



— **SUMMARY REPORT** —  
**YEAR 2016**



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## 1. MAIN ACCOMPLISHMENTS

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### ▪ **Projects awarded during the concerned period**

The main projects awarded to the Group during year 2016 are as follows:

- **Enlargement of the hangar of Globalia in Palma de Mallorca:** Globalia Mantenimiento Aeronáutico SLU has awarded SANJOSE Constructora the enlargement works of the maintenance hangar of Air Europa at the airport Son Sant Joan in Palma de Mallorca.

- **20 luxury villas in Finca de Marbella:** the Company “Finca de Marbella Rio Real, S.L.” has awarded SANJOSE Constructora the execution of 20 luxury villas of modern architecture arranged into individual plots of land of 800 sqm each. Total built surface shall amount to over 4,000 sqm.

- **SANJOSE Constructora will build in Cape Verde the 5\* White Sands Hotel&Spa:** SANJOSE will build a new resort in Cape Verde, in Boavista Island. The 5\* White Sands Hotel & Spa will cover a total built surface of 70,606 sqm arranged into a plot of land of 130,500 m<sup>2</sup>.

The 5\* complex shall include 188 bedrooms and 4 apartments, 15 villas, 632 housing units, a theatre, restaurants, bars, swimming pools, 76 car park spaces, playground, gym and spa.

- **SANJOSE will be responsible for the conservation and improvement works of green areas in San Sebastián de los Reyes - Madrid:** the City Hall of San Sebastián de los Reyes has awarded the JV formed by SANJOSE Constructora and El Ejidillo Viveros Integrales the conservation, maintenance and improvement works of green areas, trees and street furniture of the city located in the North of Madrid. Total affected surface amounts to 2,600,000 sqm.

Grupo SANJOSE has important clients within this sector, such as National Heritage, Canal de Isabel II, IFEMA and the City Halls of Madrid, Valladolid and Ferrol.

- **SANJOSE Ingeniería y Construcción Industrial will perform electrical and mechanical works at the new Factory of Campofrío in Burgos:** Campofrío has awarded SANJOSE Constructora, through its Engineering and Industrial division, which counts on a wide record experience in this type of activities, the electrical and mechanical works of its new plant in Burgos. The new factory will involve an important technology step with regards to the previous one and intends to be a European reference within the sector, and shall be a sustainable factory at all levels, seeking to optimise the consumption of water and energy and minimise CO<sub>2</sub> emissions.

- **Enlargement of the Winery Marqués de Murrieta in La Rioja:** Mr. Luciano Murrieta produced the first vines of La Rioja in 1852 and was a pioneer in their exportation abroad. The current owners, who have successfully managed tradition and modernism, have entrusted SANJOSE Constructora the enlargement works of their most ancient and well-known facilities in Finca Igay.

- **New headquarters of the Department of the Treasury of Murcia:** SANJOSE Constructora has been awarded the execution Works of the new headquarters of the Department of the Treasury of Murcia. Works include the construction of a new building of 19,106 sqm consisting of basement, ground floor and four top level floors.

- **Completion of the new hospital of Caceres (Stage I):** The Regional Healthcare Service of Extremadura (SES- Servicio Extremeño de Salud) has awarded the completing Works of the Stage I of the new Hospital of Caceres to the JV formed by SANJOSE Constructora and Magenta. The new and modern healthcare complex is arranged into four building with a total built surface amounting to 77,000 sqm.
- **Jardín Valenciano Secondary School in Melilla:** The Management of Infrastructure and Equipment, under the Ministry of Education, Culture and Sport, has awarded SANJOSE Constructora the construction of the new "Jardin Valenciano" Secondary School in Melilla. The new educational infrastructure will cover 13,000 sqm and will have 24 classrooms.
- **Cais de Santarem 5\* Hotel in Lisbon:** Imocais (Fundo Especial de Investimento Imobiliário Fechado), subsidiary of Grupo Hotusa, has awarded SANJOSE Constructora the construction of the Cais de Santarem 5\* Hotel in Lisbon.

The new hotel has a total built surface of 11,000 sqm ( ) with a total of 91 bedrooms, restaurants, a lounge-bar, museum (important Roman and Phoenician archaeological remains have been found), library, swimming pool, spa, gym, etc.

- **Mamsha Al Saadiyat in Abu Dhabi:** The Tourism Development and Investment Company - TDIC has awarded the construction of the first stage of the Mamsha Al Saadiyat residential complex to SANJOSE in a 50:50 joint venture with Pivot Engineering & General Contracting for EUR 300 million (AED 1,250 million). The project, with a total built surface amounting to 240,000 sqm, includes 461 luxury homes arranged into 9 buildings and commercial premises. Grupo SANJOSE adds this remarkable Project to two other projects in the area: the Louvre Abu Dhabi Museum and the Al Ain Hospital.
- **New airport of Navi Mumbai (India):** City and Industrial Development Corporation of Maharashtra Limited has awarded, in a 50:50 joint venture with GVK Projects & Technical Services Ltd, the earthworks and soil stabilisation of the airport of Navi Mumbai for a total budget of EUR 105 million.  
  
This new project strengthens the presence of the Group within the civil engineering sector of the country, where the Company is currently developing other remarkable transport infrastructure Works, among which highlight the design and refurbishment of the stretch Raebareli Banda- NH-232 in the State of Uttar Pradesh and the design and construction of all the metro stations of Line 1 of Navi Mumbai Metro.
- **Conservation and improvement works of green spaces in the southern and eastern areas of Valladolid:** the City Hall of Valladolid has awarded SANJOSE Constructora the conservation and improvement works of parks, gardens, trees and bushes of the southern and eastern areas of the city during the following two year (extendable for another two).
- **SANJOSE Constructora will refurbish and enlarge the 4\* Lx Boutique Hotel in Lisbon:** strategically located in the district Cais de Sodré, in the city centre of the capital city of Portugal, the hotel counts with more than a century of history and is the only hotel of the city overlooking the Tajo River, what provides it with an attractive and extraordinary location.
- **Demolition of the lecturer rom of Sede Mergelina of the University of Valladolid:** Grupo SANJOSE has commissioned the demolition of the lecture room of Sede Mergelina of the School of Industrial Engineers of the University of Valladolid.  
The lecturer room of the Sede Mergelina shall be replaced by a new building, much more modern, efficient and higher, so it will house the double of classrooms and up to 2,4000 students.

- **New Headquarters of the Maritime Authority in the Port of Las Palmas:** the General Directorate of the Merchant Navy has formalised with Grupo SANJOSE the contract for the construction of the new building of the Headquarters of the Maritime Authority and of the Port Services Coordination Centre belonging to The Port Authority of Las Palmas.

The new administrative building, of more than 2.000 sqm arranged into four floors, will have T shape and a unique structure.

- **Porsche Headquarters (Madrid):** Porsche Ibérica, S.A. has awarded SANJOSE Constructora the execution of works under the "turnkey" modality for the remodelling and renovation of its central offices and the Porsche Centre of Madrid Norte (exhibition and workshop). The project includes the demolition of the existing building, the renovation of the semi-basements, preservation of part of the structure and the execution of a new building of 7.609 sqm, with three top level floors and two underground level floors.
- **Alisios Shopping Centre in Tamaraceite (Las Palmas):** Yudaya, S.L. has awarded the JV led by SANJOSE Constructora the construction of the new Alisios shopping centre, designed by Mikel Arriola Azaldegui (Chapman Taylor). The enclosure will have a total surface of 165,000 sqm arranged into two floors, that will house 120 premises, hypermarket and 2,500 underground parking spaces.
- **SANJOSE will promote and build 980 homes in Lima (Peru):** Grupo SANJOSE has closed the purchase of a 20,000 sqm plot of land in the district of Bellavista, in the province of Callao, for USD 14.5 million.

The group's company, GSJ Solutions, will carry out the definitive project, which aims to build 980 housing units arranged into 15-story buildings. The execution term is expected to not be less than 6 years.

Grupo SANJOSE has great experience in designing, building and promoting housing in Peru, where it has developed more than 5,000 homes. Among the projects carried out in Lima highlight Parque de la Huaca Condominium (3,072 homes and 250,000 sqm of built surface) and the Air Condominium (1,392 homes and 98,000 sqm of built surface).

**Mar Shopping Algarve Shopping Centre in Faro (Portugal):** Ikea Centers Portugal, S.A. has awarded SANJOSE Constructora the completion works of stage II of the 41,269 sqm shopping centre that Ikea is promoting in Loulé - Algarve (Portugal).

- **SANJOSE shall enlarge Bankinter's offices in Alcobendas, Madrid:** Bankinter Consultoría Asesoría y Atención Telefónica S.A. has awarded SANJOSE Constructora the enlargement works of its offices in Alcobendas, Madrid. The project consists of the refurbishment of the building located on Avenida Brussels 14, adjacent to its current offices, and their connection through walkways.
- **SANJOSE will develop the design and construction of 60 social housing units in Arru Barrio de Tamaraceite, Las Palmas de Gran Canaria:** The Municipal Society of Urban Management of Las Palmas de Gran Canaria has awarded SANJOSE Constructora the design and construction of 60 social housing units in Arru Barrio de Tamaraceite. The project also consists of the demolition and waste management of 86 existing dwellings on the plot.

- **Awards and recognitions**

- **“Latin America Social Infrastructure Deal of the Year 2015” Award for the Hospitals of Chile at the IJGlobal Awards:** granted at the ceremony held last 16 March at the Mandarin Oriental Hotel in NYC by the American magazine “IJGlobal” (Euromoney) to Grupo SANJOSE for the issuance of bonds in Chile for the financing of El Carmen Dr. Luis Valentín Ferrada Hospital of Maipu and the Metropolitan Hospital La Florida Dra. Eloísa Díaz Insunza of Chile. This issuance of bonds is a pioneering transaction in Chile for a hospital concession and the first one in the last 8 years for the financing of infrastructure.

Grupo SANJOSE operates the above mentioned hospitals under concession regime, providing all non-medical services of both hospitals, amounting to a total of 766 beds.

- **VOLCAN Award “100 years building a better Chile” to El Carmen Dr. Luis Valentín Ferrada Hospital of Maipú:** El Volcán S.A. has chosen this hospital (70,000 sqm of built surface), developed by Grupo SANJOSE, as the best project developed up to September 2016, due to the use of light dry construction solutions. This type of building highlights for its contribution to sustainability, energy savings and the usage of recycled materials.

- **Other milestones**

- **Mr. Nicolas Sarkozy tours the Louvre Abu Dhabi Museum:** The Chairman of TDIC, his Excellency Ali Majed Al Mansoori, and the President of Tourism and Culture of Abu Dhabi, Mr. Mohammed Khalifa Al Mubarak received the former French Chairman and visited the construction works of the Louvre de Abu Dhabi Museum, designed by the Pritzker Award Architect Jean Nouvell.
- **Lighting of the dome and integration into the sea of the Louvre Abu Dhabi Museum:** Your Majesty the President of Tourism Development and Investment Company (TDIC), Ali Majed Al Mansouri, celebrated the formal act commissioning the exterior lighting of the Louvre Museum (Abu Dhabi). The act consisted of the nocturnal ignition of the 4,500 steel tube lights that illuminate the famous dome of the museum, composed by 4,860 pieces with a diameter of approximately 180 metres and 7,000 tons of weight.  
Also, during the month of June, another landmark took place in the construction of this unique building: its integration into the sea.
- **Inauguration of the 5\* Llana Beach Hotel & Spa in Salt Island (Cape Verde):** the new resort built by SANJOSE opened its doors last December. With a total built surface amounting to 46,065 sqm, it includes 601 rooms and suites, 10 swimming pools, 5 restaurants, 4 bars, beach Club, spa, play areas and nurseries.

## 2. MAIN CONSOLIDATED FIGUERES

Main consolidated figures of Grupo SANJOSE for year 2016, having recorded an EUR 8.1 million profit versus the EUR 7.3 million in the same period of previous year, are as follows.

Thousands of euros			
	Grupo SANJOSE		
	Dic. 16	Dic.15	Var.(%)
Revenue	613,394	536,099	14.4%
Operating cash flow (EBITDA)	45,925	43,835	4.8%
	EBITDA margin	7.5%	8.2%
Ordinary operating profit (EBIT)	25,076	30,749	-18.4%
	EBIT margin	4.1%	5.7%
Earnings before tax	19,708	10,650	85.1%
Income tax	-11,636	-3,364	245.9%
Profit/(Loss) for the period	8,072	7,286	10.8%
<b>Backlog (millions of euros)</b>	<b>1,889</b>	<b>1,835</b>	<b>2.9%</b>

### To be highlighted:

- **14.4% revenue increase, amounting turnover to EUR 613.4 million and EBITDA to EUR 45.9 million, recording a 4.8% increase with regards to the same period of the previous year**
- **EUR 19.7 million profit before tax, versus EUR 10.6 million in the same period of the previous year.**
- **EUR 8.1 million profit for the period, recording a 10.8% increase with regards to the same period of the previous year, once absorbed the tax impact of RDL 3/2016 as of 2<sup>nd</sup> December.**

### **Revenue:**

Net revenue of Grupo SANJOSE for year 2016 stands at EUR 613.4 million, experiencing a 14.4% increase compared to the previous year.

Construction is the main business activity of the Group, representing 87.6% total revenue and 60% contract backlog of the Group at 2016-year end. Construction turnover stands at EUR 537.4 million, recording a 21.5% increase compared to the previous year.

The real estate division records a 45.8% decrease due to the commissioning of stage IX of the residential development Parques de la Huaca in Lima (Peru), for being in its final stage.

Concessions and Services record 19.7% and 15.3% decrease, respectively, due to a one-off increase in activity during 1Q-2015 and the implementation and operation of the hospitals under concession regime in Chile with regards to Concessions and Services, as well as a readjustment of demand within the Energy line of activity.

Revenue of Grupo SANJOSE by type of activity is as follows:

Thousands of euros

Revenues by activity	Grupo SANJOSE				
	Dic. 16		Dic.15		Var.(%)
Construction	537,354	87.6%	442,117	82.5%	21.5%
Real estate and property development	15,673	2.6%	28,924	5.4%	-45.8%
Energy	10,191	1.7%	12,691	2.4%	-19.7%
Concessions and services	39,455	6.4%	46,589	8.7%	-15.3%
Adjustment and other	10,721	1.7%	5,778	1.1%	
<b>TOTAL</b>	<b>613,394</b>		<b>536,099</b>		<b>14.4%</b>

Once again, the good performance of international markets is clear representing 59% total revenue of Grupo SANJOSE.

In the domestic market, turnover records a 14.4% increase with regards to the previous year. A 13.1% increase is recorded in the domestic market, while sales in the international market increase 15.4%.

Thousands of euros

Revenues by geography	Grupo SANJOSE				
	Dic. 16		Dic.15		Var.(%)
National	252,063	41%	222,956	42%	13.1%
International	361,331	59%	313,143	58%	15.4%
<b>TOTAL</b>	<b>613,394</b>		<b>536,099</b>		<b>14.4%</b>

#### Profit:

**EBITDA** of Grupo SANJOSE for year 2016 amounts to EUR 45.9 million, representing 7.5% on annual revenues.

Special attention should be paid on the 58.5% increase in EBITDA within the Construction line of activity, recording EUR 33.3 million in 2016.

Likewise, Concessions and Services at 2016-year end record an 86.3% decrease of EBITDA, originating in year 2015 (1Q-2015), date of implementation and operation of the hospitals under concession regime in Chile, what involved a one-off increase in turnover.

Breakdown of EBITDA by sector is as follows:

Thousands of euros

EBITDA by activity	Grupo SANJOSE				
	Dic. 16		Dic.15		Var.(%)
Construction	33,268	72.3%	20,984	48.0%	58.5%
Real estate and property development	6,536	14.2%	10,215	23.3%	-36.0%
Energy	2,883	6.3%	3,419	7.8%	-15.7%
Concessions and services	1,269	2.8%	9,232	21.0%	-86.3%
Adjustment and other	1,969	4.3%	-15	0.0%	
<b>TOTAL</b>	<b>45,925</b>		<b>43,835</b>		<b>4.8%</b>



**EBIT** of Grupo SANJOSE for year 2016 amounts to EUR 25.1 million, and resulted in a 4.1% on annual revenues. An 18.4% decrease is recorded with regards to the previous year, due to provisions charged during 2016.

Income tax includes tax innovations and regulatory changes passed by the Treasury Department pursuant to RDL 3/2016 as of 2<sup>nd</sup> December, outlining the following:

- i) the reduction in the percentage of taxable income for the taxable year with negative tax bases that companies may have generated in previous years and which are pending offset.
- ii) an increase in the taxable income due to the allocation of expenses on the provision of financial assets that the Group would have considered deductible in previous years.

**Profit after taxes of Grupo SANJOSE for year 2016 amounts to EUR 8.1 million.**

### 3. ANALISYS BY SECTOR

#### 3.1 Construction:

This line of activity has generated revenues for EUR 537.4 million during year 2016, representing a 21.5% increase compared to the previous year.

EBITDA for the period stands at EUR 33.3 million versus the EUR 21 million recorded for the previous year, what represents a 58.5% increase and 6.2% on total sales, improving figures for the previous year.

At the end of the year, project backlog for this line of activity amounts to EUR 1,134 million, recording an 11.2% increase regarding the previous year.

Thousands of euros			
CONSTRUCTION	Grupo SANJOSE		
	Dic. 16	Dic.15	Var.(%)
Revenue	537,354	442,117	21.5%
Earnings before interest, taxes, D&A (EBITDA)	33,268	20,984	58.5%
EBITDA margin	6.2%	4.7%	
Earnings before interest and taxes (EBIT)	14,308	15,225	-6.0%
EBIT margin	2.7%	3.4%	
Earnings before tax of continued operations	8,155	9,348	-12.8%
<b>Backlog (millions of euros)</b>	<b>1,134</b>	<b>1,020</b>	<b>11.2%</b>

Breakdown for this line of activity of Grupo SANJOSE, taking into consideration the main types of business, as well as the geographical distribution, is as follows:

Thousands of euros						
DETAIL OF CONSTRUCTION REVENUES	National		Internac.		Total	
Civil works	23,650	11.4%	36,819	11.2%	60,469	11.3%
Non residential building	139,626	67.4%	245,509	74.4%	385,135	71.6%
Residential building	24,227	11.7%	36,523	11.1%	60,750	11.3%
Industrial	19,897	9.6%	11,103	3.4%	31,000	5.8%
<b>TOTAL</b>	<b>207,400</b>	<b>39%</b>	<b>329,954</b>	<b>61%</b>	<b>537,354</b>	

Construction revenue at international level for year 2016 stands at EUR 330 million, recording a 23.5% increase compared to the previous year, and representing 61% of the total revenue of this line of activity

On the other hand, sales at domestic stand at EUR 207.4 million compared to EUR 175 million for the previous year, recording an 18.5% increased. Domestic sales represent 39% total sales of this line of activity.

As a whole, sales within the Construction line of activity increase 21.5%.

### **3.2 Real Estate:**

Revenue for year 2016 for the real estate activity (mainly developed in Peru) of Grupo SANJOSE stands at EUR 15.7 million.

A 45.8% decrease on sales is recorded with regards to the previous year due to the commissioning of stage IX of the residential development Parques de la Huaca in Peru, in its final stage. At 2016-year end the Group has incurred into a great investment in a plot of land which will allow the recovery of turnover levels of previous years.

At the end of the year, EBITDA rises up to EUR 6.5 million, recording 41.7% increase compared to 35.3% of the same period of the previous year.

EBIT, which represents 47.6% on sales (22.8% in the previous year), is also increased.

<small>Thousands of euros</small>			
<b>REAL ESTATE AND PROPERTY DEVELOPMENT</b>	<b>Grupo SANJOSE</b>		
	<b>Dic. 16</b>	<b>Dic.15</b>	<b>Var.(%)</b>
Revenue	15,673	28,924	-45.8%
Earnings before interest, taxes, D&A (EBITDA)	6,536	10,215	-36.0%
EBITDA margin	41.7%	35.3%	
Earnings before interest and taxes (EBIT)	7,468	6,602	13.1%
EBIT margin	47.6%	22.8%	
Earnings before tax of continued operations	10,527	11,231	-6.3%

At 2016-year end, Grupo SANJOSE has carried out a reassessment of assets of the real estate division by an independent expert.

Gross Assets Value (GAV) arising from said analysis shows EUR 266.4 million, being the detail by type of asset as noted down below:

<small>Thousands of euros</small>					
<b>GAV activos de GESJ (*)</b>	<b>Dic. 16</b>		<b>Dic.15</b>		<b>Var.(%)</b>
	Lands	142,898	53.6%	126,414	48.4%
Buildings under construction	2,681	10%	13,644	5.2%	-80.4%
Buildings	27,455	10.3%	32,178	12.3%	-14.7%
Real state investments	74,655	28.0%	70,674	27.0%	5.6%
Property, plant and equipment	18,700	7.0%	18,363	7.0%	1.8%
<b>TOTAL</b>	<b>266,389</b>		<b>261,273</b>		<b>2.0%</b>

(\*) It does include real estate assets of associated, according to ownership percentage.

Changes in value of year 2016, are mainly due to:

- i) Land and plots of land: the 13% increase under this item corresponds to the investment made in Peru, for the acquisition of a plot of land of approximately 20,000 m<sup>2</sup> in the district of Bellavista, in the province of Callao, where the Group plans to build 980 housing units arranged into 15-story buildings. Execution term is approximately 6 years.
- ii) With regards to Buildings under construction and Buildings built, the variations mainly come from the real estate development activity carried out by the Group in Peru.

- iii) Real estate investments: variations are due to the improvement in occupation rate and income of the Group's assets in Argentina.

As a whole, net value of assets of Grupo SANJOSE record a 2% increase.

### **3.3 Energy:**

Net revenue for year 2016 stands at EUR 10.2 million.

The EBITDA percentage over total sales for this line of activity for year 2016 stands at 28.3%, improving that for the previous year, what represents stability and recurrence.

Operating net profit increases 9.4%. Profit before tax for year 2016 with regards to year 2015 is due to lower profit of associates.

<small>Thousands of euros</small>			
<b>ENERGY</b>	<b>Grupo SANJOSE</b>		
	<b>Dic. 16</b>	<b>Dic.15</b>	<b>Var.(%)</b>
Revenue	10,191	12,691	-19.7%
Earnings before interest, taxes, D&A (EBITDA)	2,883	3,419	-15.7%
EBITDA margin	28.3%	26.9%	
Earnings before interest and taxes (EBIT)	1,417	1,295	9.4%
EBIT margin	13.9%	10.2%	
Earnings before tax of continued operations	116	767	-84.9%
<b>Backlog (millions of euros)</b>	<b>507</b>	<b>552</b>	<b>-8.2%</b>

Grupo SANJOSE has for this line of activity contracted revenues amounting to EUR 507 million, which are materialised as higher activity of the group in a period of approximately 25 years.

Reductions with regards to 2015-year end are due to the operation of contracts of Grupo SANJOSE and the periodic revisions performed by the Group of the main business lines of activity, taking into account recent amendments of standards and occupation levels.

### **3.4 Concessions & Services:**

Net revenue for year 2016 stands at EUR 39.5 million. Turnover decrease is due to the implementation and operation of the hospitals under concession regime in Chile, which took place in 1Q-2015 and which involved a one-off increase on sales and EBITDA of this line of activity for EUR 8.9 million, approximately.

North withstanding the aforementioned, profit before tax for year 2016 stands at EUR 9.1 million versus the loss of the year 2015, for EUR -11.5 million due to negative impact of year 2015 in the settlement of financial derivatives associated to the funding for the construction of the hospitals in Chile.

At 2016-year end, contracted backlog of the Group for this line of activity amounts to EUR 248 million.

Thousands of euros

<b>CONCESSIONS AND SERVICES</b>	<b>Grupo SANJOSE</b>		
	<b>Dic. 16</b>	<b>Dic.15</b>	<b>Var.(%)</b>
Revenue	39,455	46,589	-15.3%
Earnings before interest, taxes, D&A (EBITDA)	1,269	9,232	-86.3%
EBITDA margin	3.2%	19.8%	
Earnings before interest and taxes (EBIT)	225	6,416	-96.5%
EBIT margin	0.6%	13.8%	
Earnings before tax of continued operations	9,077	-11,485	--
<b>Backlog (millions of euros)</b>	<b>248</b>	<b>263</b>	<b>-5.5%</b>

## 4. FINANCIAL STATEMENTS

### Consolidated Income Statement

Thousands of euros

	Grupo SANJOSE				
	Dic. 16		Dic.15		Variac.
	Amount	%	Amount	%	
<b>Revenue</b>	<b>613,394</b>	<b>100.0%</b>	<b>536,099</b>	<b>100.0%</b>	<b>14.4%</b>
Other operating income	9,754	1.6%	7,931	1.5%	23.0%
Change in inventories	-5,177	-0.8%	-6,384	-1.2%	-18.9%
Procurements	-402,791	-65.7%	-338,239	-63.1%	19.1%
Staff costs	-94,706	-15.4%	-85,228	-15.9%	11.1%
Other operating expenses	-74,549	-12.2%	-70,342	-13.1%	6.0%
<b>EBITDA</b>	<b>45,925</b>	<b>7.5%</b>	<b>43,837</b>	<b>8.2%</b>	<b>4.8%</b>
Amortisation charge	-5,819	-0.9%	-5,665	-1.1%	2.7%
Impairment on inventories	862	0.1%	127	0.0%	577.0%
Changes in trade provisions and other impairment	-15,893	-2.6%	-7,550	-1.4%	110.5%
<b>EBIT</b>	<b>25,076</b>	<b>4.1%</b>	<b>30,749</b>	<b>5.7%</b>	<b>-18.4%</b>
Ordinary financial results	-6,229	-1.0%	-52	0.0%	11926.3%
Changes in fair value for financial instruments	0	0.0%	-20,346	-3.8%	--
Foreign exchange results and others	-92	0.0%	1,144	0.2%	--
<b>NET FINANCIAL RESULT</b>	<b>-6,321</b>	<b>-1.0%</b>	<b>-19,254</b>	<b>-3.6%</b>	<b>-67.2%</b>
Results on equity method	953	0.2%	-845	-0.2%	--
<b>PROFIT BEFORE TAX</b>	<b>19,708</b>	<b>3.2%</b>	<b>10,650</b>	<b>2.0%</b>	<b>85.1%</b>
Income tax	-11,636	-1.9%	-3,364	-0.6%	245.9%
<b>CONSOLIDATED PROFIT</b>	<b>8,072</b>	<b>1.3%</b>	<b>7,286</b>	<b>1.4%</b>	<b>-10.8%</b>

- **Changes in trade provisions and other impairment:** due to the termination of the contract for the works developed by the Group in Nepal, and pursuant to prudence criteria, trade provisions have been increased in order to face potential future contingencies.
- **Profit before tax:** positive profit amounting to EUR 19.7 million with regards to the EUR 10.6 million of the previous year.
- **Income tax:** tax innovations and regulatory changes passed by the Treasury Department pursuant to RDL 3/2016 on 2<sup>nd</sup> December, have been taken into consideration in Income Tax calculation.
- **Profit for the year:** profit for the year amounts to EUR 8.1 million (EUR 7.3 million in 2015), recording a 10.8% increase.

## Consolidated Balance Sheet

Thousands of euros

	Dic. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Intangible assets	20,557	2.0%	18,856	1.9%	9.0%
Property, plant and equipment	45,900	4.5%	45,917	4.7%	0.0%
Real state investments	4,711	0.5%	5,664	0.6%	-16.8%
Investments accounted	53,121	5.2%	57,247	5.8%	-7.2%
Long term financial investments	150,947	14.8%	154,331	15.7%	-2.2%
Deferred taxes assets	32,839	3.2%	35,484	3.6%	-7.5%
Goodwill on consolidation	9,984	1.0%	9,984	1.0%	0.0%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>318,059</b>	<b>31.1%</b>	<b>327,483</b>	<b>33.3%</b>	<b>-2.9%</b>
Non current assets held for sale	4,186	0.4%	0	0.0%	
Inventories	104,122	10.2%	92,176	9.4%	13.0%
Trade and other receivables	242,529	23.7%	271,415	27.6%	-10.6%
Other short term financial investments	101,884	10.0%	61,941	6.3%	64.5%
Cash and cash equivalents	251,839	24.6%	231,834	23.5%	8.6%
<b>TOTAL CURRENT ASSETS</b>	<b>704,560</b>	<b>68.9%</b>	<b>657,366</b>	<b>66.7%</b>	<b>7.2%</b>
<b>TOTAL ASSETS</b>	<b>1,022,619</b>	<b>100.0%</b>	<b>984,849</b>	<b>100.0%</b>	<b>3.8%</b>

Thousands of euros

	Dic. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Equity attributable to shareholders of the parent	60,737	5.9%	46,368	4.7%	31.0%
Minority interest	21,297	2.1%	21,680	2.2%	-1.8%
<b>TOTAL EQUITY (*)</b>	<b>82,034</b>	<b>8.0%</b>	<b>68,048</b>	<b>6.9%</b>	<b>20.6%</b>
Long term provisions	28,963	2.8%	19,223	2.0%	50.7%
Long term financial liabilities	383,617	37.5%	410,168	41.6%	-6.5%
Long term derivative financial contracts	906	0.1%	1,196	0.1%	-24.3%
Deferred taxes liabilities	15,491	1.5%	14,460	1.5%	7.1%
Other long term liabilities	965	0.1%	954	0.1%	1.2%
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>429,942</b>	<b>42.0%</b>	<b>446,001</b>	<b>45.3%</b>	<b>-3.6%</b>
Short term provisions	42,386	4.1%	37,471	3.8%	13.1%
Short term financial liabilities	63,724	6.2%	47,818	4.9%	33.3%
Payables to related companies	2,620	0.3%	1,748	0.2%	49.9%
Trade accounts and other current payables	401,913	39.3%	383,763	39.0%	4.7%
<b>TOTAL CURRENT LIABILITIES</b>	<b>510,643</b>	<b>49.9%</b>	<b>470,800</b>	<b>47.8%</b>	<b>8.5%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,022,619</b>	<b>100.0%</b>	<b>984,849</b>	<b>100.0%</b>	<b>3.8%</b>

(\*) **Net Equity:** EUR 104.7 million and EUR 102.4 million have been recorded under this items at 31 December 2016 and 2015, respectively, as shareholder loan of Grupo Empresarial San José, S.A.

## Net Cash Position

Thousands of euros

NET CASH POSITION	Dic. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Other short term financial investments	101,884	28.8%	61,941	21.1%	64.5%
Cash and cash equivalents	251,839	71.2%	231,834	78.9%	8.6%
<b>Total cash</b>	<b>353,723</b>	<b>100%</b>	<b>293,775</b>	<b>100%</b>	<b>20.4%</b>
Long term financial liabilities (*)	383,617	85.1%	410,168	89.0%	-6.5%
Long term derivative financial contracts	906	0.2%	1,196	0.3%	-24.3%
Short term financial liabilities	66,344	14.7%	49,566	10.8%	33.9%
<b>Total debt</b>	<b>450,867</b>	<b>100%</b>	<b>460,930</b>	<b>100%</b>	<b>-2.2%</b>
<b>TOTAL NCP</b>	<b>97,143</b>		<b>167,155</b>		<b>-41.9%</b>

Net cash position at 2016-year end amounts to EUR 97.1 million compared to EUR 167.1 million at 31 December 2015, what means a 41.9% reduction.

Assets increase by 20.4%. Likewise, liabilities decrease 2.2% due to the maturity and annual settlement of bonds issued to finance the two hospitals of Chile.

Net cash position at 31 December 2016 includes the funding of other non-recourse projects of Grupo SANJOSE for EUR 179.6 million.



## Cash Flow Statement

Thousands of Euros

CASH FLOW	Grupo SANJOSE	
	Dic. 16	Dic. 15
Cash flow from operating activities	47,678	39,218
Working capital	39,041	8,508
Others adjustments	-10,896	-4,384
<b>Operating cash flow</b>	<b>75,823</b>	<b>43,342</b>
Divestments / (Investments)	-10,219	5,890
Others adjustments	6,324	33,988
<b>Investment cash flow</b>	<b>-3,895</b>	<b>39,878</b>
<b>Free cash flow</b>	<b>71,928</b>	<b>83,220</b>
Capital flow & Minorities	-801	-1,553
Increase / (Decrease) in borrowings	-44,060	-25,187
Net interest	-4,666	-17,624
Others adjustments	-2,396	-10,282
<b>Financing cash flow</b>	<b>-51,923</b>	<b>-54,646</b>
<b>Total cash flow</b>	<b>20,005</b>	<b>28,574</b>

Year 2016 has recorded a EUR 75.8 million cash flow generation.

There is also a decrease in debt, mainly due to the annual settlement of the bonds issued to finance the hospitals under concession regime in Chile, which, together with the financial costs for the year, record a EUR -51.9 million cash flow for financing.

Total cash flow for the year 2016 stands at EUR 20 million.

## 5. PROJECT BACKLOG

Millions of euros

BACKLOG by segment	Grupo SANJOSE				
	Dic. 16		Dic. 15		Var.(%)
<b>Construction</b>	<b>1,134</b>	<b>60%</b>	<b>1,020</b>	<b>56%</b>	<b>11.2%</b>
Civil works	213	11.3%	231	12.6%	-7.9%
Non residential building	720	38.1%	731	39.9%	-1.6%
Residential building	195	10.3%	53	2.9%	268.0%
Industrial	7	0.3%	5	0.3%	21.5%
<b>Energy</b>	<b>507</b>	<b>27%</b>	<b>552</b>	<b>30%</b>	<b>-8.2%</b>
<b>Concessions and services</b>	<b>248</b>	<b>13%</b>	<b>263</b>	<b>14%</b>	<b>-5.5%</b>
Maintenance	22	1%	40	2%	-45.0%
Concessions	226	12%	223	12%	1.1%
<b>TOTAL BACKLOG</b>	<b>1,889</b>	<b>100%</b>	<b>1,835</b>	<b>100%</b>	<b>2.9%</b>

Millions of euros

BACKLOG by geography	Grupo SANJOSE				
	Dic. 16		Dic. 15		Var.(%)
<b>National</b>	<b>872</b>	<b>46%</b>	<b>892</b>	<b>49%</b>	<b>-2.3%</b>
<b>International</b>	<b>1,017</b>	<b>54%</b>	<b>943</b>	<b>51%</b>	<b>7.9%</b>
<b>TOTAL BACKLOG</b>	<b>1,889</b>		<b>1,835</b>		<b>2.9%</b>

Millions of euros

BACKLOG by client	Grupo SANJOSE				
	Dic. 16		Dic. 15		Var.(%)
<b>Public client</b>	<b>1,215</b>	<b>64%</b>	<b>1,179</b>	<b>64%</b>	<b>3.1%</b>
<b>Private client</b>	<b>674</b>	<b>36%</b>	<b>656</b>	<b>36%</b>	<b>2.8%</b>
<b>TOTAL BACKLOG</b>	<b>1,889</b>		<b>1,835</b>		<b>2.9%</b>

Project backlog increases 2.9% with regards to 31 December 2015, being stable both in volume and distribution by type of activity geographic area and type of customer, highlighting total international backlog represents 54%.

International backlog increases 7.9%

The construction backlog, main business activity of the Group, represents 60% total backlog, improving 11.2% during 2016.

Both, the energy and concessions and services backlog have experienced slight reductions due to the ordinary performance of contracts during the year.

## 6. LEGAL DISCLAIMER

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## 7. CONTACT INFORMATION

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