processes linked to the integral water cycle and construction linked to industrial processes both represent clear growth opportunities for the sector. In the case of the former, the scarcity of water and its poor quality, traditionally the hallmarks of underdeveloped or developing countries, constitute opportunities for companies with sufficient technical capacity to undertake processes of improvement, distribution, desalination, cleansing or purification.



With respect to the latter case, the world of energy is set to undergo some interesting changes in the near future. The world energy map is being redrawn as a result of the resurgence of oil and gas production in some countries, lesser use of nuclear energy, and a rapid increase in wind and solar energy. The sustainability of energy systems and their efficiency, interaction between fuels, their safety levels and cost, transportation and sale all represent opportunities for businesses in the sector.

Steady demand for fuels and the goal of universal access to energy, along with the need for water to generate energy, are establishing a scenario of growing demand for industrial infrastructures in the years ahead.

Management of infrastructures

Spain is an international player in terms of infrastructure management. If we classify concessionaires in terms of investment packages, five of the world's ten largest concessionaires are Spanish. Sacyr is ranked seventh. Demand for infrastructures through greenfield projects in emerging countries and developing countries has been a constant up to 2013, and forecasts for the coming years confirm that demand will continue in this direction.

| POSITION | COMPANY | COUNTRY | TOTAL INVESTMENT* (MILLIONS OF \$) |
|----------|--------------------------|--------------|------------------------------------|
| 1 | Ferrovial (Cintra) | Spain | 73.500 |
| 2 | ACS (Hochtief + Iridium) | Spain | 72.000 |
| 3 | VINCI | France | 70.700 |
| 4 | Macquarie | Australia | 84.200 |
| 5 | Bouygues | France | 38.600 |
| 6 | Egis Projects | France | 26.600 |
| 7 | Sacyr | Spain | 21.800 |
| 8 | Global Via (FCC+Bankia) | Spain | 19.400 |
| 9 | OHL | Spain | 18.200 |
| 10 | John Laing | UK | 21.400 |

* Aggregate value of all PPP transport projects by a company since 1985.
Source: Public Works Financing (October 2013).



Rental property

For companies that are unaffected by high vacancy rates and have managed to retain a loyal customer portfolio with solid contracts in terms of price and quality, the future of this business produces some interesting vectors as potential opportunities.

The office space market forecasts movements of large corporations that have not yet rearranged their facilities, and are seeking lower rental prices in Madrid and Barcelona.

In the industrial and logistics sectors, Spain will present an opportunity as a platform for other international markets and for all types of distributors geared towards e-business requiring solid distribution facilities.

Lastly, with regard to the hotel industry, there is a growing interest on the part of national and international operators in setting up in large cities, provided they can secure prime locations. Moreover, property freed up by public authorities could introduce reconversion processes towards this type of asset, accompanied by higher returns and maximisation of the value of the assets themselves.



Juan de mariana 17,
building. Madrid,
Spain



5.2 Risks

Sacyr is exposed to a number of risks and uncertainties. The main financial risks are as follows:

Credit risk: Credit risk is practically negligible in the Group's Construction, Concessions and Services divisions, as the bulk of their revenue comes directly from Spain's central, regional and local administrations and those of other geographic markets in which Sacyr operates. These public authorities promptly meet the payment terms set out in contracts, and they all have excellent credit ratings. Credit risk is also minimal in the other divisions, Property Management and Property Development, since, in the case of the Property Management business, tenants are required to issue financial guarantees before lease agreements are entered into, while in the Property Development business, 30% of the sales price is collected in advance during the construction process, with the remaining 70% collected upon signature of the property transfer deed. Any delays in payment are considered grounds for contract termination, and the property is not delivered. The Group, therefore, has no significant credit risks in due consideration of 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 collection and payment processes. Project financing is used in the case of infrastructure concessions and energy projects, whereby investment is guaranteed and financed by the cash flow generated by the projects themselves. In the Construction division, the Group takes out credit facilities to guarantee sufficient liquidity. In the Property Management business, liquidity is provided by the very nature of the investments made and the high occupancy rates prevailing to date. In the Property Development division, the financing structure used mitigates liquidity risk since land purchases are financed through bilateral long-term loans. Prior to construction of housing, these bilateral loans are converted into mortgages to finance the construction process. The mortgages are finally taken up by home buyers.

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 risks: 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.
- **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 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:

- **Slowdown in the real estate sector:** For yet another year, activity was sluggish in the property sector as a result of falling demand and tighter mortgage conditions. Nevertheless, at 31 December 2013 the Group's Real Estate Development division posted pre-sales in the amount of €11.26 million.
- **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:** Sacyr 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.

The Group is also exposed to environmental risks - on-site risks, employment risks and the risk of loss of property.



06



Strategy and resources





6.1

Current strategy

The Sacyr strategy is well defined, transparent and predictable. It is designed to bring our Group back to its traditional values and the business areas that have brought us most success:

- The “construction + concessions” mix targeting greenfield projects, with a strong contingent of institutional investors and the ambition to bring more on board.
- Public works with a large technology component, generating high margins, prestige and recognition.
- Businesses with high added value, underpinned by a portfolio of dedicated subsidiaries with significant expertise, such as water and waste management, desalination, tunnelling and high-speed rail businesses.

- Other businesses built around the quality of their assets and contracts - the best example of this is Testa, with unbeatable earnings stability and undeniable upward potential.

- Another example is our industrial construction business, which has emerged as another clear growth driver. It has now demonstrated its capacity by the recent award of a gas pipeline contract, and more than 250 plants already built in Spain and abroad.

As is only natural, this strategic framework incorporates the strengths of each of our business areas. To name but a few, it is worth highlighting Testa's solidity and potential; expertise and an international portfolio built up in the construction business accounting for almost 82% of the total; the growth potential of the concessions business, or the added value of the industrial area within Valoriza.

| | | | | |
|------------------------------|---|---|--|---|
| Construction strategy | Boosting profitability and consolidating our extensive experience on hi-tech projects: tunnels, desalination and water treatment plants, cutting-edge engineering, and a solid presence abroad. | Maintaining steady growth and increasing our share of markets worldwide, working alongside local partners to add a large measure of local presence from the outset. | Examining possible areas of expansion into new markets. | Maintaining steady margins and giving priority to profitability rather than volume. |
| Concessions strategy | Optimising our present concession handling capacity, moving forward as an expanding business platform for other areas (construction and services). Focus on margins. | Selective additions of top-ranking investors and partners for mature assets and financial partners on projects with major investment undertakings, as soon as projects are awarded. | Continuing our expansion in markets and geographic regions with the right opportunities and local partners. Reasonable continuous growth at a rate of 2 or 3 concessions per year. | Boosting the deployment of new operating systems geared towards more induced traffic, and improving customer loyalty systems (payment strategies, marketing etc.). |
| Services strategy | Organic growth of current business, maintaining margins steady as a priority, drawing on the solid experience of our structure. | High industrial growth potential through IBERESE, joint backup and work effort in the construction division. Optimising investment. Potential for improvement in terms of returns. | Availing ourselves of major technical capacity for desalination, management of waste and biomass. Over 250 plants built and operational. | Work mainly geared towards management of working capital through careful selection of tenders and customers, and adapting our service level to customers' payment capacities. |
| Property Management strategy | Maintaining our dominance of the Spanish market. Maintaining efficiency ratios: occupancy level of over 97%, EBITDA 80% and 7.60% profitability/cost ratio. | Continuing the "3G strategy": good tenants, good buildings, good contracts. Maintaining a portfolio of long-term contracts with solvent tenants to guarantee future cash flows. | Adding value through rotation of non-strategic mature assets and improvements on the market (creation of value and maximisation of earnings). | Taking up opportunities: divestment of mature assets, joint ventures with international financing etc. |



6.2

Innovation. R+D+i. Impact of technology change

The Innovation Department, through its R+D+i section, coordinates the research, development and innovation activities carried out at Group companies and serves as a driver of, and point of reference for, progress and ongoing improvements in this field.

Rounding off this structure, a large number of Sacyr companies have their own R+D+i departments or at least an R+D+i manager responsible for implementing specific projects. These projects are always coordinated and supervised by the R+D+i Department and the Group's Innovation Department. All these units report relevant information to the Committee of R+D+i Units.

Certification of the R+D+i management system

Sacyr's Innovation Management system is certified by AENOR to ISO 166002:2006. This tool rationalises and systematises all our R+D+i activities and enables us to:

- Foster R+D+i activities across all Group companies and define the primary objectives in this field.
- Design common guidelines for organising and managing R+D+i effectively.
- Improve technological monitoring based on an analysis of the internal and external situation.
- Identify and assess the threats and opportunities posed by technological progress.
- Ensure that the activities of company departments likely to generate new technologies and patents are identified.
- Select and manage a suitable portfolio of strategic projects for Group companies.
- Promote R+D+i as a means to gain competitive edge and treat it as such in all corporate reputation schemes.
- Encourage cooperation with universities and public research institutions, eliminating the traditional dichotomy between the public and private sectors in this sphere of corporate activity.
- Gear SMEs towards R+D+i activity, thereby helping to meet the government's R+D+i investment targets for achieving convergence with Europe.

In 2013, following the guidelines of the National Accreditation Entity ("ENAC"), the following Group companies were certified individually by the Spanish certification body AENOR:

- Sacyr
- Sacyr Construcción
- Cavosa
- Testa
- Vallehermoso
- Valoriza Servicios Medioambientales
- Sacyr Industrial
- Valoriza Agua
- Valoriza Conservación de Infraestructuras
- Sadyt
- Cafestore
- Sacyr Concesiones



In 2013 we also obtained the “Seal of Innovation Excellence” from the prestigious German certification body TÜV Rheinland for all our construction and services businesses.

R+D+i: activities carried out in 2013 and targets for the future

Sacyr continued to expand its R+D+i activities in 2013, a year in which it achieved the following milestones:

Initiatives in 2013 to provide energy-efficient products and services or products and services based on renewable energy, and reductions in energy requirements as a result of these initiatives:

- A new system to calculate energy certification for buildings:

The general aim of the project was to produce new software and an ICT system for energy certification of buildings that could easily and efficiently calculate their energy requirements, making good all the shortcomings experienced by previous tools.

The project obtained ACIE certification of contents and non ex ante construction as per Royal Decree 1432/2003.

- Development of an ICT tool to improve management of winter road traffic:

This project was based on new technologies to develop a more reliable, safer and more efficient snow plough to remove snow and clean road surfaces, making them safer for motorists and also for road work units.

It received assistance on the strategic telecom and information society project set up by the Spanish Ministry of Industry, Energy and Tourism, “Acción Estratégica de Telecomunicaciones y Sociedad de la Información: Acción Estratégica de Economía y Sociedad Digital”.

In terms of initiatives in 2013 to mitigate and reduce the environmental impact of products and services, the following projects were rolled out:

- Life “ETAD” Project: Ecological Treatment of Acid Drainage

The Tinto and Odiel Rivers in Huelva province have been seriously polluted by mining work that has traditionally operated sulphur deposits in the Iberian Pyrite Belt (“FPI”).

General aim of the project: “Ecological Treatment of Acid Drainage” means developing new techniques to treat acidic mine water that are much more economical than those used at present. The idea was to design and develop a new passive process to treat acidic water with a high content of pollutants.

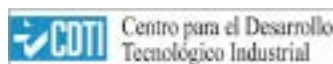


Sacyr Construcción is involved in the project alongside Huelva University and the Andalusian Environment and Water Agency. It is co-financed by the European Union on the "LIFE+ Programme" (www.life-etad.com).



- Utilisation of waste from the papermaking industry and used tyres to build light ecological embankments and other construction materials ("PANTERA" project).

This project is subsidised by the Spanish Ministry of the Economy and Competitiveness, and co-financed by ERDF funds (Operational R+D+i Programme by and for the benefit of companies (Technology Fund).



THE FOLLOWING GOALS HAVE BEEN SET FOR 2014:

| | | |
|--|---|---|
| 1 An R+D+i project using European grants. | 2 Value creation based on R+D+i results. | 3 At least one contract award through public technology purchases. |
| 4 R+D+i certification for more Group companies. | 5 Changing the mindset of Group employees through an "open innovation" awareness campaign. | 6 Creating two start-ups to generate Group business in new technology. |
| 7 Renewal of the Innovation Excellence Seal. | | |



Developments in R+D+i activity at Sacyr

Sacyr is engaged in an ambitious expansion of its R+D+i activities. Since 2004, it has obtained external official recognition in the form of loans, grants and certifications in a total of 146 projects on various public tenders.

Despite the generally gloomy economic situation, Group investment in R+D+i in 2013 topped 10 million euros, an excellent result following the arrival of a new government that drastically reduced grants and tenders.

The public funds secured also demonstrate government support for Sacyr's R+D+i projects.

NEW R+D+i PROJECTS WITH GRANTS



| (Euros) | GRANTS | TAX CREDITS | TAX BREAKS (CORPORATE TAX) | DEDUCTION FOR SALE OF INTANGIBLES |
|-------------|------------------|------------------|-------------------------------|--------------------------------------|
| 2004 | 40,000 | 876,363 | - | - |
| 2005 | 394,723 | 5,670,883 | 461,151 | - |
| 2006 | 1,086,610 | 8,403,814 | 2,103,994 | - |
| 2007 | 1,809,289 | 13,774,962 | 5,152,471 | - |
| 2008 | 1,902,971 | 16,113,577 | 7,301,972 | 4,473,634 |
| 2009 | 1,633,782 | 10,113,929 | 6,404,093 | 2,844,187 |
| 2010 | 1,752,117 | 6,579,113 | 4,255,099 | 4,548,996 |
| 2011 | 1,210,745 | 5,451,327 | 3,291,690 | 3,885,609 |
| 2012 | 1,576,897 | 5,028,478 | 1,276,704 | 3,258,517 |
| 2013 | 2,531,145 | 4,529,324 | 1,101,496 | 1,600,709 |

Note: Updates of R+D+i information in the 2012 Corporate Responsibility Report. Due to updates on projects awarded and updating of provisional tax deductions, the figures on these tables differ from those presented the previous year.



Work with leading R+D+i institutions

Sacyr is a member of various organisations and participates in a number of forums promoting R+D+i. By participating in these initiatives, the Group is able to pool experiences and good practices with other professionals, and the events also prompt reflexion among a large number of experts on the wider scope of R+D+i activities. Some of the organisations and workshops in which Sacyr plays an active role are:

- Spanish Construction Technology Platform ("PTEC")
- Spanish Environmental Technologies Technology Platform
- Spanish BREEAM Advisory Board
- Participation in the Spanish Road Technology Platform
- SEOPAN R&D Committee
- Andalusian Technological Corporation ("Corporación Tecnológica de Andalucía")
- Knowledge and Innovation Managers' Club ("Club de Directivos del Conocimiento y la Innovación")
- R+D+i Committee of the Spanish employers' confederation ("CEOE")

Moreover, to streamline its process of development and implementation of R+D+i activities, Sacyr has entered into cooperation agreements with a number of universities and other research centres and organisations.

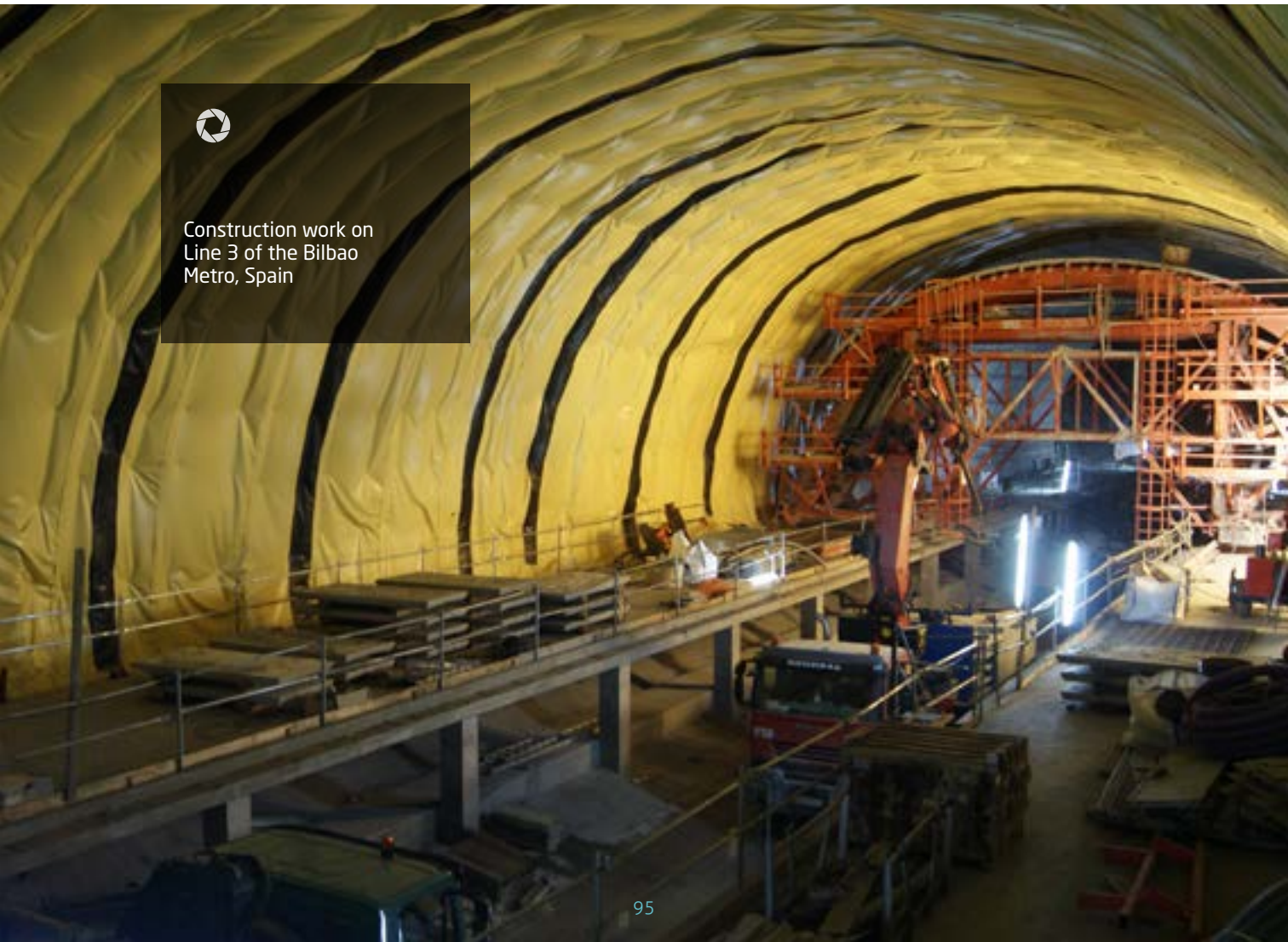
- Madrid Polytechnic University
- Alfonso X El Sabio University
- Polytechnic University of Catalonia
- University of Almería
- University of Córdoba
- Madrid Complutense University
- Valencia Polytechnic University
- University of Granada
- University of Huelva
- University of Las Palmas
- University of Cantabria
- University of Salamanca
- LECHEM
- Centre for Public Works Research and Innovation ("CEDEX")



- Gómez Pardo Foundation
- Almería Solar Platform ("CIEMAT")
- Madrid Institute of Advanced Water Studies ("IMDEA AGUA")
- Official Laboratory for the Testing of Construction Materials ("LOEMCO")
- CEDIANT
- Galician Civil Engineering Foundation ("Fundación Ingeniería Civil de Galicia")
- CEDINT



Construction work on
Line 3 of the Bilbao
Metro, Spain





Impact of technology change

As most of the sectors in which Sacyr operates are dominated by technology at the service of society, the Group considers sound R+D+i management is essential to meet the new demands of society, and thus to boost our competitive position and make preparations for changes to technology.

For this reason, research, development and technology innovation are now, and must continue to be, one of the basic pillars of Sacyr's strategy to guarantee Group success.

The table below shows the main technology challenges that may affect each of our areas of business:

TECHNOLOGY CHALLENGES BY AREAS OF BUSINESS

| DIVISION | CHALLENGES |
|---------------------|--|
| Construction | New materials and industrial technologies for manufacture |
| | Development and innovation on civil engineering projects |
| | Innovation in safety, detection and prevention of accidents |
| | New robotics designs |
| | Development of new control methods, planning of production and optimisation of excavation and support cycles |
| | Active environment-friendly approach in order to reduce emissions, use recycled materials, consumer fewer natural resources and reduce visual impact |
| | Design and development of new information and telecommunication technology |
| | New usages of fibres to reinforce gunned concrete in underground constructions |
| | Improving the behaviour of concrete used for cladding |
| | Automation of processes to support work underground |
| | Redesign work to optimise resources and machinery |
| | Blasting and explosives |
| | Optimisation of excavation and support cycles |
| Property Management | New usages for sustainable energies - link to environmental certification |
| | Design of systems meeting the new technical building standards |
| | Development of systems to improve energy efficiency |
| | New equipment with minimum levels of energy consumption |
| | Architectural innovation and design in the new technical building standards |



TECHNOLOGY CHALLENGES BY AREAS OF BUSINESS

| DIVISION | CHALLENGES |
|----------------------|---|
| Property Development | Research into new sustainable energies and their compliance with new technical building standards |
| | Redesign and research in connection with noiseproofing systems to be applied |
| | Research, investigation and innovation into new domotics systems in promotions |
| | New enclosures and facades using state-of-the-art materials |
| | Innovation in traditional construction systems |
| Concessions | Improvements to concession safety |
| | Innovative developments in user services |
| | Deployment of new systems to control and optimise the lifespan of concessions |
| | Design of environmental improvements in the design and construction of concessions |
| | Progress in design, construction and conservation of road surfaces, new methods, materials, construction processes etc. |
| Services | Technological progress in geothermal drilling techniques |
| | Development of new materials for geothermal interchangers and jointing techniques |
| | Development of new geothermal heat pumps with greater levels of efficiency |
| | Development of new techniques for building thermoactive foundations |
| | Development of calculation tools for the design of geothermal facilities |
| | New desalination systems for agriculture |
| | Research into odour measurement technology and its applications |
| | Redesign of odour treatment technology |
| | Energy optimisation at wastewater treatment plants |
| | Usage of renewable energies at wastewater treatment plants, minimisation of carbon footprint |
| | Development of state-of-the-art technology for wastewater treatment (biofiltration) |
| | Elimination of emerging compounds and pathogens in wastewater cycles |
| | Development of new membranes and their processes |
| | Recycling and new uses of waste material from desalination plants |
| | Research into reduction of odour, sludge and brine |
| | Research into the zero-disposal target for brackish water desalination plants |
| | New energy recovery system for wastewater sludge treatment |
| | Sludge pretreatment to reduce dry matter and maximise production of biogas thermal hydrolysis |
| | New sludge drying technology |
| | Research into processes for biofouling and soiling in membrane plants |
| | Development of systems for reuse of wastewater |



TECHNOLOGY CHALLENGES BY AREAS OF BUSINESS

| DIVISION | CHALLENGES |
|----------|---|
| Services | New post-treatment and remineralisation process |
| | Research into the treatment of water from mining works |
| | Research into environmental effects and desalination of red tides |
| | Redesign of direct osmosis |
| | New microbial fuel cell processes for purification and bioindication |
| | Research into new uses of biofilm for wastewater treatment. Granular sludge and on fixed-support systems |
| | Application of ICT technology to manage maintenance and operational enhancements at wastewater plants |
| | Redesign of the life cycle of membranes, treatment and reuse of rejected membranes |
| | Research to eliminate autotrophic nutrients in wastewater |
| | Elimination of autotrophic nutrients in wastewater and sludge return |
| | Codigestion |
| | New systems for provision of services and conservation in road infrastructures |
| | Research into road de-icing using renewable energies |
| | Energy efficiency improvements to road and tunnel lighting |
| | New safety systems in tunnels and road infrastructures |
| | Digitalised developments to enhance management of infrastructure conservation |
| | Research into systems and system monitoring in dams |
| | New virtual systems providing winter feasibility training for drivers |
| | Systems to recognise infrastructure status |
| | New materials for linear infrastructure containment systems |
| | New waste treatment technologies |
| | Research into energy upgrading for waste |
| | Redesign of systems to minimise the quantity and danger of rejected material from waste management and treatment |
| | Development of software and programming for services sector activities |
| | New systems and equipment with mobility and urban services for gardening, cleaning and regulated parking services |
| | New systems for implementation and development of smart cities |
| | Innovation to minimise environmental impact |



Construction work on the
Amat-Palermo tram line
in Sicilia, Italy



6.3

Human resources

Through its Personnel Administration, Human Resources Development and Selection and Employee Relations Divisions, Sacyr's Human Resources Department strives to deploy dynamic innovation, training, development and communication policies designed not only to motivate but also to maximise the efficiency of every member of the Group's work force.

Description of the work force:

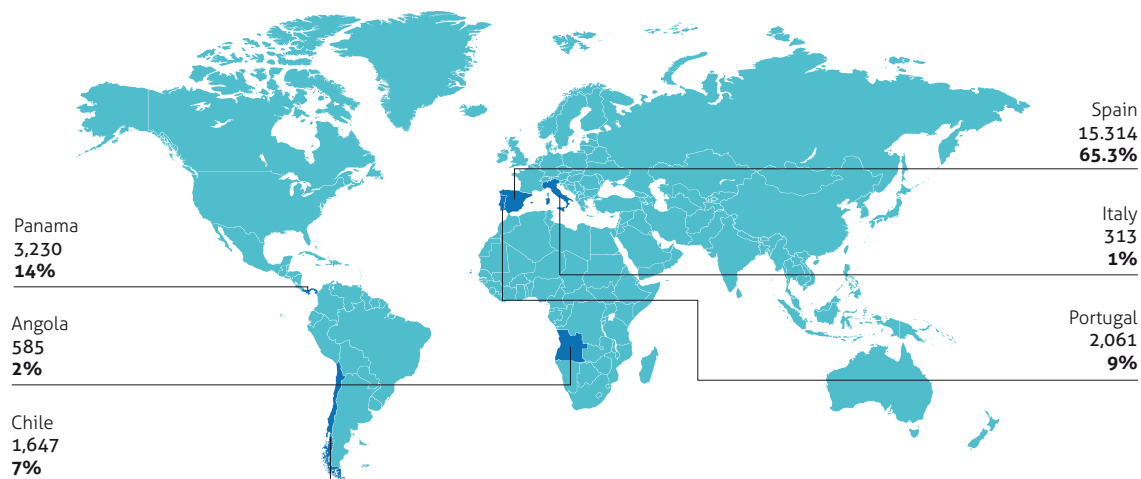
The Sacyr headcount in 2013 was 23,465 employees (consolidated average headcount). Numbers were up by 6.27% compared to the previous year.

Almost 65% of the total work force is employed in Spain, although the Group also has a large number of employees in Portugal, Chile, Angola, Italy, Panama and other countries.

| COUNTRY | 2012 | | | | 2013 | | | | |
|--------------|---------------|--------------|---------------|------------|---------------|--------------|---------------|------------|-------------|
| | HOMBRES | MUJERES | TOTAL | VAR. % | HOMBRES | MUJERES | TOTAL | % | VAR. % |
| Spain | 7,439 | 6,904 | 14,343 | 65.0 | 8,093 | 7,221 | 15,314 | 65.3 | 6.77 |
| Panama | 3,268 | 152 | 3,420 | 15.5 | 3,052 | 178 | 3,230 | 14 | -5.56 |
| Portugal | 1,884 | 314 | 2,198 | 10.0 | 1,774 | 287 | 2,061 | 9 | -6.23 |
| Chile | 772 | 98 | 870 | 3.9 | 1,512 | 135 | 1,647 | 7 | 89.31 |
| Angola | 480 | 90 | 570 | 2.6 | 493 | 92 | 585 | 2 | 2.63 |
| Italy | 341 | 14 | 355 | 1.6 | 301 | 12 | 313 | 1 | -11.83 |
| Cape verde | 81 | 18 | 99 | 0.4 | 76 | 17 | 93 | 0.4 | -6.06 |
| Australia | 31 | 32 | 63 | 0.3 | 30 | 23 | 53 | 0.2 | -15.87 |
| Brazil | 33 | 13 | 46 | 0.2 | 33 | 16 | 49 | 0.2 | 6.52 |
| Ireland | 25 | 19 | 44 | 0.2 | 26 | 15 | 41 | 0.2 | -6.82 |
| Israel | 11 | 4 | 15 | 0.1 | 15 | 4 | 19 | 0.1 | 26.67 |
| Colombia | 0.0 | 0.0 | 0 | 0.0 | 10.0 | 6.0 | 16 | 0.0 | -- |
| Mozambique | 0 | 0 | 0 | 0.0 | 12 | 3 | 15 | 0.1 | -- |
| Libya | 12 | 2 | 14 | 0.1 | 12 | 2 | 14 | 0.1 | 0.00 |
| Bolivia | 0 | 0 | 0 | 0.0 | 5 | 3 | 8 | 0.0 | -- |
| Costa rica | 31 | 10 | 41 | 0.2 | 3 | 1 | 4 | 0.0 | -90.24 |
| Peru | 0.0 | 1 | 1 | 0.0 | 0.0 | 1 | 1 | 0.0 | 0.00 |
| India | 1 | 1 | 2 | 0.0 | 1 | 1 | 2 | 0.0 | 0.00 |
| Algeria | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.00 |
| Qatar | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.00 |
| Mexico | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.00 |
| TOTAL | 14,409 | 7,672 | 22,081 | 100 | 15,448 | 8,017 | 23,465 | 100 | 6.27 |



GEOGRAPHICAL BREAKDOWN OF SACRY EMPLOYEES, 2013



Breakdown of employees by business units:

By business units, the Construction and Services divisions have by far the largest number of employees. Between them they account for 97% of Sacyr's total headcount.

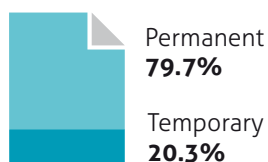
There has been a particularly noteworthy increase in the number of employees in the Services division, mainly due to lot contracts in Madrid operated by Valoriza Servicios Medioambientales.

| BUSINESS UNIT | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | VAR. % |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Holding Company | 326 | 314 | 237 | 236 | 227 | 212 | -6.61 |
| Construction | 8,554 | 7,397 | 8,509 | 8,477 | 8,721 | 8,627 | -1.08 |
| Property Development | 321 | 223 | 189 | 148 | 93 | 63 | -32.26 |
| Property Management | 87 | 80 | 79 | 79 | 81 | 79 | -2.47 |
| Concessions | 2,048 | 181 | 343 | 442 | 527 | 483 | -8.35 |
| Services | 9,375 | 10,362 | 10,853 | 11,040 | 12,432 | 14,001 | 12.62 |
| TOTAL | 20,711 | 18,557 | 20,210 | 20,422 | 22,081 | 23,465 | 6.27 |

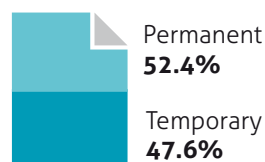


2013 CONSOLIDATED AVERAGE HEADCOUNT DISTRIBUTION BY CONTRACT TYPE

SPAIN



INTERNATIONAL



By types of contract, in 2013 there was an increase of more than 3 percentage points in permanent contracts against 2012. Temporary contracts accounted for 20.3%.

2012

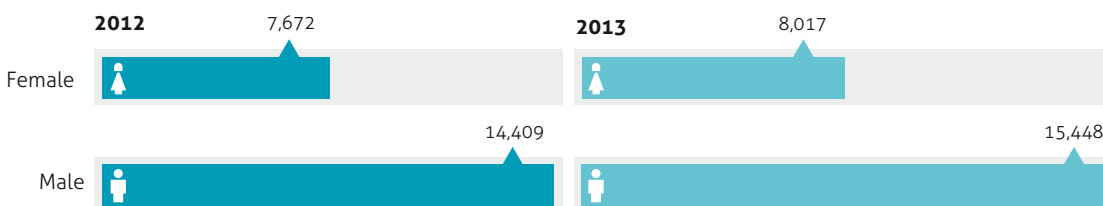
| TIPO CONTRATO | SPAIN | INTERNATIONAL | TOTAL | % SPAIN | % INTERNATIONAL |
|---------------|---------------|---------------|---------------|------------|-----------------|
| Permanent | 10,884 | 4,081 | 14,965 | 75.9 | 52.7 |
| Temporary | 3,459 | 3,657 | 7,116 | 24.1 | 47.3 |
| TOTAL | 14,343 | 7,738 | 22,081 | 100 | 100 |

2013

| | | | | | |
|--------------|---------------|--------------|---------------|------------|------------|
| Permanent | 12,202 | 4,274 | 16,476 | 79.7 | 52.4 |
| Temporary | 3,112 | 3,877 | 6,989 | 20.3 | 47.6 |
| TOTAL | 15,314 | 8,151 | 23,465 | 100 | 100 |

Employment by sexes:

2013 CONSOLIDATED AVERAGE HEADCOUNT DISTRIBUTION BY SEX



2012

| BY SEX | SPAIN | INTERNATIONAL | TOTAL | % |
|--------------|---------------|---------------|---------------|--------------|
| Male | 7,439 | 6,970 | 14,409 | 65.3 |
| Female | 6,904 | 768 | 7,672 | 34.7 |
| TOTAL | 14,343 | 7,738 | 22,081 | 100.0 |

2013

| BY SEX | SPAIN | INTERNATIONAL | TOTAL | % |
|--------------|---------------|---------------|---------------|--------------|
| Male | 8,093 | 7,355 | 15,448 | 65.8 |
| Female | 7,221 | 796 | 8,017 | 34.2 |
| TOTAL | 15,314 | 8,151 | 23,465 | 100.0 |



Employment by qualifications:

2013 CONSOLIDATED AVERAGE HEADCOUNT - BY QUALIFICATIONS



CONSOLIDATED AVERAGE HEADCOUNT

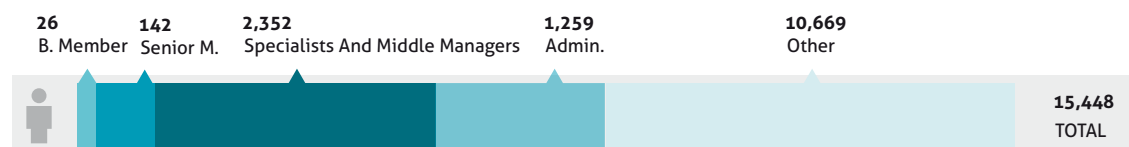
| 2012 | HIGHER | AVE. | SKILLED TECHNICIANS | ADMIN. | OTHER | TOTAL |
|---------------------------------|--------------|--------------|------------------------|--------------|---------------|---------------|
| Holding Company, Spain | 114 | 26 | 10 | 72 | 5 | 227 |
| General Construction | 435 | 371 | 336 | 258 | 564 | 1,964 |
| General Development | 35 | 15 | 2 | 25 | 14 | 91 |
| Property Management, Spain | 39 | 8 | 2 | 32 | 0 | 81 |
| General Concessions | 61 | 11 | 19 | 43 | 51 | 185 |
| General Services | 395 | 366 | 343 | 1,191 | 9,500 | 11,795 |
| TOTAL SyV SPAIN | 1,079 | 797 | 712 | 1,621 | 10,134 | 14,343 |
| Construction, international | 404 | 183 | 1,056 | 886 | 4,228 | 6,757 |
| Development, international | 1 | 1 | 0 | 0 | 0 | 2 |
| Concessions, international | 29 | 19 | 20 | 10 | 264 | 342 |
| Services, international | 127 | 25 | 100 | 59 | 326 | 637 |
| TOTAL SyV, INTERNATIONAL | 561 | 228 | 1,176 | 955 | 4,818 | 7,738 |
| TOTAL SyV GROUP | 1,640 | 1,025 | 1,888 | 2,576 | 14,952 | 22,081 |

| 2013 | HIGHER | AVE. | SKILLED TECHNICIANS | ADMIN. | OTHER | TOTAL |
|---------------------------------|--------------|--------------|------------------------|--------------|---------------|---------------|
| Holding Company, Spain | 109 | 23 | 10 | 66 | 4 | 212 |
| General Construction | 390 | 303 | 265 | 207 | 342 | 1,507 |
| General Development | 20 | 9 | 2 | 18 | 12 | 61 |
| Property Management, Spain | 39 | 9 | 3 | 28 | 0 | 79 |
| General Concessions | 68 | 13 | 17 | 44 | 51 | 193 |
| General Services | 408 | 381 | 451 | 1,215 | 10,807 | 13,262 |
| TOTAL SyV SPAIN | 1,034 | 738 | 748 | 1,578 | 11,216 | 15,314 |
| Construction, international | 449 | 231 | 1,002 | 995 | 4,443 | 7,120 |
| Development, international | 1 | 1 | 0 | 0 | 0 | 2 |
| Concessions, international | 22 | 10 | 3 | 9 | 246 | 290 |
| Services, international | 129 | 31 | 111 | 59 | 409 | 739 |
| TOTAL SyV, INTERNATIONAL | 601 | 273 | 1,116 | 1,063 | 5,098 | 8,151 |
| TOTAL SyV GROUP | 1,635 | 1,011 | 1,864 | 2,641 | 16,314 | 23,465 |



Combination of qualifications and sex:

AVERAGE CONSOLIDATED WORKFORCE 2013 - QUALIFICATIONS BY CATEGORIES (SACYR GROUP) - MALE



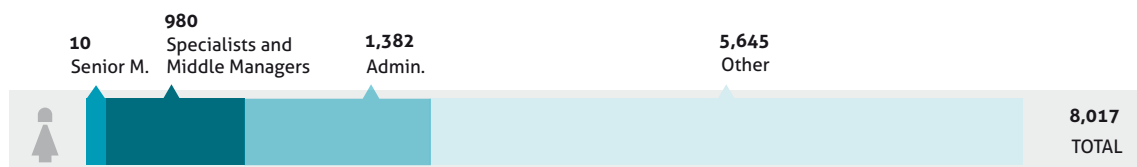
MALE

2012

| | B. MEMBER | SENIOR MANAGER | SPECIALISTS AND MIDDLE MANAGERS | ADMIN | OTHER | TOTAL |
|---------------------------------|-----------|-------------------|---------------------------------------|--------------|--------------|---------------|
| Holding Company, Spain | 1 | 22 | 65 | 26 | 5 | 119 |
| General Construction | 2 | 41 | 884 | 124 | 516 | 1,567 |
| General Development | 0 | 9 | 26 | 9 | 12 | 56 |
| Property Management, Spain | 2 | 4 | 27 | 7 | 0 | 40 |
| General Concessions | 1 | 11 | 57 | 20 | 51 | 140 |
| General Services | 4 | 32 | 657 | 315 | 4,509 | 5,517 |
| TOTAL SyV SPAIN | 10 | 119 | 1,716 | 501 | 5,093 | 7,439 |
| Construction, International | 10 | 15 | 1,480 | 638 | 4,113 | 6,256 |
| Development, International | 0 | 0 | 0 | 0 | 0 | 0 |
| Concessions, International | 1 | 0 | 53 | 7 | 180 | 241 |
| Services, International | 5 | 9 | 150 | 16 | 293 | 473 |
| TOTAL SyV, INTERNATIONAL | 16 | 24 | 1,683 | 661 | 4,586 | 6,970 |
| TOTAL SyV GROUP | 26 | 143 | 3,399 | 1,162 | 9,679 | 14,409 |

2013

| | B. MEMBER | SENIOR MANAGER | SPECIALISTS AND MIDDLE MANAGERS | ADMIN | OTHER | TOTAL |
|---------------------------------|-----------|-------------------|---------------------------------------|--------------|---------------|---------------|
| Holding Company, Spain | 1 | 17 | 62 | 26 | 4 | 110 |
| General Construction | 1 | 45 | 750 | 99 | 328 | 1,223 |
| General Development | 0 | 5 | 16 | 7 | 11 | 39 |
| Property Management, Spain | 2 | 4 | 28 | 5 | 0 | 39 |
| General Concessions | 1 | 14 | 58 | 21 | 51 | 145 |
| General Services | 4 | 33 | 752 | 333 | 5,415 | 6,537 |
| TOTAL SyV SPAIN | 9 | 118 | 1,666 | 491 | 5,809 | 8,093 |
| Construction, International | 11 | 19 | 1,486 | 744 | 4,304 | 6,564 |
| Development, International | 0 | 0 | 0 | 0 | 0 | 0 |
| Concessions, International | 1 | 0 | 23 | 4 | 168 | 196 |
| Services, International | 5 | 5 | 177 | 20 | 388 | 595 |
| TOTAL SyV, INTERNATIONAL | 17 | 24 | 1,686 | 768 | 4,860 | 7,355 |
| TOTAL SyV GROUP | 26 | 142 | 3,352 | 1,259 | 10,669 | 15,448 |


AVERAGE CONSOLIDATED WORKFORCE 2013 - QUALIFICATIONS BY CATEGORIES (SACYR GROUP) - FEMALE

FEMALE
2012

| | B. MEMBER | SENIOR MANAGER | SPECIALISTS AND MIDDLE MANAGERS | ADMIN | OTHER | TOTAL |
|---------------------------------|-----------|-------------------|---------------------------------------|--------------|--------------|--------------|
| Holding Company, Spain | 0 | 4 | 58 | 46 | 0 | 108 |
| General Construction | 0 | 0 | 215 | 134 | 48 | 397 |
| General Development | 0 | 0 | 17 | 16 | 2 | 35 |
| Property Management, Spain | 0 | 0 | 16 | 25 | 0 | 41 |
| General Concessions | 0 | 0 | 22 | 23 | 0 | 45 |
| General Services | 0 | 0 | 411 | 876 | 4,991 | 6,278 |
| TOTAL SyV SPAIN | 0 | 4 | 739 | 1,120 | 5,041 | 6,904 |
| Construction, International | 0 | 0 | 138 | 248 | 115 | 501 |
| Development, International | 0 | 1 | 1 | 0 | 0 | 2 |
| Concessions, International | 0 | 0 | 14 | 3 | 84 | 101 |
| Services, International | 1 | 1 | 86 | 43 | 33 | 164 |
| TOTAL SyV, INTERNATIONAL | 1 | 2 | 239 | 294 | 232 | 768 |
| TOTAL SyV GROUP | 1 | 6 | 978 | 1,414 | 5,273 | 7,672 |

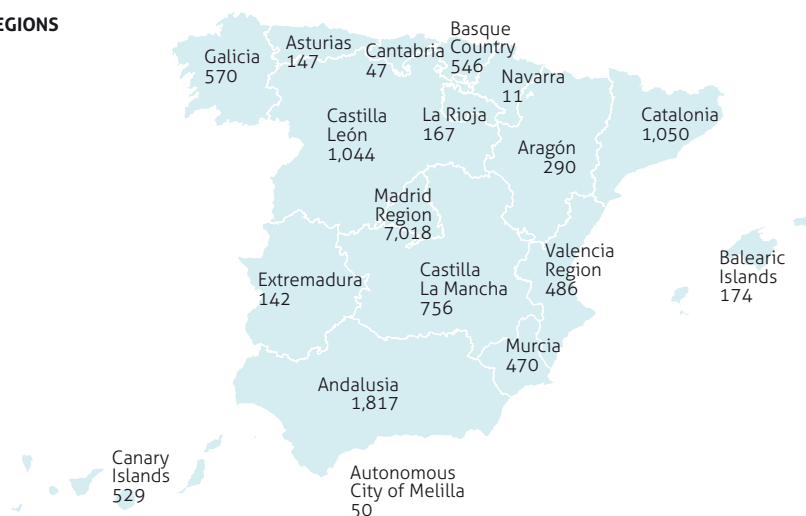
2013

| | B. MEMBER | SENIOR MANAGER | SPECIALISTS AND MIDDLE MANAGERS | ADMIN | OTHER | TOTAL |
|---------------------------------|-----------|-------------------|---------------------------------------|--------------|--------------|--------------|
| Holding Company, Spain | 0 | 4 | 58 | 40 | 0 | 102 |
| General Construction | 0 | 0 | 162 | 108 | 14 | 284 |
| General Development | 0 | 0 | 10 | 11 | 1 | 22 |
| Property Management, Spain | 0 | 0 | 17 | 23 | 0 | 40 |
| General Concessions | 0 | 0 | 25 | 23 | 0 | 48 |
| General Services | 0 | 0 | 451 | 882 | 5,392 | 6,725 |
| TOTAL SyV SPAIN | 0 | 4 | 723 | 1,087 | 5,407 | 7,221 |
| Construction, International | 0 | 0 | 166 | 251 | 139 | 556 |
| Development, International | 0 | 0 | 2 | 0 | 0 | 2 |
| Concessions, International | 0 | 0 | 11 | 5 | 78 | 94 |
| Services, International | 0 | 6 | 78 | 39 | 21 | 144 |
| TOTAL SyV, INTERNATIONAL | 0 | 6 | 257 | 295 | 238 | 796 |
| TOTAL SyV GROUP | 0 | 10 | 980 | 1,382 | 5,645 | 8,017 |



Employment information specific to Spain:

DISTRIBUTION BY REGIONS



CONSOLIDATED AVERAGE HEADCOUNT, SPAIN DISTRIBUTION BY SPANISH REGIONS

| REGION | HOLDING COMPANY | CONSTRUCTION | PROPERTY DEVELOPMENT | PROPERTY MANAGEMENT | SERVICES | CONCESSIONS | 2013 | 2012 |
|----------------------------|-----------------|--------------|----------------------|---------------------|---------------|-------------|---------------|---------------|
| Andalusia | 0 | 170 | 6 | 1 | 1,615 | 25 | 1,817 | 2,123 |
| Aragón | 0 | 41 | 1 | 0 | 248 | 0 | 290 | 327 |
| Madrid Region | 212 | 513 | 25 | 78 | 6,112 | 78 | 7,018 | 5,782 |
| Valencia Region | 0 | 56 | 0 | 0 | 416 | 14 | 486 | 472 |
| Navarra | 0 | 1 | 0 | 0 | 10 | 0 | 11 | 11 |
| Canary Islands | 0 | 42 | 1 | 0 | 486 | 0 | 529 | 500 |
| Cantabria | 0 | 4 | 0 | 0 | 43 | 0 | 47 | 57 |
| Castilla La Mancha | 0 | 47 | 0 | 0 | 709 | 0 | 756 | 787 |
| Castilla León | 0 | 46 | 20 | 0 | 963 | 15 | 1,044 | 1,021 |
| Catalonia | 0 | 132 | 2 | 0 | 916 | 0 | 1,050 | 1,112 |
| Autonomous City of Melilla | 0 | 0 | 0 | 0 | 50 | 0 | 50 | 51 |
| Extremadura | 0 | 17 | 0 | 0 | 125 | 0 | 142 | 121 |
| Galicia | 0 | 149 | 0 | 0 | 409 | 12 | 570 | 638 |
| Balearic Islands | 0 | 19 | 0 | 0 | 139 | 16 | 174 | 135 |
| La Rioja | 0 | 21 | 0 | 0 | 146 | 0 | 167 | 157 |
| Asturias | 0 | 6 | 0 | 0 | 127 | 14 | 147 | 158 |
| Basque Country | 0 | 215 | 4 | 0 | 327 | 0 | 546 | 418 |
| Murcia | 0 | 29 | 1 | 0 | 421 | 19 | 470 | 473 |
| GENERAL TOTAL | 212 | 1,508 | 60 | 79 | 13,262 | 193 | 15,314 | 14,343 |



Distribution by age:

AVERAGE EMPLOYEE AGE, SPAIN - BY BUSINESS AREAS

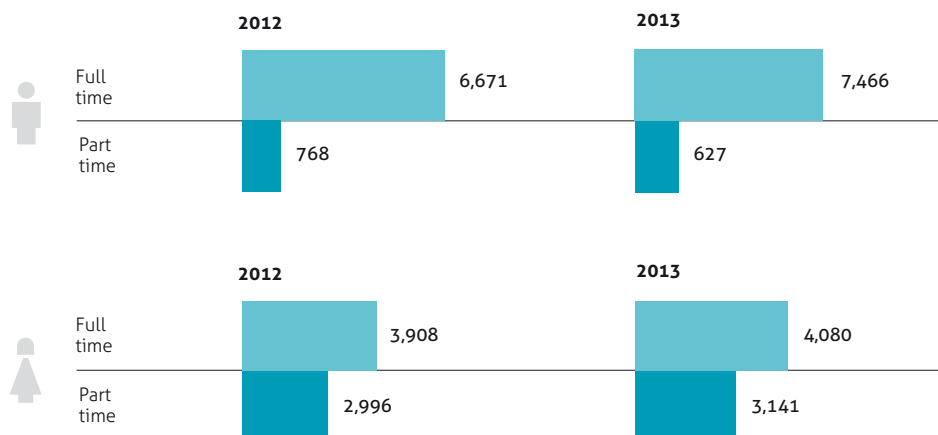
| BUSINESS UNIT | 2012 | 2013 |
|----------------------|-----------|-----------|
| Holding Company | 41 | 41 |
| Construction | 41 | 41 |
| Property Development | 41 | 42 |
| Property Management | 43 | 43 |
| Services | 44 | 45 |
| Concessions | 39 | 39 |
| AVERAGE | 44 | 45 |

CONSOLIDATED AVERAGE HEADCOUNT, SPAIN DISTRIBUTION BY AGE RANGES

| AGE RANGE | 2012 | 2013 | 2013 % |
|--------------|---------------|---------------|------------|
| Up to 30 | 1,160 | 1,029 | 6.72 |
| Up to 40 | 4,284 | 4,263 | 27.84 |
| Up to 50 | 4,634 | 5,107 | 33.35 |
| Over 50 | 4,265 | 4,915 | 32.09 |
| TOTAL | 14,343 | 15,314 | 100 |

Distribution of employees in Spain by sex and and type of working day:

CONSOLIDATED AVERAGE HEADCOUNT DISTRIBUTION OF EMPLOYEES IN SPAIN BY SEX AND WORKING HOURS





Employee turnover, sick leave and absenteeism:

The Sacyr “turnover rate” is the proportion of the work force leaving the Company over a given period (month and year), expressed by the percentage rate of employees circulating within the Group in relation to the average headcount.

We consider the following as causes of turnover:

- Voluntary departure by employees
- Departure due to disability
- Loss of temporary incapacity
- Leave
- Unpaid leave
- Retirement
- Death

2012

| BUSINESS UNIT | CONS. AVERAGE HEADCOUNT | TOTAL DEPARTURES | AVERAGE DEPARTURES | % MONTHLY TURNOVER |
|----------------------|-------------------------|------------------|--------------------|--------------------|
| Holding Company | 227 | 5 | 0.4 | 0.18% |
| Construction | 1,964 | 46 | 3.8 | 0.20% |
| Property Development | 91 | 2 | 0.2 | 0.18% |
| Property Management | 81 | 0 | 0.0 | 0.00% |
| Services | 11,795 | 662 | 55.2 | 0.47% |
| Concessions | 185 | 8 | 0.7 | 0.36% |
| TOTAL | 14,343 | 723 | 60 | 0.42% |

2013

| BUSINESS UNIT | CONS. AVERAGE HEADCOUNT | TOTAL DEPARTURES | AVERAGE DEPARTURES | % MONTHLY TURNOVER |
|----------------------|-------------------------|------------------|--------------------|--------------------|
| Holding Company | 212 | 13 | 1.1 | 0.51% |
| Construction | 1,507 | 39 | 3.3 | 0.22% |
| Property Development | 61 | 1 | 0.1 | 0.14% |
| Property Management | 79 | 2 | 0.2 | 0.21% |
| Services | 13,262 | 639 | 53.3 | 0.40% |
| Concessions | 193 | 4 | 0.3 | 0.17% |
| TOTAL | 15,314 | 698 | 58 | 0.38% |



The Services division adapts to the conventional realities of the sector, and the following reasons are not considered as “departures” in connection with turnover rate:

- End of contract
- Subrogations
- Transfers among Group companies
- Consecutive changes

The information is calculated on a monthly basis by business units. Annual information is collated by sex, autonomous communities, reasons and age.

Employee turnover is one of the indicators included in Group management’s scorecard. It is measured on a monthly basis and takes into account the number of departures in relation to the total work force.

The highest turnover is recorded in the Services and Concessions divisions, due to the special characteristics of these business units, such as the seasonal nature of their activity, the loss of services put out for tender, recruitment for a specific project and recruitment on the basis of production needs.



Construction work
on the Cochabamba
refinery, Peru

**DEPARTURES, 2013**

| REGION | HOLDING COMPANY | CONSTRUCTION | PROPERTY DEVELOPMENT | PROPERTY MANAGEMENT | SERVICES | CONCESSIONS | TOTAL |
|----------------------|-----------------|--------------|----------------------|---------------------|------------|-------------|------------|
| Andalusia | 0 | 1 | 0 | 0 | 49 | 0 | 50 |
| Aragón | 0 | 2 | 0 | 0 | 16 | 0 | 18 |
| Madrid Region | 13 | 19 | 1 | 2 | 227 | 3 | 265 |
| Valencia Region | 0 | 0 | 0 | 0 | 84 | 0 | 84 |
| Navarra | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Canary Islands | 0 | 0 | 0 | 0 | 19 | 0 | 19 |
| Cantabria | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Castilla-La Mancha | 0 | 1 | 0 | 0 | 34 | 0 | 35 |
| Castilla León | 0 | 0 | 0 | 0 | 39 | 0 | 39 |
| Catalonia | 0 | 2 | 0 | 0 | 76 | 0 | 78 |
| Aut. City of Melilla | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Extremadura | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Galicia | 0 | 6 | 0 | 0 | 21 | 0 | 27 |
| Balearic Islands | 0 | 0 | 0 | 0 | 6 | 0 | 6 |
| La Rioja | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Asturias | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| Basque Country | 0 | 8 | 0 | 0 | 18 | 0 | 26 |
| Murcia | 0 | 0 | 0 | 0 | 42 | 1 | 43 |
| GENERAL TOTAL | 13 | 39 | 1 | 2 | 639 | 4 | 698 |

DEPARTURES, 2012

| REGION | HOLDING COMPANY | CONSTRUCTION | PROPERTY DEVELOPMENT | PROPERTY MANAGEMENT | SERVICES | CONCESSIONS | TOTAL |
|----------------------|-----------------|--------------|----------------------|---------------------|------------|-------------|------------|
| Andalusia | 0 | 4 | 0 | 0 | 71 | 1 | 76 |
| Aragón | 0 | 0 | 0 | 0 | 24 | 0 | 24 |
| Madrid Region | 5 | 34 | 0 | 0 | 191 | 6 | 236 |
| Valencia Region | 0 | 2 | 0 | 0 | 104 | 0 | 106 |
| Navarra | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Canary Islands | 0 | 0 | 0 | 0 | 12 | 0 | 12 |
| Cantabria | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Castilla-La Mancha | 0 | 1 | 0 | 0 | 40 | 0 | 41 |
| Castilla León | 0 | 0 | 1 | 0 | 54 | 0 | 55 |
| Catalonia | 0 | 1 | 1 | 0 | 53 | 0 | 55 |
| Aut. City of Melilla | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Extremadura | 0 | 1 | 0 | 0 | 9 | 0 | 10 |
| Galicia | 0 | 0 | 0 | 0 | 35 | 1 | 36 |
| Balearic Islands | 0 | 0 | 0 | 0 | 9 | 0 | 9 |
| La Rioja | 0 | 0 | 0 | 0 | 8 | 0 | 8 |
| Asturias | 0 | 2 | 0 | 0 | 6 | 0 | 8 |
| Basque Country | 0 | 1 | 0 | 0 | 31 | 0 | 32 |
| Murcia | 0 | 0 | 0 | 0 | 14 | 0 | 14 |
| TOTAL GENERAL | 15 | 46 | 2 | 0 | 662 | 8 | 723 |



LEAVE PER GENDER 2012

| BUSINESS UNIT | MEN | WOMEN | TOTAL |
|----------------------|------------|------------|-------------|
| Holding Company | 2 | 3 | 5 |
| Construction | 39 | 7 | 46 |
| Property Development | 2 | 0 | 2 |
| Property Management | -- | -- | 0 |
| Services | 247 | 415 | 662 |
| Concessions | 6 | 2 | 8 |
| TOTAL | 296 | 427 | 723 |
| PERCENTAGE | 41% | 59% | 100% |

LEAVE PER GENDER 2013

| BUSINESS UNIT | MEN | WOMEN | TOTAL |
|----------------------|------------|------------|-------------|
| Holding Company | 6 | 7 | 13 |
| Construction | 35 | 4 | 39 |
| Property Development | 1 | -- | 1 |
| Property Management | 2 | -- | 2 |
| Services | 255 | 384 | 639 |
| Concessions | 3 | 1 | 4 |
| TOTAL | 302 | 396 | 698 |
| PERCENTAGE | 43% | 57% | 100% |

CHILD CARE LEAVE IN 2013

| BUSINESS UNIT | CURRENTLY | 1 MONTH | 2 MONTH | 3 MONTH | 4 MONTH | 5 MONTH | 6 MONTH | 7 MONTH | 8 MONTH | TOTAL |
|----------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Holding Company | -- | -- | -- | 1 | -- | -- | 1 | -- | -- | 2 |
| Construction | 1 | -- | -- | -- | -- | -- | -- | -- | -- | 1 |
| Property Development | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Property Management | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Services | 12 | 4 | 2 | 3 | 1 | -- | 2 | 1 | 1 | 26 |
| Concessions | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| TOTAL | 13 | 4 | 2 | 4 | 1 | 0 | 3 | 1 | 1 | 29 |

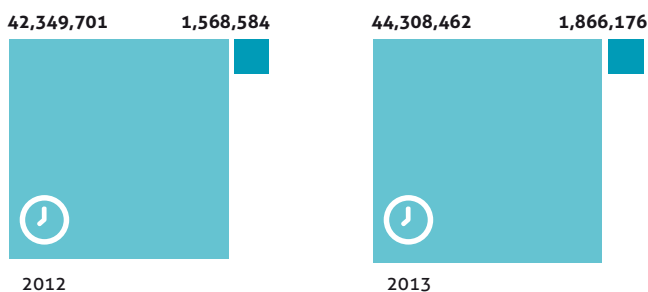
FAMILY CARE LEAVE IN 2013

| BUSINESS UNIT | CURRENTLY | 1 MONTH | 2 MONTH | 3 MONTH | 4 MONTH | 5 MONTH | 6 MONTH | 7 MONTH | 8 MONTH | TOTAL |
|----------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Holding Company | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Construction | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Property Development | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Property Management | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Services | 5 | -- | -- | 3 | -- | -- | -- | -- | -- | 8 |
| Concessions | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| TOTAL | 5 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 8 |



| BUSINESS UNIT | 2012 | | | | 2013 | | | |
|---------------|--------------------------------|-------------------|-------------------|----------------|--------------------------------|-------------------|-------------------|----------------|
| | HOURS LOST (Illness and Other) | HOURS WORKED | POSIBLE HOURS | % ABSEN-TEEISM | HOURS LOST (Illness and Other) | HOURS WORKED | POSIBLE HOURS | % ABSEN-TEEISM |
| Holding | 11,776 | 638,696 | 659,008 | 1.8% | 9,728 | 593,464 | 612,328 | 1.6% |
| Construction | 117,352 | 5,582,927 | 5,774,159 | 2.0% | 74,096 | 4,349,136 | 4,466,256 | 1.7% |
| Development | 2,872 | 260,216 | 266,616 | 1.1% | 1,568 | 174,200 | 177,416 | 0.9% |
| Property | 6,832 | 224,456 | 235,704 | 2.9% | 2,384 | 221,200 | 227,176 | 1.0% |
| Services | 1,424,424 | 34,957,926 | 36,826,174 | 3.9% | 1,766,512 | 38,299,806 | 40,524,334 | 4.4% |
| Concessions | 5,328 | 685,480 | 700,568 | 0.8% | 11,888 | 670,656 | 692,488 | 1.7% |
| TOTAL | 1,568,584 | 42,349,701 | 44,462,229 | 3.53% | 1,866,176 | 44,308,462 | 46,699,998 | 4.00% |

ABSENTEEISM

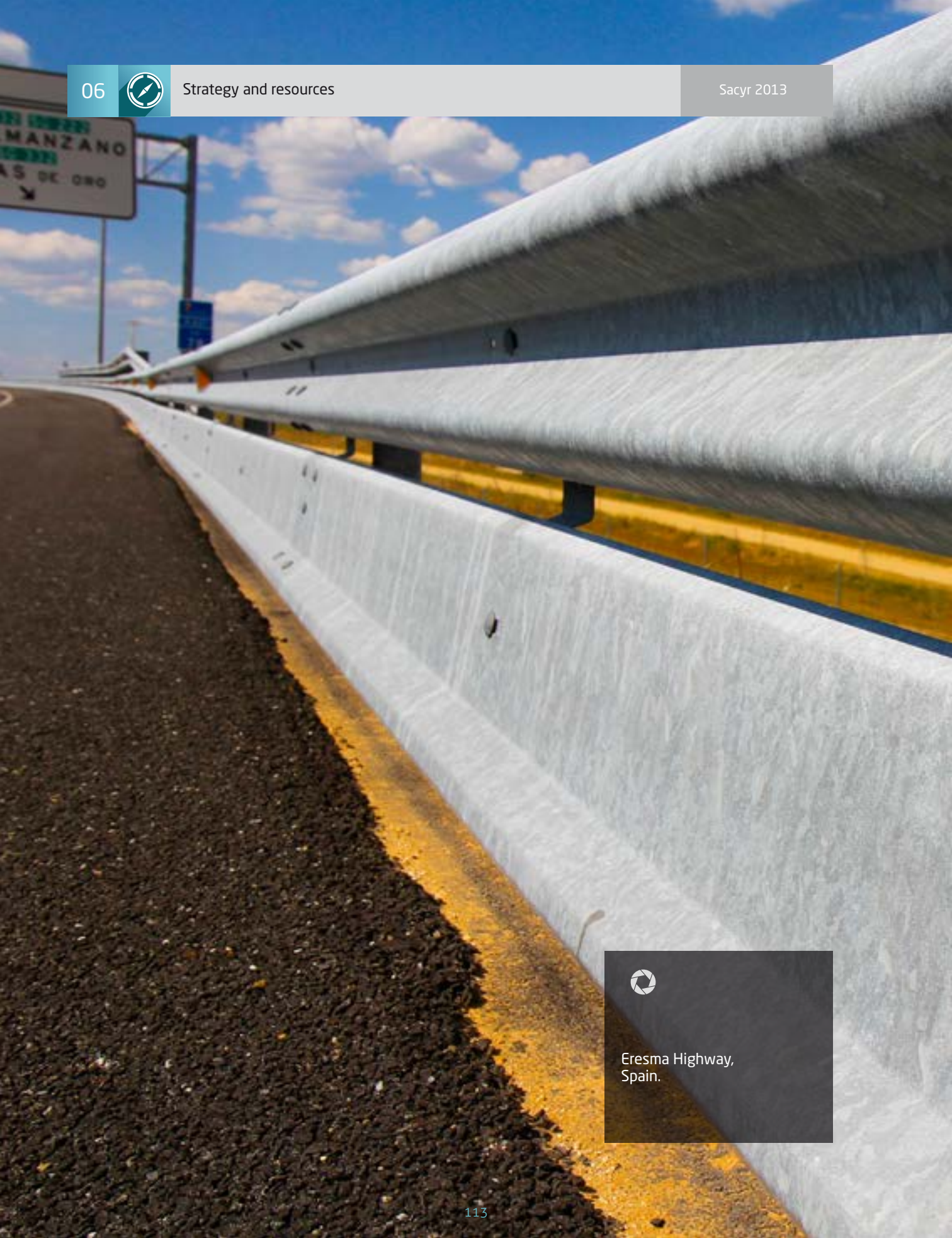


Hours Worked

Hours Lost

DISABILITY

| BUSINESS UNIT | 2012 | | 2013 | |
|----------------------|------------------|------------|------------------|------------|
| | AVERAGE DISABLED | DISABLED % | AVERAGE DISABLED | DISABLED % |
| Holding Company | 4 | 1.8 | 2 | 2.4 |
| Construction | 20 | 1.01 | 16 | 1.00 |
| Property Development | 0 | 0.0 | 0 | 0.0 |
| Property Management | 1 | 1.2 | 1 | 1.3 |
| Services | 314 | 2.5 | 319 | 2.3 |
| Concessions | 10 | 4.1 | 10 | 4.1 |
| AVERAGE | 349 | 2.3 | 351 | 2.2 |



Eresma Highway,
Spain.



Other data on employees abroad:

EMPLOYEE TURNOVER ABROAD

| COUNTRY | CONSOLIDATED AVERAGE HEADCOUNT | TOTAL DEPARTURES 2012 | AVERAGE DEPARTURES 2012 | 2012 | | CONSOLIDATED AVERAGE HEADCOUNT | TOTAL DEPARTURES 2012 | AVERAGE DEPARTURES 2012 | 2013 | |
|--------------|--------------------------------------|-----------------------------|-------------------------------|-----------------------|-----------------------|--------------------------------------|-----------------------------|-------------------------------|-----------------------|-----------------------|
| | | | | % MONTHLY TURNOVER | % MONTHLY TURNOVER | | | | % MONTHLY TURNOVER | % MONTHLY TURNOVER |
| Angola | 570 | --- | --- | --- | --- | 585 | --- | --- | --- | --- |
| Algeria | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Australia | 63 | 20 | 1.7 | 2.6 | 2.6 | 53 | 35 | 3 | 5.5 | 5.5 |
| Bolivia | 0 | 0 | 0 | 0.0 | 0.0 | 8 | 0 | 0 | 0.0 | 0.0 |
| Brazil | 47 | --- | --- | --- | --- | 49 | --- | --- | --- | --- |
| Cape Verde | 99 | --- | --- | --- | --- | 93 | --- | --- | --- | --- |
| Chile | 870 | 277 | 23.1 | 2.7 | 2.7 | 1,647 | 869 | 72 | 4.4 | 4.4 |
| Colombia | 0 | 0 | 0 | 0.0 | 0.0 | 16 | 5 | 0 | 2.6 | 2.6 |
| Costa Rica | 41 | 28 | 2.3 | 5.7 | 5.7 | 4 | 0 | 0 | 0.0 | 0.0 |
| India | 2 | 0 | 0 | 0.0 | 0.0 | 2 | 1 | 0 | 4.2 | 4.2 |
| Ireland | 44 | 21 | 1.8 | 4.0 | 4.0 | 41 | 28 | 2 | 5.7 | 5.7 |
| Israel | 15 | 0 | 0 | 0.0 | 0.0 | 19 | 0 | 0 | 0.0 | 0.0 |
| Italy | 355 | --- | --- | --- | --- | 313 | --- | --- | --- | --- |
| Libya | 14 | 0 | --- | --- | --- | 14 | --- | --- | --- | --- |
| Mozambique | 0 | 0 | --- | --- | --- | 15 | --- | --- | --- | --- |
| Panama | 3,420 | --- | --- | --- | --- | 3,230 | --- | --- | --- | --- |
| Peru | 0 | 0 | 0 | 0.0 | 0.0 | 1 | 0 | 0 | 0.0 | 0.0 |
| Portugal | 2,198 | --- | --- | --- | --- | 2,061 | --- | --- | --- | --- |
| Qatar | 0 | --- | --- | --- | --- | 0 | --- | --- | --- | --- |
| Uruguay | 0 | --- | --- | --- | --- | 0 | --- | --- | --- | --- |
| TOTAL | 7,738 | 348 | 29 | 0.37 | 0.37 | 8,151 | 938 | 78 | 0.96 | 0.96 |



ABSENTEEISM ABROAD

| COUNTRY | HOURS LOST | HOURS WORKED | POTENTIAL HOURS | 2012 | | HOURS LOST | HOURS WORKED | POTENTIAL HOURS | 2013 | |
|--------------|------------------|------------------|--------------------|-------------|---|------------------|-------------------|--------------------|-------------|---|
| | | | | ABSENTEEISM | % | | | | ABSENTEEISM | % |
| Angola | 161,672 | 1,096,546 | 1,258,218 | 12.8 | | 248,248 | 1,120,600 | 1,368,848 | 18.1 | |
| Algeria | 5,772 | 134,736 | 140,508 | 4.1 | | 4,184 | 134,277 | 141,389 | 3.0 | |
| Australia | 936 | 121,404 | 122,340 | 0.8 | | 1,504 | 105,732 | 107,236 | 1.4 | |
| Bolivia | 0 | 0 | 0 | 0.0 | | 24 | 19,248 | 19,272 | 0.1 | |
| Brazil | 0 | 100,316 | 100,316 | 0.0 | | 0 | 104,368 | 104,368 | 0.0 | |
| Cape Verde | 3,856 | 204,008 | 207,864 | 1.9 | | 5,056 | 231,456 | 236,512 | 2.1 | |
| Chile | 0 | 2,608,911 | 2,608,911 | 0.0 | | 0 | 4,089,461 | 4,089,461 | 0.0 | |
| Colombia | 0 | 4,147 | 4,147 | 0.0 | | 88 | 37,736 | 37,896 | 0.2 | |
| Costa Rica | 4,476 | 297,312 | 301,788 | 1.5 | | 0 | 34,432 | 34,848 | 0.0 | |
| India | 0 | 3,168 | 3,168 | 0.0 | | 88 | 4,832 | 4,920 | 1.8 | |
| Ireland | 2,736 | 161,028 | 163,764 | 1.7 | | 2,312 | 177,856 | 181,328 | 1.3 | |
| Israel | 0 | 49,044 | 49,044 | 0.0 | | 0 | 52,048 | 52,048 | 0.0 | |
| Italy | 0 | 1,183,080 | 1,183,080 | 0.0 | | 0 | 1,252,952 | 1,252,952 | 0.0 | |
| Libya | 0 | 29,496 | 29,496 | 0.0 | | 0 | 27,216 | 27,216 | 0.0 | |
| Mozambique | 0 | 0 | 0 | 0.0 | | 448 | 31,984 | 32,432 | 1.4 | |
| Panama | 0 | 0 | 0 | 0.0 | | 0 | 0 | 0 | 0.0 | |
| Peru | 0 | 2,496 | 2,496 | 0.0 | | 0 | 2,400 | 2,400 | 0.0 | |
| Portugal | 856,856 | 3,615,351 | 4,472,207 | 19.2 | | 807,024 | 3,371,815 | 4,218,767 | 19.1 | |
| TOTAL | 1,036,304 | 9,611,043 | 10,647,347 | 9.73 | | 1,068,976 | 10,798,413 | 11,911,893 | 8.97 | |



6.4

Selection, training and intellectual capital

Aware of the importance of human capital as a creator of value and, by extension, a source of competitive advantages in today's global market, Sacyr places particular emphasis on employee development and motivation and makes use of various management tools, programmes and policies to attract talent and manage the skills of its teams, in order to retain top employees and harness their full potential.

For the Group, employing the best professionals in the sector, motivating them and guiding them in their professional development has proved the best way to cement its position as a leading company able to reconcile the interests of its employees with business performance.

Recruitment

Sacyr recruits employees using transparent, confidential, rigorous procedures to ensure equality and non-discrimination. These procedures include objective tests to exclusively assess the merits, qualifications and skill profile of each candidate in order to optimise the job-person match.

The recruitment process takes account of job position manuals, which describe each position, including the objective, tasks to be performed, skills profile, training, experience, languages or other types of knowledge or aptitudes necessary to carry out functions properly.

Each advertised vacancy is written up on the basis of the relevant job description and an interview with the manager requesting the selection process. This enables us to fit the requested profile to the department in terms of organisational features, headcount, facilities, work procedures, and so forth.

The process continues with recruitment and assessment of applicants, where we apply language skills tests, and candidates must have a minimum score before they can be engaged. The ultimate aim is to align our recruitment process with the Group's internationalisation strategy.

Finally, the assessment process terminates with a full report on those deemed most suitable for the post. Reports are submitted to the manager requiring the new recruit, who ultimately chooses the successful candidate after a second interview.

One special feature is the induction protocol for new employees, a process intended to induce a sense of belonging/commitment vis-à-vis the Company in employees from the very first day, and drive their motivation and performance at the outset of their career with Sacyr.

The process is digitalised using an online management tool, which collects data such as appointments, applicants' CVs and assessment reports. It also enables both the applicants and those managing the applications to meet the requirements of the Spanish Data Protection Law governing the processing of information and access to this tool.

To engage final-year students and new graduates, we have signed up more than 50 agreements with universities in Spain and overseas, which have been reviewed and updated in accordance with current legislation in this regard following the publication of Royal Decrees 1493/2011, 1707/2011 and 1543/2011. The University-Company cooperation agreements ensure a continuous flow of trainees to all Sacyr's divisions.



In 2013 we once again attended university Employment Forums, although only for those courses in relation to our business.

Furthermore, in accordance with our policy of international expansion, we also attended the forums of top business schools. Our aim here was to make ourselves known to MBA students with strong track records and language skills from a range of countries (Panama, India, Israel, Libya, Algeria etc.) where the Group is already working on construction, concession and water projects.

All these courses of action forge links that will enable us to recruit the best candidates (recent graduates), and seasoned professionals with post-graduate experience.

Finally, for the second year running we worked alongside the Madrid Regional Government's Department of Employment, taking on trainees on its pioneer "Dual Training" programme. This is a ground-breaking educational model aiming to adapt professional training to the needs of production sectors, and improve the qualifications of graduates and the employability of students to make them more eligible for the job market.

Training (2013)

Training at Sacyr is viewed as a strategic tool for management of talent, support for change and an enhancement mechanism for the corporate mission. This makes it "a lever to generate change".

Thus Sacyr is firmly committed to deploying a range of strategies which, by increasing the number of hours of training, will enhance the skills and abilities of its employees, optimising their performances and boosting their competitiveness.

At Sacyr, training is based on a homogenous model and is centrally managed across the Group in order to achieve our main goal - contributing value to the Company through the personal development of employees.

Each year the Group draws up a Training Plan with three primary sources of information:

- Demand for training of employees.
- Training Needs Survey.
- Results of assessment of performance (Annual Development Interview Programme).



The Training Plan establishes different types of training initiatives tailored to the specific needs of employees and the organisation:

- **Induction training:** inception courses designed to familiarise new employees with the Group and help them settle in to their new positions.
- **On-the-job training:** This consists of technical training initiatives with top external entities and leading in-house professionals and experts at the Company. The aim is to further employees' skills and enable them to acquire knowledge easing their adaptation to new demands in their jobs.
- **Expert training:** This takes the form of advanced specialist courses such as Master's programmes, and aims to upgrade the professional qualifications of employees who have already settled in to their functions.

Both on-the-job and expert training help employees gain promotion and further their professional career. These training programmes focus on team management, negotiation or language skills that help employees meet the challenges posed by the Group's international expansion.

As an example of general developments over the last three years, there follows a list of the Group's main training indicators, demonstrating Sacyr's firm commitment to the issue.

TRAINING - KEY INDICATORS (SPAIN)

| INDICATOR | 2012 | 2013 |
|---|-----------|-----------|
| Total training hours | 89,741 | 93,915 |
| Investment (euros) | 843,670 € | 812,979 € |
| Number of employees trained | 2,461 | 2,901 |
| Average hours of training per year per employee | 5.8 | 5.4 |



In accordance with Sacyr's expansion policy, a new language training model has been examined that could be deployed among trained employees to improve per-employee cost ratios and the hourly cost of training.

One of the projects on this new language training model is the Corporate Programme known as the International Business Communication Program. It aims to boost competence and skill in English to improve fluency and level. Over a short period of time, the scheme combines a number of methodologies in an intensive course: classroom teaching + telephone training + seminars. The programme has been carried out six times to date.

In 2013 we continued to provide aid packages and incentives, and maintained the free training offered by the industry associations to which the Group's companies are affiliated.

HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY (SPAIN 2013)

| EMPLOYEE CATEGORY* | HOURS OF TRAINING | % |
|--------------------|-------------------|------------|
| Category 1 | 8.679 | 9,24 |
| Category 2 | 12.993 | 13,83 |
| Category 3 | 33800 | 35,99 |
| Category 4 | 38.443 | 40,93 |
| TOTAL | 93.915 | 100 |

(*) Note: category 1: Executives, category 2: middle managers, category 3: specialist personnel, category 4: other personnel.

Senior Executives received training in 2013 on the Senior Executive Finance Programme ("PAD FINANZAS") through the IESE Business School during the last quarter of the year.

The main content of the training provided in 2013 was as follows:

- Technical training (63%)
- Languages and development of language skills (25%)
- Skills – qualitative abilities (6%)
- IT, development of new technological and communications tools (6%)

Skills training is designed to equip employees with attitudes and qualitative abilities, and provide tools to strengthen management skills (team management, communication, negotiation etc.).



TRAINING 2013 BY AREA



Technical training remained the keynote in 2013 in accordance with our main objectives of improving our employee's aptitudes and recycling human resources.

This year, a Knowledge Management Platform was set up to encourage exchange of experiences and our know-how. Specifically, this means creating training communities, sharing knowledge, teaching and creating discussion forums.

The platform has a considerable investment ratio and allocates a substantial amount of time to language training, using a range of methodologies (one-to-one classes, group teaching, online teaching, telephone training, crash courses, immersion courses etc.), depending on the needs of employees. These schemes were devised as a response to the needs produced by the Group's growing international expansion.

Training is carried out using four procedures: classroom teaching, remote teaching, online teaching and mixed modules (a combination of the first three).

In 2013 most training courses were in the classroom and online.

Some mention should also be made of the online training conducted via the Group's platform, extending it to all employees for complete tailor-made courses with permanent availability and assessment by course tutors. The online platform catalogue is regularly updated and the courses offered are modified in accordance with the group's needs and circumstances - 69 courses are currently available.

The platform also provides "training itineraries" specifically for key groups at the Company (Services Managers, Heads of Service etc.), the contents of which focus on technical areas, skills and IT. This procedure is extremely productive, as 93.2% of employees (519) finally received training diplomas.

**TRAINING BY TYPES (SPAIN)**

| TYPE OF TRAINING | TOTAL HOURS | 2013 | TOTAL HOURS | 2012 |
|------------------|---------------|---------------------------|---------------|---------------------------|
| | | % OF TOTAL TRAINING HOURS | | % OF TOTAL TRAINING HOURS |
| Classroom | 48,667 | 52 | 39,609 | 44 |
| Remote | 11,730 | 12 | 21,270 | 24 |
| Online | 33,518 | 36 | 28,861 | 32 |
| TOTAL | 93,915 | 100 | 89,741 | 100 |

USE OF THE ONLINE TRAINING ROOM (2013)

| | |
|---|--------------|
| Number of users | 2,396 |
| Number of new users in 2013 | 519 |
| Training hours provided via the online classroom * | 23,002 |
| Investment in training via the online classroom (euros) | 183,190.85 € |
| Number of courses available | 69 |

There are a further two methods of training that include both these methods: internal training and external training. External training was deployed more in 2013 (86%), while internal training accounting for 14% of the total. In-house training courses are taught by employees who have the necessary training, experience and abilities, guaranteeing that the knowledge acquired will be applied in the work place.

Lastly, in order to ensure that the objectives established by the training department are met, an assessment and quality control procedure has been developed along two main lines:

- Positive impact of the training process, as measured by participation and achievement of objectives.
- Transfer of course contents to the actual work station.



Professional development

Sacyr is committed to each and every one of its employees and has firm convictions regarding their development potential, and for this reason provides them with opportunities to improve their work situation and implements active management policies to foster their professional growth at a leading company.

We also seek to improve communication and knowledge of the functions of each job at the Group, identifying and analysing current and future responsibilities and detecting employment opportunities to foster the personal and professional development of our teams. This helps us guarantee motivation, evaluation, recognition and development of the talent of our main asset: people.

In 2013 we identified the functions, synergies and capacity profiles required for posts abroad, and this assisting in analysing, identifying and drawing up an "international posts map" to be added to the Group's present facility. We also continue to regularly update our job descriptions, adapting and/or modifying them in accordance with each new business or situation.

Performance is measured through two consolidated programmes: objective-based management (OBM programme) and the annual performance interview (API programme).

Objective-based management provides Group managers with a tool to help oversee and organise teams. It helps achieve the following objectives:

- Establishing, communicating, monitoring, evaluating and recognising individual and group targets, helping to ensure that these are in line with the Sacyr strategy
- Transforming the company's objectives and those of the different business units into results.
- Motivating and retaining employees through performance-related remuneration, ensuring that the best performers are remunerated and valued accordingly.

The API programme measures and analyses both performance over the course of the year and the professional and skills profile of employees on the programme. At a year-end interview, both the interviewer and the employee have the opportunity to analyse and comment on the year's performance, highlighting successes and areas for possible improvements. The programme was devised to the benefit of all those working at the Company, those on the programme and also their superiors.



Infanta Cristina hospital
in Valdemoro (Madrid),
Spain.



All in all, it could be said this tool provides us with some extremely valuable information for our management of human resources. It gives us information on staff potential and the motivation of employees, helps us identify areas for improvement, facilitates decision-making by managers and helps them organise their work teams, and additionally it makes employees aware of their own capacities.

So it was that 2013 saw consolidation of evaluations of performance by technical staff, providing us with valuable information concerning the professional development and careers of all our employees.

| BUSINESS UNITS | GROUP 2013 | % DIF. | GROUP 2012 |
|----------------|--------------|--------------|--------------|
| Holding | 243 | 4.33 | 254 |
| Construction | 527 | 6.68 | 494 |
| Development | 28 | -36.36 | 44 |
| Property | 37 | -7.50 | 40 |
| Services | 630 | 32.91 | 474 |
| Concessions | 90 | 15.38 | 78 |
| TOTAL | 1,555 | 12.36 | 1,384 |

This commitment to identifying and managing employee talent has also led us to develop other tools, much more specific and tailored to the various groups targeted. These tools enable us to accurately and objectively identify the potential of each employee, and also the most appropriate action plans for subsequent development.

Professional Itineraries have been devised for high-potential employees, and immersion and development procedures and rotation by different departments and/or lines or business are helping us capacitate, boost and consolidate the technical and management capacities of those assigned to key functions within the organisation.

Development Roadmaps: Development Roadmaps are tools used by the Development Department. Their main purpose is to manage key employee groups within the Company across the Department's three areas of concern – Training, Development and Remuneration.

"Talentya" Programme: This is a comprehensive career development programme that runs for approximately 36 months, aimed at graduates joining Sacyr. Mentoring and specific training activities help lock in trainees' technical expertise and enhance their management skills, while honing their executive and language competencies, with a view to taking up key positions in the organisation.

The HR Development department, with the support of tutors and mentors in the various business areas – Construction, Property Development, Services, Concessions and Property Management - runs the programme from a threefold perspective:

- Regular monitoring of trainees via assessment processes that evaluate performance and skill levels, review goals and objectives, and identify areas for improvement, while detecting each trainee's potential.



- Individual training programmes shaped by needs and by each trainee's stage of development, using all methodologies and resources.
- Recognition of effort and target achievement via a system of pay rises.

The target group benefiting from the Development Roadmap comprises more than 40 employees, who took part in over 50 training modules totalling 1,500 teaching hours.

Internal Mobility Programmes: To manage the talent of our employees, the Human Resources Department has further developed the Internal Mobility Programmes to give them priority over external options, thus guaranteeing job stability and professional development. This procedure, as part of the culture of management of persons, enabled 141 professional vacancies to be filled by internal employees, an increase of 23% against 2012.

For proper management of mobility, however, especially abroad, it has been necessary to identify all employees with the best profiles for posts abroad, and also those with personal worries about developing their professional career overseas. We have therefore performed surveys to identify employees with international potential to take up key posts, depending on the present and future needs of the Company.

We have also continued to work on the professional relocation of internal staff who are pending completion of projects in the Company's various lines of business.

Social benefits

Salaries are not the only way in which Sacyr employees are rewarded for their professional activity. Sacyr offers its employees a range of social benefits that help improve their standard of living. These include:

- Life and accident insurance
- Medical insurance
- Discounts at certain establishments
- Discounts at corporate travel agencies
- Company cars for executives

On top of these social benefits, as another salary-related measure to attract and retain talent, work was carried out in 2013 to design Sacyr Flex, a flexi-pay system allowing employees to choose how to receive their annual pay to meet their personal and family needs at any given time.

Employees may choose services from a package that will be adapted to each group depending on their remuneration, with tax breaks against greater net availability.



Encouraging a work-life balance

A good balance between the professional and personal responsibilities of personnel improves employee satisfaction and benefits the company as a whole. Therefore, as set out in the Code of Ethics and Conduct, the Group is committed to implementing measures aimed at achieving such a balance.

To this end, Sacyr strives to go beyond mere compliance with legislation and secure a high level of employment flexibility enabling its employees to fully meet their family responsibilities.

Initiatives implemented in this area include:

- **Flexible working hours:** employees enjoy a degree of flexibility in terms of their arrival, departure and lunch times.
- **Shorter working day without breaks:** employees work through from 08:00 h to 15:00 h every Friday of the year and in summer.
- **Target-based work:** this scheme attaches more importance to the achievement of annual targets than actual time spent at the work station.
- **Reduction of working hours:** this prioritises requests for fewer working hours by employees who are legal guardians and are directly responsible for family members that, due to their age, accidents or illness, cannot look after themselves.
- **Breast-feeding leave:** employees may accumulate hours of paid breast-feeding leave into full working days, even if this is not stipulated under the collective labour agreement.
- **Leave of absence:** employees may request the company to temporarily suspend their employment contracts.
- **Internal mobility:** employees can request a change in job location or position in order to be closer to home, obtain a better employee-job match etc.

Equal opportunities and non-discrimination

Sacyr is committed to managing its human resources strictly on the basis of professional criteria, preventing all types of discrimination due to race, religion or convictions, political or trade union views, nationality, language, gender, marital status, age or disability.

Sacyr strenuously endeavours to ensure that all employees receive equal treatment at all Group companies, and undertakes, as part of its Equal Opportunities Plan, to safeguard the following basic principles:

- A guarantee of equal treatment and opportunities for women and men.
- Employment equality between the sexes during selection, hiring, promotion processes etc.
- Eliminating any pay differences between men and women carrying out the same tasks under the same conditions.



- A guarantee of welfare and non-discriminatory treatment of women working at any Group company.
- A work-life balance for staff through specific measures to compatibilise family life and professional life.
- Encouraging and improving the possibilities of access by the sex with a smaller representation in posts of responsibility, towards a more balanced proportion of women and men.
- Preventing and rectifying any patterns of behaviour or actions that could constitute sexual harassment or sexual discrimination.

In June 2013 a specific Equality Plan was signed up with social agents for the Services division, creating a monitoring committee coordinated by the Head of Equality to ensure that the commitments undertaken are met and that measures are taken. A specific area was also created on the corporate intranet addressing work-life balance and equality.

Sacyr also operates active employment policies with a particular focus on disadvantaged groups such as immigrants and the disabled. Some of the main initiatives implemented in 2013 are described below:

- **Persons with disabilities:** In 2013, the number of disabled employees rose by 33.51%. At 31 December 2013 they accounted for 2.8% of the Group's total work force in Spain. Sacyr aims to continue increasing this percentage in the years ahead.

The Department of Employment and Social Security Inspections issued Sacyr with a certificate of compliance with the percentage of disabled employees demanded by Law 13/82 of 7 April governing Social Integration and Inclusion of the Disabled.

- **Victims of gender-based violence:** As part of the framework of an agreement with the Ministry of Employment and Social Affairs, in 2014 Sacyr plans to continue its work to create awareness with regard to employment insertion for this group. The table inset summarises our initiatives in this area.
- **Immigrants:** Pursuant to the agreement drawn up in 2007 between the Senagalese authorities and the Spanish Ministry of Employment, the communication and consultancy channels for this group were maintained in 2013.



A specific unit has been set up within the Human Resources Department to implement and manage integration projects for disadvantaged groups. This unit assists and advises these groups during the integration process.

In 2013, no cases of discrimination were reported at any Sacyr Group company. The company has worked with businesses and contracted services from foundations and special employment centres mainly staffed by people with disabilities.

In an increasingly changing working environment beset by many challenges, the Group provides the skills and knowledge necessary to state its corporate commitment to diversity of nationalities, demonstrating we are an open, streamlined, supportive organisation that acknowledges and appreciates this diversity.

Here it should be pointed out that more than 60 nationalities are represented at Sacyr in Spain, particularly employees from Ecuador, Romania and Morocco.

Elimination of child and forced labour

Sacyr does not tolerate child labour or any form of forced labour, and is committed to strict enforcement of the International Labour Organisation's standards in relation to these issues.

Consequently, Sacyr refuses to avail itself of any such labour in any shape or form, and will not use any products or services arising from them. Furthermore, the Group will require all its employees, suppliers and contractors to strictly observe this principle.

In 2013, no incidents related to child labour or forced labour were reported in the scope of the Group's activities, nor were any operations detected that were likely to generate this type of risk.

Freedom of association and labour/management relations

Sacyr safeguards freedom of association, union representation and collective bargaining of all its employees, pursuant to prevailing legislation in each country. In 2013, over 780 employees acted as legal personnel representatives in bodies operated by the trade unions at Group companies.

No company activities may jeopardise basic freedom of association. Moreover, the company offers employees the possibility – at all Group companies, regardless of their location – of directly paying union dues from their salaries, with the company itself transferring payment to the union.

In Spain, 100% of the Sacyr work force is covered by sectoral collective labour agreements, depending on the tasks performed, while local laws and regulations apply in the rest of the world. In addition, employees in Group companies with union representation regularly meet with union representatives to ensure that their concerns are addressed.

As established in prevailing legislation, employees may discuss any concerns they have with their representatives. Subsequently, works committees make these issues known to company management through their regular meetings.



At Group companies where employees have legal representation, the opinions of employees are taken into account before decisions are made that affect all staff, as laid down in the Employee Statute. At other companies lacking this type of representation, the Human Resources Department takes the opinions and suggestions of the employees concerned into consideration.

Minimum periods for redundancy notice, consultation and negotiation with employees and/or their representatives concerning operational changes will depend on the specific circumstances of each case. Where possible, these issues will be mutually agreed between the company and its employees, and otherwise the organisation will proceed in accordance with prevailing legislation and the provisions of collective employment agreements.

Agreements regulating working conditions and occupational hazards are particularly important in relations between the company and employee representatives, and special attention is paid to these issues.



6.5

Occupational health and safety

Maximum safety of all employees in the performance of their tasks is a priority for Sacyr. To this end, the Group is committed to providing a safe and stable environment for its employees and constantly updates its occupational health and safety measures. In addition, it fully complies with prevailing legislation in all the countries in which it operates.

Sacyr Group has adopted the concept of integrated safety and has established an occupational health and safety policy aimed at improving working conditions and raising the level of protection, health and safety of its employees.

In line with prevailing occupational health and safety regulations, preventive initiatives at Sacyr are carried out using both its own resources and others arranged with an external risk prevention service:

- **Joint Prevention Service:** This prevention service covers three of the prevention areas required by law: workplace safety, industrial hygiene and ergonomics and psychosociology. These matters are overseen by qualified specialists performing senior and intermediate level functions on a full-time basis. The Joint Prevention Service is overseen by the Group's Head of Innovation.
- **Support Structure:** Basic level technicians, working on a part-time basis at work centres, form part of the production line and directly oversee the production process.

- **External Prevention Service:** The prevention areas not managed by the Joint Prevention Service, such as workplace medical attention (health monitoring), are currently handled by an external prevention service. Coordination between the company's in-house prevention service and the external service is the responsibility of a senior prevention technician employed by Sacyr.

In 2013 Sacyr companies again submitted their risk management for legal and compliance audits, the outcome of which was successful.

Certified Risk Prevention System

In addition to fully complying with all legal requirements, all Sacyr companies are implementing occupational health and safety management systems certified to OHSAS 18001, the principal international benchmark for occupational health and safety ("OHS").

The system has been deployed at 36 Group subsidiaries, and this means that more than 80% of the Company, based on turnover, has been certified.

This OHS management system helps to correctly identify, review, manage and improve monitoring of the occupational risks to which Group employees are exposed and to comply with prevailing legislation.



Within the scope of this management system, and as required by OHSAS 18001, Sacyr sets annual targets aimed at constantly improving its occupational risk management. Proposals for 2013 include:

- An incidence rate 10% lower than the previous year.
- Exceeding the average score of the previous year in both documentary and field safety terms, as stipulated in the management review.
- Reducing accidents caused by physical exertion by 10% compared to the previous year.

Dissemination of the Group's prevention policy

Sacyr's management considers that maximum occupational safety requires that employees be fully aware of the risks to which they are exposed in their jobs and of the importance of taking proper preventive measures.

Sacyr therefore encourages all employees to familiarise themselves with the guidelines of the company's occupational health and safety policy and incorporate them into their working environment. To this end, the Group informs employees of the policy and distributes related documentation through training programmes tailored to each functional area and hierarchical level within the company.

By way of example, the following are a few of the prevention courses taught:

- Company Management Staff Course
- Construction Agreement Cycle II Courses
- Bridge crane operator courses
- OHS for office cleaning
- OHS in tunnelling work, based on ITC 02.1.02

Both the Occupational Health and Safety Manual and the General Procedures are available to all employees through the Sacyr Portal and the "PRESYV" application. Employees can also use the Sacyr Portal for technical guides, prevention documentation and technical notes for prevention of occupational hazards.

Employee representation in OHS matters

In Spain, 45% of Sacyr employees are represented on health and safety committees.

Additionally, 7% of the total Sacyr work force has union representation through prevention officers. Although these officers do not form part of a health and safety committee because the minimum number of employees is not met, they actively participate in health and safety-related issues by periodically attending meetings with company representatives.



Results of occupational health and safety management

Sacyr's endeavours in the field of occupational health and safety have significantly raised workplace quality, as measured by an internal scoring system that assesses each work centre in relation to the fulfilment of prevention obligations.

The occupational accident rate fell against last year's figures, and remains below the figures released by the Ministry of Employment for the two sectors in which most of the work force is employed. The calculation system is that recommended by the standard criteria of the Spanish OHS Institute ("INSHT"), i.e. frequency, seriousness and incidences, along with the criteria set out in section LA7 of the Global Reporting Initiative.

All the statistics set out below refer to Spain only:

| | INCIDENCE INDEX | FREQUENCY INDEX | SERIOUSNESS INDEX | EMPLOYMENT INDEX |
|------------------------|--------------------|--------------------|----------------------|---------------------|
| TOTAL GROUP 2012 | 6,089.98 | 23.51 | 0.53 | 0.007 |
| TOTAL GROUP 2013 | 5,914.3 | 22.50 | 0.55 | 0.0010 |

In 2013, Sacyr reported one fatality at Valoriza Servicios Medioambientales and fourteen cases of professional illnesses.

In terms of accidents involving subcontractors, one fatal accident and one serious accident were recorded in 2013. The Prevention Service carried out the usual investigation for these cases, analysed the causes and took the necessary measures to prevent any reoccurrences.

In terms of typologies, the major accidents over the last two years were as follows:

| TYPOLGY | % 2012 | % 2013 |
|--|-----------|-----------|
| Physical exertion of the muscular-skeletal system | 40 | 41 |
| Crushing on or against objects after a fall | 23 | 20 |
| Crushing on or against objects after tripping over or falling on a stationary object | 8 | 9 |

Accidents over the last two years, broken down by sex, were as follows:

| | 2012 | 2013 |
|-------|------|------|
| Men | 379 | 412 |
| Women | 368 | 370 |
| Total | 747 | 782 |

Accidents are notified and recorded in the standard reporting format published in Order TAS/2926/2002 of 19 November for Electronic Occupational Accident Declaration System (Delt@), accessible at: <http://www.delta.mtin.es>



Cooperation with leading OHS agencies

The Group works with a range of organisations specialising in the promotion of occupational health and safety. This allows the Group to pool information and experiences with other agents, strengthening its management in this field. These organisations include:

- The National Occupational Health and Safety Commission ("Comisión Nacional de Seguridad y Salud en el Trabajo").
- CEOE.
- CNC.
- Madrid Association of Architects and Master Builders ("Colegio Oficial de Arquitectos y Aparejadores Técnicos de Madrid").
- SEOPAN Health and Safety Committee.
- The Madrid Association of Construction Companies ("AECOM").
- The Spanish Association of Park and Garden Maintenance Companies ("ASEJA").
- The Spanish Association of Cleaning Companies ("ASELIP").
- ACEX.
- The Construction Industry Labour Foundation ("Fundación Laboral de la Construcción").

Contractors and occupational hazards

In addition to guaranteeing the health and safety of its own employees, Sacyr also takes appropriate measures to guarantee the safety of subcontracted employees.

It deploys a specific "Business Coordination" procedure to this end, the main objectives of which are as follows:

- To ensure that subcontracted workers are fully informed about the risks to which they are exposed in their respective jobs and about the protective and preventive measures applicable.
- To ensure that subcontractors effectively fulfil their responsibilities, taking all necessary measures and providing their employees with the appropriate means to ensure their safety.

In 2013 Sacyr complied with construction industry subcontracting regulations, limiting the number of levels in the subcontracting chain by using subcontracting records and requiring subcontractors to produce evidence of compliance.



Valles
Bío Bío in
Chile.



6.6

Role of shareholders in the strategy

Sacyr continually strives to ensure ongoing and constructive contact with shareholders and investors in general, in addition to transparency concerning its performance and future plans.

Through the Investor Relations Department, which forms part of the Finance and Corporate Development Department, the Group maintains ongoing dialogue with analysts and investors and fluid communication with its minority shareholder.

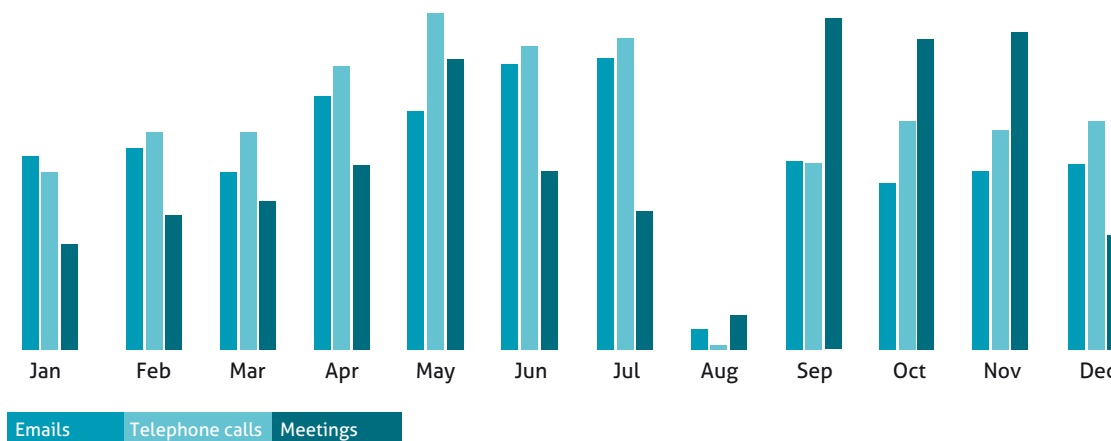
The "Shareholder and Investor Information" section of our web site (www.sacyr.com) provides updated information on all key corporate and financial developments and on the company's performance. All information is updated as soon as it becomes public, in both Spanish and English.

Sacyr's shareholder communication channels are as follows:

- **Shareholder hotline:** 902.196.360
- **Web site:** www.sacyr.com
- **E-mail:** IR@sacyr.com
accionistas@sacyr.com

One of the guiding principles underlying Company policy is transparency of information. In particular, it ensures that information reported to shareholders, to the markets where its shares are listed and to the bodies regulating these markets is true and complete, that it accurately reflects its financial position and the result of its operations, and that it is submitted in compliance with the deadlines and other requirements established in applicable regulations, with general market principles and with the good governance principles the company has undertaken to apply.

SHAREHOLDER SERVICE 2013





6.7

Communication with stakeholders

Sacyr is aware of the imperative need to establish dialogue channels to guarantee fluid two-way communication with its stakeholders. It is therefore committed to full transparency in its communications and to establishing mechanisms allowing all stakeholders to express their views and opinions.

Some of Sacyr's main channels of dialogue and engagement with stakeholders are as follows:

Employees

"Portal Sacyr", the Group's intranet, provides gives employees access to a wide variety of content and applications, including:

Information on the organisation (internal regulations, directory, organisational charts, informative notes, integrated report, etc.).

A communication section containing, among other items, a daily press review or Sacyr press releases.

"Contactar", an intranet space through which Group employees can submit comments, questions, suggestions or requests to different mailboxes within the organisation (suggestions, training, R+D+i, Green Mail Box).

A series of thematic sites containing information on specific issues (quality and environment, supplies, planning, prevention, R+D+i, technology etc.).

A specific tool designed to facilitate, streamline and personalise communication between all employees and the Human Resources Department by giving them new functions and greater information and providing a better overall service.

Conduct Helpline: this is a mechanism whereby staff can confidentially report any irregularities they detect regarding the behaviour of the organisation or its employees. It is available through the intranet, e-mail and internal mail.

Shareholders, analysts and investors

General Meeting of Shareholders: this is an excellent forum for interchanging information between company directors and shareholders. At these meetings, directors report on the progress of the company, its profits, and the main milestones reached and planned, while shareholders can request information and clarification and make any comments they deem appropriate.

Annual Report: Sacyr and its listed subsidiary Testa draw up an annual report presenting their financial results and the major milestones during the period.

Interim Consolidated Financial Statements: these may be consulted at the CNMV web site, www.cnmv.es, and at the web site www.sacyr.com. This provides detailed half-yearly information on the Company's accounts.



Quarterly reports: Sacyr and its listed subsidiary draw up quarterly reports setting out the most significant operating and financial information for the period, including a consolidated income statement and balance sheet at the quarterly close, a description and analysis of each business area, resolutions by the Board, stock market performance and the current shareholding structure.

Annual Corporate Governance Report: in accordance with prevailing legislation, Sacyr and its listed subsidiaries prepare this annual report providing information on the following: ownership structure, administrative structure, operations with related parties, risk control systems, functioning of the General Meeting, and the degree of compliance with good governance recommendations.

Financial Report: this is published quarterly, and contains the most important information on the company's progress, its financial performance, trends in its business areas, and stock market performance, among other issues.

The Sacyr web site and that of its listed subsidiary: these contain all relevant corporate and financial information regarding the performance of the companies, and all information made public in different financial and economic reports and communications (annual report, quarterly results etc.).

Personal assistance: the Investor Relations Department provides shareholders, analysts and investors with a number of direct, personalised contact channels:

- **Telephone** (shareholder hotline: 902 19 63 60).
- **E-mail** IR@sacyr.com and accionistas@sacyr.com)
- **Personal meetings:** Investor Relations Department personnel meet stakeholders on request.

Customers

- **Satisfaction surveys:** Sacyr conducts surveys among its customers to ascertain their level of satisfaction with the products and services acquired, their needs and expectations. Information obtained through these surveys is used as a reference point in ongoing improvement processes.
- **Direct dialogue:** Sacyr maintains a close and longstanding relationship with many of its customers, based on permanent dialogue and close ties. This is the case, for example, of relationships forged with many public entities that repeatedly require the services of Group companies, and these relationships go back many years.



- **After-Sales Service:** Through this channel, Sacyr deals with any customer complaints that may arise and takes the necessary steps to resolve the situations at the root of the complaints.

Public authorities

In addition to regulating the framework in which Sacyr carries out its activities, public authorities are also one of its main customer groups. Consequently, over the years a number of channels have been established to guarantee fluid, constant dialogue with this stakeholder group. For instance, meetings are held regularly between members of Group management and public representatives. Sacyr is also involved in forums and work groups organised by the public sector and co-hosts special events, among other initiatives.

Suppliers and contractors

Sacyr establishes cooperation relationships with suppliers and contractors based on confidence, transparency of information and shared knowledge, experience and capacities. These relationships aim to achieve common goals and guarantee mutual benefit.

Media

Press releases: information is released to the media on new developments in the Group's activity.

Web site: Sacyr's corporate web site includes a section for the press and the general public, where the following information is available:

- Press releases issued by Sacyr.
- Press dossier containing the major news items concerning the Company published in newspapers and magazines.
- Details of press conferences on results, corporate operations etc.
- Photographs of assets and projects in all the Company's areas of activity.
- Graphs and charts showing Sacyr's key financial indicators.
- **Personal assistance:** Sacyr makes the following channels available for the media to directly contact the Communication Department:
 - **Telephone:** 91 545 52 94.
 - **E-mail:** comunicacion@sacyr.com



Local communities, NGOs and other civil entities

- **Web site:** the web site contains a wealth of updated information on many aspects of the organisation, and is Sacyr's main external communication channel.
- **Annual Corporate Responsibility Report:** this yearly report fulfils Sacyr's commitment to report on its performance from a three-fold economic, social and environmental perspective. The report contains a section in which readers are invited to submit any queries, comments or suggestions they may have.
- **E-mail boxes:** Sacyr makes two e-mail addresses available to the public, a general e-mail (info@sacyr.com) and an e-mail address for corporate social responsibility issues (rcorporativa@sacyr.com). Any interested party can submit inquiries, opinions, comments, or suggestions etc.



SUMMARY OF MAIN COMMUNICATION CHANNELS USED BY SACYR

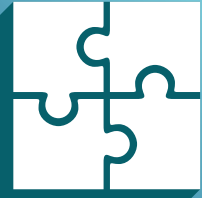
| STAKEHOLDER | COMMUNICATION CHANNELS | SACYR AS RECIPIENT | SACYR AS ISSUER |
|--|--|--------------------|-----------------|
| Employees | | | |
| | Group intranet ("Portal Sacyr") | | • |
| | Employee mail boxes (suggestions, training, R+D+i, Green Mail Box etc.) | • | |
| | Conduct Helpline | • | • |
| | Employee portal | • | |
| Shareholders, analysts and investors | | | |
| | General Meeting of Shareholders | • | • |
| | Annual and six-monthly financial statements | | • |
| | Quarterly reports | | • |
| | Annual Corporate Governance Report | | • |
| | The Sacyr web site and those of its listed subsidiaries | • | |
| | Personal assistance | | |
| Customers | | | |
| | Satisfaction surveys | • | |
| | Direct dialogue | • | • |
| | After-sales service | • | |
| Public authorities | | | |
| | Direct dialogue | • | • |
| | Meetings between members of Sacyr's senior management and public representatives | • | • |
| | Sacyr involvement in forums and working groups arranged by public authorities | • | • |
| | Co-hosting of events | | |
| Suppliers and contractors | | | |
| | Direct dialogue | • | • |
| Media | | | |
| | Press releases | | • |
| | Web site | | • |
| | Personal assistance | • | • |
| Local communications, NGOs and other civil entities | | | |
| | Web site | | • |
| | Annual Corporate Responsibility Report | • | • |
| | E-mail boxes | • | |



Emergency work
El Saltador,
Almería, Spain.



07



Business results



7.1 Group

Income Statement

CONSOLIDATED INCOME STATEMENT (Thousands of Euros)

| | DECEMBER | | % VAR. 13/12 |
|---|------------------|-------------------|-----------------|
| | 2013 | 2012* | |
| Revenue | 3,065,026 | 3,423,873 | -10.5% |
| Other income | 186,309 | 204,143 | -8.7% |
| Total operating income | 3,251,335 | 3,628,016 | -10.4% |
| External and operating expenses | -2,868,947 | -3,042,202 | -5.7% |
| GROSS OPERATING PROFIT | 382,388 | 585,814 | -34.7% |
| Depreciation and amortisation | -186,961 | -185,274 | 0.9% |
| Change in provisions | -104,358 | -369,905 | -71.8% |
| NET OPERATING PROFIT | 91,069 | 30,635 | 197.3% |
| Net finance expense | -341,061 | -363,075 | -6.1% |
| Gains/losses on exchange differences | -9,904 | 479 | n.s. |
| Share of profit from equity-method companies | 160,137 | -869,090 | n.s. |
| Provisions for financial investment | -46,270 | -36,336 | 27.3% |
| Change in value of financial instruments at fair value through profit or loss | -7,812 | -9,661 | -19.1% |
| Gain/(loss) on disposal of non-current assets | 27,864 | 37 | n.s. |
| Profit before tax | -125,977 | -1,247,011 | 89.9% |
| Income tax | -187,667 | 347,834 | n.s. |
| PROFIT FROM CONTINUING OPERATIONS | -313,644 | -899,177 | 65.1% |
| NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | -188,874 | -77,575 | -143.5% |
| PROFIT FOR THE YEAR | -502,518 | -976,752 | -48.6% |
| Attributable to non-controlling interests | 6,587 | -784 | n.s. |
| NET ATTRIBUTABLE PROFIT | -495,931 | -977,536 | 49.3% |

* Restated

The 2013 results show the effect of certain adverse impacts on EBITDA and net profit, as follows:



| (Millions of Euros) | EBITDA | PROFIT AFTER TAX |
|----------------------------------|------------|------------------|
| ACCOUNTING PROFIT | 375 | -496 |
| Panama Canal | -182 | -127 |
| Property business | | -168 |
| Regulation of renewable energies | -28 | -58 |
| Restructuring of tax credits | | -246 |
| BALANCES WITH NO IMPACT | 585 | 103 |

Sacyr posted pre-tax accounting losses of €182 million on operations by Sacyr Construcción through the GUPC Consortium on the Third Set of Locks for the Panama Canal project.

On 27 February 2014, Grupo Unidos Por el Canal (GUPC Consortium) announced completion of negotiations with the Panama Canal Authority with a final conceptual agreement to solve the financing problems concerning construction of the Third Set of Locks on the Panama Canal.

The agreement was reached in accordance with the aim of the GUPC Consortium to produce an integral focus to provide funds for the project through a co-financing agreement to carry out construction pending the outcome of arbitration to allocate final responsibility concerning additional project costs. The agreement is subject to a documentation process, which is now underway and will shortly culminate in signature

Other accounting impacts refer to write-downs of real estate risk (Vallehermoso), new renewable energy regulations, and registration of valuations of other assets on a criterion of prudence.

In 2013 Sacyr decided to put up its real estate development division for sale. Vallehermoso was subsequently considered a discontinued business, and in 2013 negotiations were finalised with the banks to liquidate stocks as part of a process that is still ongoing and should be completed in the coming months.

As a result, Vallehermoso's assets and liabilities were included under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale", while its net contribution to profit and loss is recognised under "Profit/(loss) for the period from discontinued operations". To facilitate comparisons, 2012 data have been restated.



Sacyr carried out several successful transactions in the first half of 2013 under its global asset rotation and debt reduction strategy. These transactions helped reduce net financial debt by €743 million and significantly reduce more complex debt renewals.

- In February Sacyr Concesiones sold its 35% stake in Autopista del Sol and concession rights in the Autopista del Valle motorway, both in Costa Rica. The deal was worth €103 million, which corresponds to the debt associated with the stake and the acquisition price.
- In July Sacyr Concesiones sold its 45% stake in the M-50 motorway concession in Ireland for €125 million.
- In April Testa sold an office block in Miami for €141 million, securing pre-tax capital gains of €53 million. The proceeds were used to cancel the mortgage on the property.
- In July Testa sold its shares in Tesfran, the owner of the Tour Adriá building in Paris, to a French real estate fund. The structure of the sales means that Testa, with a 32% share, remains a non-controlling shareholder in the new owner of the building. The proceeds from the sale, which were not significant, were used to reduce net financial debt by €374 million.



7.2

Remarks on significant aspects

Revenue and EBITDA

Sacyr's consolidated revenue at 31 December 2013 amounted to €3,065 million.

The change with respect to the previous year was -10%, mainly due to the following factors:

- The slowdown in construction activities.
- The decline in leasable surface area at Testa following the sale of an office building in Miami and another in Paris in 2013.
- The impact on Valoriza revenue of recent government regulations concerning renewable energies.
- The completion of enlargement work on the Perth desalination plant (Australia), which resulted in a larger contribution to Valoriza's revenues in 2012.
- With respect to Concessions business, increased construction revenue on concessions awarded in Chile in 2012 offset the impact of disposals carried out in 2013 (the Autopista del Sol and Autopista del Valle motorways in Costa Rica and the M-50 in Ireland).

REVENUE

(Thousands of Euros)

| | DECEMBER | | % CHG. | % CHG. 13/12 |
|---|------------------|------------------|-----------------|--------------|
| | 2013 | 2012* | | |
| Construction (Sacyr Construcción - Somague) | 1,891,068 | 1,975,525 | -84,458 | -4.3 |
| Services (Valoriza) | 1,073,998 | 1,123,016 | -49,018 | -4.4 |
| Concessions (Sacyr Concesiones) | 290,585 | 267,212 | 23,373 | 8.7 |
| Property management (Testa) | 219,685 | 251,627 | -31,942 | -12.7 |
| Holdings and adjustments | -410,310 | -193,508 | -216,802 | |
| REVENUE | 3,065,026 | 3,423,873 | -358,847 | -10.5 |
| International | 1,614,105 | 1,481,714 | | 9 |



EBITDA stood at €375 million. As mentioned above, the accounting impacts in 2013 of the Panama Canal and the introduction of Royal Decrees to regulate electricity prices brought the margin down

with respect to 2012. Stripping out these effects, EBITDA would have totalled €585 million. The operating margin/revenue ratio was 12.3%.

EBITDA

(Thousands of Euros)

| | DECEMBER | | % |
|---|-----------------|----------------|---------------|
| | 2013 | 2012 | |
| | | | CHG. 13/12 |
| Construction (Sacyr Construcción - Somague) | 138.784 | 114.780 | 20.9% |
| Services (Valoriza) | 115.709 | 178.624 | -35.2% |
| Concessions (Sacyr Concesiones) | 96.712 | 94.123 | 2.8% |
| Property management (Testa) | 217.099 | 217.776 | -0.3% |
| Holdings and adjustments | -185.917 | -19.488 | |
| GROSS OPERATING INCOME | 382.388 | 585.814 | -34.7% |
| EBITDA margin (%) | 12.5% | 17.1% | |

By activity, the EBITDA margins were 7% for the Construction business and 58% for the Concessions business. Meanwhile, in the Rental Property business, the EBITDA margin, excluding asset rotation, remained stable in the region of 78%.

EBITDA in the Services business fell, affected by regulations governing energy tariffs, leaving an EBITDA margin of nearly 11%, as we had projected in our previous results presentation.

EBITDA MARGIN

(Thousands of Euros)

| | DECEMBER | | % |
|---|------------|------------|------------|
| | 2013 | 2012* | |
| | | | CHG. 13/12 |
| Construction (Sacyr Construcción - Somague) | 7% | 6% | 2 |
| Services (Valoriza) | 11% | 16% | -5 |
| Concessions (Sacyr Concesiones)* | 63% | 59% | 0 |
| Property management (Testa)** | 78% | 79% | -1 |
| GROSS OPERATING INCOME | 12% | 17% | |

* No construction income

** No net gains on asset sales



International activity

Revenue from international business at Sacyr accounted for 53% of total revenue at 31 December 2013, compared to 43% at 31 December 2012. International revenue from 19 countries is still rising, and will continue to rise in view of the large international component of the backlog.

International revenue advanced by 9%. This growth was driven mainly by business in Chile, Bolivia and Brazil, while the economic downturn in Spain caused domestic revenue to fall by 25% with respect to 2012.

| REVENUE (Thousands of Euros) | DECEMBER | | % |
|---------------------------------|------------------|------------------|---------------|
| | 2013 | 2012 | |
| Spain | 1,450,921 | 1,942,159 | -25% |
| International | 1,614,105 | 1,481,714 | 9% |
| REVENUE | 3,065,026 | 3,423,873 | -10.5% |
| INTERNATIONAL | 53% | 43% | |

Business in Chile generated 26% of international revenue, thanks to work on the concessions awarded last year.

Net finance income/(costs)

Net finance results stood at -€341 million, as against the -€363 million reported in 2012, down by 6% as a result of the decrease in group debt and a reduction in fees and other borrowing costs. The average interest rate on debt fell from 4.00% at 31 December 2012 to 3.89% in 2013.

This heading in the income statement includes €151 million from our holding in Repsol. Of this amount, €18 million were accounted for by our share in Repsol's €195 million of net profits at 31

December 2013, and €133 million by the write-down in the fair value of the holding after an impairment test (€19.9/share).

Last year, this included a loss of €859 million, of which €207 million were accounted for by our share in Repsol's net profit and -€1,066 million by the write-down in the fair value of the holding after an impairment test.



Revenue backlog

The revenue backlog stood at €37,741 million, comprising mostly recurring business: concessions and services, which represent 65% and 31% of

the total respectively, not to mention the large construction backlog relating to contracts awarded, mainly abroad.

BACKLOG

(Thousands of Euros)

| | DECEMBER | | % CHG. 13/12 |
|---|-------------------|-------------------|-----------------|
| | 2013 | 2012* | |
| Sacyr Construcción - Somague (construction backlog) | 4,587,644 | 5,998,030 | -23.5 |
| Sacyr Concesiones (revenue backlog) | 20,030,617 | 19,223,000 | 4.2 |
| Testa (leases to due date) | 1,648,797 | 1,866,013 | -11.6 |
| Valoriza (services backlog) | 11,474,001 | 11,558,272 | -0.7 |
| BACKLOG | 37,741,060 | 38,645,315 | -2.3 |

* Adjusted for divestments in 2013

The backlog has a notable international component, representing over half the Group total.

BACKLOG

(Thousands of Euros)

| | INTERNATIONAL | SPAIN | % INTERNATIONAL |
|---------------------|-------------------|-------------------|--------------------|
| Construction | 3,695,682 | 891,962 | 81 |
| Concessions | 12,931,810 | 7,098,807 | 65 |
| Property Management | 0 | 1,648,797 | 0 |
| Services | 3,535,560 | 7,938,441 | 31 |
| BACKLOG | 20,163,053 | 17,578,007 | 53 |



In construction, this figure rises to 81% due to the large number of orders won outside Spain, including contracts in Chile (for the La Serena-Ovalle, La Serena-Vallenar and Concepción-Cabrero motorways and link roads to Iquique, construction of the Antofagasta hospital, the Monteverde desalination plant and link roads for the Aguasanta mining project), Italy, Panama, Israel, Angola, Cape Verde, Colombia, Bolivia, Qatar, India, Peru and Brazil.

The international concessions backlog accounts for 65% of the total, from our concessions in Chile, Italy, Portugal and Ireland, and the recent award of the "Longitudinal de la Sierra" motorway project in Peru.

Valoriza's international backlog stands at 31% of this division's total, operating in Israel, Algeria, Australia, Brazil, Portugal, Bolivia and other countries, mainly water and industrial projects.



Ruta del Algarrobo,
Chile



Consolidated balance sheet

CONSOLIDATED BALANCE SHEET

(Thousands of Euros)

| | DECEMBER | | CHG. 2013 |
|--|-------------------|---------------------|-------------------|
| | 2013 | 2012 | |
| Non-current assets | 8,905,596 | 9,787,236,28 | -881,641 |
| Intangible assets | 10,192 | 11,614 | -1,422 |
| Investment properties | 1,869,197 | 2,494,075 | -624,878 |
| Concession projects | 1,384,566 | 1,384,558 | 8 |
| Property, plant and equipment | 478,772 | 552,712 | -73,940 |
| Financial assets | 5,026,737 | 5,199,104 | -172,368 |
| Other non-current assets | 3 | 2,045 | -2,042 |
| Goodwill | 136,129 | 143,128 | -6,999 |
| Current assets | 4,251,676 | 5,174,013 | -922,337 |
| Non-current assets held for sale | 1,084,768 | 199,668 | 885,100 |
| Inventories | 483,905 | 1,996,548 | -1,512,643 |
| Receivables | 1,997,925 | 2,124,693 | -126,768 |
| Financial assets | 237,147 | 227,767 | 9,380 |
| Cash | 447,930 | 625,337 | -177,407 |
| TOTAL ASSETS/LIABILITIES | 13,157,272 | 14,961,249 | -1,803,977 |
| Equity | 967,507 | 1,476,156 | -508,649 |
| Shareholders' equity | 919,983 | 1,427,762 | -507,779 |
| Non-controlling interests | 47,524 | 48,394 | -870 |
| Non-current liabilities | 6,646,875 | 7,723,907 | -1,077,032 |
| Loans and borrowings | 5,713,856 | 6,634,815 | -920,959 |
| Financial instruments at fair value | 139,071 | 216,756 | -77,685 |
| Provisions | 213,129 | 198,429 | 14,700 |
| Other non-current liabilities | 580,819 | 673,908 | -93,089 |
| Current liabilities | 5,542,890 | 5,761,186 | -218,297 |
| Liabilities associated with assets classified as held for sale | 1,060,378 | 0 | 1,060,378 |
| Loans and borrowings | 1,442,286 | 2,738,783 | -1,296,498 |
| Financial instruments at fair value | 24,739 | 23,077 | 1,662 |
| Trade payables | 2,357,669 | 2,350,924 | 6,745 |
| Operating provisions | 273,515 | 301,047 | -27,532 |
| Other current liabilities | 384,303 | 347,355 | 36,949 |



The main changes in the consolidated balance sheet during the period are:

- Recognition of Vallehermoso as an asset held for sale, entailing transfer of its assets and liabilities to "non-current assets held for sale" in 2013.
- The decrease in "Investment properties" due to the sale of an office building in Miami and another in Paris.
- The decline in "Non-current financial assets" following the sale of the Autopista del Sol (Costa Rica) and the M-50 (Ireland) motorways.
- The decrease in "Financial debt" due to these divestments.

Non-current assets and liabilities held for sale

The sum of €1,085 million in non-current assets held for sale at 31 December was mainly accounted for by Vallehermoso's assets. The figure also includes our 32.7% stake in the Seville metro concessionaire and a 32% stake in the owner of Tesfran.

"Liabilities associated with non-current assets held for sale" includes the liabilities of Vallehermoso.

Equity

Total equity at 31 December 2013 stood at €959 million. Of this, 96% (€920 million) is attributable to Sacyr equity, and €39 million to non-controlling interests.

Share capital at 31 December 2013 following the bonus share issue carried out in July was represented by 465.9 million shares of €1 par value each.



Borrowings

Sacyr's total net debt at 31 December 2013 stood at €6,642 million, €2,000 million less than at the beginning of the year. The breakdown is as follows:

NET DEBT

(Millions of Euros)

| | DECEMBER 2013 | TYPE OF DEBT | | | DICIEMBRE 2012 |
|------------------------------|------------------|--------------|-------------------------------------|------------|-------------------|
| | | STRUCTURED | LINKED TO CONTRACTS AND WORKS | CORPORATE | |
| TESTA | 1,794 | 1,794 | | | 2,279 |
| SACYR CONCESIONES | 1,098 | 1,098 | | | 1,379 |
| SACYR+SOMAGUE | 193 | 64 | 129 | | 180 |
| VALORIZA | 372 | 242 | 130 | | 403 |
| BUSINESSES' SUBTOTAL | 3,456 | 3,198 | 259 | 0 | 4,241 |
| SVPM REPSOL | 2,426 | | 2,426 | | 2,367 |
| STAKE IN ITINERE | 248 | | 248 | | 253 |
| SUBTOTAL INVESTEES | 2,674 | 0 | 2,674 | 0 | 2,619 |
| CORPORATE | 319 | | | 319 | 360 |
| BANK BORROWINGS | 6,450 | 3,198 | 2,933 | 319 | 7,220 |
| | | | | | |
| CONVERTIBLE BONDS | 192 | | | | 188 |
| Vallehermoso (held for sale) | | | | | 1,235 |
| TOTAL NET BORROWINGS | 6,642 | | | | 8,643 |



- Corporate debt: the Group's net corporate debt amounted to €319 million, down by 11% against the previous year.
- Debt by businesses: debt related to businesses decreased by 19% in the period, with a 21% decrease in net debt in the Property Rental business and a 20% decrease in debt in Concessions following the selective disposals carried through.

More than 90% of this debt relates to long-term project finance, mortgage loans and lease agreements. Debt is serviced with cash flows.

Additionally, Testa's assets were financed in the amount of €1,794 million and, according to an independent appraisal at 31 December 2013, they stood at €3,287 million.

- Debt relating to investments: At 31 December the balance on the bank loan used to finance our 9.23% stake in Repsol stood at €2,426 million. The loan conditions envisage an interest rate of Euribor +350 bp and final maturity in 2015. The loan is serviced with Repsol dividends. The debt related to the investment in Itinere will be cancelled with the proceeds from the sale of the stake.



Construction work on the "Setas de Sevilla" project, Plaza de la Encarnación, Spain



7.3 Share price listing

At 31 December 2013 the share capital of Sacyr was represented by 465,914,792 shares of €1 par value each, fully subscribed and paid up. All shares have the same voting and profit-sharing rights.

At a meeting on 27 June, the Board adopted the agreement to commence the process to increase share capital, charged to reserves (paid up), as approved by the Company's Ordinary General Meeting on 27 June 2013. Share capital was increased by a nominal amount of €22,186,418 through the issuance and circulation of 22,186,418 shares of the same class and series and with the same voting rights, of nominal value one euro (€1) each. The new shares began trading on 26 July 2013.

The table below shows the share capital of the Company at the reporting date for the last two years.

CHANGES TO CAPITAL STRUCTURE (Euros)

| | SHARE CAPITAL | Nº OF SHARES |
|------|---------------|--------------|
| 2013 | 465,914,792 | 465,914,792 |
| 2012 | 443,728,374 | 443,728,374 |

At 31 December 2013, Sacyr's market capitalisation stood at €1,755 million. In 2013 the share price posted an increase of 128.03%, the IBEX-35's second largest rise.

Share performance on the electronic trading system was as follows:

SHARE PRICE IN 2013

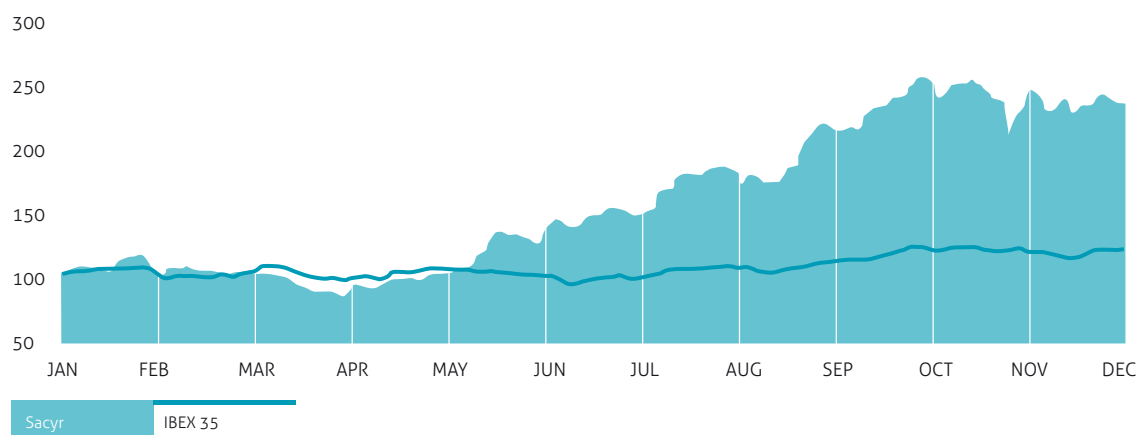
| | |
|---|-------------|
| Nº of shares admitted for trading | 465,914,792 |
| Trading volume (thousands of euros) | 3,719,323 |
| Trading days | 255 |
| Closing price 2012 (euros) | 1.65 |
| Closing price 2013 (euros) | 3.77 |
| High (on 22/10/13) (euros) | 4.25 |
| Low (on 8/4/13) (euros) | 1.30 |
| Average weighted share price (euros) | 2.57 |
| Average daily trading vol. (nº of shares) | 5,664,222 |
| Liquidity (shares traded/capital) | 3.10 |



For the first time since 2009 the main Spanish stock market index, the IBEX-35, rose by more than 21% to close the year at 9,916.70 points.

SHARE PRICE IN 2013

(Base 100 at 31 December 2012)

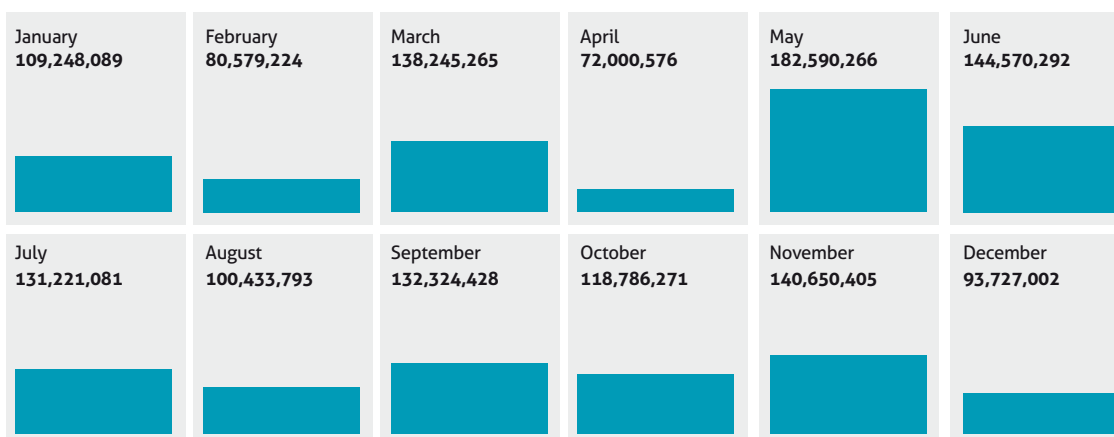


Sacyr trading volumes stood at €3,719.3 million, a 149.69% increase against €1,489.5 million the

previous year, with an average daily trading volume of 5,664,222 shares versus 3,277,892 shares in 2012.

VOLUMES 2013

(Nº Shares)





STOCK MARKET INFORMATION

| SHARE PRICE (EUROS) | 2013 | 2012 | % 13/12 |
|---|-------------|-------------|---------|
| High | 4.25 | 4.04 | 5.20 |
| Low | 1.30 | 1.01 | 28.71 |
| Average | 2.57 | 1.77 | 45.20 |
| Year-end | 3.77 | 1.65 | 128.48 |
| Average daily trading vol. (nº of shares) | 5,664,222 | 3,277,892 | 72.80 |
| Annual trading volume (thousands of euros) | 3,719,323 | 1,489,547 | 149.69 |
| Nº of shares admitted for trading at year-end | 465,914,792 | 443,728,374 | 5.00 |
| Market capitalisation (thousands of euros) | 1,755,101 | 733,039 | 139.43 |
| Price/carrying amount (nº of times) | 1.83 | 0.50 | 268.45 |

At year-end 2013, 21 analysis and research firms were actively following the Sacyr share, and another 5 were reviewing their share appraisal. Of these, 100% were positive - either "buy", "overweight" or "maintain". No research firms recommended the "sell" option. The Sacyr share, in fact, had the largest number of positive recommendations in the sector.



Grand Marina hotel
inside, Barcelona,
Spain



7.4 Construction

Sacyr's construction companies, primarily Sacyr Construcción and Somague, once again demonstrated their top-level technical, operating and commercial capabilities. These aptitudes have enabled us to build up a construction backlog worth €4,588 million and achieve success in major international projects. The satisfactory progress of these projects, including major extension work on the Panama Canal, bear out the technological strength of the Group's construction division.

Globalisation of the construction business has become a driver that guarantees future volumes of work, even in the face of the harsh conditions now prevailing in the global economy and the Spanish economy. At year-end 2013, 81% of the construction backlog was located outside Spain.

The Group, which has been active in the Spanish construction industry through Sacyr Construcción since 1986, has the longest order book in the sector - more than 29 months of guaranteed work.

SACYR KEY FIGURES

(Millions of Euros)

| | 2013 | 2012 |
|----------------------|----------|----------|
| Revenue | 1,891.07 | 1,975.52 |
| Net profit | 46.64 | 53.50 |
| Cash flow | 103.84 | 120.21 |
| Construction backlog | 4,587.64 | 5,998.01 |
| EBITDA | 138.78 | 114.78 |

Sacyr Key Figures of Sacyr's Construction 2012-2013

Millions of Euros

■ 2013
■ 2012





Business portfolio

At year-end 2013 the Group held a business portfolio of €4,587.6 million. In addition to Spain (19% of the portfolio), Italy, Portugal, Ireland, Panama, Costa Rica, Chile and other countries are

the Company's other markets, where it now does more business than on the domestic market - this accounts for 81% of the total.

BACKLOG: SPAIN vs. INTERNATIONAL (Millions of Euros)

| | 2013 | 2012 |
|--------------|-----------------|-----------------|
| Spain | 891.96 | 1,181.66 |
| Abroad | 3,695.68 | 4,816.35 |
| TOTAL | 4,587.64 | 5,998.01 |

BACKLOG (Millions of Euros)

| | 2013 | 2012 |
|-------------------|-----------------|-----------------|
| Civil engineering | 4,138.28 | 5,363.30 |
| Buildings | 449.36 | 634.71 |
| TOTAL | 4,587.64 | 5,998.01 |

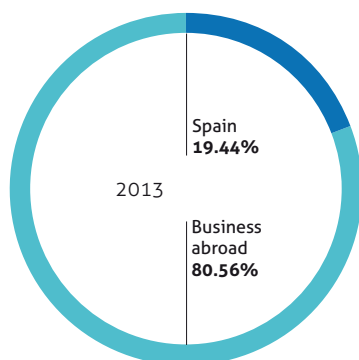
SPANISH BUSINESS vs. BUSINESS ABROAD (%)

| | 2013 | 2012 |
|-----------------|---------------|---------------|
| Spain | 19.44 | 19.70 |
| Business abroad | 80.56 | 80.30 |
| TOTAL | 100.00 | 100.00 |

BACKLOG (Millions of Euros)

| | 2013 | 2012 |
|-----------------|---------------|---------------|
| BUILDING | | |
| Residential | 95.97 | 145.34 |
| Non-residential | 353.39 | 489.37 |
| TOTAL | 449.36 | 634.71 |

SPANISH BUSINESS vs. BUSINESS ABROAD (%)

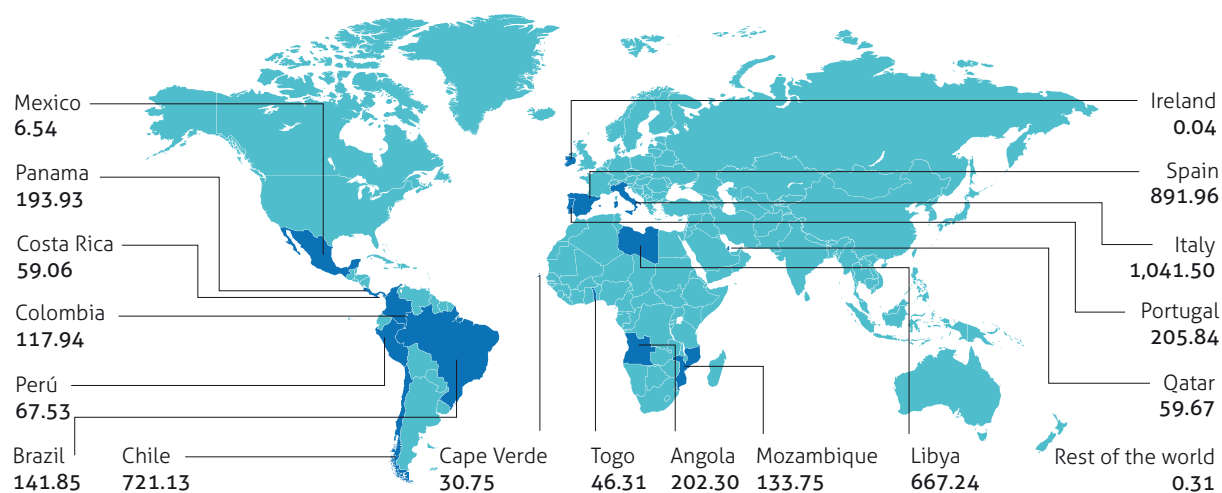


Sacyr works on a wide variety of projects, with a breakdown that is perfectly aligned with the present distribution of public investment and the requirements of private clients. Civil engineering construction projects accounted for 90% of the total at year-end. Activity levels were high and spanned all types of projects.



BACKLOG BY GEOGRAPHIC AREAS 2013

(Millions of Euros)



BACKLOG BY GEOGRAPHIC AREAS

(Millions of Euros)

| | 2013 | 2012 |
|-------------------|-----------------|-----------------|
| Spain | 891.96 | 1,181.66 |
| Portugal | 205.84 | 318.01 |
| Ireland | 0.04 | 0.04 |
| Chile | 721.13 | 997.21 |
| Italy | 1,041.50 | 1,748.29 |
| Costa Rica | 59.06 | 60.69 |
| Libya | 667.24 | 693.70 |
| Panama | 193.93 | 602.11 |
| Angola | 202.30 | 198.81 |
| Brazil | 141.85 | 40.73 |
| Cape Verde | 30.75 | 29.18 |
| Togo | 46.31 | 53.95 |
| Colombia | 117.94 | 70.96 |
| Mozambique | 133.75 | 2.67 |
| Qatar | 59.67 | 0.00 |
| Peru | 67.53 | 0.00 |
| Mexico | 6.54 | 0.00 |
| Rest of the world | 0.31 | 0.00 |
| TOTAL | 4,587.64 | 5,998.01 |



Revenue

Construction revenue in 2013 stood at over €1,891 million. The domestic market generated 28%, while the remaining 72% was earned abroad –

most of this was accounted for by civil engineering projects, representing 72% of earnings.

REVENUE (Millions of Euros)

| | 2013 | 2012 |
|-------------------|-----------------|-----------------|
| Civil engineering | 1,359.05 | 1,297.14 |
| Buildings | 526.09 | 666.52 |
| Services | 5.79 | 9.43 |
| Concessions | 0.14 | 2.43 |
| TOTAL | 1,891.07 | 1,975.52 |

REVENUE: SPAIN vs. INTERNATIONAL (Millions of Euros)

| | 2013 | 2012 |
|-----------------|-----------------|-----------------|
| Spain | 531.74 | 942.08 |
| Business abroad | 1,359.33 | 1,033.44 |
| TOTAL | 1,891.07 | 1,975.52 |

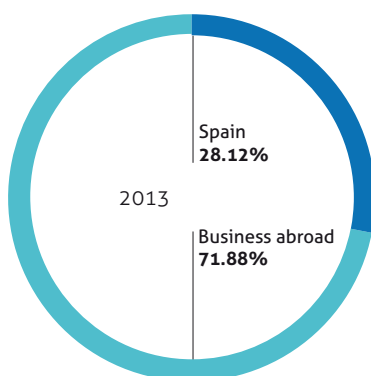
SPANISH REVENUE vs. REVENUE ABROAD (%)

| | 2013 | 2012 |
|-----------------|---------------|---------------|
| Spain | 28.12 | 47.69 |
| Business abroad | 71.88 | 52.31 |
| TOTAL | 100.00 | 100.00 |

REVENUE (%)

| BUILDING | 2013 | 2012 |
|-----------------|---------------|---------------|
| Residential | 126.60 | 102.38 |
| Non-residential | 399.49 | 564.14 |
| TOTAL | 526.09 | 666.52 |

SPANISH REVENUE vs. REVENUE ABROAD



REVENUE BY TYPES OF PROJECT (%)

| CIVIL ENGINEERING | 2013 | 2012 |
|-------------------|-----------------|-----------------|
| Motorways | 421.85 | 395.60 |
| Railways | 235.50 | 352.33 |
| Hydraulic | 576.05 | 390.69 |
| Airports | 10.50 | 37.42 |
| Urban development | 23.96 | 12.70 |
| Other | 91.19 | 108.26 |
| TOTAL | 1,359.05 | 1,297.00 |


REVENUE BY GEOGRAPHIC AREAS
 (Millions of Euros)

| EDIFICACION | 2013 | 2012 |
|--------------------|---------------|---------------|
| Spain | 175.27 | 284.71 |
| Portugal | 70.75 | 75.79 |
| Angola | 268.80 | 299.66 |
| Brazil | 7.92 | 2.95 |
| Cape Verde | 3.15 | 3.37 |
| Rest of the world | 0.20 | 0.04 |
| TOTAL | 526.09 | 666.52 |

REVENUE BY GEOGRAPHIC AREAS
 (Millions of Euros)

| OBRA CIVIL | 2013 | 2012 |
|-------------------|-----------------|-----------------|
| Spain | 350.54 | 654.92 |
| Portugal | 73.14 | -229.85 |
| Ireland | 1.51 | 4.21 |
| Chile | 258.04 | 78.57 |
| Italy | 119.60 | 147.88 |
| Costa Rica | 0.80 | 0.45 |
| Libya | 0.61 | 2.76 |
| Panama | 468.68 | 303.23 |
| Angola | 0.00 | 310.17 |
| Brazil | 17.34 | 2.69 |
| Cape Verde | 25.64 | 21.46 |
| Togo | 19.36 | 0.00 |
| Colombia | 5.12 | 0.00 |
| Mozambique | 11.16 | 0.00 |
| Qatar | 5.59 | 0.00 |
| Peru | 0.43 | 0.00 |
| Mexico | 1.43 | 0.00 |
| Rest of the world | 0.06 | 0.51 |
| TOTAL | 1,359.05 | 1,297.00 |

REVENUE BY GEOGRAPHIC AREAS
 (Millions of Euros)

| | 2013 | 2012 |
|--------------|-----------------|-----------------|
| Spain | 531.74 | 942.08 |
| Portugal | 143.89 | 152.81 |
| Ireland | 1.51 | 4.44 |
| Chile | 258.04 | 78.57 |
| Italy | 119.60 | 147.88 |
| Costa Rica | 0.80 | 0.63 |
| Libya | 0.61 | 0.00 |
| Panama | 468.68 | 311.12 |
| Angola | 268.80 | 310.17 |
| Brazil | 25.26 | 2.69 |
| Cape Verde | 28.79 | 21.97 |
| Togo | 19.36 | 0.00 |
| Colombia | 5.12 | 0.40 |
| Mozambique | 11.16 | 0.00 |
| Qatar | 5.59 | 0.00 |
| Peru | 0.43 | 0.00 |
| Mexico | 1.43 | 0.00 |
| Otros Países | 0.26 | 0.00 |
| TOTAL | 1,891.07 | 1,972.76 |



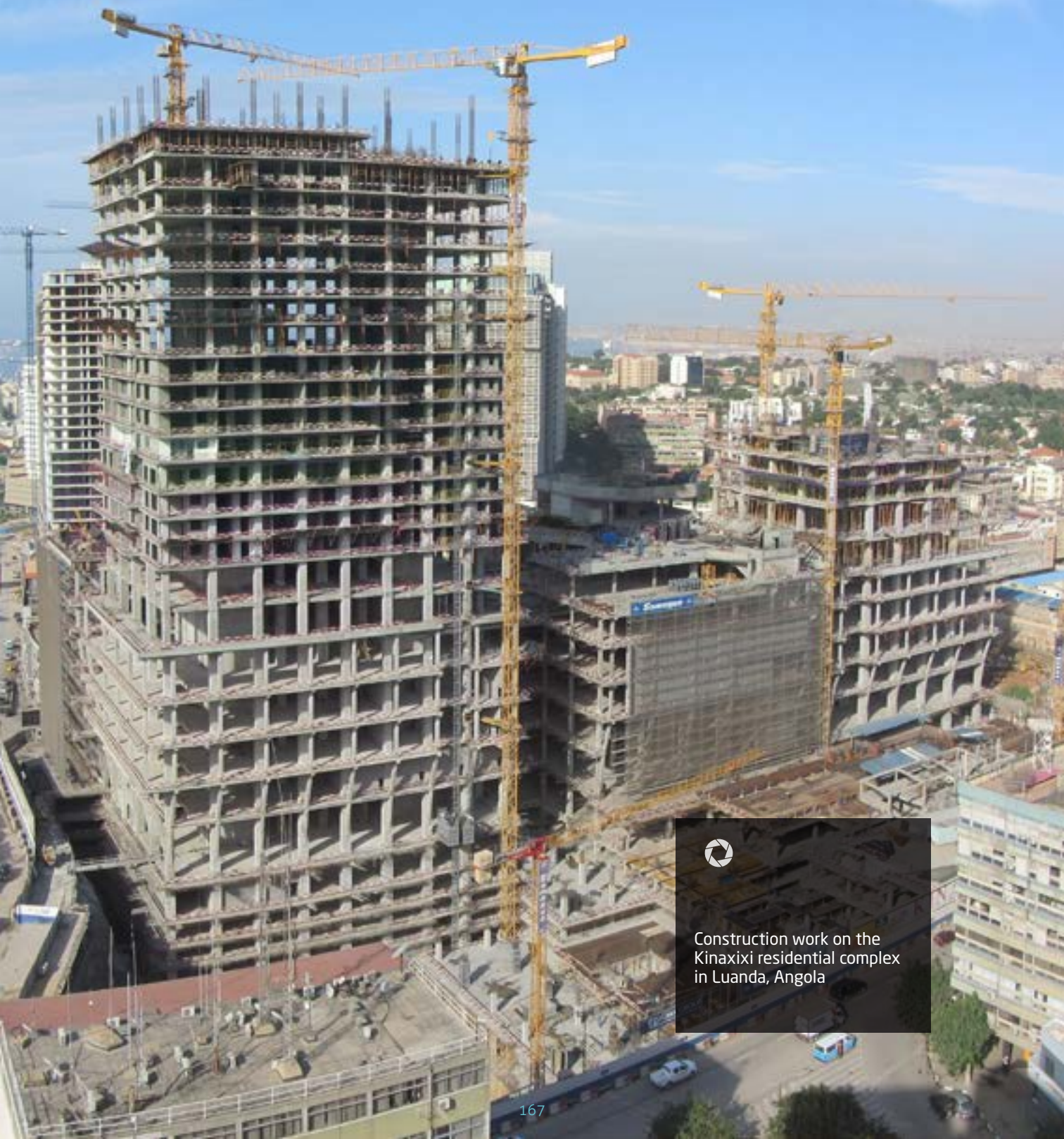
Civil engineering

Among others, the Group was awarded the following contracts in 2013:

- **The São Francisco River integration project in Brazil**, with a budget of €184.6 million. The project will supply water to 12 million people in 390 towns, and will involve construction of 54 kilometres of a new concrete canal routing, 3 dams and 6 pumping stations.
- **Renovation and superstructure work on the Nacala corridor railway system for the Brazilian multinational Vale in Mozambique**, on a budget of €177.0 million. The project runs over 600 km, and will enable the rail routing to carry 18 million tonnes of coal a year from the Moatize mine.
- **Construction of 11 stations on Line 15 of the São Paulo metro in Brazil**, on a budget of €122.3 million.
- **Design and construction of various entry points to the Rajo Sur – División El Teniente copper mining project in Chile for Corporación Nacional del Cobre de Chile, CODELCO**, on a budget of €49.70 million, located 3,000 m above sea level near Santiago, Chile.

In 2013 progress was made on the following construction projects:

- **Design and construction of the third set of locks on the Panama Canal extension project**, on a budget of 3,368 million dollars. The project involves building two new lock systems on the Atlantic and Pacific coasts to cope with increased commercial traffic through the Canal.
- **Salerno-Reggio Calabria Motorway (Italy)**. 31 km section between Padula and Lauria, located 150 km south of Naples and forming part of the route from Rome to southern Italy (Calabria). Due to the complicated terrain, the project includes the construction of 37 viaducts and 20 tunnels. The project budget is €745 million.
- **Extension of Zaragoza's "Ronda Norte" ring road**, on a budget of €109.1 million, consisting of adding a third lane, improving 9 junctions, and building collector roads over the 18 km of the existing ring road.
- **Modernisation work and laying a second track for the rail link between central Palermo and Punta Raisi airport in Sicily**. Modernisation work and laying a second track for the rail link between central Palermo and Punta Raisi airport in Sicily.
- **Los Gallardos-Sorbas section of the high-speed train line from Murcia to Almería**, on a budget of €80.4 million. The 8.2 kilometre project entails a series of unique features such as the construction of six viaducts with a total length of 1.4 kilometres. The highlight is the arch viaduct over the River Jauto (120 m) and the viaduct over the Almocaizar (584 m).



Construction work on the
Kinaxixi residential complex
in Luanda, Angola



Buildings

Among others, the Group was awarded the following contracts in 2013:

- **Extension to the Iguatemi shopping centre in Porto Alegre, Brazil;** budget is €39.1 million, and includes construction of an 8-storey building with a total surface area of 78,000 square metres
- **Construction of the Alegro-Setúbal shopping centre in Portugal,** on a budget of €30.0 million.
- **Structure of the Cuca Building in the Kinaxixi Complex in Angola,** on a budget of €22.6 million.

Major ongoing building projects (2013) included the following:

- **Construction of the shell of the Kinaxixi urban complex in Luanda (Angola);** the project has a budget of €131.9 million, and the built floor area will be 250,000 square metres - two 25-storey multifunctional towers, one as office space and another for residential use, with five basement floors for car parking and technical facilities.
- **Levante II prison in Siete Aguas (Valencia),** with a budget of €102.37 million. The prison will have 1,008 cells in 10 residential modules, and 20 other buildings for various purposes, making a combined gross floor area of 130,000 m² and 60,000 m² of urban infrastructure work.
- **Valladolid hospital,** with an investment of €90.13 million. The project involves designing and executing the renovation and enlargement of the Hospital Clínico Universitario de Valladolid. 79,000 m² of new floor area will be added, along with an underground car park, an industrial building, a new surgery ward, an outpatient building and an access building. The existing 55,000 m² building will be comprehensively renovated and refurbished.

Some of the buildings delivered (2013) are the following:

- **Vila Franca de Xira hospital in Portugal,** on a budget of €76.06 million and a built surface area of 69,293.24 square metres. The new hospital has 280 beds, 844 parking spaces, 9 operating theatres and 33 consultation rooms.
- **Phase 1 of the Portugal Telecom Data Centre in Covilha, Portugal,** on a budget of €54.8 million, consisting of four identical technical buildings for data storage and hi-tech facilities.
- **Renovation and enlargement of the Sonangol Distribuidora head office in Luanda, Angola,** on a budget of €30.20 million.



Construction work on
the third set of locks
on the Panama Canal,
Atlantic coast



7.5 Concessions

Sacyr's infrastructure concessions business started up in 1996 when it won its first concession in Chile, the Los Vilos – La Serena section of Route 5. The portfolio continued to expand subsequently thanks to success with new awards and acquisitions in Spain and abroad, and also on privatisation processes. Today Sacyr operates in the infrastructure concessions sector via its subsidiary Sacyr Concesiones.

At 31 December 2013, Sacyr Concesiones held 34 concessions in 6 countries, of which 26 are operational and the other 8 concessions are undergoing development.

These include 21 motorway and road concessions, and 13 other concession types.

The motorway and road concessions are located in the EU and South America, as follows: Spain (11 concessions), Portugal (1 concession), Ireland (2 concessions), Italy (1 concession), Chile (5 concessions) and Peru (1 concession).

| TYPOLGY | TOTAL KM | Nº BEDS |
|--|-----------------|-----------------|
| Total sacyr concesiones projects in operation | 1,483.88 | 2,356.00 |
| Total sacyr concesiones projects under development | 1,424.80 | 671.00 |
| TOTAL SACYR CONCESIONES | 2,908.68 | 3,027.00 |

Total Sacyr Concessions

kilometers

Total Sacyr Concesiones
Projects In Operation

1,483.88



Total Sacyr Concesiones
Projects Under Development

1,424.80

Total Sacyr Concessions

Beds

Total Sacyr Concesiones
Projects In Operation

2,356

Total Sacyr Concesiones
Projects Under Development

671



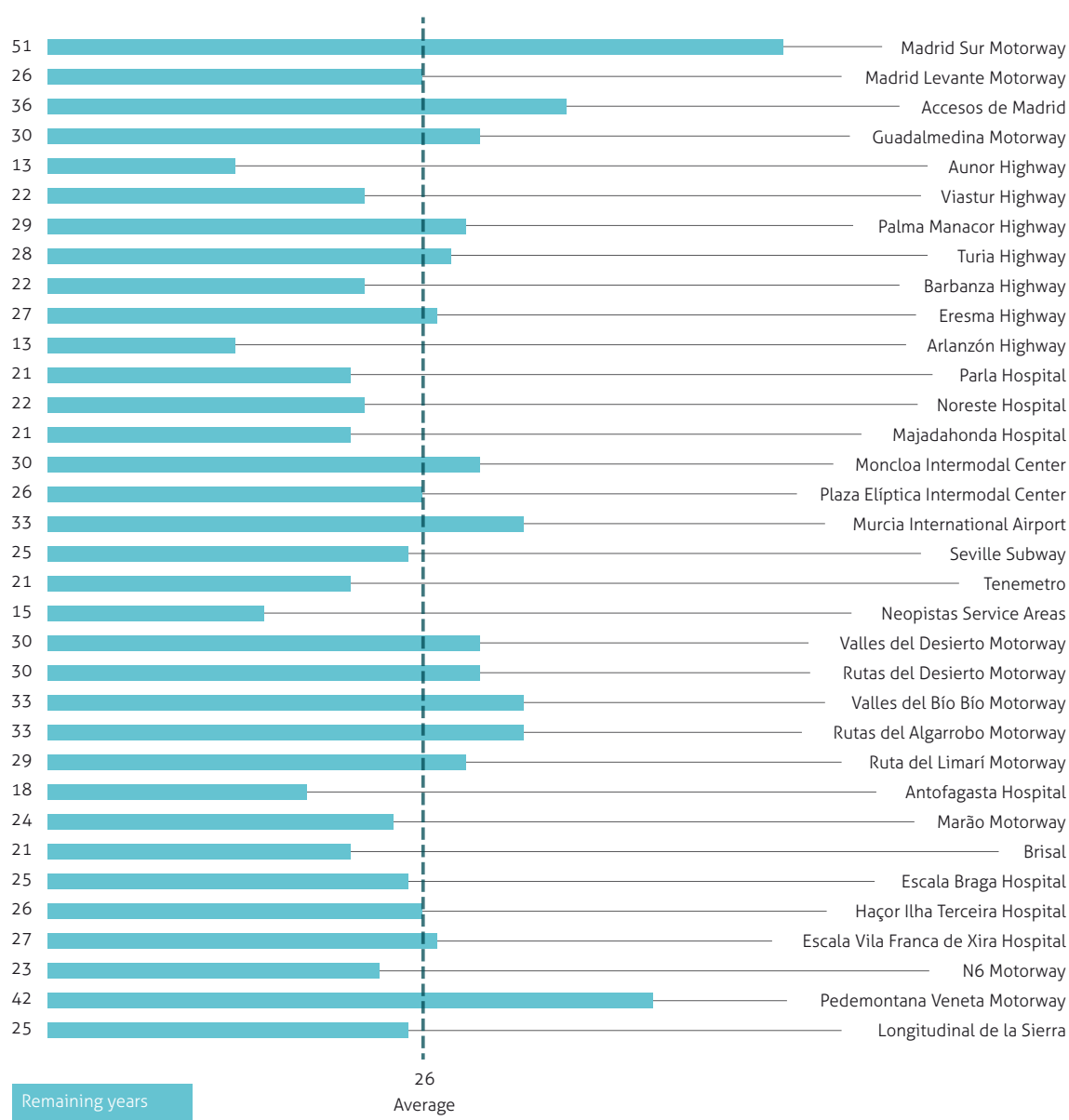


| TPOLOGY | | COUNTRY | TOTAL KM | N° BEDS |
|---|---|----------|-----------------|--------------|
| Direct-toll motorways | | | | |
| | 4 | Spain | 388.80 | |
| | 1 | Ireland | 53.00 | |
| | 1 | Portugal | 92.00 | |
| | 1 | Chile | 221.00 | |
| Shadow toll motorways | | | | |
| | 7 | Spain | 427.58 | |
| Operation and maintenance | | | | |
| | 1 | Ireland | 270.00 | |
| Service stations | | | | |
| | 1 | Spain | | |
| Transport hub | | | | |
| | 2 | Spain | | |
| Hospitals | | | | |
| | 3 | Spain | | 1,131 |
| | 3 | Portugal | | 1,225 |
| Metro | | | | |
| | 3 | Spain | 19.00 | |
| Tram | | | | |
| | 1 | Spain | 12.50 | |
| TOTAL SACYR CONCESIONES PROJECTS IN OPERATION | | | 1,483.88 | 2,356 |
| Direct-toll motorways | | | | |
| | 1 | Italy | 95.00 | |
| | 4 | Chile | 454.80 | |
| | 1 | Peru | 875.00 | |
| Hospitals | | | | |
| | 1 | Chile | | 671 |
| Airport | | | | |
| | 1 | Spain | | |
| TOTAL SACYR CONCESIONES PROJECTS UNDER DEVELOPMENT | | | 1,424.80 | 671 |



The assets are in their early years of concession, and have the potential to create a great deal of value in the future. The average remaining

concession term is 26 years, and the project breakdown is as follows:





Revenue backlog

The Sacyr Concesiones revenue backlog comes to €20,031 million according to forecast earnings from each concession.

Operational concessions

At 31 December 2013 Sacyr Concesiones had 26 operational concessions - 15 of these are motorways or roads, a total of 1,452 kilometres. Including two metro lines, the total number of operational kilometres is 1,484; 6 hospitals with a total of 2,356 beds; 2 transport hubs; 1 service station manager and 2 metro lines, as shown in the table below:



Autovía del Eresma,
Spain



| CONCESSION | TYPE | MOTORWAY | LOCATION | COUNTRY | % OWNERSHIP INTEREST | CONSOLIDATION METHOD | TOTAL KM |
|-------------------------------|---------------------------|---------------|--|----------|----------------------------|-------------------------|-------------|
| DIRECT-TOLL MOTORWAYS | | | | | | | |
| Autopista Madrid-Levante | Direct-toll motorways | AP-36 | Ocaña-La Roda | Spain | 40.00% | Proportionately | 177.00 |
| Accesos de Madrid (R-3 y R-5) | Direct-toll motorways | R-3 | M-40 -Arganda del Rey | Spain | 25.16% | Proportionately | 31.80 |
| | Direct-toll motorways | R-5 | M-40 Navalcarnero | Spain | 25.16% | Proportionately | 28.90 |
| | Motorway toll free | M -50 | A-6 -M-409 | Spain | 25.16% | Proportionately | 29.60 |
| Autopista Madrid Sur (R-4) | Direct-toll motorways | R-4, M-50 | R-4 (M-50 -Ocaña) M-50 (A-2 A-4) | Spain | 35.00% | Proportionately | 93.50 |
| Galway -Ballinasloe | Direct-toll motorways | N-6 | Galway-Ballinasloe | Ireland | 45.00% | Proportionately | 53.00 |
| Brisal | Direct-toll motorways | Portugal | Autoestrada Litoral Central | Portugal | 5.00% | Equity Method | 92.00 |
| Autopista Valles del Desierto | Direct-toll motorways | Ruta 5 | Vallenar-Caldera | Chile | 60.00% | Proporcional | 221.00 |
| Autopista del Guadalmedina | Direct-toll motorways | AP-46 | Málaga -Alto Las Pedrizas | Spain | 40.00% | Equity Method | 28.00 |
| SHADOW-TOLL MOTORWAYS | | | | | | | |
| Aunor | Shadow-toll motorways | C-415 | Alcantarilla -Caravaca de la Cruz | Spain | 51.00% | Global | 62.20 |
| Pamasa | Shadow-toll motorways | MA-15 | Palma Mallorca -Manacor | Spain | 40.00% | Proportionately | 43.70 |
| Viastrur | Shadow-toll motorways | AS-18 / AS-17 | Oviedo -Gijón | Spain | 70.00% | Global | 26.80 |
| Autovía del Eresma | Shadow-toll motorways | CL-601 | Cuellar-Segovia | Spain | 80.00% | Global | 51.98 |
| Autovía del Turia | Shadow-toll motorways | CV-35 | Valencia -Losa del Obispo | Spain | 45.39% | Global | 52.90 |
| Autovía del Barbanza | Shadow-toll motorways | AG-11 | Padrón -Ribeira | Spain | 90.00% | Global | 40.00 |
| Autovía del Arlanzón | Shadow-toll motorways | N-I | Santo Tomé del Puerto -Burgos | Spain | 55.00% | Proportionately | 150.00 |
| GSI Maintenance | Operation and maintenance | | Autopistas radiales libres de peaje del Área Metropolitana de Dublín | Ireland | 45.00% | Proportionately | 270.00 |



| CONCESSION | TYPE | MOTORWAY | LOCATION | COUNTRY | % OWNERSHIP INTEREST | CONSOLIDATION METHOD | TOTAL KM | No. BEDS |
|------------------------------------|---------------------------|----------|-----------------------------------|----------|----------------------------|-------------------------|-----------------|--------------|
| DIRECT-TOLL MOTORWAYS | | | | | | | | |
| Neopistas | Service comercial area | EE:SS | Alberique -Valdáliga -Guitriz | Spain | 100.00% | Global | NA | |
| Intercambiador Plaza Elíptica | Transport hub | | Plaza Elíptica (Madrid) | Spain | 51.00% | Global | NA | |
| Hospital de Parla | Hospital | | Parla (Madrid) | Spain | 100.00% | Global | NA | 180 |
| Hospital del Noreste | Hospital | | Costlada (Madrid) | Spain | 100.00% | Global | NA | 187 |
| Intercambiador Moncloa | Transport hub | | Moncloa (Madrid) | Spain | 51.00% | Global | NA | |
| Hospital de Majadahonda | Hospital | | Majadahonda (Madrid) | Spain | 20.00% | Proportionately | NA | 764 |
| Metro de Sevilla | metro line | Linea 1 | Dos Hermanas- Mairena Aljarafe | Spain | 32.77% | Proportionately | 19,00 | |
| Tenemetro | Tram | | Metro ligero de Tenerife | Spain | 4.20% | Proportionately | 12,50 | |
| Hospital de Braga | Hospital | | Braga | Portugal | 51.00% | Global | NA | 704 |
| Hospital de Azores | Hospital | | Azores Ilha Terceira | Portugal | 40.00% | Proportionately | NA | 241 |
| Hospital de Vila Franca de Xira | Hospital | | Villa Franca de Xira | Portugal | 51.00% | Global | NA | 280 |
| TOTAL UNDER DEVELOPMENT | | | | | | | 1,483.88 | 2,356 |

Concessions under development

At year-end 2013 the company had 8 concessions under development, 1 in Spain, 1 in Italy, 5 in Chile and 1 in Peru. When these become operational, Sacyr Concesiones will be managing 1,425 kilometres of roadway and 671 hospital beds.

The table below sets out details of each concession under development:



| CONCESSION | TYPE | MOTORWAY | LOCATION | COUNTRY | % OWNERSHIP INTEREST | CONSOLIDATION METHOD | TOTAL KM | No. BEDS |
|---|-----------------------|---------------------------|--|---------|----------------------------|-------------------------|-----------------|-------------|
| DIRECT-TOLL MOTORWAYS | | | | | | | | |
| Superstrada Pedemontana-Veneta | Direct-toll motorways | | Vicenza-Treviso | Italy | 49,00% | Proportionately | 95.00 | |
| Autopista Accesos de Iquique Rutas del Desierto | Direct-toll motorways | Ruta A1 y A16 | Iquique | Chile | 51,00% | Proportionately | 78.40 | |
| Autopista Concepción-Cabrero Valles del Bío Bío | Direct-toll motorways | O-97N, O50, O148 | Colguán-Concepción | Chile | 51,00% | Proportionately | 103.40 | 180 |
| Autopista La Serena-Vallenar Ruta del Algarrobo | Direct-toll motorways | Ruta 5 | La Serena-Vallenar | Chile | 100,00% | Global | 187.00 | 187 |
| Autopista La Serena-Ovalle Ruta del Limarí | Direct-toll motorways | Ruta 43 | La Serena-Ovalle | Chile | 100,00% | Global | 86.00 | |
| Carretera Longitudinal de la Sierra | Direct-toll motorways | Longitudinal de la Sierra | Tramo 2: Ciudad de Dios-Cajamarca-Chiple, Cajamarca-Trujillo y Dv. Chilete-Emp PE 3N | Peru | 67,00% | Global | 875.00 | 764 |
| OTHERS | | | | | | | | |
| Aeropuerto de Murcia | Airport | | Corvera (Murcia) | Spain | 67,33% | Global | NA | |
| Hospital de Antofagasta, Salud Siglo XXI | Hospital | | Antofagasta | Chile | 99,00% | Global | NA | 704 |
| Neopistas | Service areas | EE:SS | Calzadilla de los Barros | Spain | 100,00% | Global | NA | 241 |
| TOTAL UNDER DEVELOPMENT | | | | | | | 1,424.80 | 671 |

Summary of activity

In 2013, milestones in Sacyr Concesiones' business were as follows:

Contracts awarded

- 21 February 2013: An Operation and Maintenance Contract for toll-free motorway segments in the Greater Dublin area. The initial term of the contract is 5 years, with an option of a 2-year extension, during which GSJ Maintenance will be responsible for winter roadworks, management of incidents and maintenance of 161 kilometres of motorway segments and an additional 109 kilometres of access and service roads
- 9 December 2013: "Carretera Longitudinal de la Sierra" Concession Contract, Section 2: Ciudad de Dios-Cajamarca-Chiple, Cajamarca-Trujillo and Dv. Chilete-Emp. PE-3N, in Peru. The project aims to maintain and operate a two-lane highway with a total length of 875 kilometres. The contract also includes refurbishment and improvements over a further 90 kilometres, and reinvestment to boost the quality of 460 kilometres of road. Forecast earnings are €519 million (2013).



The following infrastructures are now up and running:

- On 28 March 2013 the 280-bed Vila Franca de Xira Hospital opened in Portugal.
- GSJ Maintenance began work in Ireland in May 2013.

The following financing and refinancing transactions were drawn up:

- August 2013: A financing contract with Corpbanca, Banco Consorcio and Compañía de Seguros de Vida de Consorcio to build the Ruta del Limarí concession (La Serena-Ovalle motorway, Chile), for the sum of €153 million.
- November 2013: Additional financing arranged with Corpbanca, Banco Estado and Security for greater investment arising from changes to services and environmental certification work awarded by the Chilean Ministry of Public Works to Valles del Bío-Bío (Concepción-Cabrero motorway, Chile), for the sum of €19 million.
- December 2013: Additional financing arranged with Corpbanca and Banco Estado for greater investment arising from changes to services and environmental certification work awarded by the Chilean Ministry of Public Works to Rutas del Desierto (Iquique access motorway, Chile), for the sum of €20 million.

Divestment and other operations

- In February 2013 Sacyr Concesiones divested its entire stake in Autopistas del Sol, Costa Rica (35% of the shares).

- In March 2013 Sacyr Concesiones divested its entire stake in Autopistas del Valle, Costa Rica (35% of the shares).
- The Autoestrada do Marao contract in Portugal was terminated in June 2013.
- In July 2013 Sacyr Concesiones divested its entire stake in the M50 motorway in Ireland (45% of the shares).

Other major events

- In July 2013 the Autovía del Barbanza concessionaire drew up an addendum with the contracting authority in acknowledgement of greater investment and restoration of economic and financial equilibrium, recognising a total of €21 million in additional earnings by the concessionaire.
- In September 2013 the contracting authority issued an order to terminate the concession contract for construction and operation of the International Airport in Murcia. The concessionaire challenged the order in the courts and requested precautionary measures be taken. On 21 October 2013, the N° 1 Contentious-Administrative Court of the Higher Court of Justice in Murcia ordered precautionary measures in connection with the disputed order, and this was confirmed in a ruling on 27 December 2013.



Revenue

KEY FIGURES SACYR CONCESSIONS

(Thousands of Euros)

| | 2013 | 2012 | VAR. (%) |
|------------------|---------|----------|----------|
| Revenue | 290,585 | 267,212 | 8.7 |
| EBITDA | 96,712 | 94,123 | 2.8 |
| PROFIT AFTER TAX | 31,114 | -161,253 | 119.3 |

BUSINESS TURNOVER

| | 2013 | 2012 | VAR. (%) |
|---|----------------|----------------|-------------|
| Autovía Del Turia | 5,578 | 5,900 | -5.5 |
| Autovía Noroeste C.A.R.M. | 3,745 | 4,250 | -11.9 |
| Viastur | 6,541 | 6,445 | 1.5 |
| Palma Manacor | 3,552 | 3,370 | 5.4 |
| Autovía Del Barbanza | 6,539 | 4,368 | 49.7 |
| Autovía Del Eresma | 5,706 | 5,609 | 1.7 |
| Autovía Del Arlanzón | 11,352 | 6,572 | 72.7 |
| Neopistas | 1,534 | 1,504 | 1.9 |
| Intercambiador De Moncloa | 6,658 | 6,746 | -1.3 |
| Intercambiador De Plaza Elíptica | 3,448 | 3,263 | 5.7 |
| Hospital De Parla | 13,156 | 13,471 | -2.3 |
| Hospital De Coslada | 13,156 | 13,471 | -2.3 |
| Sacyr Concesiones | 14,988 | 13,913 | 7.7 |
| Aeropuerto De Murcia Concesionaria | 1,158 | 1,431 | -19.1 |
| Spain | 97,110 | 90,312 | 7.5 |
| Costa Rica | 20 | 12,923 | -99.8 |
| Ireland | 15,856 | 17,529 | -9.5 |
| Portugal | 26,501 | 26,736 | -0.9 |
| Chile | 27,911 | 26,577 | 5.0 |
| Total excluding construction revenue | 167,399 | 91,107 | 83.7 |
| Total including construction revenue | 136,342 | 106,605 | 27.9 |
| TOTAL | 290,585 | 267,212 | 8.7 |



Main operating variables

The following were recorded in terms of Average Daily Traffic (ADT) for cars on roads or motorways and passengers using transport hubs or metros in 2013:



Viastur,
Spain



| TOLL MOTORWAYS IN SPAIN | CUMULATIVE ADT | | |
|---|-------------------|-------------------|--------------|
| | DECEMBER 2013 | DECEMBER 2012 | % 13/12 |
| Ap-36 Ocaña-La Roda | 2,802 | 3,103 | -9.70 |
| R-3 Madrid-Arganda | 7,995 | 9,035 | -11.50 |
| R-5 Madrid-Navalcarnero | 7,250 | 8,524 | -14.95 |
| R-4 Madrid-Ocaña | 4,652 | 5,512 | -15.60 |
| Ap-46 Málaga - Las Pedrizas | 7,054 | 7,239 | -2.55 |
| Aunor C-415 | 10,267 | 10,310 | -0.42 |
| Pamasa MA-15 | 20,288 | 19,952 | 1.68 |
| Viastur AS-2 | 21,200 | 21,536 | -1.56 |
| Autursa | 34,552 | 35,551 | -2.81 |
| Eresma | 6,560 | 6,583 | -0.34 |
| Barbanza | 12,041 | 12,216 | -1.43 |
| Arlanzón | 22,156 | 22,399 | -1.08 |
| AVERAGE ADT | 156,818 | 161,959 | -3.17 |
| NON-SPANISH TOLL MOTORWAYS | | | |
| N6 Galway-Ballinasloe (Ireland) | 9,204 | 9,143 | 0.67 |
| Valles del Desierto (Chile) | 5,018 | 4,714 | 6.45 |
| AVERAGE ADT | 14,223 | 13,857 | 2.64 |
| TOTAL AVERAGE ADT, SACYR CONCESIONES | 171,040 | 175,816 | -2.72 |
| Moncloa | 28,077,990 | 28,437,306 | -1.26 |
| Elíptica | 7,649,055 | 8,225,997 | -7.01 |
| Seville Metro | 13,841,586 | 14,029,401 | -1.34 |
| TOTAL PASSENGERS | 49,568,631 | 50,692,704 | -2.22 |



7.6

Services division: Valoriza

Sacyr's services arm is the fastest-growing division in the Group, thanks to the high level of activity in its four business areas:

- **Environmental services** (municipal services, waste management, landscaping restoration work and environmental projects).
- **Water services** (integrated water cycle management, drinking water, desalination, purification and reuse).
- **Multi-services** (facilities management, industrial maintenance, servicing and maintenance of motorways and roads, maintenance of dams and canals, service stations on motorways and roads, healthcare services and comprehensive hospital management).

- **Industrial**, Energy and Industry, Oil & Gas, Environment and Mining and Electrical Infrastructures.

These activities create synergies with and complement the Group's traditional businesses, in addition to generating high EBITDA margins and recurring revenue. These service businesses also help establish closer links with traditional customers and forge new commercial relationships.

(Millions of Euros)

| | DEC. 2013 | DEC. 2012 | % 13/12 |
|-----------------|-----------------|-----------|---------|
| Revenue | 1,074.0 | 1,123.0 | -4.4 |
| EBITDA | 115.7 | 178.6 | -35.2 |
| Net profit | (32.5) | 12.1 | n.s. |
| Cash flow | 81.6 | 112.8 | -27.7 |
| Revenue backlog | 11,474.0 | 11,558.0 | -0.7 |

Revenue by areas of business

%



Revenue for activity

%





In 2013, energy regulations approved by the Ministry had an adverse effect on both EBITDA and net profit:

- Royal Decree-Law 15/2012 on energy sustainability tax measures - Royal Decree-Law 15/2012 on energy sustainability tax measures was published on 27 December 2012, and established a 7% on electricity production, and amendments were made to Law 38/1992 of 28 December on special taxes, establishing a tax of €0.65/gigajoule on gas used for the generation and co-generation of electricity.
- Royal Decree-Law 2/2013 - Royal Decree-Law 2/2013 on urgent measures for the electricity system and the finance sector was published in the Official State Journal on 2 February 2013. As its reasoning stated, in a bid to mitigate the increase of remuneration through indexing to prices of Brent, with no increase in the access fees paid by electricity users, the methodology used to determine remuneration in the various sectors of the electricity sector was changed, unpegging these sectors from fluctuations in the Index of Consumer Prices ("ICP"), which could be affected by taxation changes, of particular relevance last year. The new regulations withdrew the option of remuneration for energy generated on the special premium regime as a complement to the production market price.
- Royal Decree-Law 9/2013 of 13 July adopting urgent measures to guarantee the financial stability of the electricity system - the Single Derogation Stipulation of this Royal Decree derogated Royal Decree 661/07, while Transitory Stipulation 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. Transitory application of the economic regime of Royal Decree 661/07 expressly withdrew complementary reactive energy earnings.
- Royal Decree 1041/2013 of 27 December 2013, Article 1 section 22 of which amended sections 3 and 4 and added sections 5 and 6 to Article



108 of the Special Tax Regulations approved in Royal Decree 1165/1995 of 7 July. These amendments established that the portion of natural gas consumption used to produce Useful Thermal Energy would be taxed at a lower rate and set procedures for substantiating this type of consumption to enable a refund of the difference between the normal taxation rate and the lower rate.

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", with respect to 2012, the new regulations reduced EBITDA by €28.5 million and net profit by €58.6 million. Of these amounts, net profit was reduced by €42 million due to the asset impairment test.

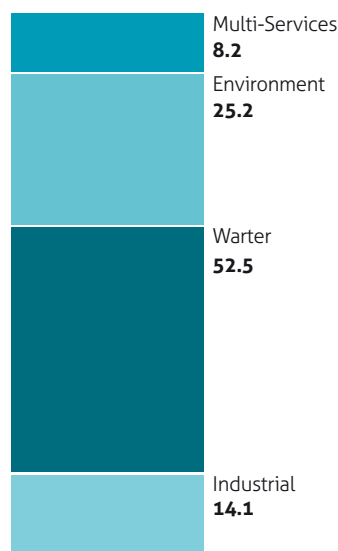
Revenue

Sacyr's Services division finished 2013 with turnover of €1,074 million and EBITDA of €116 million. The breakdown of Valoriza revenue by activities was as follows: environmental services 28.2%, water services 26.9%, multi-services 25.1% and industrial 19.8%.

Revenue backlog

The revenue backlog at 31 December was €11,474 million.

REVENUE BY AREAS OF BUSINESS (%)





Environmental

The business areas of Valoriza Servicios Medioambientales are as follows:

- Municipal services: this area manages road-cleaning services and concessions, waste collection, gardening and maintenance of green zones and plantations, urban mobility (management of parking meters, car-clamping, priority residential areas, processing of claims etc.), and maintenance of urban infrastructures (underground containers, road conservation, public lighting, maintenance of fountains and sports facilities).
- Waste treatment and management: this area operates substantial long-term concessions. It operates plants processing solid urban waste and containers, transfer plants, plants processing used tyres, construction and demolition waste, organic composting plants, degasification and post-closure maintenance of disposal facilities, biomethanisation plants, incinerators, cogeneration facilities, selected waste fuel plants and energy upgrading facilities, and facilities for treatment, composting and thermal drying of wastewater plant sludge.
- Environmental regeneration work: this includes quality control of water, silvicultural treatment and forestry work, landscape restoration, river restoration and bioengineering.

The decrease in urban services caused by local authorities' need to adjust their expenditure to a large reduction in income in recent years was offset by some excellent contracts in 2013, with an order book of €842 million in the years ahead.

A number of supplier payment plans approved by the Ministry, along with termination of contracts with payment problems, have considerably improved debt and default figures. Debts of public authorities with the company have been reduced from €317 million in 2011 to €165 million in 2013, thus reducing the company's overall indebtedness from €354 million in 2011 to the current figure of €186 million. Bank debt also showed a positive outcome, falling to €121 million from €172 million two years ago.

Despite the improvement, the same policy remains in place, that of arranging contracts only with Town Halls with a solid financial position, and terminating contracts that could entail payment problems. More emphasis has been placed on urban mobility contracts bringing in cash, with some new services such as submission of claims and road safety features (radar systems, control of red traffic lights etc.).

Turnover in 2013 was €302 million, practically unchanged with respect to the previous year, due to termination of problem contracts, lower municipal service rates and less construction business, which have all been offset with the new



round of contracts. EBITDA fell to €41 million from €51 million the previous year. This was primarily due to the new energy regulations introduced by the Ministry, which had an adverse effect to the tune of over €4 million, and to less construction business, which had brought in profit of €4.4 million in 2011, and only €0.6 million in 2013. The fall in construction business was caused by fewer tenders by public bodies and to restructuring of the Valoriza Group, which has transferred this activity to its subsidiary Sacyr Industrial. Net profit partially compensated this setback with lower finance expense. The backlog at the closing date stood at €2,855 million.

Contracts awarded in 2013 included the following:

- Integral public cleaning services contract for roads and green zones with Madrid Town Hall, Lots 2 and 3, an 8-year contract worth €606.35 million.
- Integral mobility contracts with Madrid Town Hall, Lots 3 and 4, a 12-year contract worth €105.48 million.
- Operation of LIPOR's organic waste upgrading plant (Oporto), with an estimated €23.8 million on a 10-year contract.



Honaine desalination
plant in Algeria



Water

This business line encompasses two main fields of activities: engineering, development, construction, maintenance and operation of all types of water plants (drinking water and water purification plants, desalination plants, tertiary treatment and recycling, industrial wastewater treatment, agricultural treatment etc.) and integrated management of the water cycle under public sector concessions or in the private sector. Revenue stood at €289 million in 2013, with EBITDA of €31 million.

These activities are carried out by Valoriza Agua in Spain and AGS in Portugal and Brazil, and serve a total over of three million people in the three countries. Against a backdrop still affected by recession, more than 70% of company revenue in 2013 was obtained outside Spain.

Major activities include integrated water cycle management in Santa Cruz de Tenerife through the subsidiary Emmasa, and management of Emalsa, a company providing integrated drinking water distribution in Las Palmas de Gran Canaria. Valoriza Agua also has a contract for integrated water cycle management in Alcalá de Henares (Madrid) and the water supply concession for the city of Guadalajara.

In Portugal, AGS supplies 18 municipalities, including Setúbal, Cascis, Gondomar and Barcelos. In Brazil, AGS has three concessions in São Paulo state.

In terms of project development and execution, Valoriza Agua operates through its wholly-owned subsidiary Sadyt, a leading player in desalination and water treatment. In 2012 it continued its vigorous expansion both in Spain and abroad, operating in Algeria, Israel, Chile and Australia.

The following major contracts were awarded in 2013:

- Operation and Maintenance of the Viveros Wastewater Purification Plant - North Madrid for Canal Gestión, S.A., on a contract over four (4) years worth €13.9 million.
- Operation and Maintenance of the La Gavia Wastewater Purification Plant - South Madrid for Canal Gestión, S.A., on a contract over four (4) years worth €9.1 million.
- Operation and Maintenance of the Torrejón Wastewater Purification Plant - Madrid Peripheral Region for Canal Gestión, S.A., on a contract over four (4) years worth €4.9 million.



END-TO-END WATER CYCLE CONCESSIONS

| CONCESSIONAIRE | % VALORIZA | END OF CONTRACT | PORTFOLIO (€M) | POPULATION SERVED | CUSTOMERS | Hm3 DISTRIBUTED/ TREATED |
|---|---------------|--------------------|-------------------|----------------------|----------------|--------------------------------|
| Emalsa, Las Palmas, Santa Brigida | 33.00 | 2,043 | 1,055 | 398,000 | 162,200 | 31.0 |
| Emmasa, Santa Cruz de Tenerife | 94.60 | 2,031 | 1,567 | 223,200 | 70,200 | 22.0 |
| Guadalagua, Guadalajara | 60.00 | 2,033 | 180 | 80,000 | 30,000 | 10.0 |
| Aguas de Alcalá, Alcalá de Henares | 25.00 | 2,029 | 100 | 201,400 | 45,500 | 24.0 |
| Almadén | 15.00 | 2,039 | 145 | 40,000 | 27,000 | 4.5 |
| San Vicente de La Barquera | 100.00 | 2,028 | 29 | 6,300 | 3,840 | 0.4 |
| Cabezón de la Sal | 100.00 | 2,024 | 13 | 4,650 | 3,934 | 0.6 |
| Valdáliga | 80.00 | 2,036 | 30 | 8,500 | 4,200 | 1.6 |
| Pioz | 100.00 | 2,037 | 10 | 2,400 | 1,400 | 0.4 |
| SPAIN | 60.00 | 2,033 | 43 | 3,600 | 1,928 | 0.4 |
| Aguas do Sado, Setúbal | 40.00 | 2,022 | 130 | 117,000 | 61,300 | 12.0 |
| Tratave, Guimaraes, Santo Tirso, Vila Nova | 40.00 | 2,026 | 70 | 360,000 | 300 | 16.0 |
| Aguas da Figueira, Figueira da Foz | 40.00 | 2,034 | 159 | 70,000 | 38,200 | 6.0 |
| Aguas de Cascais, Cascais | 43.00 | 2,025 | 383 | 188,000 | 107,000 | 24.0 |
| Aguas de Carrazeda, Carrazeda | 75.00 | 2,031 | 38 | 9,000 | 5,200 | 0.5 |
| Aguas de Gondomar, Gondomar | 42.96 | 2,026 | 229 | 194,000 | 74,200 | 12.0 |
| Aguas de Alenquer, Alenquer | 40.00 | 2,033 | 93 | 40,000 | 22,200 | 5.0 |
| Ags Pazos da Ferreira, Pazos da Ferreira | 90.00 | 2,034 | 366 | 53,000 | 7,100 | 1.0 |
| Aguas de Barcelós, Barcelós | 75.00 | 2,034 | 721 | 155,000 | 40,000 | 4.0 |
| Aguas do Marco, Marco do Canaveses | 50.80 | 2,039 | 430 | 56,000 | 24,500 | 0.5 |
| Taviraverde, Tavira | 31.85 | 2,026 | 76 | 22,000 | 27,000 | 3.4 |
| Aguas da Serra, Covilha | 100.00 | 2,035 | 106 | 21,000 | 1 | 2.0 |
| Covilha, Covilha | 49.00 | 2,033 | 250 | 55,000 | 27,000 | 4.5 |
| Fagar, Faro | 32.83 | 2,040 | 45 | 57,000 | 32,000 | 1.5 |
| PORTUGAL | | | 3,096 | 1,397,000 | 466,001 | 92.4 |
| Aguas de Mandaguahy Mandaguahy Sao Paulo | 84.90 | 2,021 | 27 | 103,000 | 1 | 5.4 |
| Sanear, Sao Paulo | 54.00 | 2,015 | 3 | 329,000 | 1 | 13.4 |
| Votarantim | 20.00 | 2,042 | 72 | 110,000 | 1 | 6.1 |
| BRAZIL | | | 102 | 542,000 | 3 | 24.9 |
| TOTAL | | | 6,370 | 2,907,050 | 816,206 | 212 |



The most significant desalination projects completed and in progress, where Valoriza Agua and its specialist subsidiary Sadyt have attained global recognition, are as follows:

| | | |
|--|--------------------------------|------------------------|
| 1.OI ASHDOD (Israel) | Reverse osmosis | 384,000 m ³ |
| 2. Construction, O&M, desalination plant (Perth) | Reverse osmosis | 306,000 m ³ |
| 3. Aguilas desalination plant (Murcia) | Reverse osmosis | 212,000 m ³ |
| 4. Teclem Hounaine (Algeria) | Reverse osmosis | 200,000 m ³ |
| 5. La Abrera (Barcelona) | Electrodialysis reversal (EDR) | 200,000 m ³ |

Multi-services

Valoriza Multiservicios handles its business through 3 companies:

1. Valoriza Facilities
2. Valoriza Conservación de Infraestructuras
3. Cafestore

Valoriza Facilities (Facility Management, Cleaning, Ancillary Services, Energy Services and Socio-sanitary Services).

In 2013, sales by Valoriza Facilities topped €200 million, with pre-tax profits of more than €12 million - respective increases of 3% and 5% against the previous year.

The company's free cash flow in 2013 was €23 million, thanks to the rigorous collection policies applied and the supplier payment plans deployed by the authorities. This enabled the company to cancel all its net debt, from a negative €10.2 million in 2012 to a positive €5.6 million at year-end 2013.

From the commercial perspective, 2013 may be considered an extremely satisfactory year, as contracts amounted to €202 million.

The main contracts awarded were as follows:

- Comprehensive package of non-health services at the Puerta de Hierro Majadahonda University Hospital in Madrid, a 5-year contract worth €32 million.
- Madrid Metro. Four-year contract for cleaning stations on lines 3, 6 and 11, worth €31.8 million.
- A 2-year contract at the University of Málaga, worth €17.6 million.



Valoriza Conservación de Infraestructuras

Valoriza Conservación de Infraestructuras is Sacyr's specialist in maintaining and operating infrastructures. It is one of Spain's five largest companies in terms of contract volume.

Contracts in 2013 amounted to €39 million (including VAT), putting the portfolio at more than €100 M.

The budget of the Ministry of Economic Development was restrictive, with 27% fewer tenders, in an extremely hostile environment produced by a dearth of public contracts. In this situation, Valoriza Conservación invoiced a total of €39 million, a turnover decrease of 7%, with invoicing similar to 2011, and net profit was €3.2 million, an increase of 7%. EBITDA stood at €5.2 million.

In 201 Valoriza carried out maintenance on more than 4,250 equivalent kilometres of roads, a dam, a mini hydro-plant, two irrigation canal systems totalling 140 km, and Bilbao port. It also developed the first snow plough simulator. It was awarded R+D+i projects worth €1.2 million.

Cafestore

Cafestore's business is catering / multi-shop services in four areas: motorway catering (tourism, professional and special promotion), hospitals and homes for the elderly (cafeterias, shops and catering), the urban transport hub market (cafeterias and franchises) and the catering market for official bodies.

At year-end 2013 Cafestore was handling a total of 28 service stations in Spain, three hospitals in the Madrid area and two homes for the elderly, within two official bodies, the Madrid tax authority and the "FEGA" Agriculture Fund.

Cafestore's service stations are located on the main traffic corridors of 11 autonomous communities. The company is Spain's third-largest operator in this market.

The general decrease in ADT on roads and the high cost of investment have led Cafestore to conduct a review of strategy, along with the other companies making up Valoriza Multiservicios. Thus, using the classifications that enable it to bid on public contracts (M) and ISO 9001/14001, it secured another home for the elderly in Badalona (Barcelona) in addition to the Nuestra Señora de las Nieves residence in Barbastro (Huesca), another award for official bodies with the FEGA fund (Madrid), in addition to the contract with the tax authority at C/ Guzmán el Bueno. The strategy has produced a portfolio of €3.4 million in these new markets.

Cafestore also won a €7 million contract in the transport hub market, a cafeteria at the AVE rail station in Alicante (ADIF).



Sacyr Industrial

Sacyr Industrial is the result of integration of Sacyr's engineering and industrial construction specialists working in development and design, engineering, construction and operation of the following areas of business:

- **Engineering and energy:** Sacyr Industrial is one of Spain's main energy players and an international benchmark in terms of conventional and renewable power plants, cogeneration plants, biomass plants, solar energy and geothermal plants, engineering, procurement and construction operations ("EPC") for industrial processes, and operation and maintenance of power plants and industrial facilities with an installed power capacity of more than 900 MW.
- **Environment and mining :** Sacyr Industrial is one of the world's leading entities in the design, construction and operation of waste treatment and upgrade plants, having designed and built 43 waste management plants and installed 114 MWe of electrical power. It also has experience in mining and processing plant projects.
- **Oil and gas:** Sacyr Industrial has drawn up agreements with a number of technologists to furnish EPC solutions for refineries, the chemical and petrochemical industry, processing and treatment of gas and LNG, in addition to the transport and storage of liquid and gas fuels.
- **Electrical infrastructures:** Sacyr Industrial offers engineering and construction of high-voltage power lines, electrical substations and low, medium and high-voltage facilities.

In 2013, Sacyr Industrial was awarded the following major contracts:

- Engineering and construction work on new specifications for fuels and the middle distillate block at the La Pampilla refinery in Lima, Peru, on a budget of €116.5 million.
- Design, construction and commissioning as part of the framework contract for forty 132, 275 and 440 Kv electrical substations for Scottish & Southern Energy (SSE) in Scotland, UK, on a budget of €523.3 million.



Sacyr Industrial's main cogeneration plants are as follows:

| PLANT | CAPACITY (Mw) | ENERGY GENERATED (Mwh/year) | PRIMARY ENERGY SAVINGS (Tep/year) |
|--|------------------|--------------------------------|--------------------------------------|
| Compañía Energética Las Villas (Villanueva del Arzobispo, Jaén) | 24,90 | 200,000 | 13,400 |
| Compañía Energética Puente del Obispo (Puente del Obispo, Jaén) | 24,90 | 200,000 | 6,700 |
| Compañía Energética Pata de Mulo (Puente Genil, Córdoba) | 17,26 | 120,000 | 8,500 |
| Olextra (Villanueva de Algadas, Málaga) | 16,60 | 115,000 | 8,500 |
| Compañía Energética La Roda (Seville) | 8,20 | 65,000 | 3,000 |
| Compañía Energética Linares (Linares, Jaén) | 24,90 | 200,000 | 6,700 |

The main biomass electricity generation plants are as follows:

| PLANT | CAPACITY (Mw) | ENERGY GENERATED (Mwh/year) | PRIMARY ENERGY SAVINGS (Tep/year) |
|---|------------------|--------------------------------|--------------------------------------|
| Extragol (Villanueva de Algaidas, Málaga) | 9,15 | 66,000 | 25,000 |
| Biomassas de Puente Genil (Córdoba) | 9,80 | 73,000 | 27,500 |
| Bioeléctrica de Linares (Linares, Jaén) | 15,00 | 112,000 | 25,500 |

The main solid urban waste processing plants either already built or being built in 2013 are as follows:

| PLANT | CAPACITY (Tep/year) | SUM OF ENGINEERING AND GENERAL WORK (Mill €) | STATUS 2013 |
|--|------------------------|--|---------------|
| Planta de Tratamiento Mecánico Biológico de Bilbao | 180,000 | 53 | Commissioning |
| Planta de biometanización de Cogersa (Asturias) | 60,000 | 18 | Commissioning |



7.7

Property Management

Testa, a leader in the property sector, boasts a portfolio of top-level, prime-location assets leased to large companies and major customers. This enables the company to maintain its longstanding stable occupancy levels of around 100%.

The bulk of Sacyr's property business currently comprises offices for rent in Barcelona and Madrid. It has an operational area of over 1.4 million square metres.

Testa secured turnover of €220 million in 2013, and EBITDA of €172 million, excluding asset sales.

The rental portfolio stood at €1,893 million, with underlying EBITDA of €1,940 million and a margin of 80%.

KEY INDICATORS - TESTA

(Millions of Euros)

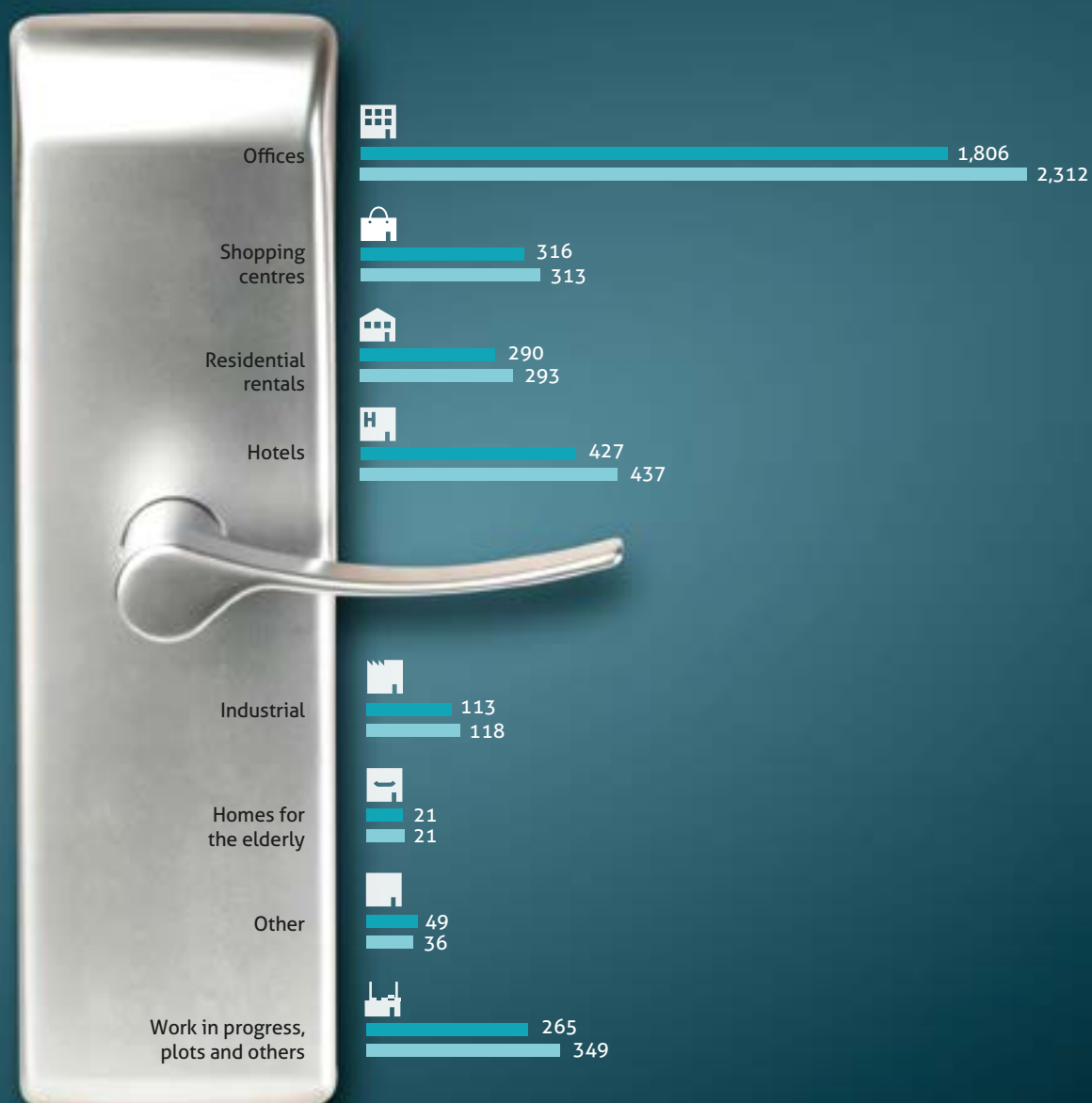
| | 2012 | 2013 |
|------------------|-------|-------|
| Revenue | 251.6 | 219.7 |
| EBITDA | 198.4 | 172 |
| Net profit | 60.6 | 77.7 |
| Rental portfolio | 2,267 | 1,893 |

Asset Valuation 2012-2013

Millions of Euros

■ 2013

■ 2012



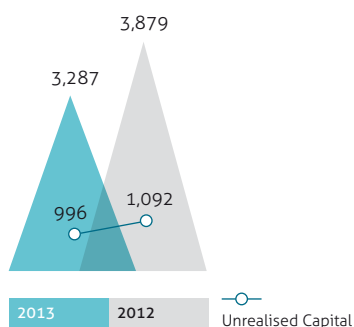


Asset appraisal

Based on independent appraisals by CB Richard Ellis and Tasaciones Hipotecarias, at 31 December 2013 Testa's assets were worth €3,287 million, with unrealised capital gains of €996 million. Offices, with an overall valuation of €1,806 million, shopping centres valued at €316 million and hotels worth €42 million occupy the top positions in the asset rankings.

ASSET VALUATION

Total and Unrealised Capital Gains



ASSET VALUATION

(Millions of Euros)

| | 2013 | 2012 |
|------------------------------------|--------------|--------------|
| Offices | 1.806 | 2.312 |
| Shopping centres | 316 | 313 |
| Residential rentals | 290 | 293 |
| Hotels | 427 | 437 |
| Industrial | 113 | 118 |
| Homes for the elderly | 21 | 21 |
| Other | 49 | 36 |
| Work in progress, plots and others | 265 | 349 |
| TOTAL | 3.287 | 3.879 |
| UNREALISED CAPITAL GAINS | 996 | 1.092 |



Grand Marina hotel,
Barcelona,
Spain



Summary of activity

Testa currently has an operational area of 1,372,638 square metres, of which offices account for 474,666 square metres. The company also operates 11,319 parking spaces, 8,120 of which belong to office blocks.

Gescentesta, a company created to manage shopping centre administration and management, handles an operational area of 103,983 square metres of shopping centres.

In terms of housing rentals, Testa manages a total of 1,534 owned apartments and 1,338 owned parking

spaces (an additional 114,505 square metres). The company also manages similar assets owned by property funds, totalling an additional 674,598 square metres, 7,309 housing units and 7,465 parking spaces.

Testa also owns 10 hotels with a total of 1,605 rooms. These assets add a further 124,611 square metres to the company's portfolio. Testa's hotels are 4-star and 5-star establishments, and are leased to the some of the top hotel chains.

SURFACE AREA BY PRODUCT TYPES (square metres)

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| Housing | 114,505 | 114,505 |
| Offices | 474,666 | 576,885 |
| Shopping centres | 71,958 | 71,958 |
| Industrial | 210,430 | 210,430 |
| Hotels | 124,611 | 124,611 |
| Homes for the elderly | 9,429 | 9,429 |
| Car parks | 348,518 | 396,653 |
| Mixed use | 18,521 | 18,521 |
| TOTAL | 1,372,638 | 1,522,992 |



Príncipe de Vergara 187
building, Madrid,
Spain.



Revenue

Testa's revenue at 31 December 2013 was €220 million, generating EBITDA (excluding asset sales) of €172 million, with the EBITDA/revenue margin standing at 78.18%. Occupancy was 96.8% (rentals).

The leasable area at the end of the period was 1,372.6 thousand square metres, falling from the 1,523.0 thousand square metres at year-end 2012 after the sale of office space at Brickel Ave. 1111, Miami (US) and Tour Adriá, Paris (France).

REVENUE BY PRODUCT TYPE (Millions of Euros)

| | 2013 | 2012 |
|-----------------------|--------------|--------------|
| Housing | 12.3 | 13.0 |
| Offices | 134.9 | 166.6 |
| Shopping centres | 26.1 | 25.6 |
| Industrial | 8.6 | 8.6 |
| Hotels | 29.5 | 29.5 |
| Homes for the elderly | 1.9 | 1.9 |
| Car parks | 1.2 | 1.2 |
| Mixed use | 0.5 | 0.5 |
| TOTAL | 215.0 | 246.9 |
| Revenue from services | 4.7 | 4.7 |
| TOTAL | 219.7 | 251.6 |

RENTAL INCOME BY GEOGRAPHIC MARKETS (Millions of Euros)

| | 2013 | 2012 |
|------------------------------|--------------|--------------|
| Madrid | 131.2 | 137.6 |
| Catalonia | 30.9 | 33.7 |
| Andalusia | 12.6 | 12.9 |
| Balearic Islands | 9 | 8.5 |
| Other | 11.4 | 11.4 |
| Paris (France) | 16.6 | 30.9 |
| Miami (US) | 3.3 | 11.9 |
| TOTAL | 215.0 | 246.9 |
| Other | 4.7 | 4.7 |
| TOTAL REVENUE BACKLOG | 219.7 | 251.6 |



RENTAL INCOME BY PRODUCT TYPES

%

Offices
61.6%

Hotels
13.5%

S. Centres
11.9%

Housing
5.6%



Industrial
3.9%

Services
Income
2.1%

Home for the elderly
0.9%

Car Parks
0.6%

OCCUPANCY BY PRODUCT TYPE

| | % Occupancy | sq. mz |
|-----------------------|-------------|------------------|
| Offices | 94.6 | 474,666 |
| Shopping centres | 97.8 | 71,958 |
| Hotels | 100.0 | 124,611 |
| Housing | 91.6 | 114,505 |
| Logistics centres | 88.8 | 210,430 |
| Homes for the elderly | 100.0 | 9,429 |
| Car parks | 100.0 | 348,518 |
| TOTAL | 95.5 | 1,354,117 |



Offices

Testa has offices available for lease in the central business districts of certain major cities: Madrid, with 355,271 square metres, and Barcelona, with 94,555 square metres.

OFFICE PROPERTIES

| OFFICES | | SQ. M. AREA | PARKING SPACES |
|--------------------------------|--------------------------|----------------|----------------|
| Ed. Ribera del Loira, 60 | Edificio Endesa | 54,849 | 1,253 |
| Ed. Avenida del Partenón | Campo de las Naciones | 37,692 | 663 |
| Ed. Avenida de Bruselas, 33 | Edificio Indra | 33,718 | 853 |
| Complejo Princesa | Complejo Princesa | 33,668 | |
| Ed. Juan Esplandiú, 11 - 13 | Edificio O'Donnell | 27,679 | 436 |
| Ática Business Complex | Ática 7 | 23,395 | 502 |
| Castellana, 259 | SyV Tower | 21,390 | 631 |
| Ed. Alcalá, 45 | Alcalá, 45 | 18,655 | 40 |
| Ed. Avenida de Bruselas, 24 | Edificio Procter | 9,163 | 243 |
| Ed. Avenida de Bruselas, 26 | Edificio Codere | 8,895 | 214 |
| Ed. Costa Brava, 2 - 4 | Raqueta | 16,000 | 335 |
| Ed. Castellana | Castellana, 83-85 | 15,055 | 271 |
| Ed. Eucalipto, 25- 33 | Los Jacintos | 14,553 | 256 |
| Ed. Príncipe de Vergara, 187 | Príncipe de Vergara, 187 | 10,732 | 165 |
| Ed. Pedro Valdivia, 10 | Pedro Valdivia, 10 | 6,568 | 89 |
| Ed. Juan de Mariana, 17 | Juan de Mariana, 17 | 3,366 | 60 |
| Ed. Josefa Valcarcel, 48 | Josefa Valcarcel, 48 | 19,893 | 357 |
| MADRID | | 355,271 | 6,368 |
| Ed. Muntadas I | Muntadas I | 24,380 | 640 |
| Ed. Avenida de Vilanova, 12-14 | Edificios Endesa | 16,494 | 94 |
| Ed. Sant Cugat I | Sant Cugat | 15,374 | 219 |
| Ed. Diagonal 605 | Diagonal 605 | 14,795 | 217 |
| Ed. Sant Cugat II | 10 San Cugat | 10,008 | 251 |
| Ed. Avenida Diagonal, 514 | Diagonal 514 | 9,721 | 76 |
| Ed. Muntadas II | Muntadas II | 3,783 | 82 |
| BARCELONA | | 94,555 | 1,579 |
| REST OF SPAIN | | 24,840 | 173 |
| TOTAL | | 474,666 | 8,120 |



Shopping centres

Testa's shopping centre portfolio comprises four centres, plus the premises owned by property funds, which it also manages. All shopping centres are located in prime commercial areas of capital cities and other cities undergoing rapid expansion.

SHOPPING CENTRES

| | LOCATION | SQ. M. AREA | Nº PREMISES |
|-------------------|-------------------|---------------|-------------|
| Porto Pi | Palma de Mallorca | 26,359 | 171 |
| Larios | Málaga | 21,504 | 152 |
| Complejo Princesa | Madrid | 13,202 | 51 |
| Centro Oeste | Madrid | 10,893 | 66 |
| TOTAL | | 71,958 | 438 |



Porto Pi shopping mall,
Palma de Mallorca



Hotels

Testa's customers include some of the world's top hotel chains. The hotels owned by Testa are landmark buildings, at prime locations with excellent communications.

HOTELS

| | CITY | CHAIN | SQ. M. AREA | ROOMS | CATEGORY |
|---------------------------|-----------|-----------|----------------|--------------|-----------|
| Eurostars Madrid Tower | Madrid | Hotusa | 31,800 | 474 | * * * * * |
| Eurostars Grand Marina | Barcelona | Hotusa | 20,030 | 274 | * * * * * |
| AC Forum | Barcelona | AC | 13,768 | 184 | * * * * * |
| NH Sanvy | Madrid | NH | 12,182 | 149 | * * * * * |
| Puerta Castilla | Madrid | Silken | 13,180 | 262 | * * * * * |
| Tryp Barcelona Aeropuerto | Barcelona | Sol Meliá | 10,125 | 205 | * * * * * |
| Tryp Oceanic | Valencia | Sol Meliá | 9,308 | 197 | * * * * * |
| Tryp Alameda | Málaga | Sol Meliá | 6,000 | 136 | * * * * * |
| Tryp Jerez | Jerez | Sol Meliá | 4,637 | 98 | * * * * * |
| Eurostars Gran Madrid | Madrid | Hotusa | 3,581 | 100 | * * * * * |
| TOTAL | | | 124,611 | 2,079 | |

Homes for the elderly

In view of the growing need for care services for the elderly, the outlook for this business line is very good indeed. Testa's presence in this business focuses on

building homes for subsequent lease to a specialised operator, thus eliminating management risks.

HOMES FOR THE ELDERLY

| | CITY | SQ. M. AREA | ROOMS | BEDS |
|------------------|-----------|--------------|------------|------------|
| Faro de Hércules | La Coruña | 5,829 | 93 | 138 |
| El Viso | Madrid | 3,600 | 95 | 119 |
| TOTAL | | 9,429 | 188 | 257 |



Housing

New plans to develop residential rental property at state and regional level, coupled with financial and tax incentives introduced by the government, are helping to revive this market.

Testa was the first private operator in Spain to create a specific subsidiary for this segment, Testa Residencial.

BUILDING

| | SQ. M. AREA | PARKING SPACES | UNITS |
|--------------------------------------|----------------|----------------|--------------|
| Plaza Castilla | 20,574 | | 302 |
| Valdebernardo | 7,030 | 100 | 94 |
| Conde Xiquena 17 | 1,664 | 14 | 15 |
| Alcorcón | 10,750 | 182 | 159 |
| MADRID PRIVATE HOUSING | 40,018 | 296 | 570 |
| Pavones Este | 7,574 | 115 | 104 |
| Usera | 11,958 | 148 | 148 |
| Leganés | 6,864 | 103 | 80 |
| Mostoles I | 5,620 | 109 | 104 |
| Mostoles II | 4,082 | 92 | 75 |
| MADRID SUBSIDISED HOUSING | 36,098 | 567 | 511 |
| Alameda de Osuna | 9,318 | 95 | 95 |
| SPECIAL PRIVATE HOUSING UNITS | 9,318 | 95 | 95 |
| Sta. María Benquerencia | 10,327 | 103 | 103 |
| TOLEDO PRIVATE HOUSING | 10,327 | 103 | 103 |
| Benta Berri | 18,744 | 277 | 255 |
| S. SEBASTIÁN CONCESSIONS | 18,744 | 277 | 255 |
| TOTAL | 114,505 | 1,338 | 1,534 |



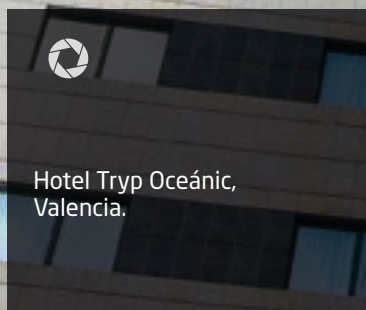
Logistics centres

The logistics centres and industrial premises business continued to boast an extremely high occupancy rate, confirming a very positive outlook indeed for Testa. Profitability in this segment, which focuses on the Madrid-Barcelona corridor and particularly

on the Henares corridor near Madrid, continues to increase. Testa's logistics centres comprise a total area of 210,430 square metres in Barcelona, Zaragoza, Guadalajara and Coslada (Madrid).

LOGISTICS CENTRES

| BUILDING | LOCATION | SQ. M. AREA |
|------------------|------------------------------------|----------------|
| Logistics centre | Cabanillas del Campo (Guadalajara) | 70,134 |
| Logistics centre | Alovera (Guadalajara) | 39,879 |
| Logistics centre | Coslada (Madrid) | 35,934 |
| Logistics centre | Azuqueca Henares (Guadalajara) | 27,995 |
| Logistics centre | Pedrola (Zaragoza) | 21,579 |
| Logistics centre | Lliça de Vall (Barcelona) | 14,909 |
| TOTAL | | 210,430 |





7.8

Investments. Repsol

In line with its diversification strategy and in view of the high potential and strategic importance of the energy sector, in 2006 Sacyr acquired a significant interest in Repsol. The investment of €6,525.5 million made Sacyr the largest shareholder with a 20.01% stake.

Sacyr's stake is now 9.23%, making it the company's third largest shareholder, and it has now cancelled a large portion of related debt, leaving the balance at €2,426 million. This amount is refinanced by a syndicated bank loan up to January 2015.

Repsol is Spain's leading oil company in Spain, and one of the ten largest private oil concerns in the world. It is also Spain's leading seller of Liquefied Petroleum Gas ("LPG"), supplying the product to more than 11 million customers in Spain alone. In chemical products, Repsol is market leader in Spain and Portugal, and world leader in agricultural plastics. Repsol has a 30% stake in the gas utility Gas Natural SDG, S.A. and also owns 10% of energy company Compañía Logística de Hidrocarburos CLH, S.A.

On 25 February, Repsol announced signature of the "Amicable Solution and Expropriation Agreement" with the Republic of Argentina, acknowledging the company's entitlement to five billion dollars as

compensation for the Argentinian government's expropriation in April 2012, 51% of YPF shares and guarantees of effective payment, and a reciprocal waiver of the legal and arbitrational proceedings initiated and a further waiver of future claims.

The agreement, which was ratified by Repsol's General Meeting of Shareholders on 28 March 2014, will only enter into force subject to a number of conditions precedent, among which the subsequent approval of a special law by the Argentinian parliament.

The agreement with Argentina will bring in revenue through the sums recovered, boost financial solvency and increase Repsol's growth and investment capacity in the years ahead.

Repsol turned in €195 million in net profit during 2013 - recurring net profit, which specifically gauges the company's business progress, stood at €1,823 million.

At year-end 2013 Repsol, S.A. distributed a total gross dividend of €0.9580 euro per share (a €0.473 dividend at the beginning of January against 2012 results, a further €0.04 dividend at the end of June, and a third €0.445 dividend at the beginning of July, in addition to 2012 results). €117.08 million were paid out to Sacyr in dividends.



Repsol, S.A. is listed on Spain's IBEX-35 stock market index, and also on the leading US index. At year-end 2013 the share price stood at €18.305 (a climb of 19.37% compared with 2012), and its market capitalisation was €23,861.3 million.

With respect to LNG assets, in February 2013 an agreement was signed with Shell, including a share in liquefaction plants (Atlantic LNG and Peru LNG) and distribution and transmission assets. The first phase of the sale took place on 31 December 2013, when the shares in the liquefaction plants were transferred, and the transaction was completed on 1 January 2014 with transfer of the remaining assets sold (distribution and transmission). Interests in Bahía Bizkaia Electricidad (BBE) were sold off to BP in October. These transactions brought in revenue of around 4.3 billion dollars for Repsol, and net capital gains of €1,263 million in 2013 and €328 million in January 2014. Following the sales, pursuant to criteria of maximum financial prudence, Repsol adjusted its accounts in the amount of the remaining LNG assets, and posted total provision after tax of €1,105 million.

Repsol's growth strategy is based on its 2012-2016 Strategic Plan, which has developed new profitable areas of business, diversified its assets portfolio and added key projects to generate value.

These are all positive aspects consolidating its position in the world energy sector.



7.9

Social behaviour

Summary of activities

As a result of the guidelines laid down in the 2012-2013 Corporate Responsibility Master Plan, the Group took a number of specific courses of action to meet its targets in each area, and progress was as follows:

At year-end 2013, the level of compliance stood at 82% in terms of both years of the Master Plan.

| DIRECTIVE 1. Improving dialogue with stakeholders | Level of achievement | Comments |
|--|-----------------------------|-----------------|
| 1.1 Adding Sacyr's CSR policies and successes to the equity story and printed documentation by the company targeting finance markets, investors and analysts, both buy side and sell side. | 100% | |
| 1.2 Adding Sacyr's CSR policies and successes to the equity story and printed documentation by the company targeting Spanish media and the media in countries in which we operate. | 100% | |
| 1.3 Creating a standardised CSR document to be attached to documentation submitted for tenders and competitions. | 100% | |
| 1.4 Drawing up a global map of Group suppliers to establish minimum CSR compliance requirements. | 100% | |
| 1.5 Establishing a specific code of conduct for suppliers. | 100% | |
| 1.6 Increasing training hours by 2%. | 100% | |
| 1.7 Securing the Spanish market's first certification of an information service for non-controlling shareholders. | 50% | |



DIRECTIVE 2.
Improving all aspects concerning
the Company's Corporate Reputation.

| | Level of achievement | Comments |
|---|-----------------------------|-----------------|
| 2.1 2% of disabled employees in areas where this is possible, or the equivalent through alternative measures. | 100% | |
| 2.2 Publishing an Integrated Report (Business Report + Financial Statements + Corporate Governance Report + CSR Report) for the year 2013. | 100% | |
| 2.3 Positioning the company as one of the Spanish market's Top Twenty in terms of CSR compliance and policies, according to the criteria of the "Club de Excelencia en Sostenibilidad" (Excellence in Sustainability Club). | Pending results | |

DIRECTIVE 3.
Promoting the Group's ethical values
and principles at all levels of the orga-
nisation and establishing guidelines for
social policies.

| | Level of achievement | Comments |
|--|-----------------------------|-----------------|
| 3.1 Boosting employee participation in Sacyr's commitment to society by rolling out a joint personnel/Company social awareness campaign. | 100% | |
| 3.2 Establishing the Sacyr Foundation as a single channel encompassing all social projects, sponsorships and patronage. | 100% | |
| 3.3 Setting two main areas for social projects to secure Group recognition and prestige: children and young people + encouragement of R+D+i. | 100% | |

**DIRECTIVE 4.**

Systematically compiling information on the net contribution to wealth in countries where we operate.

| | Level of achievement | Comments |
|---|-----------------------------|-----------------|
| 4.1 Systematically compiling information on the net contribution to wealth in countries where we operate. | 50% | |

DIRECTIVE 5.

Continuing to boost the overall framework of environmental schemes, with maximum contribution to the sustainability of all Sacyr's activities.

| | Level of achievement | Comments |
|--|-----------------------------|-----------------|
| 5.1 Defining a policy for climate change and environmental strategy. | 50% | |
| 5.2 Defining global objective sustainability challenges. | 50% | |
| 5.3 Defining and implementing a global resource efficiency plan. | 50% | |



DIRECTIVE 6.
Boosting R+D+i policies as an essential
component of our capacity and
technological expertise.

| | Level of achievement | Comments |
|---|----------------------|----------|
| 6.1 Encouraging research programmes with university or scientific facilities with which we have drawn up agreements, and creating new links to the research and educational fraternity. | 100% | |
| 6.2 Third and Fourth Sacyr Innovation Awards. | 100% | |

DIRECTIVE 7.
Continuing to adopt international CSR
policies and standards.

| | Level of achievement | Comments |
|---|----------------------|----------|
| 7.1 Putting Sacyr on the FTSE4GOOD sustainability index, and preparatory work for the DJSI index. | 50% | |
| 7.2 Gradual adoption of the UN Guiding Principles on Business. | 50% | |



Commitment to society: Sacyr Foundation

Sacyr contributes to community development and welfare through its social projects, which encompass a broad range of philanthropic initiatives.

In 2013 Sacyr assisted various community projects, which can be broken down into seven different categories:

- Healthcare and social care
- Development aid
- Art and culture
- Sports initiatives
- Community social and economic development
- Initiatives linked to company business

Some of the main social initiatives undertaken by the Group in 2013 are described below:

Art and culture

"Príncipe de Asturias" Foundation.

Economic contribution - the Chairman of Sacyr sits on the Board of this Foundation.

Development aid

Chile-Spain Foundation.

Economic contribution and membership of its Board of Trustees. Promoting development initiatives in Chile.

Healthcare and social care

"Three Kings" campaign (January 2013).

The campaign is a collection of new and used toys. All the toys collected were given to the NGO "Proyecto Hombre-Centro Español de Solidaridad".

The boys and girls with which the association works personally gave the toys to children at care centres, apartments run by the authorities, immigrant associations etc.

"Operation Kilo" campaign (June 2013).

Operation Kilo assisted the splendid work done by care centres, charity diners, residences, sanatoriums etc. through the Madrid Food Bank, and brought in a total of 389 kg of food.

The beneficiaries of the campaign were people in need (mentally and physically handicapped, needy children and old people, marginalised families, drug addicts undergoing rehabilitation treatment, AIDS victims etc.) in the Madrid area.

"Clothes collection" campaign (November 2013).

On this campaign the Group assisted the NGO "Adelante África", with members from Spain and Uganda. Any item of clothing could be delivered to Sacyr's head office.



The campaign was a huge success and brought in large numbers of bags of clothes, which were then sent to Adelante África for a rural community in Uganda, abandoned children, orphans, refugees and particularly vulnerable families.

"Solidarity meals" campaign (December 2013).

At Christmas 2013 Sacyr assisted the "María Inmaculada" diner with Christmas meals through the Cáritas charity organisation.

Sacyr and its employees raised €2,884 to help some 600 people in families with social and economic difficulties.

Initiatives linked to Sacyr's business

National Centre of Excellence in Desalination (Perth, Australia).

Work on the survey "Best practice governance arrangements for the delivery of urban water security through desalination and water for mining - community responses to new institutional arrangements and pricing", in cooperation with the University of South Australia.

Sporting activities

"Entreculturas" Foundation.

Volunteer work and sponsorship of the street race "Corre por una causa, corre por la educación" (Run for a cause, run for education) to raise funds for education in Haiti.

Social and economic development of the community

Sacyr Innovation Awards.

The awards aim to encourage and publicly reward those who, alone or with others, conduct research and work on projects, innovative, creative or pioneer ideas devised to overcome challenges and further knowledge, and carry a €6,000 prize in each of the three categories. The winners were as follows:

Technological and Environmental Innovation

Rafael Aparicio (Valencia) Harnessing wave energy from the sea, with a design imitating a flamingo's beak.

Construction Project

María Langarita and Víctor Navarro

Langarita-Navarro Arquitectos

Adaptation of a Belgian saw mill as Centro Medialab-Prado's head office.

Technological and Economic Journalism

Martí Domínguez (Mètode) "La fuerza del mundo La energía en la era posindustrial" (The world's forces – Energy in the postindustrial world).



Sacyr Foundation

In view of the growing number of community-based initiatives to which the Group has contributed in recent years, in December 2007 Sacyr's Board of Directors took the decision to create a corporate foundation that would enable the Group to maximise the benefits of its community initiatives and contribute more effectively to the welfare and development of the communities in which it operates.

The Sacyr Foundation was entered in the Spanish Foundations register on 22 September 2008.

Under its bylaws, the Foundation has the following missions:

- 1 To promote and spread art and culture in the broadest sense, to foster cultural and artistic talent and bring culture closer to society.
- 2 To promote human rights, to foster respect for all persons and cooperation in the development of disadvantaged regions and groups.
- 3 To provide social and healthcare assistance, support the voluntary sector, and promote community action and care for persons with a risk of social exclusion.
- 4 To safeguard the environment and to raise awareness of, provide training in and support research into environmental matters.
- 5 To support all types of education to advance career development and to promote training, scientific research and technological development in any sphere, in particular, though not limited to, areas related to construction and engineering.
- 6 To promote and support sport as an essential feature of balanced and full development of the human race and as a means of teaching competition and respect for rules and opponents.
- 7 To protect our historical and artistic heritage.
- 8 To raise awareness of and provide institutional support for civil education, to promote constitutional values and to strengthen the rule of law and democracy.
- 9 To support victims of acts of terrorism or any other form of violence.



When it established the Sacyr Foundation, to guarantee the efficient operation of its community projects the company drew up a set of internal procedures setting out the methodology to be adopted in considering, selecting, funding and monitoring social projects. The new features of these procedures include the following:

The Foundation's Board of Trustees is the body ultimately responsible for approving and overseeing social projects. The Group has established the following objective criteria to be used as points of reference for the selection of projects:


- The project must be in accordance with the aims of the Sacyr Foundation as set out in its bylaws.
- Social return on investment: assessment of the need for and urgency of aid, and of the number of potential beneficiaries.
- Regional balance: the Group seeks to prioritise projects in the areas in which it is active and to avoid imbalances in the geographical distribution of aid.
- Funding balance: the Group wishes to avoid excessive concentrations of aid in any one of its specific projects.
- Technical and financial solidity of the partner or beneficiary organisation.
- A suitable budget.



7.10

Quality and the Environment. Patterns of behaviour and challenges

CHALLENGES OVERCOME IN 2013

- 
- Further ISO 9001 and ISO 14001 certification was secured for the various Group businesses. On the domestic front, the industrial division and motorway concessions; overseas, construction, motorway concessions, industrial division and motorway operators.
 - The scope of Valoriza Servicios Medioambientales was extended, with repair, restoration and maintenance work for children's play areas, biohealth circuits and street furniture.
 - Our IT applications were set up in Chile.
 - A customer satisfaction system was defined for the industrial division.
 - LEED certification was extended to the property management division.
- 2013 also saw the following achievements:
- An energy management system was rolled out and certified to ISO 50001 at Valoriza Facilities (Spain).
 - The Quality, Environment and Energy Management Policy was reviewed and updated.
 - Vigilance concerning legal environmental requisites was extended. The requisites applicable to Colombia, Mexico, Ireland and Peru are identified, extracted and assessed.



CHALLENGES IN 2014

- To increase ISO 9001 and ISO 14001 certification for other Sacyr activities, chiefly overseas.
- To secure new certification specific to the various areas of business carried on by Sacyr, e.g. UNE 158301.
- To inform Society concerning our carbon footprint.
- To continue to roll out our computer applications overseas.
- To provide Society with a list of major environmental courses of action carried out by Sacyr.
- To continue to extend the scope of LEED certification in the property management division.
- To inform Society of the level of achievement of environmental targets, by business areas.
- To provide information on Scope 3 emissions for construction business in Spain.
- To take part in the Carbon Disclosure Project (CDP) Climate Change Programme.
- To take part in working groups studying and approving international standards in the environmental and energy fields.
- To deploy a "green purchases" policy, with specific requisites.



Our commitment to quality and the environment

Sacyr undertakes a commitment to the environment, energy management and quality in its business as an essential factor to guarantee customer satisfaction, meeting requirements and satisfying users, in a major bid to make its activities compatible with the environment.

Sacyr has an **Integrated Quality, Environment and Energy Management System** in accordance with ISO 9001, ISO 14001 and EMAS standards, the main European and international benchmarks

in the respective fields. The specific nature of our work entails a single integrated system for all activities carried out by Sacyr.

Sacyr currently holds 31 ISO 9001 and 26 ISO 14001 certifications, and 3 EMAS certifications. The percentages of activity certified to these requirements at year-end 2013 were as follows:

% OF CERTIFIED ACTIVITIES AT SACYR (%)

| | | ISO 9001 | | | ISO 14001 | | |
|----------------------|--------------------|----------|-------|----------|-----------|-------|----------|
| BUSINESS AREA | | SPAIN | CHILE | PORTUGAL | SPAIN | CHILE | PORTUGAL |
| Construction | | 87.06 | 100 | 100 | 87.06 | 100 | 75 |
| Property Management | | 51.92 | N/A | N/A | 51.92 | N/A | N/A |
| Property Development | | 10 | N/A | N/A | N/A | N/A | N/A |
| Concessions | Transport hubs | 11.18 | N/A | N/A | 11.18 | N/A | N/A |
| | Motorways | 26.24 | 100 | N/A | 26.24 | N/A | N/A |
| | Motorway operators | N/A | 29.68 | N/A | N/A | N/A | N/A |
| Services | Energy | 100 | N/D | N/A | 100 | N/A | N/A |
| | Water | 86.67 | N/A | 66.70 | 86.67 | N/A | 66.70 |
| | Environmental | 84.13 | N/A | | 84.13 | N/A | |
| | Multi-services | 34.01 | N/A | N/A | 33.31 | N/A | N/A |



Certification was also obtained in the course of the year for the following operations overseas:

Area: Construction

- Sacyr Construcción Colombia.

Area: Concessions

- Sacyr Concesiones México
- Sacyr Concesiones Perú
- Sacyr Concesiones Colombia
- Sacyr Concesiones Irlanda Ltd.

Area: Industrial

- Sacyr Industrial Colombia, S.A.S.
- Sacyr Industrial Perú, S.L
- Sacyr Industrial Chile

Work also began on certification of energy efficiency management systems pursuant to the requirements of ISO 50001, primarily in the Services division. The systems address energy management at Sacyr's own facilities and buildings and those owned by third parties, including energy supply and production, management and design of facilities, and the processes associated with improved energy efficiency.

EMAS Regulation audits were successfully undergone in 2013. Environmental declarations are available for consultation at the following address:

<http://www.sacyr.com/syv/Door.do?OPERATION=gestor&FUNCTION=34&id1=3&locale=es>

Given the importance of the system for classifying companies in the construction industry in **Italy**, the Italian authorities recognise the importance and value of organisations attaining the ISO 9001 certification, and also add further requirements and demands, defined in the **RT 05 Technical Regulation**, establishing provisions for the assessment and certification of quality management systems in these companies. **Sacyr Construcción and Valoriza Servicios Medioambientales** have met this requirement since 2008, and are recognised in Italy by Accredia for compliance with the ISO 9001 standard, in accordance with the RT-05 regulation. It is renewed annually.

A number of Sacyr projects were acknowledged by independent entities in 2013, among which the following:

The office block at Pedro de Valdivia 10, in Madrid, was awarded the "LEED SILVER" certification in March 2013. The certification process has also commenced for the "Campo de las Naciones" building, Avda. del Partenón 16-18, Madrid - both buildings are owned by TESTA.

Sacyr Construcción built the "Bilbao 22" (Cornerstone) Business Complex in 2013. The property developer required LEED certification, and "LEED GOLD" certification was awarded. The Rota Air/Naval Base Control Tower Building, the property of US NAVY NAVSTA, has been registered for "LEED SILVER" certification and work is still ongoing.



"LEED" (Leadership in Energy and Environmental Design) is a voluntary sustainable construction standard that gauges the level of respect for the environment and construction health, issued by the United States Green Building Council (USGBC). There are five categories of LEED certificates, and points are awarded when specific targets are met. Projects are awarded one of the four levels depending on their score: Certification, Silver, Gold or Platinum.

In November 2013 the Sacyr Industrial subsidiary, Valoriza Energía Operación y Mantenimiento, renewed its PEFC certificate (Programme for the Endorsement of Forest Certification) and FSC certificate (Forest Stewardship Council) addressing the custody of forest products and biomass used at the Group's power plants.

An OLIVE PRESS CAKE AND STONE CUSTODY CHAIN MANUAL was also drawn up in accordance with "OFGEM" sustainability criteria (Renewables Obligation: Sustainability Criteria for Solid and Gaseous Biomass for Generators (greater than 50 kilowatts) - OFGEM). The manual was drawn up at the behest of UK companies for purchases of biomass from our facilities.

Sacyr and its environmental responsibility

In terms of the environment, this management system helps the company identify the main environmental challenges associated with its operations and the legislation applicable, and establish the proper targets and procedures to achieve ongoing improvements in its environmental performance.

Senior Management at Sacyr understands that respect for the environment in which the Group conducts its operations cannot be imposed from outside the Group and must arise within its human resources, and encourages all its employees to make respect for the environment part of their working routine.



Sacyr's aim is to conduct its business in a manner that enables us:

| | | |
|--|--|--|
| <ul style="list-style-type: none"> • To comply with all legal and regulatory requirements, and all customer and user requisites that Sacyr is required to satisfy. | <ul style="list-style-type: none"> • To maintain fluid communication with customers to meet their needs, requirements and expectations, maximising their satisfaction and building loyalty. To enhance communication with public administrations, neighbourhood associations and non-governmental organisations on environmental issues of common interest. | <ul style="list-style-type: none"> • To reduce consumption of natural resources by using recycled and/or recyclable materials. • To encourage energy savings. |
| <ul style="list-style-type: none"> • To plan and carry out projects in an orderly, rational and flawless manner, reducing the impact on the environment. | | <ul style="list-style-type: none"> • To improve control of atmospheric emissions (dust, gases and noise). |
| <ul style="list-style-type: none"> • To improve waste management, applying the proper methods for reducing, recovering and recycling waste and ensuring that non-recoverable waste is properly disposed of. | <ul style="list-style-type: none"> • To encourage employees to adopt quality procedures and use the most environment-friendly techniques and products, without undermining creativity or innovations that could arise as part of the process of continuous improvement. | <ul style="list-style-type: none"> • To build a select team of associates whose quality and environmental criteria match the Sacyr Group's. • To guarantee continuous improvement. |
| <ul style="list-style-type: none"> • To prevent pollution throughout the environment (ground and surface water, soils, atmosphere). | | |



This commitment consists of a number of sustainable practices aimed at minimising the impact on the natural environment, efficient use of resources, application of the hierarchy in waste management practices, energy savings etc. For example:

- Using natural products that are easy to recycle.
- Using materials with little environmental impact throughout their lifespan.
- Eliminating environmentally hazardous materials.
- Purchasing local materials to reduce transport emissions.
- Protecting natural habitats.
- Encouraging energy savings and adopting energy efficiency measures for lighting, air conditioning, cooling equipment, transportation etc.
- Fitting solar panels and accumulators to buildings.
- Proper management of the construction and demolition waste generated.
- Using wood produced by sustainable forestry procedures, if possible with Forest Stewardship Council Certification (FSC) or Pan European Forest Certification (PEFC) or similar.
- Buying products with the European Ecolabel.

Continuous improvement of environmental protection systems and quality calls for a versatile, committed team with an international profile. The Department of Quality, the Environment and Energy works in all areas of Group business, and this has a direct effect on its organisational structure. In 2013 the department was composed of 94 employees.

Sacyr's Quality, Environmental Management and Energy Management System is tailored to the needs of each work centre according to the activity carried out on the basis of a Quality, Environmental Management and Energy Management Plan covering the following:

- Identification and assessment of environmental aspects.
- Resources and checks required for exhaustive operational monitoring.
- Establishment of improvement targets.
- Identification and assessment of legal requirements and other acquired environmental requirements.
- Identification and assessment of energy usage and consumption (energy balance and energy review matrix), and identification and prioritisation of opportunities to save energy.



The operation of the Management System is assessed by means of regular visits and audits at each of the Group's work centres. The aim of these is to determine whether the system is meeting the targets established, operating efficiently and reliably, whether it satisfies the Group's stated Quality and Environmental Policy etc.

INDEPENDENT ENVIRONMENTAL SUPERVISION INSPECTIONS IN 2013

| SPAIN | CHILE | PORTUGAL |
|-------|-------|----------|
| 936 | 54 | 32 |

In 2013, 64 documents underlying Sacyr's quality management and environmental management systems were updated and 37 documents were created from scratch, making a total of 101 documents. These efforts support the ongoing improvement of the processes and tools on which the systems are based.

System documentation is available to the entire organisation through the company's intranet and IT applications.

The system is now 80% computerised through an internal IT tool providing assistance with the following:

- Instant communication at all levels between quality and environment personnel and staff concerned of the required data to monitor and control the systems.
- Support in the process of rolling out and monitoring systems at work centres.
- Possibility of greater monitoring and control of work centres by people responsible for each area and the quality and environment departments.
- Creation of statistics for a global or individualised analysis of the level of implementation of systems, and identification of areas for improvement.

Sacyr considers it is a full part of the community in which it conducts its operations, and as such it concerns itself with environmental issues, respecting and encouraging protection of the natural surroundings through involvement in environmental schemes in Spain and the other countries in which it operates.



In recent years we have taken part in a large number of projects focusing on conservation of biodiversity, protection of water courses, protection of natural spaces, flora and fauna. Some of the projects and initiatives are as follows:

- programmes for reproduction of protected species
- planting different local species and reforesting wooded areas
- awareness campaigns for the general public on water savings and responsible use of water
- awareness campaigns to encourage energy savings
- efficient energy consumption etc., reduction of waste and proper use of office equipment
- waste reduction workshops

Creating awareness and training

Human capital is one of Sacyr's driving factors. This means one of the Group's goals is to have a select team of employees and contractors in place whose quality and environmental criteria match Sacyr's. Environmental and awareness training is one of the cornerstones of Sacyr's strategy, and it uses a combination of educational methods to raise awareness among employees and partners of the potential environmental implications of their activities, with the primary goal of enhancing their environmental awareness and encouraging environment-friendly conduct.

We carry out this process with a number of different instruments, one of which is preparation and distribution of Manuals of Good Environmental Practices. We now have 18 of these manuals. They help us with the following tasks:

- protection and improvement of the environment
- information and awareness among our employees and associates, reducing environmental impact through environment-friendly processes and activities
- improving society's perception of our work
- providing information on good environmental practices
- continuously improving our activities, reducing its environmental impact.



ENVIRONMENTAL TRAINING, 2012/2013

| AREAS | SPAIN | | | | PORTUGAL | | | | CHILE | |
|---------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | 2012 | | 2013 | | 2012 | | 2013 | | 2013 | |
| | Nº of training hours | Partici-pants | Nº of training hours | Partici-pants | Nº of training hours | Partici-pants | Nº of training hours | Partici-pants | Nº of training hours | Partici-pants |
| Construction | 2,105 | 733 | 1,040 | 854 | 2,294 | 278 | 819 | 499 | 121 | 128 |
| Multi-services | 376 | 372 | 742 | 212 | N/A | N/A | N/A | N/A | N/A | N/A |
| Services | 28 | 2 | 50 | 13 | 144,5 | 72 | 331 | 47 | N/A | N/A |
| Water | N/A | N/A | 92 | 14 | N/A | N/A | N/A | N/A | N/A | N/A |
| Energy | N/A | N/A | 92 | 14 | N/A | N/A | N/A | N/A | N/A | N/A |
| Environmental | 1,042 | 160 | 305 | 76 | 192 | 39 | 44 | 39 | N/A | N/A |
| Concessions | 42 | 34 | 52 | 4 | N/A | N/A | N/A | N/A | N/A | N/A |
| Property Management | 76 | 5 | 99 | 8 | N/A | N/A | N/A | N/A | N/A | N/A |
| Holding / Sacyr | 25 | 24 | 94 | 203 | N/A | N/A | N/A | N/A | N/A | N/A |

Environmental communication

Sacyr considers it essential to have fluid communication channels, both within the organisation and externally, that enable us to release information on our environmental performance and gather information on our stakeholders' main concerns with environmental issues. Sacyr has established a number of communications channels to this end.

The main channels for internal dissemination of environment-related information are the Intranet ("Portal Sacyr"), the green mailbox, the environmental improvement, consultation and suggestions section, the website (see the section addressing channels for dialogue with stakeholders) and the environment newsletter.

Sacyr also has a variety of external channels open to the public, the most important of which are its Annual Corporate Responsibility Report, Somague's annual Sustainability Report, the website and the environmental statement associated with its EMAS certifications.

Sacyr's Department of Quality, Environment and Energy is involved with external task forces working at various associations, such as:

- SEOPAN Quality and Environment Committee
- ASEFMA, the Spanish asphalt mix manufacturers' association



- Spanish Technological Roads Platform ("PTC")
- Advisory committee for certification of construction companies
- Member of the AEN/CTN 198 "Sustainability in Construction" Committee
- Advisory committee for BREEAM certification
- "PLANETA" platform

Environmental expenditure and investment

Sacyr's commitment to the environment is the source of a wide range of initiatives to prevent, mitigate and, wherever possible, eliminate or minimise the potential environmental impact of its activities.

Putting these initiatives into practice carries a number of environmental costs, which have to be identified and assessed from a wide variety of perspectives. Occasionally the costs arise from discretionary activities, while in other cases they are required by contract or environmental law.

The results obtained were as follows:



Lebrija solar energy plant, Spain



| ENVIRONMENTAL EXPENDITURE AND INVESTMENT ORDINARY ENVIRONMENTAL EXPENDITURE | | (€) |
|---|--|----------------------|
| Waste management | | 2,631,475.24 |
| Atmospheric protection | | 724,119.31 |
| Noise protection | | 262,705.02 |
| Fire protection | | 194,087.14 |
| Protection of flora and fauna | | 604,602.66 |
| Landscape protection | | 249,464.25 |
| Soil protection | | 221,855.17 |
| Water protection | | 1,985,445.00 |
| Archaeological protection | | 258,577.03 |
| Protection of the social and economic environment | | 1,085,376.02 |
| Permits, licences, levies and authorisations | | 487,193.96 |
| SGMA audit and certification (ISO 14001-EMAS) | | 80,033.27 |
| Other (Specify) | | 1,423,266.05 |
| SUBTOTAL | | 10,208,200.13 |
| EXTRAORDINARY ENVIRONMENTAL EXPENDITURE | | |
| External environmental assessment | | 294,423.10 |
| Sanction proceedings, fines | | 32,682.08 |
| SUBTOTAL | | 327,105.18 |
| ENVIRONMENTAL INVESTMENT | | |
| Environmental training and dissemination | | 27,589.13 |
| Improvement of energy efficiency | | 1,640,807.89 |
| Reduction of consumption of resources | | 91,221.52 |
| SUBTOTAL | | 1,759,618.54 |
| ENVIRONMENTAL INCOME | | |
| Subsidies, awards | | - |
| Subtotal | | - |
| TOTAL | | 12,294,923.85 |



In 2013 Sacyr was the subject of 9 environmental sanction proceedings in Spain, whereas a further 13 were discontinued - 4 of these were initiated in 2012, and 3 in 2013. Of the total issues discontinued, 30.77% were discontinued because they had expired, and 7.69% were discontinued because a no-responsibility ruling was issued. The economic cost of the remaining issues was €29,200.51. All of these are processed by the Group's Legal Department in accordance with current legislation. Sacyr Chile was the subject of 2 environmental sanction proceedings in 2013, to a cost of €3,481.57. No sanctions were applied to Somague in 2013 in terms of either construction or environmental issues (waste activity).

In line with its increasing awareness of the Group's environmental risks, Sacyr has arranged an international Corporate Environmental Civil Liability insurance policy to cover all Sacyr subsidiaries. This environmental liability insurance policy sufficiently complies with the qualitative and quantitative demands set out in the laws applicable in each country (e.g.: Law 26/2007 in Spain and Decree-Law 147/2008 in Portugal). The Insurance Programme covers up to €40 million per

claim and €65 million at corporate level. In the specific case of compliance with Portuguese law, a local policy has been arranged with an annual indemnity limit of €5 million per loss and year. The Group corporate insurance programme takes effect to cover any mismatch in indemnity limits and insurance conditions.

AGS, which provides water services in Portugal, holds a certificate issued by the ACE Europa insurance company for environmental risks in facilities and/or environmental services to third parties, N° ESENV006213, from 24 July 2012 to 23 July 2014.



Relations with associates

Sacyr is aware of the impact its suppliers of goods and services have on its environmental efforts, and therefore encourages these companies to adhere to the Group's environmental regulations and values.

As established in its Quality, Environment and Energy Management Policy, Sacyr's aim is to have a select team of associates in place that share its environmental values. To this end, when contracting services, in addition to assessing their resources and experience, it also assesses the supplier's degree of compliance with certain other requisites, including:

- The existence of environmental management systems certified in accordance with ISO 9001 or EMAS and of quality management systems certified in accordance with ISO 9001.
- Certified energy management systems (ISO 50001).
- Their degree of compliance with environmental and quality standards set out in documents relating to the activity performed - i.e.: tender specifications, construction procedures, inspection programmes etc.

- The adoption of environmental initiatives including the use of advanced, environment-friendly technologies, minimisation of waste, restoration of land occupied by its facilities etc.
- Evidence of compliance with legislation related to the activities to which the contract relates.
- The achievement of objectives to improve environmental impacts and prevent pollution.
- To make partners more aware and committed to environmental protection through training initiatives.

They are regularly assessed, and their environmental behaviour patterns and energy efficiency monitored. Account is taken of the environmental and energy practices employed and of mandatory documentary compliance (permits, waste management etc.), on the basis of quality criteria such as compliance with deadlines, the quality obtained from the service provided, contractual compliance etc.

The suppliers assessed in 2013, by areas of business, were as follows:



SUPPLIERS ASSESSED

| | CONSTRUCTION DIVISION | | | | | | SERVICES DIVISION | | | | | | CONCESSIONS DIVISION | | | |
|--------------------|--------------------------|------|-------|------|----------|------|-----------------------|------|------|------|-----------------------|------|-------------------------|------|--|--|
| | | | | | | | ENVIRONMENTAL | | | | | | WATER | | | |
| | | | | | | | SPAIN AND PORTUGAL | | | | SPAIN AND PORTUGAL | | | | | |
| | SPAIN | | CHILE | | PORTUGAL | | MULTI-SERVICES | | | | | | SPAIN | | | |
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | | |
| Suppliers assessed | 764 | 797 | 137 | 124 | N/A | N/A | 405 | 472 | 293 | 383 | 153 | 182 | 52 | 68 | | |
| Passed | 700 | 735 | 118 | 121 | N/A | N/A | 395 | 461 | 282 | 377 | 147 | 170 | 52 | 66 | | |
| Failed | 35 | 34 | 19 | 3 | N/A | N/A | 9 | 4 | 6 | 2 | 0 | 1 | 0 | 2 | | |
| Conditional pass | 29 | 28 | 0 | 0 | N/A | N/A | 1 | 7 | 5 | 4 | 6 | 11 | 0 | 0 | | |

Customer satisfaction

Satisfaction of our customers and users is a key indicator to gauge the overall performance by the organisation and assist in the creation of a culture of continuous improvement of management. We measure the satisfaction of our customers and users with an objective appraisal of their perception of all our activities, and subsequently use this information to guarantee trust, stability and durability of our relations, which are necessary for the best possible relationship with all of them.

We have devised a systematic measurement methodology, primarily based on Customer Satisfaction Surveys, to survey all our customers depending on the activity carried out and the characteristics of the customer. Customer satisfaction is evaluated at varying intervals by business area, depending on the activity in question and its duration.



Construction work on
the La Rioja courthouse,
Logroño, Spain

**CUSTOMER SATISFACTION INDEX**

| BUSINESS AREA | | SPAIN | CHILE | PORTUGAL |
|----------------------|----------------|--------------|--------------|-----------------|
| Construction | | 4.02 | 3.25 | 4.05 |
| Property Management | | 3.69 | - | - |
| Property Development | | N/A | - | - |
| Concessions | | 4.00 | - | - |
| Services | Energy | N/A | - | - |
| | Water | 4.14 | - | N/A |
| | Environmental | 4.19 | - | 4.95 |
| | Multi-services | 3.66 | - | - |
| AVERAGE | | 3.95 | 3.25 | 4.50 |

* Evaluation score from 1 to 5 (5 is the highest score)

The information in the table above is for 2012. Data for 2013 will be available during the first half of the current year.

Sacyr also operates a complaints management procedure in relation to the Group's and its subsidiaries' activities and services.

Sacyr believes customer complaints are a valuable source of information used to detect areas of dissatisfaction and keep the services in line with expectations; in fact, they are considered as an opportunity to meet customers' needs. Every complaint received leads to an inquiry; appropriate measures are then taken to resolve the issue. 100% of complaints were resolved in 2013.



Our environmental performance

Sacyr's solid commitment to minimising the adverse effects of its activities on the environment and society is described below in the various environmental areas.

Responsible consumption and best use of resources

Given the variety of Sacyr's operations, the nature and origin of the resources used vary widely.

In line with the company's environmental policy, one of Sacyr's priorities is to reduce the use of resources by using recycled and/or recyclable products. Accordingly, in carrying out its activities the Group encourages the use of recycled materials – generated internally or sourced externally – and the use of surplus materials for other purposes.

We always strive to make our activities sustainable, and thus the objective of the action taken is to make the best possible use of resources and recycle any materials and waste generated.

MAIN RESOURCE CONSUMPTIONS IN THE CONSTRUCTION DIVISION

| | SPAIN | | CHILE | | PORTUGAL, ANGOLA, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | BOLIVIA | | CONSTRUCTION | | |
|----------------------------|---------|---------|--------|-----------|--|------------|---------|-------|--------------|--------------|---------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 2012/2013 |
| Concrete and mortar (m³) | 327,140 | 221,217 | 415 | 43,150 | 216,722 | 218,662.29 | -- | 292.4 | 544,277 | 262,104.69 | -51.84 |
| Structural steel (t) | 57,435 | 38,136 | 263 | 2,252.32 | 16,612 | 30,514.68 | -- | -- | 74,310 | 32,767 | -55.90 |
| Aggregate and rockfill (t) | 699,816 | 443,066 | 28,278 | 2,397,766 | 586,423 | 621,487.66 | 1,368 | -- | 1,315,885 | 3,019,253.66 | 129.45 |
| Agglomerate / bitumen (t) | 41,343 | 3,675 | 25,190 | 84,469 | -- | -- | -- | -- | 66,533 | 84,469 | 26.96 |
| Cement (t) | 32,362 | 5,768 | -- | 2,125.77 | 75,333 | 66,410.36 | 5,000 | -- | 112,695 | 68,536.13 | -39.18 |
| Ceramic materials (m²) | 459,506 | 279,746 | -- | -- | -- | -- | -- | -- | 459,506 | N/A | -- |



The following are the environmental practices undertaken by Sacyr in its construction activities in 2013:

- Reuse of demolition concrete as provisional bracing material instead of rockfill, quarry fill on embankments.
- Concrete left over from washed slides and mixer lorries that has hardened and set is used as filler material for special boiler components.
- Reuse of motorway cement surfacing to restore service routes.
- Construction and demolition materials are upgraded to produce recycled aggregates with different granulometries.
- Demolition material is crushed and used as quarry fill on embankments.
- Reuse of milled material from concrete surfaces.
- Reuse of materials from excavation to build access and work platforms, as filler and covering material for piping etc.
- Reuse of clearance leftovers after preliminary crushing as crests for esplanades and the basic material for embankments, filler etc.
- Reuse of excavation material for restoration of quarries and construction improvements.
- Purchase of steel with 94-98% of recycled material, for both structures and draining facilities.
- Purchase of rolled steel structures with a scrap content of more than 80%. This material is also 100% recyclable.



MAIN RESOURCE CONSUMPTIONS IN THE SERVICES DIVISION

| | MULTI-SERVICES (Spain) | | ENVIRONMENT (Spain and Portugal) | | INDUSTRIAL (Spain) | | WATER (Spain) | | SERVICES | | |
|---|---------------------------|-----------|-------------------------------------|-----------|-----------------------|------------|------------------|-----------|------------|-----------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % VAR. 12/13 |
| Collection bags (units) | 6,976,056 | 6,200,998 | 3,370,980 | 1,768,066 | -- | -- | -- | -- | 10,347,036 | 7,969,064 | -22.98 |
| Fluxes (sodium chloride, calcium chloride etc.) (t) | 145,503 | 10,575 | 395 | 869 | 4.73 | 3.86 | -- | -- | 145,903 | 11,448 | -92.15 |
| SODIUM CHLORIDE AND FERRIC CHLORIDE (KG) | -- | 3,750 | -- | 2,950 | -- | -- | 312,236 | 1,664,260 | 312,236 | 1,670,960 | 435.16 |
| Biomass (t) | -- | -- | -- | -- | 276,557 | 299,195.52 | -- | -- | 276,557 | 299,196 | 8.19 |
| Hexane (t) | -- | -- | -- | -- | 92 | 92.27 | -- | -- | 92 | 92 | 0.29 |
| Hydrochloric acid (kg) | -- | -- | | 1,180 | 12,195 | 14,353.10 | 21,340 | -- | 33,535 | 15,533 | -53.68 |
| Hypochlorite (kg) | -- | -- | | | 8,897 | 21,656.80 | 49,816 | -- | 58,713 | 21,657 | -63.11 |
| SULPHURIC ACID (KG) | -- | -- | | 43,249 | -- | -- | 69,809 | 1,328 | 69,809 | 44,577 | -36.14 |
| Sodium hypochlorite (kg) | 8,410 | 5,940 | 24,144 | 18,160 | -- | -- | 674,012 | 915,317 | 706,566 | 939,417 | 32.96 |
| Calcium hydroxide (kg) | -- | -- | -- | -- | -- | -- | 229,874 | 62,242 | 229,874 | 62,242 | -72.92 |
| Dispersant (kg) | | 1,100 | | 153 | -- | -- | 23,147 | 17,720 | 23,147 | 18,973 | -18.03 |
| THICKENERS (KG) | -- | -- | | | -- | -- | 1,797,535 | 107,452 | 1,797,535 | 107,452 | -94.02 |
| PESTICIDES (PLANT HEALTH AND HERBICIDES) (l) | 925 | 14,564 | 3,603 | 23,017 | -- | -- | 127 | 5 | 4,655 | 37,585 | 707.51 |
| Fertilisers (kg) | -- | -- | 6,285 | 20,583 | -- | -- | -- | -- | 6,285 | 20,583 | 227.50 |
| Paints (l) | 6,981 | 14,513 | 17,925 | 16,660 | -- | -- | -- | 57 | 24,906 | 31,230 | 25.39 |
| Cleaning products (l) | 216,718 | 206,146 | 45,177 | 36,633 | -- | -- | 160 | 455 | 262,055 | 243,234 | -7.18 |
| Oils (l) | 3,903 | 3,992 | 127,024 | 90,018 | -- | -- | 1,543 | 5,044 | 132,470 | 99,054 | -25.23 |
| Caustic soda (kg) | -- | -- | -- | 66,808 | -- | -- | 57,653 | 16,445 | 57,653 | 83,253 | 44.40 |
| Polyelectrolytes (kg) | -- | -- | -- | 1,025 | -- | -- | 29,352 | 2,170,061 | 29,352 | 2,171,086 | 7,296.72 |
| Carbon dioxide (kg) | -- | -- | -- | | -- | -- | 156,994 | 59,540 | 156,994 | 59,540 | -62.07 |
| Other chemical products (l) (1) | -- | 1,434 | 52,227 | 10,151 | -- | -- | -- | 451 | 52,227 | 12,036 | -76.95 |
| Other chemical products (kg) (1) | -- | 991 | 86,268 | 13,734 | -- | -- | -- | 677 | 86,268 | 15,402 | -82.15 |
| Adblue (l) | 4,620 | 11,071 | 2,000 | 17,546 | -- | -- | 130 | -- | 6,750 | 28,617 | 323.96 |
| Mortar (kg) | 12,330 | 12,450 | | | -- | -- | -- | -- | 12,330 | 12,450 | 0.97 |
| Anti-freeze (l) | 400 | 340 | 8,095 | 2,560 | -- | -- | -- | -- | 8,495 | 2,900 | -65.86 |
| Cooking oil (l) | 5,502 | 7,360 | -- | -- | -- | -- | -- | -- | 5,502 | 7,360 | 33.77 |
| Catering paper waste (napkins, table cloths and kitchen roll) (kg) | 9,425 | 10,498 | -- | -- | -- | -- | -- | -- | 9,425 | 10,498 | 11.38 |

Note: (1) Solvents, Absorbents, Adhesives and Glues, Additives, Sprays and Aerosols, Coolants, Reagents, Degreasers, Resins and Sealing Liquids.



The following courses of action were taken:

- 927,396 recycled bags were used in building maintenance and cleaning operations in 2013. At Málaga airport, 87% of the toilet paper used by cleaning services was recycled - 71,514 units.
- In the road maintenance and conservation segment, trees are pruned on road margins, reusing part of the material pruned as fertiliser. Approximately 870 m³ were reused in 2013.
- Reuse of milled material as an extra layer for road maintenance on service roads; 100% of the millings was used, approximately 981 m³.
- In our concessions business, rock salt as preventive treatment on winter roads was replaced with a brine mixture (salt produced by the recycling of salted slag diluted in water).

Within the environmental services area, it is important to distinguish between materials which are upgraded as the result of good environmental practices carried out in our work centres and others which form part of the activities we carry out.

One example of upgrading is the reuse of cleaning disks used on road cleaning machines. Worn teeth on the brushes are replaced with new teeth to reduce the amount of metal waste, since this means there is no need to dispose of the brushes' disks. The average rate of reuse was 81%, and 1,419 disks were upgraded.

Another good practice is reuse of spent oil from vehicles and machinery. In 2013 approximately 520 litres were reused to lubricate machinery and for greasing chains and belts.



Maresme integral
waste upgrading
plant in Barcelona,
Spain



The acquisition of recycled prime materials also enables us to use upgraded materials:

- Acquisition of recycled bags for road cleaning - this occasionally replaces 100% of bags used by a service unit. 42,110 of these bags were used in 2013.
- Reuse of leaves, clippings and lawn waste as compost in urban vegetable gardens, and reuse of pruning material as mulching for gardens - approximately 3,476 m³ were reused in 2013.

- Reuse of leachates generated at composting and waste disposal units to water composting tunnels and maturing strings - an estimated 4,775 m³ were evaporated in 2013.

Paper consumption at Sacyr in 2013 totalled 131,313.3 kg. It is recommended that the paper purchased carry FSC certification to demonstrate that sustainable sources have been used to produce it. The FSC seal guarantees consumers that the paper products bought come from well managed forests.

PAPER CONSUMPTION 2013

| | CONSTRUCTION (Spain, Chile, Portugal, Brazil, Cape Verde, Angola and Bolivia) | SERVICES | | | | |
|------------|---|----------------------------------|---|------------------------------|-------------------------|-------------------------------|
| | | Multi-services (Spain) | Environment (Spain and Portugal) | Industrial (Spain) | Water (Spain) | CONCESSIONS (Spain) |
| Paper (kg) | 99,228 | 15,755 | 10,350.4 | 3,560 | 1,928 | 492.50 |



Waste management

In line with our environmental policy, one of Sacyr's priorities is to improve waste management by taking steps to reduce, recover and recycle waste and dispose of non-recoverable material in an appropriate fashion.

The main lines of work in this area are geared towards achieving the best environmental result. Therefore, the order of priority in waste prevention and management is as follows: prevention,

preparation for reuse, recycling, other upgrading procedures, including energy upgrades, and, lastly, elimination. We simultaneously seek the best options from our suppliers. All the while, the company encourages best practices through training and awareness initiatives. We invest in materials and technology for the reuse and upgrading of waste, at all times with due respect for the environment.

NON-HAZARDOUS WASTE IN THE CONSTRUCTION DIVISION

| TYPE OF WASTE | SPAIN | | CHILE | | PORTUGAL, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | CONSTRUCTION | | |
|--|-----------|-----------|---------|-----------|---|--------|--------------|-----------|---------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg . 12/13 |
| Residential rubbish-solid urban waste (kg) | 455,861 | 55,466 | -- | 2,172,496 | -- | -- | 455,861 | 2,227,962 | 388.74 |
| Paper, cardboard (kg) | 1,003,095 | 299,834 | -- | 4,010 | 36,280 | 32,020 | 1,039,375 | 335,864 | -67.69 |
| Ink and toner cartridges (kg) | 2,295 | 804 | -- | 310 | -- | -- | 2,295 | 1,114 | -51.45 |
| Containers (kg) | 229,491 | 96,455 | -- | -- | -- | -- | 229,491 | 96,455 | -57.97 |
| Clearance waste, tree trunks, pruning waste (kg) | 87,080 | 283,840 | -- | -- | -- | -- | 87,080 | 283,840 | 225.95 |
| Tyres (kg) | 2,200 | 710 | -- | 35 | -- | -- | 2,200 | 745 | -66.14 |
| Electric and electronic appliances (kg) | 461 | -- | -- | -- | -- | -- | 461 | 0 | -100.00 |
| Septic tank sludge (kg) | 2,412,000 | 1,840,765 | 215,280 | 3,385,835 | -- | -- | 2,627,280 | 5,226,600 | 98.94 |
| Non-hazardous waste (t) | -- | -- | -- | -- | 208 | 1,335 | 208 | 1,335 | 541.77 |



| | MULTI-SERVICES (Spain) | | ENVIRONMENTAL (Spain and Portugal) | | WATER (Spain) | | INDUSTRIAL (Spain) | | SERVICES | | |
|---|---------------------------|--------|---------------------------------------|-----------|------------------|-----------|-----------------------|-------|------------|-----------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| Paper, cardboard (kg) | 3,709 | 14,300 | 5,631 | 5,435 | 31,746 | 21,076 | -- | 1,244 | 41,086 | 42,055 | 2.36 |
| Ink and toner cartridges (kg) | 139 | 210 | 328 | 220 | 101 | 132 | -- | 25 | 568 | 587 | 3.32 |
| Plant waste (branches, trunks, etc.) (kg) | 4,560,910 | 23,400 | 12,447,685 | 3,323,509 | 9,014 | 70,115 | -- | -- | 17,017,609 | 3,417,024 | -79.92 |
| Wood (kg) | 112 | -- | -- | -- | -- | 2,125 | -- | -- | 112 | 2,125 | 1,797.32 |
| Containers (kg) | 27,349 | 14,135 | 19,580 | 293,624 | 1,550 | 240 | -- | -- | 48,479 | 307,998 | 535.32 |
| Ferric waste (kg) | 70 | -- | 34,530 | -- | 135,470 | -- | 10,662 | 8,580 | 180,732 | 8,580 | -95.25 |
| Tyres (kg) | 56,820 | 21,140 | 13,870 | 11,941 | -- | -- | -- | -- | 70,690 | 33,081 | -53.20 |
| Electric and electronic appliances (kg) | -- | 2,280 | 480 | 1,571 | 340 | 117 | -- | -- | 820 | 3,968 | 383.90 |
| WWTP sludge (kg) | -- | -- | -- | -- | 40,741,080 | 8,313,020 | -- | -- | 40,741,080 | 8,313,020 | -79.60 |
| Septic tank sludge (kg) | 74,340 | 51,040 | -- | 38,196 | -- | 15,998 | -- | -- | 74,340 | 105,234 | 41.56 |
| Sewage waste (kg) | -- | -- | 28,340 | -- | 5,820 | -- | -- | -- | 34,160 | -- | -- |
| Waste from WWTP screening, de-sanding and de-greasing (kg) | -- | -- | -- | -- | 634,700 | -- | -- | -- | 634,700 | -- | -- |
| Refined compost screenings not suitable for use as biomass (kg) | -- | -- | 11,000 | -- | -- | -- | -- | -- | 11,000 | -- | -- |
| Air filters (kg) | 16,198 | 14,484 | 302 | 165 | -- | 13 | -- | -- | 16,500 | 14,662 | -11.14 |
| Edible greases and oils (kg) | 923 | 1,215 | -- | -- | -- | -- | -- | -- | 923 | 1,215 | 31.71 |

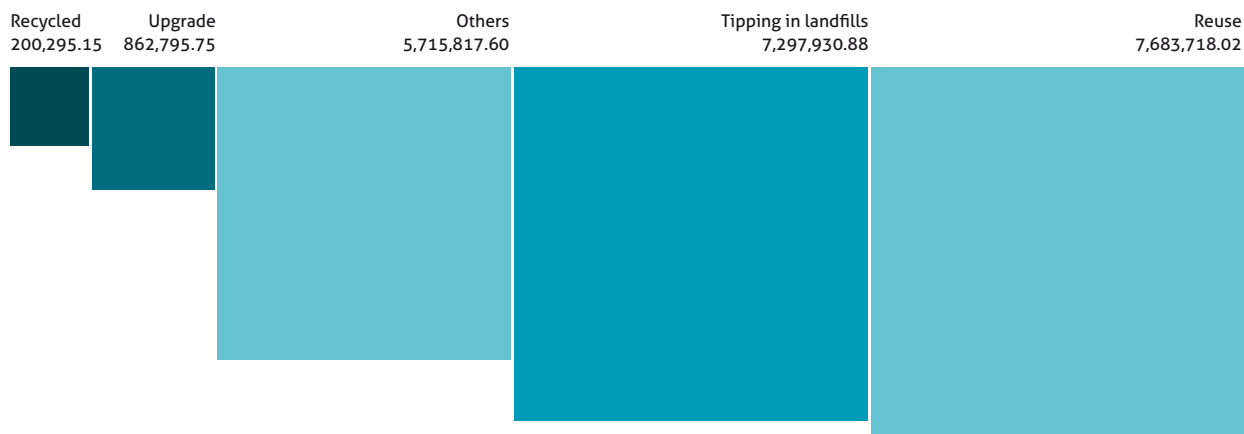


WASTE GENERATED BY PROPERTY MANAGEMENT AND CONCESSIONS

| TYPE OF WASTE | PROPERTY MANAGEMENT | | | CONCESSIONS | | |
|--|---------------------|------|------------------|-------------|--------|------------------|
| | 2012 | 2013 | % Chg . 12/13 | 2012 | 2013 | % Chg . 12/13 |
| RESIDUOS PELIGROSOS | | | | | | |
| Batteries (kg) | 4 | 3 | -25 | 73 | 223 | 205.48 |
| Film, rags, paper etc., impregnated with hazardous substances (kg) | 52 | 355 | 583 | 45 | 140 | 211.11 |
| Fluorescent tubes (kg) | 38.5 | 4 | -90 | 152 | 374 | 146.32 |
| Contaminated containers and packaging (kg) | 46 | 5 | -89 | 4 | 207 | 5,075.00 |
| Hydrocarbon sludge (kg) | -- | -- | -- | 6,960 | 12,390 | 78.02 |
| Electric and electronic appliances (kg) | 465 | -- | -100 | 109 | 235 | 115.60 |
| Ni-Cd accumulators/batteries (kg) | -- | -- | -- | 5 | 13 | 160.00 |
| Spent oils (kg) | 0,09 | -- | -100 | -- | -- | -- |
| Aerosol cans previously containing hazardous substances (kg) | 140 | -- | -100 | -- | 4 | -- |
| NON-HAZARDOUS WASTE | | | | | | |
| Scrap (kg) | -- | -- | -- | 1,500 | 3,550 | 136.67 |

AMOUNT OF NON-HAZARDOUS WASTE TREATMENT BY TREATMENT METHODS 2013

(Kilograms)





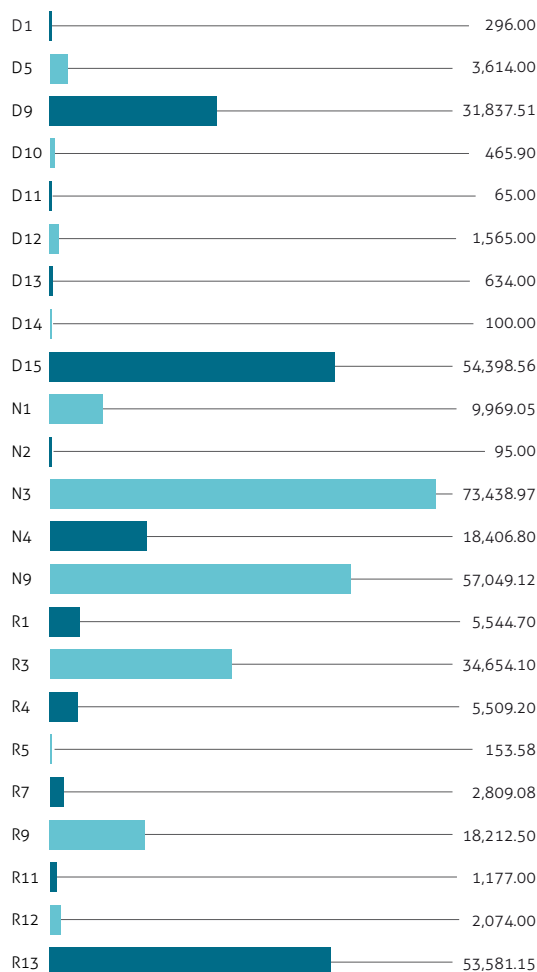
HAZARDOUS WASTE IN THE CONSTRUCTION DIVISION

| | SPAIN | | CHILE | | PORTUGAL, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | CONSTRUCTION | | |
|--|---------|--------|---------|--------|--|-------|--------------|--------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| Batteries (kg) | 4,933 | 317 | -- | -- | -- | -- | 4,933 | 317 | -93.57 |
| Film, rags, paper etc., impregnated with hazardous substances (kg) | 12,314 | 6,964 | -- | 10,542 | -- | -- | 12,314 | 17,506 | 42.16 |
| Aerosol cans previously containing hazardous substances (kg) | 4,852 | 3,199 | -- | -- | -- | -- | 4,852 | 3,199 | -34.07 |
| Fluorescent tubes (kg) | 688 | 18 | | 4 | -- | -- | 688 | 22 | -96.74 |
| Spent oils (kg) | 20,419 | 11,548 | 885 | 11,774 | -- | -- | 21,304 | 23,322 | 9.47 |
| Oil filters (kg) | 543 | 595 | -- | 1,692 | -- | -- | 543 | 2,287 | 321.21 |
| Contaminated containers and packaging (kg) | 122,954 | 25,709 | -- | 761 | -- | -- | 122,954 | 26,470 | -78.47 |
| Contaminated soil and rocks (kg) | 14,400 | 2,056 | 249,600 | 4,430 | -- | -- | 264,000 | 6,486 | -97.54 |
| Batteries (kg) | 414 | 1,275 | -- | -- | -- | -- | 414 | 1,275 | 207.90 |
| Hydrocarbon sludge (kg) | 20,880 | 0 | -- | 1,400 | -- | -- | 20,880 | 1,400 | -93.30 |
| Sludge and waste from washing machinery (kg) | 14,196 | 481 | -- | -- | -- | -- | 14,196 | 481 | -96.61 |
| Solvents (kg) | 48,295 | -- | -- | -- | -- | -- | 48,295 | -- | -100.00 |
| Fuel waste (kg) | 28,371 | 5,503 | -- | 1,800 | -- | -- | 28,371 | 7,303 | -74.26 |
| Ink and toner cartridges (kg) | 411 | 196 | -- | 200 | -- | -- | 411 | 396 | -3.65 |
| Shuttering release oil (kg) | 623 | 300 | -- | -- | -- | -- | 623 | 300 | -51.85 |
| Paint waste (kg) | 4,925 | 834 | -- | -- | -- | -- | 4,925 | 834 | -83.07 |
| Asbestos (kg) | 46,241 | 3,500 | -- | -- | -- | -- | 46,241 | 3,500 | -92.43 |
| Hazardous waste (t) | -- | -- | -- | -- | 58 | 90,80 | 58 | 91 | 56.55 |



HAZARDOUS WASTE IN THE SERVICES DIVISION

| TYPE OF WASTE | MULTI-SERVICES (Spain) | | ENVIRONMENTAL (Spain and Portugal) | | WATER (Spain) | | INDUSTRIAL (Spain) | | SERVICES | | % VAR. 12/13 |
|--|---------------------------|-------|--|--------|------------------|--------|-----------------------|-------|----------|--------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | |
| Batteries (kg) | 3,693 | 1,903 | 9,587 | 7,970 | -- | 83 | -- | 12 | 13,280 | 9,969 | -24.94 |
| Film, rags, paper etc., impregnated with hazardous substances (kg) | 438 | 1,765 | 5,280 | 2,779 | 581 | 655 | 599 | 80 | 6,898 | 5,279 | -23.47 |
| Fluorescent tubes (kg) | 1,898 | 775 | 91 | 15 | -- | 17 | 73 | -- | 2,062 | 807 | -60.88 |
| Spent oils (kg) | 1,832 | 2,307 | 35,725 | 34,555 | 26,367 | 20,695 | 1,814 | 7,066 | 65,738 | 64,623 | -1.70 |
| Oil filters (kg) | 50 | 320 | 3,538 | 4,322 | 1,064 | 1,038 | -- | 140 | 4,652 | 5,820 | 25.11 |
| Contaminated containers and packaging (kg) | 7,660 | 5,085 | 4,264 | 3,064 | 1,411 | 1,893 | 5,832 | 3,643 | 19,167 | 13,684 | -28.60 |
| Contaminated soil (kg) | 9,936 | 52 | -- | -- | -- | -- | 5,000 | -- | 14,936 | 52 | -99.65 |
| Ni-Cd accumulators/ batteries (kg) | 537 | 196 | 102 | 78 | -- | 1 | 52 | 202 | 691 | 477 | -30.93 |
| Hydrocarbon sludge and waste from washing machinery (kg) | -- | -- | 71,214 | 59,945 | -- | -- | -- | 1,304 | 71,214 | 61,249 | -13.99 |
| Fuel waste (kg) | 357 | 45 | -- | -- | -- | -- | -- | -- | 357 | 45 | -87.45 |
| Electric and electronic appliances (kg) | 2,488 | 1,065 | -- | 8,647 | -- | -- | 48 | 324 | 2,536 | 10,036 | 295.76 |
| Reagents and laboratory chemicals (kg) | -- | -- | -- | -- | -- | -- | 875 | 1,201 | 875 | 1,201 | 37.26 |
| Oily water (kg) | -- | -- | -- | -- | -- | -- | 1,473 | -- | 1,473 | -- | -100.00 |
| Solvents (kg) | 4 | -- | 1,490 | 990 | -- | -- | -- | 450 | 1,494 | 1,440 | -3.61 |
| Ink and toner cartridges (kg) | 8 | 9 | -- | 208 | -- | -- | 39 | 1 | 47 | 218 | 363.83 |
| Aerosol cans previously containing hazardous substances (kg) | 162 | 91 | -- | 753 | -- | -- | -- | -- | 162 | 844 | 421.11 |
| Paint waste (kg) | 461 | 5 | -- | -- | -- | -- | -- | -- | 461 | 5 | -98.92 |

**HAZARDOUS WASTE TABLE, 2013 (Kg)**

Note: The treatment identification code (D1, D2, D3 etc.) is the code established by current Spanish laws.

When Sacyr operates in a country where environmental legislation is less rigorous than in other countries or, if it exists, has not been implemented, we strive to apply the guidelines stipulated in more stringent areas, although this practice is not always feasible owing to external difficulties.

Reuse of inert waste

Sacyr encourages the reuse of inert waste from construction projects and other activities to prevent the waste ending up at landfills and the need to buy new materials. Therefore, part of its habitual practice is the reuse of surpluses in subsequent refurbishing projects, land filling, clearance-embankment adjustments etc.



GENERATION AND MANAGEMENT OF C&D WASTE AND INERT WASTE IN THE CONSTRUCTION DIVISION

| CLASSIFICATION | SPAIN | | CHILE | | PORTUGAL, ANGOLA, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | BOLIVIA | CONSTRUCTION | | |
|---|-----------|-----------|-------|---------|--|-----------|---------|--------------|-----------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| | | | | | | | | | | |
| INERT WASTE | | | | | | | | | | |
| Excavations (m³) | 5,227,064 | 3,429,558 | -- | 236,895 | 554,160 | 2,115,708 | 1,594 | 5,781,224 | 5,783,755 | 0.04 |
| Reused (m³) | 4,284,614 | 2,422,949 | -- | 5,172 | 431,369 | 1,767,033 | -- | 4,715,983 | 4,195,154 | -11 |
| Upgrade/recycling plant (C&D) (m³) | 20,199 | 86,121 | -- | 0 | -- | -- | -- | 20,199 | 86,121 | 326 |
| To landfills (m³) | 922,251 | 920,488 | -- | 231,723 | 122,791 | 348,675 | 1,594 | 1,045,042 | 1,502,479 | 44 |
| CONSTRUCTION AND DEMOLITION WASTE (C&D) | | | | | | | | | | |
| Excavations (m³) | 169,518 | 150,278 | -- | 221,289 | 3,427 | 6,116 | -- | 172,945 | 377,682 | 118.38 |
| Reused (m³) | 33,979 | 83,273 | -- | 0 | -- | -- | -- | 33,979 | 83,273 | 145 |
| Upgrade/recycling plant (C&D) (m³) | 64,706 | 25,749 | -- | 0 | 3,419 | 6,015 | -- | 68,125 | 31,764 | -53 |
| To landfills (m³) | 70,833 | 41,255 | -- | 221,289 | 8 | 101 | -- | 70,841 | 262,645 | 271 |

GENERATION AND MANAGEMENT OF C&D WASTE AND INERT WASTE IN THE SERVICES DIVISION

| SPAIN | MULTI-SERVICES | | ENVIRONMENTAL | | WATER | | SERVICES | | |
|---|----------------|--------|---------------|--------|-------|----------|----------|----------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| INERT WASTE | | | | | | | | | |
| Excess soil and rocks (m³) | 5,153 | 1.61 | 72,884 | 696 | 333 | 5,258.70 | 78,370 | 5,956.31 | -92.40 |
| Reused (m³) | 5,022 | 0.00 | 64,847 | 696 | 272.8 | 0.00 | 70,142 | 696.00 | -99.01 |
| To landfills (m³) | 125 | 0.00 | 8,037 | 0 | 14.5 | 2,227.40 | 8,177 | 2,227.40 | -72.76 |
| Upgrade (m³) | 6 | 1.61 | -- | 0 | 46 | 3,031.29 | 52 | 3,032.91 | 5,732.51 |
| CONSTRUCTION AND DEMOLITION WASTE (C&D) (the C&D listed below are for Spain only) | | | | | | | | | |
| Total (m³) | 3,724.55 | 822.12 | 509.24 | 123.00 | 0.03 | 1,150.98 | 4,233.82 | 2,096.10 | -50.49 |
| Recycling/upgrade (m³) | 5.00 | 51.21 | 508.83 | 123.00 | -- | 0.02 | 513.83 | 174.23 | -66.09 |
| Reused (m³) | 3,719.55 | 770.91 | 0.13 | 0.00 | -- | 215.66 | 3,719.68 | 986.57 | -73.48 |
| To landfills (m³) | -- | 0.00 | 0.28 | 0.00 | 0.03 | 935.30 | 0.31 | 935.30 | 301,610.19 |



Efficient water management

Efficient water management is vital to sustainable development. Aware of the crucial importance of water, Sacyr continues to raise its water management efficiency. In everything we do, therefore, we look for ways of optimising water use, reusing water and using recycled water.

Water in construction is used mainly for temporary facilities, such as concrete and crushing plants, earthmoving, drilling, site cleaning, road watering, human use in offices and changing facilities etc. Consumption of water is shown in the table below:

WATER CONSUMED AT THE CONSTRUCTION DIVISION (m³)

| | SPAIN | | CHILE | | PORTUGAL, ANGOLA, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | CONSTRUCTION | | % Chg. 12/13 |
|--|----------------|----------------|----------------|----------------|---|----------------|----------------|----------------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | |
| Mains | 71,027 | 61,993 | 78,016 | 267,275 | 87,503 | 40,032 | 236,546 | 369,301 | 56.12 |
| Reservoir or river | 19,415 | 10,489 | -- | -- | 92,599 | 180,643 | 112,014 | 191,133 | 70.63 |
| Other (irrigation channels etc.) | 40,240 | 18,375 | 74,220 | 657 | -- | -- | 114,460 | 19,032 | -83.37 |
| Well / gallery | 22,494 | 14,848 | -- | 73,215 | 12,000 | 63,338 | 34,494 | 151,400 | 338.92 |
| Recycled water from internal or external sources | 821 | -- | -- | -- | -- | -- | 821 | -- | -100.00 |
| TOTAL | 153,997 | 105,705 | 152,236 | 341,147 | 192,102 | 284,013 | 498,335 | 730,865 | 46.66 |



Some significant figures in 2013

- Biomosas de Puente Genil, a biomass energy company forming part of the Sedebisa Complex (Valoriza Operación y Mantenimiento, Spain): approximately 1,655 m³ of water drained from the boiler at the processing intake of the raw water treatment plant has been reused. Waste water from the olive pomace oil chemical extraction plant, approximately 7,331 m³, is used to moisturise olive press cakes at the biomass plant storage facility. A total of some 8,986 m³ of water.
- Water consumption by the property management division in 2013 was 111,402 m³. In 2013 Testa prepared a Sustainable Water Management Plan for the Sacyr Group head office building. The plan includes measures to be implemented over four years and is expected to cut water consumption by 2,000 m³ per year.
- La Gavia, Emmasa, Torrejón de Ardoz, and Viveros (Spain): In 2013, a total of 64,436,152 m³ of water was treated or purified. Of this, 11,893,160 m³ was recycled to cool equipment, prepare reagents, and to be used in deodorizing plants, for agriculture, irrigation of parks and gardens, and road cleaning, floating and general facilities.
- Water consumption by the property management division in 2013 was 111,402 m³. In 2013 Testa prepared a Sustainable Water Management Plan for the Sacyr Group head office building. The plan includes measures to be implemented over four years and is expected to cut water consumption by 2,000 m³ per year.
- In 2013, a total of 15,119 m³ of water was consumed in offices, public toilets, and changing rooms in the concessions area.
- In the environmental business in Spain, 24,822 m³ (i.e. approximately 25 % of all the water consumed in the business) is recycled and reused. Some of the recycled water is of external origin and comes from the Waste water Processing plants owned by the Community of Madrid and is used to irrigate the gardens of the Community's utility services.

The rest of the water consumed, recycled, and reused (i.e. the water of internal origin) is leached from the processes carried out in the waste treatment plants. It is reincorporated in the processes and used in the fire-fighting system.



Every construction project is different and has its own distinctive features. This means that the steps taken to reduce water use are different for each project. We reuse water from construction of tunnels, washing of cement mixer lorries, rainwater building up on work surfaces, groundwater etc. This water is mainly reused in road and street watering, embankment compacting and site cleaning, thus preventing vehicle traffic from bringing up dust.

Obtaining data on the total volume of water recycled/reused in a year in construction is difficult given the seasonality of the work and the diversity of the locations, with few opportunities for taking water inventories. This does not mean, however, that all practicable measures are not taken to reduce water consumption and use water that would otherwise be wasted. In 2013 the construction division in Spain reused 5,380 m³ of water - which would otherwise have to be found elsewhere - although this is not necessarily the real volume of recycled water used.

In the services division and in all Sacyr's activities, the main uses of water are as follows:

- **Environment:** water mainly used to flush down streets and water parks and gardens.
- **Water:** drinking water for the local population and office staff.
- **Multi-services:** human use in offices and conservation centres, and for cleaning purposes.
- **Industrial:** human use in offices and plant operations.

WATER CONSUMED AT THE SERVICES DIVISION (m³)

| | MULTI-SERVICES (Spain) | | ENVIRONMENTAL (Spain and Portugal) | | INDUSTRIAL (Spain) | | WATER (Spain) | | SERVICES | | |
|--------------------------------------|---------------------------|--------|---------------------------------------|---------|-----------------------|---------|------------------|------------|------------|------------|-----------------|
| SPAIN | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| Mains | 16,971 | 31,481 | 1,484,288 | 67,056 | 8,145 | 6,582 | 101,053 | 4,728 | 1,610,457 | 109,847 | -93.18 |
| Reservoir or river | -- | -- | 1,277 | 1,345 | 46,704 | 97,305 | -- | -- | 47,981 | 98,650 | 105.60 |
| Other (irrigation channels etc.) | -- | 37 | -- | 0 | 91,288 | 111,759 | 2,240,774 | 1,658,864 | 2,332,062 | 1,770,660 | -24.07 |
| Well / gallery | 3,085 | 2,713 | 18,620 | 14,488 | 37,792 | 34,179 | 14,029,004 | 11,889,660 | 14,088,501 | 11,941,040 | -15.24 |
| Desalination plant | -- | -- | -- | -- | -- | -- | 6,405,309 | 6,024,136 | 6,405,309 | 6,024,136 | -5.95 |
| Sea | -- | -- | -- | -- | -- | -- | 15,250,800 | 14,349,869 | 15,250,800 | 14,349,869 | -5.91 |
| Recycled water from external sources | -- | -- | 15,189 | 817 | -- | -- | -- | -- | 15,189 | 817 | -94.62 |
| Recycled water from internal sources | 202 | -- | 30,740 | 24,005 | -- | -- | 946,550 | 2,118,183 | 977,492 | 2,142,188 | 119.15 |
| TOTAL | 20,258 | 34,231 | 1,550,114 | 107,711 | 183,929 | 249,825 | 38,973,490 | 36,045,440 | 40,727,791 | 36,437,207 | -10.53 |



As in the construction division, the services division researches and implements water-saving measures and prioritises the reuse of water from internal processes and the use of recycled water in preference to water from other sources. In the services area, the following progress was made in 2013:

Effluents

Some of Sacyr's operations produce liquid effluents, disposal of which meets the legal requirements, and the terms stipulated by permits.

Effluent wastewater in the construction business consists of greywater from domestic processes and water for construction work. Its destination varies depending on where the activity is conducted. Normally, the water is released to authorised public water outlets (waterbeds and subsoil) and to the sewage network.

The water used in construction work sometimes requires treatment prior to discharge into a collector. The best available techniques are always sought and adopted, so avoiding the environmental impact that direct discharge would entail.

This is the case with tunnelling construction works, where a large amount of water is generated in the excavation stage. High priority is always accorded to solving this problem, and purification systems are often designed and installed as an intermediate step before discharge.

In some cases Waste Water Treatment Plants (WWTP) are installed, and settling ponds in others.

The services businesses that generate waste are the end-to-end water cycle (treatment and desalination), wastewater treatment plants, electricity generation, and cleaning and waste collection. As in construction, the outlet of the liquid waste varies depending on the process that generates it, the most common being the sea, the sewage network and authorised public water outlets.

The process carried out by the environmental services area in its waste treatment installations takes place without discharges. This is due to the design of the facilities, which allow leachates to recirculate and evaporate without needing to be discharged outside.

The wastewater is analysed systematically and according to an analysis plan in order to verify that all legal requirements applicable and those of the related authorisations are met, thus ensuring the quality of the waste.

The volume of water discharged in 2013 was estimated as 29,977,276.9 m³. This calculation was made taking into account the return coefficient included in the River Tagus Hydrology Plan (enacted by Royal Decree 1664/1998 of 24 July, approving Hydrology Plans for river basins).

The breakdown is as follows:



2013 WATER DISPOSAL BY BUSINESS AREAS (m³)

| BUSINESS AREA | | SPAIN | CHILE | PORTUGAL |
|---------------------|----------------|---------------|------------|------------|
| Construction | | 84,564.00 | 272,917.60 | 227,211.00 |
| Property Management | | 89,121.60 | N/A | N/A |
| Concessions | | 12,095.20 | N/A | N/A |
| Services | Industrial | 68,544.60 | N/A | N/A |
| | Water | 28,836,352.00 | N/A | N/A |
| | Environmental | 78,588.50 | N/A | 7,580.00 |
| | Multi-services | 27,384.80 | N/A | N/A |

Total disposals at WWTPs in Spain of water purification in 2013 totalled 52,703,025 m³.

EMMASA, a water company in Santa Cruz de Tenerife, has worked hard to monitor water disposal into the sewage system to prevent any adverse impact on the network. A total of 15,787 tests were carried out in 2013 - 14,347 tests on drinking water, 345 on irrigation water, 969 on sea disposals and a further 126 tests (industrial disposal, resampling etc.).

Brine is disposed of in the sea in such a way that it is immediately diluted without causing any harm to marine flora and fauna. 8,322,924 m³ of brine were disposed of in 2013.

Accidental spills

Sacyr operates an information system that records all emergencies arising in the course of its business. Emergencies include hazardous substance leaks, pipe breakages (collectors, supply pipes etc.), fires, and so forth.

Sacyr's reporting system registered six accidental spills in 2013 in the construction division. One spill was due to an oil loss from machinery due to misoperation; another four situations generated oil spillages following turnover of machinery; in the last case, rain caused a minor hydrocarbon spillage from a fuel tank. These cases were involuntary fuel spills, which contaminated only the ground surface. In both situations the spill was quickly collected and taken to the hazardous waste storage area, to be delivered to authorised hazardous waste managers. The spill was estimated as 1.3 litres of fuel.



As in previous years, a number of mechanical incidents occurred during road cleaning and collection of urban waste. These incidents are inevitable in a fleet of vehicles. Three accidental spillages occurred in 2013, caused by broken hoses on vehicles, and approximately 60 litres of oil were spilled. All the spills occurred in urban areas - they were removed and the surface was thoroughly cleaned. The incidents were then addressed by authorised waste managers, depending on the type of spill.

In road upkeep and maintenance activity there were small spills on the road caused by traffic accidents and lorry breakdowns. These spills were subsequently collected and properly dealt with. There were six spills in 2013, and the estimated spill volume was 5.30 litres of oil.

The design and implementation of suitable preventive measures and corrective procedures means that spills occur infrequently and are readily manageable when they do arise.

Below we have listed some of our regularly implemented preventive measures, tailored to the type of work being undertaken, the location, features of the environment and so forth, to prevent undesired environmental impacts caused by chemical, oil and fuel spills:

- Positioning trays and geotextile and plastic below power generators.
- Positioning storage facilities outside permeable sites where accidental leaks could contaminate underground water supplies.
- Storage tanks with liners or containment tanks, positioned away from sensitive areas (e.g. near water beds, reservoirs, sewage network etc.).
- Preferential usage of double-wall fuel storage tanks.
- Drums, tins, jerry cans etc. and tank valves are fully sealed.
- The external condition of tanks and drums is regularly checked for cracks or rust that would weaken the receptacle's containing wall.
- Particular attention is paid to the condition of valves, cocks and stoppers.
- Drums, tanks, generators etc. are positioned at stable locations, impermeable with no gradients.
- Watertight areas to contain possible spills of chemicals and/or hazardous products, mainly in machinery maintenance areas.



- Anti-turbidity barrier to prevent fine particles and floaters entering the sewage network.

Sacyr has measures in place to prevent any type of incident and specific measures to minimise the consequences of potential spills of chemicals, oils and fuel. These measures are notified to both the employees carrying out the activity and to partners in the Good Environmental Practices Manual and in the Environmental Emergency Plan established at each work centre.

No major spills were identified in the other activities and countries in which Sacyr operated in 2013 and which are set out in this report, i.e. services in Spain and Portugal and concessions in Spain.

Environmental challenges

As part of its commitment to the environment, energy efficiency and society in general, Sacyr helps encourage environmental sustainability, mainly through the implementation of its environmental management projects, sustainable courses of action, and initiatives geared towards environmental awareness, information and training.

This commitment consists of a number of sustainable practices aimed at minimising the impact on the natural surroundings, efficient use of resources, application of the hierarchy in waste management practices, energy savings etc.



Plaza del Milenio
in Valladolid,
Spain.



7.11

Sustainable development and biodiversity

Our commitment to the fight against climate change

Climate change is the major environmental and social and economic challenge of this century. The potential impact is enormous, and addressing it requires a full transformation of the present energy and production models, and global commitment at the highest possible level.

For years, Sacyr's concern for this major environmental issue has taken the form of an environmental policy that is committed to saving energy and controlling atmospheric emissions, coupled with a business strategy that focuses on developing alternative energy sources.

Sacyr Industrial was created in 2012 to lead the Sacyr energy strategy as the result of integration of its companies and specialist divisions working on industrial engineering and construction.

Sacyr Industrial is one of Spain's leading renewable energy companies, operating its own plans with a range of technologies, and also an acknowledged leader of biomass energy upgrades, with more than 120 MW at its 7 plants in Andalusia.

The companies making up Sacyr follow the basic principles of its environmental policy to design and implement specific courses of action to save energy and adopt energy efficiency measures, as follows:

- business strategy related to development of alternative environment-friendly sources of energy
- calculation and registration of the organisation's carbon footprint
- replacement of equipment (coolers, boilers, lifts etc.) with modern energy-efficient machinery
- changes to lighting systems, replacing fluorescent tubes with LEDs
- best possible use of industrial equipment and machinery
- lighting timer devices fitted at all centres where this is possible, depending on the activity concerned
- encouraging education, training and awareness-raising initiatives.



Transport and mobility in general are directly related to climate change, pollution and energy dependence, and so measures have been taken to reduce consumption of fuel, optimise business

travel, roll out technology to minimise travel etc. These measures reduce energy consumption, and hence emissions.

ENERGY PRODUCTION (kWh)

| FACILITY | ENERGY SOURCE | CAPACITY (kW) | 2012 | | 2013 | |
|--------------------------------------|--------------------------------|------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|
| | | | ENERGY generated | ENERGY EXPORTED TO THE GRID | ENERGY GENERATED | ENERGY EXPORTED TO THE GRID |
| C.E. Puente del Obispo | Cogeneration using natural gas | 24,990 | 203,530,070 | 197,906,775 | 196,398,760 | 191,412,350 |
| C.E. La Roda | Cogeneration using natural gas | 8,202 | 60,781,710 | 56,304,669 | 67,150,010 | 61,935,016 |
| SEDEBISA COMPLEX | | | | | | |
| C.E. Pata de Mulo (CEPALO) | Cogeneration using natural gas | 17,260 | 119,119,901 | 108,148,661 | 134,741,106 | 127,879,718 |
| Puente Genil biomass plants (BIPUGE) | Biomass | 9,820 | 77,615,550 | 74,330,840 | 80,359,520 | 76,998,672 |
| OLEXTRA AND EXTRAGOL COMPLEX | | | | | | |
| Olextra | Cogeneration using natural gas | 16,647 | 112,794,944 | 108,870,510 | 129,029,886 | 124,298,893 |
| Extragol | Biomass | 9,150 | 58,475,136 | 55,442,708 | 62,252,100 | 59,131,508 |
| C.E. Las Villas | Cogeneration using natural gas | 24,977 | 209,168,800 | 206,818,763 | 209,168,800 | 197,563,608 |
| C.E. de Linares | Cogeneration using natural gas | 24,990 | 212,087,996 | 205,398,555 | 199,130,496 | 193,208,308 |
| Bioeléctrica de Linares, S.L. | Biomass | 15,000 | 108,345,828 | 100,319,351 | 113,302,594 | 105,343,522 |

Valoriza Energía's Operation and Maintenance biomass plants not only use renewable fuel, but they also consume fuel from the olive industry (olive branch clippings, tree trunks and stumps), which were traditionally burned in the fields and caused emissions of particles from uncontrolled burning, not to mention energy waste.

These plants also use another type of biomass, forest biomass from mountain clearings, which helps prevent forest fires.



CONSUMPTION OF BIOMASS IN THE ENERGY DIVISION (2012-2013)

| BIOMASS CONSUMPTION (kg) | BIPUGE | | EXTRAGOL | | BIOLINARES | | GEOLIT | |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|----------------|----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Olive cake | 40,559,743 | 44,084,627 | 46,508,611 | 45,486,173 | 43,382,530 | 46,879,867 | -- | -- |
| Energy crops (poplar, eucalyptus and pine under an energy-approved management plan) | 20,900,042 | 31,572,300 | 13,159,240 | 29,942,590 | 49,841,087 | 60,106,349 | -- | -- |
| Agricultural waste | 22,307,572 | 15,825,636 | - | 5,351,800 | 2,723,160 | 14,871,410 | -- | -- |
| Forest felling | 135,800 | 57,600 | 8,466,180 | 237,420 | 15,960,130 | 153,380 | -- | -- |
| Other biomass | 5,877,848 | 4,255,876 | | | 6,320,640 | 76,667 | 413,947 | 293,831 |
| TOTAL | 89,781,005 | 95,796,039 | 68,134,031 | 81,017,983 | 118,227,547 | 122,087,673 | 413,947 | 293,831 |



Cape Verde school of
catering and tourism

Significant measures adopted to encourage energy savings and energy efficiency

The policy of sustainability and energy efficiency adopted by the Property Management division continues to implement technology innovation.

In addition to its improvements in previous years, it took up the following initiatives in 2013:

- Replacement of lighting in parking lots and office areas (hall, lobbies, toilets) of a number of buildings. Replacing conventional lighting with new LED units saves energy; LEDs use up to 70% less energy to provide the same power flow, and have a much longer lifespan.
- Installation of presence detectors in parking lots, halls and toilets in several buildings.
- Replacing hydrochlorofluorocarbon cooler units with modern energy-efficient units at the Ática complex and the Raqueta building.
- Other air conditioning and heating components in buildings have also been replaced.

Energy-saving Measures Map at Sacyr's head office building

To reduce electricity consumption at Sacyr's head office in Madrid (Castellana, 83-85), in 2010 Testa drew up an investment plan to save energy.

Research and analysis produced an Energy-saving Measures Map, which was implemented in 2011, 2012 and 2013.

The energy-saving measures involved in the replacement of lighting in parking lots, halls and the various levels with LEDs, installation of lighting presence detectors in parking lots, emergency stairs, replacement of the cooling tower with a new low-consumption unit, installation of frequency variators for condensation pumps and replacement of air conditioning units with energy-recovery and indirect adiabatic cooling capacity.

The consolidated savings on termination of the energy-saving measures programme were 657,965 kwh over three years, or percentage savings of 65%.



Energy

Energy consumption is closely related to the various processes carried out in Sacyr's activities. Consumption is generally linked to operation of industrial facilities, the fleet of vehicles and

machinery, lighting and heat conditioning of buildings and facilities. Consumption by areas of business was as follows:

ENERGY CONSUMPTION IN THE CONSTRUCTION DIVISION

| | SPAIN | | CHILE | | PORTUGAL, ANGOLA, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | | CONSTRUCTION | | |
|-------------------------------------|-----------|--------------|---------|-----------|---|------------|--------------|------------|------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/ 13 |
| INDIRECT CONSUMPTION | | | | | | | | | |
| Electricity (kWh) | 5,916,228 | 4,556,803 | 219,030 | 563,343 | 10,826,495 | 10,070,728 | 16,961,753 | 15,190,874 | -10.44 |
| DIRECT CONSUMPTION | | | | | | | | | |
| Diesel (l) | 9,551,146 | 3,700,520.50 | -- | 4,877,796 | 6,440,604 | 5,776,548 | 15,991,750 | 14,354,864 | -10.24 |
| Petrol (l) | 26,188 | 31,233.08 | -- | 12,683 | 122,221 | 142,856 | 148,409 | 186,772 | 25.85 |
| Gaseous fuels (natural gas) (m³) | 1,179 | 839.33 | -- | -- | 25,157 | 13,956 | 26,336 | 14,795 | -43.82 |
| Fuel oil (l) | 1,592,552 | -- | -- | -- | -- | -- | 1,592,552 | -- | -100.00 |
| Biodiesel (l) | 154,917 | 238,931.77 | -- | -- | -- | -- | 154,917 | 238,932 | 54.23 |
| Oil (l) | -- | -- | 432,928 | -- | -- | -- | 432,928 | -- | -100.00 |
| Liquefied gas (kg) | -- | -- | 225 | -- | -- | -- | 225 | -- | -100.00 |

ENERGY CONSUMPTION IN THE SERVICES DIVISION

| | MULTI-SERVICES (Spain) | | ENVIRONMENTAL (Spain and Portugal) | | INDUSTRIAL (Spain) | |
|--|---------------------------|-----------|---------------------------------------|------------|-----------------------|-------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| INDIRECT CONSUMPTION | | | | | | |
| Electricity (kWh) | 699,700 | 1,115,181 | 13,127,484 | 13,489,883 | 49,027,353 | 48,750,001 |
| DIRECT CONSUMPTION | | | | | | |
| Diesel (l) | 2,111,799 | 1,842,913 | 6,316,453 | 5,013,051 | 200,112 | 190,208 |
| Diesel A (l) | 2,066,369 | 1,798,032 | 5,394,437 | 4,459,387 | 1,183 | 919 |
| Diesel B (l) | | 3,821 | 581,871 | 308,754 | 198,929 | 189,289 |
| Diesel C (l) | 45,430 | 41,060 | 62,613 | 63,643 | -- | -- |
| Petrol (l) | 24,877 | 23,215 | 300,925 | 253,087 | -- | -- |
| Gaseous fuels (natural gas, butane etc.) (m ³) | 3,292 | 4,573 | 11,535,939 | 14,295,789 | 236,232,357 | 236,802,109 |
| Biogas (m ³) | -- | -- | -- | -- | -- | -- |



| ESPAÑA | WATER | | SERVICES | | % Chg. 12/13 |
|---|-------------|------------|-------------|-------------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | |
| INDIRECT CONSUMPTION | | | | | |
| Electricity (kWh) | 263,281,374 | 88,344,095 | 326,135,911 | 151,699,161 | -53.49 |
| DIRECT CONSUMPTION | | | | | |
| Diesel (l) | 1,891,086 | 274,292 | 10,519,450 | 7,320,464 | -30.41 |
| Diesel A (l) | 241,998 | 270,194 | 7,703,987 | 6,528,531 | -15.26 |
| Diesel B (l) | -- | 1,213 | 780,800 | 503,077 | -35.57 |
| Diesel C (l) | 14,739 | 2,886 | 122,782 | 107,589 | -12.37 |
| Petrol (l) | 1,486,360 | 14,921 | 1,812,162 | 291,222 | -83.93 |
| Gaseous fuels (natural gas, butane etc.) (m³) | -- | -- | 247,771,588 | 251,102,472 | 1.34 |
| Biogas (m³) | 1,170,002 | 6,105,811 | 1,170,002 | 6,105,811 | 421.86 |

ENERGY CONSUMPTION IN PROPERTY MANAGEMENT AND CONCESSIONS

| SPAIN | PROPERTY MANAGEMENT | | CONCESSIONS | | PROPERTY DEVELOPMENT AND CONCESSIONS | | |
|---------------------------------------|---------------------|------------|-------------|-----------|--------------------------------------|------------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | % Chg. 12/13 |
| INDIRECT CONSUMPTION | | | | | | | |
| Electricity (kWh) | 11,896,011 | 10,296,417 | 8,517,150 | 8,586,734 | 20,413,161 | 18,883,151 | -7.50 |
| DIRECT CONSUMPTION | | | | | | | |
| Diesel (l) | 60,005 | 42,310 | 11,566 | 46,549 | 71,571 | 88,859 | 24.15 |
| Petrol (l) | -- | -- | 63 | 956 | 63 | 956 | 1,417.95 |
| Gaseous fuels (e.g. natural gas) (m³) | 304,336 | 379,026 | -- | -- | 304,336 | 379,026 | 24.54 |

The inherent characteristics of the construction and services sectors, mainly the geographic dispersion of work centres, the temporary nature of work and variations in the density of industrial equipment, the discontinuous and variable nature of activities carried out during contracts make it difficult to obtain justification for the year-on-year changes.



It is estimated that 36 % of the energy consumed by Valoriza in 2013 was generated by the company's own activities.



TOTAL ENERGY CONSUMPTION AT THE SACYR GROUP IN 2013

| INDIRECT CONSUMPTION | | (MWh) | (Gj) |
|----------------------------------|-------------|-------------|--------------|
| ELECTRICITY (KWH) | 185,773,186 | 185,773.19 | 668,783.47 |
| DIRECT CONSUMPTION | | (m³) | (Gj) |
| DIESEL (L) | 21,764,187 | 21,764.19 | 802,837.33 |
| Petrol (l) | 478,950 | 478.95 | 13,809.09 |
| Gaseous fuels (natural gas) (m³) | 251,496,293 | 251,496.293 | 9,810,870.39 |
| Biodiesel (l) | 238,932 | 238.93 | 7,894.85 |
| Biogas (m³) | 6,105,811 | 6,105.811 | 148,004.86 |

PRIMARY ENERGY USED TO PRODUCE ELECTRICITY PURCHASED BY NATIONAL GRIDS.

ENERGY CONTENT OF FUEL USED (2013)

| COUNTRIES | ELECTRICITY FROM GRID | UNITS | UNITS | COAL | FUEL OIL | GAS | BIOMASS | WASTE | OTHER (1) | TOTAL |
|------------|-----------------------|-------|-------|------------|------------|-------------|-----------|-----------|------------|-------------|
| Spain | 175,131,693 | Kwh | GJ | 224,646 | 135,658 | 768,442 | 15,254 | 8,708 | 270,509 | 1,423,217 |
| | | | kWh | 62,401,641 | 37,682,853 | 213,456,036 | 4,237,136 | 2,418,950 | 75,141,412 | 395,338,027 |
| Brazil | 83,387 | Kwh | GJ | 18 | 31 | 29 | 40 | 0 | 261 | 378 |
| | | | kWh | 4,926 | 8,723 | 7,944 | 11,009 | 0 | 72,510 | 105,112 |
| Portugal | 8,380,512 | Kwh | GJ | 21,829 | 6,580 | 29,469 | 2,878 | 942 | 10,173 | 71,871 |
| | | | kWh | 6,063,634 | 1,827,765 | 8,185,717 | 799,432 | 261,729 | 2,825,942 | 19,964,219 |
| Chile | 563,343 | Kwh | GJ | 1,402 | 1,353 | 438 | 381 | 0 | 851 | 4,423 |
| | | | kWh | 389,312 | 375,704 | 121,534 | 105,738 | 0 | 236,314 | 1,228,602 |
| Angola | 1,585,425 | Kwh | GJ | 0 | 4,556 | 0 | 0 | 0 | 4,341 | 8,896 |
| | | | kWh | 0 | 1,265,452 | 0 | 0 | 0 | 1,205,789 | 2,471,241 |
| Cape Verde | 28,826 | Kwh | GJ | 116 | 43 | 101 | 0 | 0 | 19 | 280 |
| | | | | 32,090 | 12,028 | 28,178 | 93 | 0 | 5,337 | 77,727 |



Environmental Objectives Achieved



In 2013, electricity consumption in the Our Lady of Peñarroya Old People's Home was cut by 39,362 kWh (an 18.89 % saving on the previous year) as a result of the following energy-saving initiatives launched in 2012. The number of hours that the kitchen heating equipment is switched on has been optimized; refrigerated product storage space has been optimized; and the amount of lighting in little-used areas has been reduced.



The Waste water Processing Plants managed in Spain generated 6,111,596 m³ of biogas in 2013. Of this 534,686 m³ was used to heat boilers, 5,787 m³ was flared, and the remaining 5,571,125 m³ was used in cogeneration.



In the Waste water Processing Plants, 9,646,085 kWh were generated in the sludge digestion process. By consuming this energy in the same plants, the amount of electricity purchased was reduced.



In Valoriza Servicios Medio Ambientales, 33.14 % of the energy consumed in 2013 was produced internally.



At the Reocin EDAR's thermal sludge drying plant, 61,719,528 kWh was generated in 2013, of which 7.2 % was consumed at the facility itself and the rest exported to the grid.



The entire 8,480,717 kWh generated at the La Rioja waste treatment plant was exported to the grid.



Emissions

Sacyr's main greenhouse gas emissions can be classified as follows:

- Direct emissions (Scope 1) from fuel used to drive machinery, vehicles, and ancillary systems such as generators and temporary facilities (concrete and crushing plants), diesel and gas boilers etc. These emissions come from sources owned or controlled by the Group.
- Indirect emissions (Scope 2) from the generation of power purchased and consumed by the Group. These emissions occur at the specific plant where the power is originally generated, i.e. the emissions do not arise in the course of Sacyr's actual activities.
- Other indirect emissions (Scope 3) as the result of the organisation's activities, although they arise from sources that are not owned or controlled by it. Some examples are business trips by employees, production of materials purchased etc.

Sacyr has both combustion facilities that fall within the scope of European Council Directive 96/61/EC of 24 September 1996 concerning integrated pollution prevention and control (IPPC), which are obliged to report data to the European Pollutant Release and Transfer Register (PRTR) and those that, though not included in the Directive, voluntarily calculate their emissions.

Total emissions at Valoriza Energía's installations are calculated based on the guidance document for reporting emissions at thermal power plants and other combustion facilities. Emissions by facilities within the scope of the IPPC Directive are made public as specified in EC regulations concerning the establishment of a European Pollutant Release and Transfer Register.



Breakwater works
in Valencia harbour,
Spain



EMISSIONS FROM THE PUENTE GENIL INDUSTRIAL COMPLEX

| POLLUTANT | CEPALO | BIPUGE (BIOMASAS DE PUENTE GENIL) | |
|--------------------|--|--------------------------------------|------------------------------|
| | (C.E. PATA DE MULO) | | |
| | TOTAL EMISSIONS NATURAL GAS (KG/YEAR) | TOTAL EMISSIONS BIOFUEL (KG/YEAR) | TOTAL EMISSIONS (KG/YEAR) |
| CO ₂ | 73,260,000.00 | 143,285,532.94 | 216,545,532.94 |
| CO | 46,147.54 | 2,196,262.63 | 2,242,410.17 |
| CH ₄ | 3,296.25 | 26,866.04 | 30,162.29 |
| N ₂ O | 1,714.05 | 6,418.00 | 8,132.05 |
| NH ₃ | 9,772.71 | 30,175.75 | 39,948.46 |
| COVDM | 1,318.50 | 149,255.76 | 150,574.26 |
| NOX | 303,255.29 | 298,511.53 | 601,766.82 |
| Benceno | 6,856.21 | 2,695.56 | 9,551.77 |
| SO ₂ | .. | .. | .. |
| SO _x | 5,405.86 | 77,637.36 | 83,043.22 |
| PM ₁₀ | 1,186.65 | 10,447.90 | 11,634.55 |
| Cd | .. | 2.69 | 2.69 |
| Cr | .. | 13.43 | 13.43 |
| Hg | .. | 31.49 | 31.49 |
| Ni | .. | 2.25 | 2.25 |
| Pb | .. | 20.90 | 20.90 |
| Sb | .. | 31.34 | 31.34 |
| Co | .. | 5.07 | 5.07 |
| Mn | .. | 4.18 | 4.18 |
| Cu | .. | 31.49 | 31.49 |
| Zn | .. | 270.15 | 270.15 |
| As | .. | .. | .. |
| Va | .. | .. | .. |
| HAP | .. | .. | .. |
| Tricloroetileno | .. | .. | .. |
| Partículas totales | .. | .. | .. |



EMISSIONS (KG/YEAR)

| POLLUTANT | COMPAÑÍA ENERGÉTICA PUENTE DEL OBISPO | COMPAÑÍA ENERGÉTICA LAS VILLAS | COMPAÑÍA ENERGÉTICA DE LINARES | BIOELÉCTRICA DE LINARES S.L | OLEXTRA | EXTRAGOL | COMPAÑÍA ENERGÉTICA LA RODA |
|--------------------|--|--------------------------------------|--------------------------------------|--------------------------------|------------|----------------|-----------------------------------|
| CO ₂ | 89,435.10 | 109,511,000.00 | 90,669,000.00 | 179,931,317.53 | 66,646.10 | 120,680,199.57 | 33,571,435.10 |
| CO | 655.11 | 12,793.80 | 664,152.91 | 2,755,198.30 | 41,981.49 | 1,847,915.56 | 8,992.35 |
| CH ₄ | 0.48 | 4,920.69 | 489.55 | 33,737.12 | 2,998.68 | 22,627.54 | 179.85 |
| N ₂ O | 1.61 | 2,558.76 | 1,631.83 | 8,059.42 | 1,559.31 | 5,405.47 | 599.49 |
| NH ₃ | 11.93 | 14,588.83 | 12,095.06 | 38,457.62 | 8,890.46 | 25,521.30 | 0.52 |
| COVDM | 74.04 | 196.83 | 75,063.97 | 187,428.46 | 1,199.47 | 125,708.54 | 119,897.98 |
| NOX | 180,593.86 | 25,325.96 | 108,904.00 | 374,856.91 | 275,878.36 | 251,417.08 | 599,489.91 |
| Benceno | 0.31 | 10.24 | 310.05 | 3,384.96 | 6.16 | 2,270.30 | 113.90 |
| SO ₂ | .. | .. | .. | .. | .. | .. | .. |
| SOx | 6.60 | 8,069.94 | 6,690.48 | 83,564.87 | 4,917.83 | 62,767.66 | 2,457.91 |
| PM ₁₀ | 17.71 | 1,771.45 | 17,950.08 | 13,119.99 | 1,079.52 | 39,975.32 | 6,594.39 |
| Cd | .. | .. | .. | 3.37 | .. | 2.26 | .. |
| Cr | .. | .. | .. | 16.87 | .. | 11.31 | .. |
| Hg | .. | .. | .. | 2.83 | .. | 1.90 | .. |
| Ni | .. | .. | .. | 26.24 | .. | 17.60 | .. |
| Pb | .. | .. | .. | 39.36 | .. | 26.40 | .. |
| Sb | .. | .. | .. | 6.37 | .. | 4.27 | .. |
| Co | .. | .. | .. | 5.25 | .. | 3.52 | .. |
| Mn | .. | .. | .. | 1,289.51 | .. | 864.87 | .. |
| Cu | .. | .. | .. | 39.55 | .. | 26.52 | .. |
| Zn | .. | .. | .. | 0.79 | .. | 0.53 | .. |
| As | .. | .. | .. | 17.81 | .. | 11.94 | .. |
| Va | .. | .. | .. | 339.25 | .. | 227.53 | .. |
| HAP | .. | .. | .. | 2.27 | .. | 1.52 | .. |
| Tricloroetileno | .. | .. | .. | 24.18 | .. | 16.22 | .. |
| Partículas totales | .. | .. | 1,182.41 | 472.15 | .. | 8,799.60 | .. |



The third period of the EU Emissions Trading System (EU ETS) entered into force in 2013, the 2013-2020 period, introducing a gradual reduction of the number of emission rights in circulation and gradual increase in the free allowance arising from the auction.

Also, facilities using only biomass to generate electricity are excluded from the scheme as of 2013.

2013

| FACILITY | TONNES OF CO2 VERIFIED | ENERGY EXPORTED (KWH) | ENERGY GENERATED (KWH) | ENERGY GENERATED |
|-------------------|------------------------|-----------------------|------------------------|------------------|
| OLEXTRA | 66,646 | 124,298,893 | 129,029,886 | 516.5 |
| CELVI | 109,511 | 197,563,608 | 199,487,200 | 549 |
| BIPUGE | 0 | 76,998,672 | 80,359,520 | 0 |
| BIOLINARES | 0 | 105,343,522 | 113,302,594 | 0 |
| CEPUENTE | 89,435 | 191,412,350 | 196,398,760 | 455.4 |
| CEPALO | 69,364 | 127,879,718 | 134,741,106 | 514.8 |
| EXTRAGOL | 0 | 59,131,508 | 62,252,100 | 0 |
| CELINARES | 90,669 | 193,208,308 | 199,130,496 | 455.3 |
| 2012 TOTAL | 430,930 | 1,057,236,163 | 1,101,138,225 | 391.34 |
| 2013 TOTAL | 425,625 | 951,537,686 | 1,114,701,662 | 381.8 |

The grams of CO₂/kWh generated in 2013 are similar to those obtained in 2012 - the difference between both values is considered negligible.

The next table shows Scope 1 and Scope 2 emissions for the various activities carried out by Sacyr, and Scope 3 emissions for construction in Portugal.



It should be pointed out that, for the purposes of quantifying Scope 1 greenhouse gas emissions in 2013, we used the conversion factors published in the "Conversion factors for final energy - primary energy and emission factors for CO₂-2010 for fuels" document published by the Institute for

Energy Diversification and Saving ("IDAE") in November 2011. For Scope 2, we used the annual data for equivalent emissions of CO₂, SO₂ and NO_x per kWh produced by the Spanish electricity generation system provided by the Adena-WWF Electricity Observatory for 2013.

SACYR GROUP EMISSIONS IN 2013

| SCOPE | EMISSIONS | CONSTRUCTION | | | SERVICES | | PROPERTY MGMT. | CONCESSIONS |
|---------|-----------------------|--------------|-----------|--|-----------|----------|-------------------|-------------|
| | | SPAIN | CHILE | PORTUGAL, ANGOLA, CAPE VERDE, BRAZIL, TOGO AND MOZAMBIQUE | SPAIN | PORTUGAL | SPAIN | SPAIN |
| Scope 1 | CO ₂ (teq) | 9,754.27 | 11,662.51 | 15,943 | 55,608 | 492.43 | 1,085.34 | 123.93 |
| Scope 2 | CO ₂ (teq) | 811.11 | 100.28 | 1,928 | 19,728.11 | 1.32 | 1,832.76 | 1,528.44 |
| | SO ₂ (teq) | 1.76 | 0.22 | -- | 42.89 | 0.00 | 3.98 | 3.32 |
| | NO _x (teq) | 1.23 | 0.15 | -- | 30.04 | 0.00 | 2.79 | 2.33 |
| Scope 3 | CO ₂ (teq) | -- | -- | 1,760 | -- | -- | -- | -- |

The only emissions of ozone-depleting substances generated by Sacyr are potential leaks from its air conditioning equipment. However, proper maintenance keeps these at minimum levels. Sacyr currently has some air conditioning units of its own using R22 gas, but these are gradually being replaced by units emitting gases that do not harm the ozone layer and have low global-warming potential.



Courses of action to protect biodiversity

Respect for the environment is one of Sacyr's key values, and thus its strategy aims to prevent any impact on biodiversity and, where this is impracticable, to research and implement the measures best suited to each scenario on the basis of the necessary form of protection and the activity at hand, to minimise its impact.

The protection data by which the protected areas where Sacyr conducted its activities in 2013 are classified are as follows:

- Special bird protection areas: 6
- Important community sites: 8
- Special conservation zones: 2
- Biosphere reserve: 2
- Ecological protection area: 2
- Nature Reserve: 2
- Other: 4

In 2013 activities were undertaken in crucial biodiversity areas; equivalent measures to those taken in protected areas were introduced here.

Work was performed and services provided in 2013 that affected the habitats of vegetable and animal species under some degree of threat. The number of species in whose habitats we have carried out activities, depending on threats, is as follows:

- Vulnerable: 8
- In danger of extinction: 6
- In critical danger: 1
- In danger: 1

There are also other species of fauna and flora that are not included in the IUCN Red List or national catalogues. The modus operandi for preventing potential impacts on these species is the same as stipulated above for the various species with the greatest risk of extinction or special interest; i.e. the adoption of measures to prevent or, if prevention is impractical, minimise the impact on these species.

PROTECTED AREAS IN WHICH THE SACYR GROUP OPERATED IN 2013

| NAME OF THE PROTECTED AREA | PROTECTED AREA | | | AREA IMPACTED BY THE ACTIVITY (HA) | ACTIVITIES CARRIED OUT IN THESE AREAS | MEASURES IMPLEMENTED TO PREVENT OR MINIMIZE THE IMPACT OF THE ACTIVITY IN THESE AREAS | |
|--|----------------|------------|-----------------|------------------------------------|---------------------------------------|---|--|
| | REGION | PROTECTION | STATUS LOCATION | | | | AREA WITH PROTECTED STATUS (HA) |
| CONSTRUCTION OPERATIONS (Spain and Portugal) | | | | | | | |
| Basins of the Alberche and Cofio Rivers | Madrid | LIC | I | 83,088.8 | 4.5 | Construction of a drinking water treatment plant. | During scrub clearing operations, an officer ensures that the preventive measures stipulated in the environmental impact declaration are actually taken. |
| Holm oaks around the Alberche and Cofio Rivers | | ZEPA | | | | | ZEPA (Special Bird Protection Zone) Visual inspections included in the EIS during the breeding season (March-August). |



PROTECTED AREAS IN WHICH THE SACYR GROUP OPERATED IN 2013

| NAME OF THE PROTECTED AREA | PROTECTED AREA | | | PROTECTED AREA IMPACTED BY THE ACTIVITY (HA) | ACTIVITIES CARRIED OUT IN THESE AREAS | MEASURES IMPLEMENTED TO PREVENT OR MINIMIZE THE IMPACT OF THE ACTIVITY IN THESE AREAS | |
|--|----------------|----------------------------|-----------------|--|---------------------------------------|---|--|
| | REGION | PROTECTION | STATUS LOCATION | | | | |
| CONSTRUCTION OPERATIONS (Spain and Portugal) | | | | | | | |
| Camino de Santiago Portugués | Pontevedra | Historic monument route | A | 0.01 | 0.01 | Earthworks. | Drilling and archaeological inspection. |
| | | | | 1.19 | 0.08 | Construction of a prefabricated wall. | Archaeological soundings delimited by the Directorate General of Cultural Heritage. |
| | | | I | | | Fillers and ditches. | Signalling and fencing. |
| | To Corunna | | | 25 | 25 | Site machinery crossing for access to the River Tagus. | Fence to separate site work from the “Camino de Santiago” route. |
| River Lérez | Pontevedra | SCI | I | 1.23 | 1.23 | Execution of platform and road. | Green mesh to prevent solid material entering the river. |
| | | Ecological protection area | | | | Transportation of miscellaneous material along access routes to the viaduct. | |
| River Sil canyon | Orense | SCI | I | 5,914 | 25 | Drilling blasting holes and blasting operations to excavate wells. | The drilling machinery used has a dust collection system. |
| | | | | | | | Renovation work for machinery maintenance area. |
| | | | | | | | Waste water processing plant. |
| Támega River | Orense | LIC | A | 718.76 | 0.1 | Accesses to the western mouth of the AVE high-speed rail network. | Positioning bales of straw in troughs to prevent the SCI being affected by loose material. |
| Sierra de Cazorla Nature Park, Segura and Las Villas | Jaén | SCI | I | 200,000 | 213.3 | Construction work on the Siles dam. | Restoration work on site dumps with native species. |
| | | Biosphere reserve | | | | | Maintenance of plantations. |
| | | Nature Reserve | | | | | Participative reforestation by children from local school. |
| | | ZEPA | | | | | Pilot release of 150 mountain rabbits. |



PROTECTED AREAS IN WHICH THE SACYR GROUP OPERATED IN 2013

| NAME OF THE PROTECTED AREA | PROTECTED AREA | | | AREA WITH PROTECTED STATUS (HA) | AREA IMPACTED BY THE ACTIVITY (HA) | ACTIVITIES CARRIED OUT IN THESE AREAS | MEASURES IMPLEMENTED TO PREVENT OR MINIMIZE THE IMPACT OF THE ACTIVITY IN THESE AREAS |
|--|-------------------------------|---------------------------|-----------------|---------------------------------|------------------------------------|--|---|
| | REGION | PROTECTION | STATUS LOCATION | | | | |
| CONSTRUCTION OPERATIONS (Spain and Portugal) | | | | | | | |
| Tamanca Protected Landscape | La Palma Island | ZEC | I | 2,007.4 | 26.8 | Earthworks and excavations. | Drilling and archaeological inspection. |
| | | | | | | | Phytosanitary pest eradication and control measures. |
| | | | | | | | Transplantation and reuse in the environmental integration of Bejeque, wild route etc. |
| Cumbre Vieja Nature Park | La Palma Island | Nature park | A | 7,499.7 | 22.9 | Earthworks and excavations. | Phytosanitary pest eradication and control measures. |
| | | Special Conservation Zone | | | | | Ecological protection area Transplantation and reuse of aeonium, wild rue etc in the environmental integration effort. |
| | | ZEC | | | | | Transplantation to future green areas of two examples of Canary Islands dragon tree, Canary palm, fan palm, and cardon. |
| Sierra Martés and the Ave | Valencia | SCI | I | 35,242 | 0.1 | Production of concrete | Spraying of roads and storage areas with water to minimize the formation of dust and noise. |
| ZEPA | | 71,173 | | 0.1 | | | |
| Sierra de Martés- Muela de Cortes | | ZEPA | A | 15,066 | 0.01 | Construction of a prison (excavations, foundations, trenches, structures). | Noise measurement. |
| Sierra Malacara | | | | | | | |
| National Agricultural Reserve | Ourém, Tomar, Nazaré y Leiria | National Reserves | - | - | 16.25 | - | - |
| | | | - | - | 14.08 | - | - |
| National Ecological Reserve | Vila-Real | | | - | - | 451 | - |



PROTECTED AREAS IN WHICH THE SACYR GROUP OPERATED IN 2013

| NAME OF THE PROTECTED AREA | PROTECTED AREA | | | AREA IMPACTED BY THE ACTIVITY (HA) | ACTIVITIES CARRIED OUT IN THESE AREAS | MEASURES IMPLEMENTED TO PREVENT OR MINIMIZE THE IMPACT OF THE ACTIVITY IN THESE AREAS | |
|---|----------------|--|-----------------|------------------------------------|---------------------------------------|---|--|
| | REGION | PROTECTION | STATUS LOCATION | | | | AREA WITH PROTECTED STATUS (HA) |
| SERVICES DIVISION (MULTI-SERVICES AND ENVIRONMENT IN SPAIN) | | | | | | | |
| Sierra de Cazorla Nature Park, Segura and Las Villas Jaén SCI | Jaén | SCI | I | 200,000 | 30 | Controlling vegetation next to the A-319 highway. | Herbicides not permitted. |
| | | Biosphere reserve | | | | | |
| | | Nature Reserve | | | | Scrub clearance restricted next to the highway because it might harm endemic species in danger of extinction. | |
| | | ZEPA | | | | | |
| La Albufera Nature Park | Valencia | SCI | A | 21,120 | 6.25 | Cleaning around one of the piers (marsh area). | Manual sweeping and manual collection of waste. No mechanical cleaning is done and no chemicals are use. |
| | | ZEPA | | | | | |
| | | Wetland of International Importance (Ramsar Convention). | | | | | |



Head office of the
International Business
Bank, Angola



There are also other species of fauna and flora that are not included in the IUCN Red List or national catalogues. The way in which we have acted to prevent possible harm to these species is as shown in the table "Main endangered species in whose habitats the Sacyr group carried out activities in 2013". In other words, in the case of species that are at risk or are of special interest, measures have been taken to prevent them from being harmed, or when this is not possible, to minimize the harm.

MAIN ENDANGERED SPECIES IN WHOSE HABITATS THE SACYR GROUP CARRIED OUT ACTIVITIES IN 2013

| LOCATION | SPECIES | DEGREE OF THREAT | LIST IN WHICH IT IS INCLUDED | ACTIVITIES CARRIED OUT IN THE HABITATS OF THESE SPECIES | ACTIONS IMPLEMENTED TO PREVENT AND MINIMIZE RISKS TO THE SPECIES |
|--|--|-------------------------|---|---|--|
| CONSTRUCTION DIVISION (SPAIN AND CHILE) | | | | | |
| Madrid | Spanish Imperial eagle (<i>Aquila adalberti</i>) | In danger of extinction | National Catalogue of Endangered Species | Execution of the construction of a drinking water treatment plant (excavations, foundations, trenches, structures). | Visual inspection during reproduction periods. |
| | | Endangered | National Catalogue of Endangered Species | | |
| | | Vulnerable | National Red Book | | No scrub clearance between March and August. |
| | Black vulture (<i>Aegypius monachus</i>) | In danger of extinction | Regional Catalogue of Endangered Species (Madrid) | | Visual inspection during reproduction periods. |
| | | Vulnerable | National Red Book | | No scrub clearance in breeding season. |


MAIN ENDANGERED SPECIES IN WHOSE HABITATS THE SACYR GROUP CARRIED OUT ACTIVITIES IN 2013

| LOCATION | SPECIES | DEGREE OF THREAT | LIST IN WHICH IT IS INCLUDED | ACTIVITIES CARRIED OUT IN THE HABITATS OF THESE SPECIES | ACTIONS IMPLEMENTED TO PREVENT AND MINIMIZE RISKS TO THE SPECIES |
|---|--|-------------------------|--|--|--|
| CONSTRUCTION DIVISION (SPAIN AND CHILE) | | | | | |
| Orense | Orense Grey partridge (Perdix perdix) | Vulnerable | National Catalogue of Endangered Species | Site Tip | Activity is totally restricted in a 50 ha radius from the place of sighting until 15 July. From that time onwards, the restricted activity area is reduced to 4 ha for two months. |
| Valencia | Peregrine falcon (Falco peregrinus) | Vulnerable | National Red Book | Concrete plant installation. | Plant accesses and incoming material (aggregate) are flushed to minimise the effects of dust and noise. |
| | Common pratincole (Glaeola pratincola) | Vulnerable | National Red Book | Storage of materials. | Training site personnel using cards that describe the species. |
| Elqui | Elqui Long-tailed snake (Philodryas chamissonis) | Vulnerable | IUCN Red List | Road building works: earthworks, asphalt, structures, service routings, closure of separation strip. | Employee training. |
| | | | | | Rescue and location operations. |
| | Guanaco (Lama guanicoe) | In danger of extinction | | Road construction works: fencing work. | Employee training. |
| | | | | | Species scare tactics. |
| | Burrowing Parrot (Cyanoliseus patagonus) | In danger of extinction | | Road construction works: noise, handling. | Employee training. |
| | | | | | No entry to nesting site. |
| CONSTRUCTION DIVISION (SPAIN AND CHILE) | | | | | |
| Valencia | Western Marsh-harrier (Circus aeruginosus) | Vulnerable | National Red Book Road | Road cleaning. | The zone is cleaned manually without machinery or chemicals. |
| | Calamón común (Porphyrio porphyrio) | Vulnerable | National Red Book Road | | |
| | Iberian toothcarp (Aphanius iberus) | In danger of extinction | National Catalogue of Endangered Species | | |
| | | | IUCN Red List | | |
| | | | Red List of Spanish Vertebrates | | |
| | Valencia toothcarp (Hispanic Valencia) | In danger of extinction | National Catalogue of Endangered Species | | |
| | | | Red List of Spanish Vertebrates | | |
| | | In critical danger | IUCN Red List | | |



08



Future prospects



8.1

Long-term vision and strategy for the future

The measures implemented in recent years, good business progress and a new strategy have laid the cornerstones of the organisation's future growth:





Consolidation as an international business group offering construction, property management, infrastructures and services.

The firm belief that profitability must take precedence over size, with no concessions made in respect of the latter.

A business focus that optimises the market in terms of quality and added value, the result of technical proficiency and hard work by our teams.

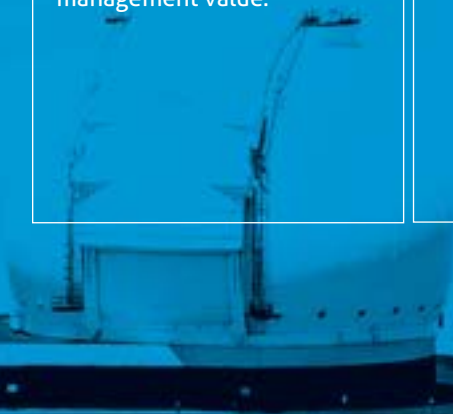
Containment of structural costs.

Levels of debt backed at all times by assets to justify and, of course, service them.

Top-quality assets in all areas of business.

A blend of complementary activities with a high capacity for synergies and management value.

Highly quality technical divisions and experts operating in complex situations.





8.2

Value proposal

Guided by a revamped strategy, we have managed to stabilise Sacyr's financial position in terms of debt and maturity profiles, while locking in the funding needed to cover the equity requirements of the projects we have been awarded.

We also managed to maintain our operating results, and increase their profitability.

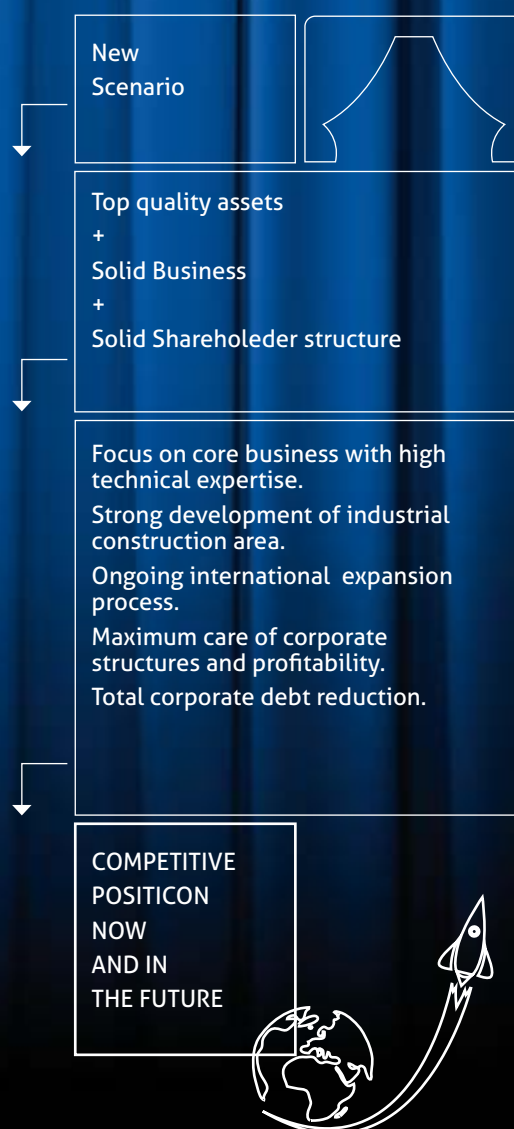
We also proved able to considerably boost our international exposure.

| 2008 | | 2011 | | 2013 | |
|----------------|--------|--|--|--------------------|----------|
| Revenue | 5,400 | <p>New Strategy</p> <p>↓</p> <p>International focus. Focus on core business. Operate top technological capabilities Added value branch synergies</p> <p>Profitability over volume Cost control and margin care Debt adapted to mature assets Corporate debt target = 0 Asset rotation as financial resource</p> <p>Repsol permanent investment Repsol Synergies Sacyr Industrial strong boost</p> | | Revenue | 3,000 |
| EBITDA | 610 | | | EBITDA | 373 586* |
| Debt | 19,500 | | | Debt | 6,642 |
| Corporate Debt | 1,900 | | | Corporate Debt | 319 |
| Implied EBITDA | 11,000 | | | Implied EBITDA | 14,526 |
| Margin | 11.3% | | | Margin | 12.1% |
| Backlog | 36,000 | | | Backlog | 37,742 |
| International | 27% | | | International | 53% |
| | | | | (*) Ex-impairments | |



We have built the scale needed to compete on an equal footing not only in our home market, but also and most especially beyond Spanish borders, where we have won many projects and achieved success. In short, to talk about our group today is to talk about:

- An international construction, infrastructures and services group operating in more than 20 countries, well established beyond the borders of our native country.
- We are also a Group with proven technological prowess, which underpins our ability to successfully handle large-scale projects with a high strategic value.
- Lastly, we are a Group the complementary businesses and low operating costs of which generate sufficient margins, which are constantly growing.



**25**years
in the marketPresence in
all
5
continents**34**concession
facilities

We are now a business group with more than 200 companies, all creating value: 34 concession facilities, 1.5 million square metres of rental surface area or major construction and services contracts indicate our potential, expressed in a 40 billion euro business portfolio, with the capacity to generate more than 17 billion euros of EBITDA.

We are currently working in 20 countries across all 5 continents, from Australia to the US and from Latin America to the European Union, coupled with a foothold in Africa and Asia.

Here we have progressed from minor contracts to the world's biggest engineering projects: the project to design and build the third set of locks on the Panama Canal is a fine example of our capacities.

Despite the fact that our topline has been undermined by the crisis, we have managed to robustly defend EBITDA?, which has held largely

steady. And, more importantly: we have made substantial strides in terms of profitability; our portfolio has sustained ongoing growth, driving a commensurate increase in implied EBITDA; international exposure has doubled; and net debt has been slashed to less than one third of previous levels.

Sacyr has consolidated its financial position: debt has been reduced drastically and is currently close to the optimal level for a company with highly capital-intensive business lines.

We have also restructured debt, adapting it in time and format to our current situation. We have boosted our resources through a number of operations, covering our investment needs in terms of equity for the immediate future.

As a result, our debt has been fully aligned and linked with each of our core businesses and their respective EBITDA flows.



Business
group with
more than
200
companies

1,5
million
square
metres
of rental
surface area

21.500
million
euros at our
international
portfolio

17.000
billion euros
of EBITDA

Considering the capital-intensive nature of some of our businesses and our current debt profile, we can say that our present debt structure matches the nature of our businesses and the early stages of our assets.

As for our international exposure, we have sought out markets with established financing infrastructure and legal stability, and continue to pinpoint value opportunities to underpin our policy of sustained and controlled growth. Our international portfolio, which stood at €9,700 million four years ago, now amounts to €21,500 million.

All these efforts have been accompanied by an unwavering endeavour to control costs and boost efficiency in all business areas and staff departments, to the point that we have achieved what is today probably the leanest cost structure in the sector.

Our firm conviction that profitability trumps volumes at present has translated into a positive margin trend which has become a steadfast philosophy for the Group.

The higher profitability of our operations has been brought about through solid, stable EBITDA.

Our various lines of business are operating normally, focusing on the diversification strategy deployed by Sacyr almost since its inception: cyclical businesses coupled with more stable businesses, all based on Triple-A assets.



We produce an effective combination of short-term and long-term business. In our construction and concessions businesses, we control and add value during all phases. In our services and industrial sectors, our work is geared towards full satisfaction of our customers' needs. Management of our property management division is efficient and rigorous to enable us to continue to create value.

We do all this through teams that can lead, serve, innovate, work hard and issue a genuine commitment to our customers and the market.

FROM A BIG COMPANY TO GREAT COMPANY





Net Financial Debt



20,000
millions

6,600
millions

International Portfolio



56
%

27%

Net Corporate Debt



20,000
millions

3,000
millions

Ebitda



11,000
millions

16,000
millions



| BUSINESS MODEL <i>Reaction to changes in the environment</i> | FINANCIAL STABILITY <i>Reaction to crisis on markets</i> | PREDICTABILITY AND TRANSPARENCY <i>reaction to market demand</i> | GLOBALISATION <i>Reaction to the situation of the domestic market</i> |
|---|---|--|--|
| <ul style="list-style-type: none"> • From a company with growth based on leverage and corporate operations (search for size) • To a company focusing on its core business and its proven technical capacity (search for profitability and to avail ourselves of our qualitative advantages) | <ul style="list-style-type: none"> • From €20,000 million of net debt to €6,600 million • From €2,000 million of corporate debt to €300 million • From debt borne by the parent to debt serviced by assets • Reduction of Repsol exposure and refinancing up to 2015 • Bolstered capital: capex covered in terms of equity • Normalised divestment policy based on asset quality • Orderly balance sheet • Asset valuation adjustments and necessary provision • Positive catalysts planned for the short term | <ul style="list-style-type: none"> • Clear, defined strategy • High-profile communication profile • High level of quarterly financial information | <ul style="list-style-type: none"> • From an international portfolio accounting for 27% of business to 56% of business outside Spain • From only minor international turnover to foreign turnover accounting for 51% of business |



| BACKLOG AND EBITDA <i>Reaction to loss of size</i> | OPERATIONAL BUSINESS <i>The right mix to cope with adverse cycles</i> | ASSET QUALITY | POTENTIAL |
|---|--|--|--|
| <ul style="list-style-type: none"> • From a backlog of €36,000 million to €40,000 million • From implied EBITDA of €11,000 million to €16,000 million • Annual EBITDA steady at €600 million | <ul style="list-style-type: none"> • Stability and hidden value in property management (Testa) • Profitable growth in the Services and Industrial divisions • Potential of Sacyr Concesiones • Worldwide growth of construction sector | <ul style="list-style-type: none"> • Stable valuation at Testa and occupancy rate of 97% • 28 years remaining on concessions • A backlog of €11,500 million at Valoriza, with a margin of 16% • Acknowledged technical construction capacity | <ul style="list-style-type: none"> • Ready to move into an improved macroeconomic scenario • Free stock market percentage in the region of 60% = less volatility • Extremely good share listing potential • The company with the largest number of "BUY" recommendations by analysts |



09



Basis of presentation



You are reading Sacyr's **second INTEGRATED REPORT**, for the financial year 2013.

This document was drawn up in accordance with the standard published by the International Integrated Reporting Council (IIRC), www.theiirc.org. It was also drawn up in accordance with the Global Reporting Initiative's Corporate Responsibility directives (GRI, version 3.1), www.globalreporting.org, and financial information has been set out pursuant to the International Financial Reporting Standards adopted by the European Union.

This report has been externally verified by an independent entity (Price Waterhouse Coopers) to the **ISAE 3000** standard. It has been verified by another independent entity (PRYSMA-AENOR) in terms of **GRI level of application A+ (v3.1)**, and its financial content has also been audited (consolidated financial statements of the parent company and its subsidiaries) by Ernst & Young.

By publishing this annual Integrated Report, the Group is fulfilling its commitment to provide an overall public record of its performance in economic, social and environmental terms and demonstrating its firm undertaking to maintain a strategy in accordance with the principles of sustainable development.

As in previous years, this report has been approved by Sacyr's Board of Directors. As the company's ultimate governance body, the Board is responsible for defining, implementing and supervising the Group's strategy concerning all the issues addressed in the report.

Sacyr has undertaken to maintain a consistent scope and limits in its integrated reports. Accordingly, as in previous years, this document encompasses all Sacyr's activities in all countries in which it operates, and the only change made has been the timeframe,

which now refers to the year 2013.

In certain cases, generally due to a lack of global data, the information in this report cannot refer to the Group overall, and this circumstance is expressly reflected in the section concerned. Sacyr's management aims to establish the necessary mechanisms to gradually eliminate these limitations on the information available.

It should also be noted that, for the sake of consistency with other information presented by Sacyr (Annual Corporate Governance Report, Financial Statements and R+D+i Report), the data presented in this document refer to the position of the Group at 31 December 2013, unless expressly stated otherwise. Likewise, except where otherwise indicated, for comparison purposes information for 2013 is presented using the same criteria applied in the 2012 report.

The structure and content of this Report were devised to satisfy our principal stakeholders' needs for information on our business and our performance in terms of economic, social and environmental issues as closely and as effectively as possible.

In interpreting the definition of "stakeholder" provided in the GRI guidelines within the context of our organisation, it is clear that there are many groups that in one way or another could be affected by our activities. Likewise, there are many groups that could exert a major impact on our activities.

However, there are a number of large groups that have particularly close links to our company, as demonstrated by a combination of the frequency and the potential impact of this possible interdependence. These groups are:



- Employees
- Shareholders
- Customers
- Public authorities
- Suppliers and contractors
- Analysts and investors
- Media
- Local communities
- NGOs and other civil entities

To ensure that this list of priority stakeholders is constantly updated, and to determine those aspects of our organisation that are of particular interest to each group - and that should therefore be covered in this Report – Sacyr performs a systematic analysis of various sources of information:

- Daily analysis of the press and specialist publications, to track all press references to Sacyr and the sectors in which it is active, and to monitor trends in the field of corporate responsibility.
- Study of the reports of other companies, particularly those that carry out activities in the same sectors as Sacyr.
- Analysis of comments and contributions received in relation to our responsible management practices or with specific reference to our reports.
- In its meetings with representatives of the different organisational units of the Group and with the Corporate Social Responsibility Working Group, the Corporate Responsibility Department collects information on the various groups with which they interact, and on their opinions and concerns.
- In general, the information received from the wider community via the various channels of dialogue established by Sacyr for this purpose (as detailed in section addressing dialogue with stakeholders) provides invaluable sources of reference that are of great assistance when determining the contents of our Corporate Responsibility Report.



10



Appendices



10.1

GRI 3.1 - Table of contents

1 Reportado totalmente, parcialmente o no reportado.

2 Parte del indicador no incluida en el Informe (en el caso de tratarse de un indicador reportado parcialmente o no reportado).

3 Motivo por el que el indicador se reporta parcialmente o no se reporta.

4 Año previsto para reportar la información completa (en el caso de tratarse de un indicador reportado parcialmente o no reportado).

| 1 | ORGANISATIONAL PROFILE | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|-----|--|---|------------|------------------------|-----------------------|-----------------|
| 1.1 | Sustainability strategies adopted by the reporting organisation | 10,11,12,13 | Reported | | | |
| 1.2 | Description of key impacts, risks and opportunities | 58-62,74,79-85, 91,144,145, 148,226,253 | Reported | | | |
| 2 | ORGANISATIONAL PROFILE | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| 2.1 | Name of the organisation. | Sacyr, S.A | Reported | | | |
| 2.2 | Primary brands, products and/or services. | 30 | Reported | | | |
| 2.3 | Operating structure of the organisation, including the main divisions, operational entities, subsidiaries and joint ventures. | 26, 31 | Reported | | | |
| 2.4 | Location of organisation's headquarters. | 29, 322 | Reported | | | |
| 2.5 | Number of countries in which the organisation operates, and number of countries in which it carries on major business or which are specifically relevant in terms of the sustainability issues addressed in the report | 28, 31 | Reported | | | |
| 2.6 | Nature of ownership and legal format. | Sacyr, S.A | Reported | | | |
| 2.7 | Markets served (including a geographic breakdown, sectors served and types of customers/beneficiaries) | 72, 162-165 | Reported | | | |



| 2 | ORGANISATIONAL PROFILE | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|------|---|---|------------|------------------------|-----------------------|-----------------|
| 2.8 | Scale of the reporting organisation, including: Number of employees • Number of operations • Net sales (for private-sector organisations) or net income (for public-sector organisations) • Total capitalisation, broken down into debt and equity (private-sector organisations) • Quantity of products or services provided | 6, 7, 162-165 | Reported | | | |
| 2.9 | Major changes during the period covered by the report in terms of size, structure and ownership of the organisation, including • Location of activities or changes to activities, facilities opened, facility closures and extensions; and • Changes to structure of share capital and other types of capital, maintenance of share capital and operations to modify share capital (for private-sector organisations) | 10-13,32 | Reported | | | |
| 2.10 | Awards and distinctions received in the reporting period | No awards worthy of note have been received in the period | -- | | | |
| 3 | REPORT PARAMETERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| 3.1 | Period covered by the information set out in the report (for example, tax year, calendar year) | 290 | Reported | | | |
| 3.2 | Date of most recent previous report (if any). | 290 | Reported | | | |
| 3.3 | Regularity of presentation of reports (annual, two-yearly etc.). | 290 | Reported | | | |



| 3 | REPORT PARAMETERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|----------|--|---------------------------|-----------------------|---------------------------------------|--------------------------------------|--------------------------------|
| 3.4 | Contact point for questions regarding the report or its contents. | 322 | Reported | | | |
| 3.5 | Process for definition of the contents of the report, including: <ul style="list-style-type: none"> • Determination of materiality • Priority of the aspects included in the report • Identification of stakeholders it is felt will avail themselves of the report | 290-291 | Reported | | | |
| 3.6 | Areas covered by the report (e.g. countries, divisions, subsidiaries, facilities leased, joint ventures, suppliers) | 290-291 | Reported | | | |
| 3.7 | State any limitations to the scope or coverage of the report | 290-291 | Reported | | | |
| 3.8 | The basis for including information in the case of joint ventures, subsidiaries, facilities leased, activities subcontracted and any other entities with a major effect on the comparability of periods and/or organisations. | 290-291 | Reported | | | |
| 3.9 | Techniques for measurement of data and basis for carrying out calculations, including any hypotheses and techniques underlying the estimates applied in the compilation of indicators and other information in the report. | 290 | Reported | | | |



| 3 | REPORT PARAMETERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|------|---|-------------------|---------------|------------------------------|-----------------------------|-----------------------|
| 3.10 | Description of the possible effect of reformulations of information in previous reports, and the reasons that led to the reformulations (for instance, mergers and acquisitions, changes to information periods, type of business or measurement methods) | 290 | Reported | | | |
| 3.11 | Significant changes concerning previous reporting periods in the scope, boundary or measurement methods applied in the report. | 32, 290 | Reported | | | |
| 3.12 | Table stating the location of the basic contents of the report | 294-315 | Reported | | | |
| 3.13 | Current policy and practice in connection with the request for external verification of the report. | 290 | Reported | | | |
| 4 | GOVERNANCE, COMMIT- MENTS AND PARTICIPATION OF STAKEHOLDERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| 4.1 | The organisation's governance structure, including the committees of the ultimate governance body responsible for tasks such as definition of strategy or supervision of the organisation. | 23-24, 44-50 | Reported | | | |
| 4.2 | State whether the chairman of the ultimate governance body also holds an executive post (if so, state the chairman's function within the organisation's managerial structure and reasons to substantiate this). | 44 | Reported | | | |



| 4 | GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|-----|---|-------------------------|---------------|---------------------------|--------------------------|--------------------|
| 4.3 | For organisations that have a unitary board structure, state the number of members of the ultimate governance body that are independent or non-executive members. | 45-49 | Reported | | | |
| 4.4 | Mechanisms for shareholders and employees to issue recommendations or indications to the ultimate governance body. | 135-139 | Reported | | | |
| 4.5 | Link between the remuneration of members of the ultimate governance body, senior management and executives (including step-down agreements) and the performance of the organisation (including social and environmental performance). | 54-56 | Reported | | | |
| 4.6 | Processes in place for the ultimate governance body to ensure conflicts of interest are avoided. | 46-48 | Reported | | | |
| 4.7 | Procedure for determining the composition, capacitation and experience demanded of members of the ultimate governance body and its committees, including considerations of sex and other indicators of diversity. | 46-48 | Reported | | | |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | 16-18, 51 - 53, 66 - 69 | Reported | | | |



| 4 | GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|------|--|-------------------|------------|------------------------|-----------------------|-----------------|
| 4.9 | Procedures of the ultimate governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including risks and opportunities, and adherence to or compliance with internationally agreed standards, codes of conduct and principles. | 46-48 | Reported | | | |
| 4.10 | Processes for evaluating the ultimate governance body's own performance, particularly with respect to economic, environmental, and social performance. | 46-48, 284 | Reported | | | |
| 4.11 | Explanation of how a precautionary approach or principle is addressed by the organisation. | 58-62 | Reported | | | |
| 4.12 | External economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses. | 210-217, 222, 256 | Reported | | | |
| 4.13 | Main associations of which it is a member (such as sector associations) and/or national and international bodies supported by the organisation and: <ul style="list-style-type: none"> • Whether it is involved in their governance bodies • Whether it is involved with projects or committees • Whether it furnishes major funds exceeding the obligations of partners • Whether it has any strategic considerations | 94,95 | Reported | | | |



| 4 | GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|-----------|---|---|-------------------|-------------------------------|------------------------------|------------------------|
| 4.14 | List of stakeholder groups included by the organisation. | 291 | Reported | | | |
| 4.15 | Basis for identification and selection of stakeholders to which the organisation is committed. | 291 | Reported | | | |
| 4.16 | Approaches to stakeholder inclusion, including frequency of inclusion by types and by stakeholder groups. | 136-140 | Reported | | | |
| 4.17 | Key topics and concerns that have been raised through stakeholder inclusion, and how the organisation has responded to those key topics and concerns, including through its reporting. | 100, 214-217, 222, 286 | Reported | | | |
| EC | ECONOMIC PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| | MANAGEMENT APPROACH: ECONOMIC PERFORMANCE | 75, 76 | Reported | | | |
| EC1 | Direct economic value generated and distributed, including income, operating expenditure, employee remuneration, donations and other investment in the community, undistributed profit and payments to suppliers of capital and to governments. | 6, 7, 35 - 39, 228, 229, 144 - 146, 152, 153, 214 - 217 | Reported | | | |
| EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change. | 256 | Reported | | | |



| EC | ECONOMIC PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---|---|--|-----------------|---------------------------|--------------------------|--------------------|
| EC3 | Coverage of the organisation's defined benefit plan obligations. | The Sacyr Group has set up two pension plans for the employees of Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) and Empresa Mixta de Aguas de Las Palmas, S.A. (EMALSA). | Partly | | | |
| EC4 | Significant financial assistance received from governments. | 93 | Partly | | | |
| MANAGEMENT APPROACH: MARKET PRESENCE | | 4, 5 | Reported | | | |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation, by sexes. | Wherever it operates Sacyr pays its employees at least the local minimum wage for their occupation. | Reported | | | |
| EC6 | Policy, practices and proportion of spending on local suppliers at significant locations of operation. | Sacyr Group does not have a global policy that tends to give priority to local suppliers. | Reported | | | |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation. | Sacyr has no specific procedures that give priority to hiring local personnel. | Reported | | | |
| MANAGEMENT APPROACH: MARKET PRESENCE | | 74, 210 - 213 | Reported | | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, pro bono or in-kind undertakings. | 214 - 217 | Reported | | | |



| EC | ECONOMIC PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---------------------------------------|--|--------------------------|-----------------|--|--|-----------------|
| EC9 | Understanding and description of significant indirect economic impacts, including the extent of such impacts. | 214 - 217 | Reported | | | |
| EN | ENVIRONMENTAL PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| MANAGEMENT APPROACH: MATERIALS | | 223, 224, 235-240 | Reported | | | |
| EN1 | Materials used by weight or volume. | 235 - 240 | Reported | | | |
| EN2* | Percentage of materials used that are upgraded materials. | 243, 246, 247 | Reported | El alcance de los datos reportados en el indicador es solo España. | At present, Sacyr has no reporting system for gathering the omitted information. | 2014 |
| MANAGEMENT APPROACH: ENERGY | | 256 - 263 | Reported | | | |
| EN3* | Direct energy consumption by primary energy sources. | 260 - 263 | Reported | | | |
| EN4* | Indirect energy consumption by primary sources. | 260 - 263 | Reported | | | |
| EN5 | Energy saved due to conservation and efficiency improvements. | 260 - 263 | Reported | | | |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | 256 - 259 | Reported | | | |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | 256 - 259 | Reported | | | |



| EN | ENVIRONMENTAL PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|--|-----------------|------------------------------|-----------------------------|-----------------------|
| MANAGEMENT APPROACH: WATER | | 248 - 251 | Reported | | | |
| EN8 | Total water withdrawal by sources. | 248 - 251 | Reported | | | |
| EN9 | Water sources significantly affected by withdrawal of water. | In 2013 no significant effects were detected on water sources resulting from water withdrawal. | Reported | | | |
| EN10 | Percentage and total volume of water recycled and reused. | 248 - 251 | Reported | | | |
| MANAGEMENT APPROACH: BIODIVERSITY | | 270 | Reported | | | |
| EN11 | Description of land adjacent to or located in protected natural areas and areas of major biodiversity outside protected areas. State the location and size of land owned, leased or managed with major biodiversity outside protected areas. | 270-275 | Reported | | | |
| EN12 | Description of the major impacts on biodiversity in protected natural areas or in areas of major biodiversity outside protected areas of activities, products and services in protected areas and in areas of major biodiversity outside protected areas. | 270-275 | Reported | | | |
| EN13 | Habitats protected or restored | 270-275 | Reported | | | |
| EN14 | Strategies, courses of action deployed and planned for managing impacts on biodiversity. | 270-275 | Reported | | | |



| EN | ENVIRONMENTAL PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|-------|---|--|-----------------|------------------------------|-----------------------------|-----------------------|
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by levels of danger of extinction of the species. | 270-275 | Reported | | | |
| | MANAGEMENT APPROACH: EMISSIONS, EFFLUENTS, AND WASTE | 264 - 270, 182, 186, 192, 241-247, 251- 254 | Reported | | | |
| EN16* | Total direct and indirect greenhouse gas emissions by weight. | 264 - 267 | Reported | | | |
| EN17 | Other indirect greenhouse gas emissions by weight. | 268 - 269 | Reported | | | |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | 254, 91, 92, 218, 223, 224, 256, 257, 264 | Reported | | | |
| EN19 | Emissions of ozone-depleting substances by weight. | 264 - 267 | Reported | | | |
| EN20* | NOx, SOx and other significant atmospheric emissions, by types and weights. | 264 - 267 | Reported | | | |
| EN21 | Total wastewater discharges, by types and destinations. | 252 | Reported | | | |
| EN22* | Total weight of waste managed, by types and treatment methods. | 241 - 243 | Reported | | | |
| EN23 | Total number and volume of significant spills. | 252 - 254 | Reported | | | |



| EN | ENVIRONMENTAL PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---|---|--|-----------------|------------------------------|-----------------------------|-----------------------|
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of waste shipped abroad. | Because Sacyr Group does not transport, import, export, or treat hazardous waste, this indicator has not been considered relevant. | Reported | | | |
| EN25 | Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff. | In 2013 no incidents involving liquid effluents generated by the organization causing significant damage to the environment were recorded. | Reported | | | |
| MANAGEMENT APPROACH: PRODUCTS AND SERVICES | | 75-76 | Reported | | | |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | 91 - 92, 94, 225, 227, 228, 256 - 259 | Reported | | | |
| EN27 | Percentage of products sold and packaging materials recovered, by categories. | In view of the nature of the products and services sold by the SyV Group, this indicator has not been considered relevant. | Reported | | | |
| MANAGEMENT APPROACH: COMPLIANCE | | 220 - 222 | Reported | | | |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | 228 - 230 | Reported | | | |



| EN | ENVIRONMENTAL PERFORMANCE INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|--|---|-----------------|--|--|-----------------|
| MANAGEMENT APPROACH: TRANSPORT | | 306 | Reported | | | |
| EN29 | Significant environmental impacts of transportation of products and other goods and materials used for the organisation's operations, and transportation of employees. | The majority of transport activities are carried out by sub-contractors and suppliers, and they are given a best practice code which addresses the main environmental impacts of transport identified by Sacyr. | Reported | | | |
| MANAGEMENT APPROACH: GENERAL | | 218 | Reported | | | |
| EN30 | Breakdown of total environmental protection expenditure and investment, by types. | 228 - 230 | Reported | | | |
| LA | INDICATORS OF EMPLOYMENT PRACTICES | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| MANAGEMENT APPROACH: EMPLOYMENT | | 100, 116 -121 | Reported | | | |
| LA1* | Total workforce by employment type, employment contract, and region, broken down into sexes. | 28, 100 - 107 | Partly | Breakdown by gender and type of contract. The scope of the data broken down by type of work is limited to Spain. | At present, Sacyr has no reporting system for gathering the omitted information. | 2014 |
| LA2 | Total number and rate of employee turnover by age groups, sex and regions. | 100 - 107 | Partly | | | |



| LA | INDICATORS OF EMPLOYMENT PRACTICES | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---|---|---|-----------------|---|---|--------------------|
| LA3 | Welfare benefits for full-time employees that are not provided for temporary or part-time employees, by the main locations where operations are carried out. | 125, 126 | | | | |
| MANAGEMENT APPROACH: EMPLOYMENT/MANAGEMENT RELATIONS | | | | | | |
| | | 27 - 28 | Reported | | | |
| LA4 | Percentage of employees covered by collective bargaining agreements. | 128, 129 | Reported | | | |
| LA5 | Minimum notice period(s) regarding operational changes, including whether they are specified in collective bargaining. | 128, 129 | Partly | | | |
| MANAGEMENT APPROACH: OCCUPATIONAL HEALTH AND SAFETY | | | | | | |
| | | 130 - 134 | Reported | | | |
| LA6 | Percentage of total workforce represented in formal joint management-employee health and safety committees that help monitor and advise on occupational health and safety programmes. | 131 | Partly | | | |
| LA7* | Rates of absenteeism, professional illnesses, lost days and number of employment-related fatalities, by regions and by sex. | 108 - 115 | Partly | Breakdown by gender. The scope of the data reported in the indicator is limited to Spain. | The reporting system does not make it possible to break down the information by gender. | 2014 |
| LA8 | Education, training, counselling, prevention, and risk-control programmes in place to assist employees, their families, or community members regarding serious illnesses. | 131 The Sacyr Group has training and education programmes for its employees, as well as programmes that teach them to prevent and control the risk of serious illness. | Partly | | | |



| LA | INDICATORS OF EMPLOYMENT PRACTICES | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|---|-----------------|------------------------------|-----------------------------|-----------------------|
| LA9 | Health and safety issues addressed in formal agreements with trade unions. | 132 | | | | |
| MANAGEMENT APPROACH: TRAINING AND EDUCATION | | 65, 67, 117 - 121, 226 | Reported | | | |
| LA10 | Average hours of training per year per employee, by employee categories and sex. | 118, 119, 121, 227 | Partly | | | |
| LA11 | Programmes for skills management and lifelong learning that encourage the continued employability of staff and assist them in managing the end of their professional careers. | 122 - 125 The Sacyr Group has earmarked €809,996 for external training (i.e. training given by trainers from outside the Group). The Sacyr Group enjoys financial support from the organization for the external training of its employees. However, it currently has no plans that assist its employees to adapt to inactivity or retirement. Neither does it have programmes that assist employees who leave the organization to seek another job. | Reported | | | |
| LA12 | Percentage of employees receiving regular performance and career development assessments, by sex. | 124 - 125 A total of 1409 employees receive performance assessments. The breakdown by gender of the employees included in the Performance Assessment Programme: men: 75.3%, women. | Reported | | | |
| MANAGEMENT APPROACH: DIVERSITY AND EQUAL OPPORTUNITIES | | 126 - 128 | Reported | | | |
| LA13 | Composition of governance bodies and breakdown of employees by categories, sex, age groups, minority status and other diversity indicators. | 44, 48, 49 Of the 12 directors 91% are men and 9% women. | Partly | | | |
| MANAGEMENT APPROACH: EQUAL REMUNERATION FOR MEN AND WOMEN | | 126 - 128 | Reported | | | |



| LA | INDICATORS OF EMPLOYMENT PRACTICES | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|---|-----------------|---------------------------|--------------------------|--------------------|
| LA14 | Ratio of basic salary of men with respect to women, by employee categories. | 126 - 128 | Reported | | | |
| MANAGEMENT APPROACH: EMPLOYMENT | | 118 - 119 | Reported | | | |
| LA 15 | Rate of duration at post following return from parenthood leave, by sex. | 108 - 111 All of our employees are entitled to parental leave. | Partly | | | |
| HR | HUMAN RIGHTS INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| MANAGEMENT APPROACH: INVESTMENT AND PROCUREMENT PRACTICES | | 126 - 128 | Reported | | | |
| HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | 128, 232 | Reported | | | |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights, and the action taken. | 128, 232 | Reported | | | |
| HR3 | Total hours of training of employees in policies and procedures relating to aspects of human rights that are relevant to their activities, including the percentage of employees trained. | 128 Although it has no human rights training programmes, SyV ensures that its and its suppliers' activities are carried out in a way that protects human rights. During 2013 the Sacyr Group gave 25 hours of training on aspects of human rights related to moral and sexual harassment in the workplace. | Partly | | | |
| MANAGEMENT APPROACH: NON-DISCRIMINATION | | 126 - 128 | Reported | | | |
| HR4 | Total number of incidents of discrimination, and action taken. | 128 - 129 The Sacyr Group has no record of any incidents of discrimination during the year. | Reported | | | |



| HR | HUMAN RIGHTS INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|--|-----------------|------------------------------|-----------------------------|-----------------------|
| MANAGEMENT APPROACH: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | 128 - 129 | Reported | | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and action taken to support these rights. | 128, 232 | Reported | | | |
| MANAGEMENT APPROACH: CHILD LABOUR | | 126 - 128 | Reported | | | |
| HR6 | Major operations and suppliers identified with a significant risk of child labour, and measures taken to help fully eliminate child labour. | 128 | Partly | | | |
| MANAGEMENT APPROACH: FORCED LABOUR | | 126 - 128 | Reported | | | |
| HR7 | Major operations and suppliers identified with a significant risk of forced or compulsory labour, and measures to fully eliminate forced or compulsory labour. | 128, 232 | Partly | | | |
| MANAGEMENT APPROACH: SECURITY PRACTICES | | 66 - 69 | Reported | | | |
| HR8 | Percentage of security personnel that have been trained in the organisation's policies or procedures in aspects of human rights that are relevant to their activities. | Sacyr Group employs no security personnel directly because it always subcontracts these services to specialized companies. | | | | |
| MANAGEMENT APPROACH: INDIGENOUS RIGHTS | | 126 - 128 | Reported | | | |



| HR | HUMAN RIGHTS INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---|---|---|-----------------|------------------------------|-----------------------------|-----------------------|
| HR9 | Total number of incidents in connection with violations of indigenous rights, and measures taken in response. | There were no incidents of this sort in 2013. The Sacyr Group has no record of any formal Human Rights complaints made to or heard by the formal complaints system during the year. | Reported | | | |
| MANAGEMENT APPROACH: EVALUATION | | 126 - 128 | Reported | | | |
| HR10 | Percentage and total number of operations that have been assessed in terms of compliance with human rights. | 128, 232 | Reported | | | |
| MANAGEMENT APPROACH: CORRECTIVE MEASURES | | 126 - 128 | Reported | | | |
| HR11 | Number of sanctions in connection with human rights non-compliances that have been resolved by means of official mechanisms. | 128 The Sacyr Group has no record of any formal Human Rights complaints made to or heard by the formal complaints system during the year. | Reported | | | |
| SO | SOCIETY INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
| MANAGEMENT APPROACH: COMMUNITY | | 214 - 217 | Reported | | | |
| SO1 | Number of operations that have deployed programmes to determine impacts on local communities, administer the risks and establish courses of action. | 214 - 217, 220 Before starting a project, the Sacyr Group carries out or requires an assessment of the impact on the local community in accordance with the legal requirements of the country in question. | Partly | | | |



| SO | SOCIETY INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|---|---|--|-----------------|------------------------------|-----------------------------|-----------------------|
| MANAGEMENT APPROACH: CORRUPTION | | 58 - 62 | Reported | | | |
| SO2 | Percentage and total number of business units analysed for risks in connection with corruption. | 58 | Reported | | | |
| SO3 | Percentage of employees trained in the organisation's anti-corruption policies and procedures. | 66 | Partly | | | |
| SO4 | Action taken in response to incidents of corruption | 71 There were no incidents of corruption in 2013. In 2013 the Sacyr Group received three reports of incidents / internal accusations through the Advice Line regarding possible breaches of the Group's Code of Conduct. These are currently being processed. Consequently, in 2013 nobody was dismissed, sanctioned, or failed to have their contract renewed because of reports / accusations received through this channel. | Partly | | | |
| MANAGEMENT APPROACH: PUBLIC POLICY | | 140 | Reported | | | |
| SO5 | Public policy positions and participation in public policy development and lobbying. | 138 | Reported | | | |
| SO6 | Total value of financial contributions and cash contributions to political parties or related institutions, by countries. | No contribution are made to political parties or related institutions. | Reported | | | |



| SO | SOCIETY INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|---|-----------------|------------------------------|-----------------------------|-----------------------|
| MANAGEMENT APPROACH: UNFAIR COMPETITION | | 58 - 62 | Reported | | | |
| SO7 | Total number of legal actions for monopoly practices and anticompetitive behaviour, and their outcomes. The Sacyr Group has not taken any action related to monopoly or anticompetitive practices, because it has no record of any case in which there has been a final judgement on behaviour running contrary to fair competition or of monopoly or anticompetitive practices. | No penalties have been imposed because of monopoly practices or the like. | Partly | | | |
| MANAGEMENT APPROACH: COMPLIANCE | | 210 - 213 | Reported | | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | 229 - 230 | | | | |
| MANAGEMENT APPROACH: COMMUNITY | | 214 - 217 | Reported | | | |
| SO9 | Operations with a potential or present negative impact on local communities. | None of the Sacyr Group's operations have a negative impact on local communities. | Reported | | | |
| SO10 | Courses of action to prevent and mitigate negative impacts (potential or present) on local communities. | Because none of the Sacyr Group operations have a negative impact on the local communities, no actions have been taken to mitigate or prevent such impacts, except for the environmental actions mentioned in the "Environmental commitment" chapter. | Reported | | | |



| PR | PRODUCT RESPONSIBILITY INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|--|--|------------|------------------------|-----------------------|-----------------|
| MANAGEMENT APPROACH: CUSTOMER HEALTH AND SAFETY | | | | | | |
| PR1 | Life cycle stages in which the health and safety impacts on customers of products and services are assessed for improvement, and percentage of significant products and services categories subject to these procedures. | 91 - 92 | Reported | | | |
| PR2 | Total number of incidents of non-compliance with regulations or voluntary codes concerning health and safety impacts of products and services during their life cycle, by types of outcome. | 91 - 92 | Reported | | | |
| MANAGEMENT APPROACH: LABELLING OF PRODUCTS AND SERVICES | | | | | | |
| PR3 | Type of product and service information required by prevailing procedures and regulations, and percentage of significant products and services subject to these information requirements. | Because of the nature of Sacyr Group's business, it is not necessary to label products and services. Nevertheless, the Sacyr Group ensures that it complies with all its legal obligations regarding information for the customer, particularly information on the quality of the material used, maintenance instructions, contact data, and complaints. | Reported | | | |



| PR | PRODUCT RESPONSIBILITY INDICATORS | PAGE /RESPONSE | 1 REPORTED | 2 PORTION NOT REPORTED | 3 REASON FOR OMISSION | 4 INTENDED YEAR |
|--|---|---|-----------------|------------------------|-----------------------|-----------------|
| PR4 | Total number of non-compliances with regulations and voluntary codes concerning information and labelling of products and services, by types of outcome. | There were no incidents of this sort in 2013. | Reported | | | |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | 218, 232 | Reported | | | |
| MANAGEMENT APPROACH: MARKETING COMMUNICATIONS | | | | | | |
| PR6 | Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorships. | The Sacyr Group does not currently adhere to standards or voluntary codes that apply to this area. Nevertheless, there is a code of conduct that all areas of management. | Reported | | | |
| PR7 | Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship, by types of outcome. | There were no incidents of this sort in 2013. | Reported | | | |
| MANAGEMENT APPROACH: CUSTOMER PRIVACY | | | | | | |
| | | 84 - 85 | Reported | | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | 84, 85 | Reported | | | |
| MANAGEMENT APPROACH: COMPLIANCE | | | | | | |
| | | 91 - 92 | Reported | | | |
| PR9 | Cost of significant fines for non-compliance with laws and regulations concerning the supply and usage of the organisation's products and services. | 228 - 230 | Reported | | | |

10.2

Audit reports and certificates



INDEPENDENT ASSURANCE REPORT OF CSR PERFORMANCE INDICATORS

A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

To the Management Committee of SACYR S.A.:

Scope of our work

We have reviewed that the environmental performance indicators (EN2, EN3, EN4, EN16, EN20 and EN22), social indicators (SO1, SO3, SO4 and SO7), human rights related indicators (HR3, HR4, HR6, HR7, HR9 and HR11), economic indicators (EC3 and EC4), products related indicators (PR5) and labor performance indicators (LA1, LA2, LA3, LA4, LA5, LA6, LA7, LA8, LA10, LA11, LA12, LA13 and LA15), included as part of Appendix 10.1 "GRI Table of Contents" of the Consolidated Annual Report 2013 of Sacyr S.A. and its subsidiary companies (hereafter Sacyr), for the year ending 31st December 2013, are in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.1 (G3.1). The remaining GRI indicators of the aforementioned Appendix 10.1 have not been subject to this review.

The Management of Sacyr is responsible for the preparation of the Consolidated Annual Report 2013, the information included therein and the design, implementation and maintenance of the management and internal control systems from which the information has been obtained. Our responsibility is to issue an independent report based on the procedures applied in our review. This report is issued in accordance with the terms of the engagement letter, dated 1st April 2014.

We have undertaken our work in accordance with Standard ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Limited Assurance Engagements) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Our review was based on questions posed to Management and the various units of Sacyr that have participated in the preparation of the performance indicators subject to this review and included in the Consolidated Annual Report 2013, as well as the application of certain analytical procedures and sample-based testing, which, in general, are as follows:

- Interviews with the personnel of Sacyr, in order to ascertain the management approaches applied to obtain the necessary information for the external review.
- Analysis of the processes used to compile and validate the indicators, subject to this review, described in the Consolidated Annual Report 2013.
- Analysis of whether the performance indicators subject to this review, and presented in the Consolidated Annual Report 2013, are in line with the GRI-G3.1.



- Verification, through sample-based testing reviews, of the quantitative information regarding the performance indicators subject to this review, described in the Consolidated Annual Report 2013 of Sacyr, and the appropriate compilation based on the data provided by Sacyr's sources of information.

The scope of a review is significantly less than that of a reasonable assurance report. Accordingly, the degree of assurance furnished is also lower. The present report cannot be understood, in any circumstances, to be an audit report.

Independence

We have carried out our work in accordance with the independence rules set out in the Code of Ethics of the International Federation of Accountants (IFAC). The work has been carried out by a team of sustainability specialists with extensive experience in the review of this kind of reports.

Conclusion

On the basis of the results of our review, nothing has come to our attention that causes us to believe that the environmental performance indicators (EN2, EN3, EN4, EN16, EN20 and EN22), social indicators (SO1, SO3, SO4 and SO7), human rights related indicators (HR3, HR4, HR6, HR7, HR9 and HR11), economic indicators (EC3 and EC4), products related indicators (PR5) and labor performance indicators (LA1, LA2, LA3, LA4, LA5, LA6, LA7, LA8, LA10, LA11, LA12, LA13 and LA15), subject to this review and included in the Appendix 10.1 "GRI Table of Contents" of the Consolidated Annual Report 2013 of Sacyr, hold significant mistakes or have not been prepared, in all major aspects, in accordance with the Sustainability Reporting Guidelines GRI, version 3.1 (G3.1).

PricewaterhouseCoopers Auditores S.L.

Mª Luz Castilla
Partner
Madrid, 30th May 2014



10.3

Verification reports and certificates

AENOR Asociación Española de
Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-N° 011/14

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

SACYR, S.A.

Entitled: ***SACYR ANNUAL INTEGRATED REPORT 2013***

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report, being its application level: **A***

This external assurance is in accordance with the requirements of the G3.1 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 28th April, 2014 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract – application n° 2014/17506/01 dated 7th April, 2014 and to the General Regulation of January 2009, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate SACYR, S.A., in the "GRI Reports List" which is published in its Web: <http://database.globalreporting.org>.

Issued on: 27th May 2014

AENOR Asociación Española de
Normalización y Certificación

Avelino BRITO
Chief Executive Officer



10.4

Abbreviations and acronyms

AENOR Spanish Association for Standardisation and Certification

CDTI Centre for Industrial Technological Development

C.E. Energy Company

CNMV National Securities Market Commission

EAD Annual Development Interview

EBITDA Earnings before interest, taxes, depreciation and amortisation

EMAS Eco-Management and Audit Scheme

GPO Group Policy Object Management

GRI Global Reporting Initiative

ha Hectare

R&D+i Research, Development and innovation

IPPC Integrated Pollution Prevention and Control

kg Kilogramme

km Kilometre

kW Kilowatt

kWh Kilowatt hour

l Litre

LIC Site of Community Interest

m Metre

m² Square metre



| | |
|----------------------|--|
| <i>m³</i> | <i>Cubic metre</i> |
| <i>MTAS</i> | <i>Ministry of Labour and Social Affairs (currently Ministry of Labour and Immigration –MTIN–)</i> |
| <i>N/A</i> | <i>Not available</i> |
| <i>OCIC</i> | <i>Internal Control and Communications Body (Prevention of money laundering)</i> |
| <i>ILO</i> | <i>International Labour Organisation</i> |
| <i>NGO</i> | <i>Non-Governmental Organisation</i> |
| <i>UN</i> | <i>United Nations</i> |
| <i>OPA</i> | <i>Initial Public Offering</i> |
| <i>PEFC</i> | <i>Programme for the Endorsement of Forest Certification schemes</i> |
| <i>ORP</i> | <i>Occupational Risk Prevention</i> |
| <i>PTEC</i> | <i>Spanish Technological Construction Platform</i> |
| <i>SME</i> | <i>Small and Medium-sized Enterprises</i> |
| <i>CR</i> | <i>Corporate Responsibility</i> |
| <i>CDW</i> | <i>Construction and Demolition Waste</i> |
| <i>HR</i> | <i>Human Resources</i> |
| <i>SUW</i> | <i>Solid Urban Waste</i> |
| <i>EMS</i> | <i>Environmental Management System</i> |
| <i>SyV</i> | <i>Sacyr Vallehermoso Group</i> |
| <i>t</i> | <i>tonne</i> |
| <i>U</i> | <i>Units</i> |
| <i>TJV</i> | <i>Temporary Joint Venture</i> |
| <i>SBPA</i> | <i>Special Bird Protection Area</i> |



10.5

Your opinion matters to us

If you wish to send us any queries, remarks or suggestions concerning the contents of this Report, or concerning our responsible management practices, you may contact our departments at **HEAD OFFICE**.

Your opinion is extremely useful to us, and will help improve the quality of the information that we make public, and also our management of social and environmental aspects in connection with our business. Sacyr wishes to thank you in advance for your assistance, and trusts this will provide you with a better service.

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