



Sacyr

2012



Consolidated Annual Report

2012

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Regarding this report

You are currently reading the first CONSOLIDATED REPORT published by the Sacyr Group, corresponding to 2012.

This document has been prepared in accordance with the latest prototype framework, published by the International Integrated Reporting Council (IIRC), www.theiirc.org, at the time of writing. It has also been drafted in accordance with the guidelines concerning Corporate Responsibility from the Global Reporting Initiative (GRI), www.globalreporting.org, and with regard to financial information, in accordance with the International Financial Reporting Standards as adopted by the European Union.

A specific set of GRI indicators of limited scope (LA1, LA7, EN2, EN3, EN4, EN16, EN20 and EN22) was verified this year by an independent agency (PwC), in accordance with standard ISAE 3000. It has also been verified by an independent body (PRYSMA-AENOR) with regard to the **A+ application level defined by the GRI Standard (v3.1)**, and finally the financial content of the same (consolidated annual accounts of the parent company and of the subsidiary companies) has been audited by Ernst & Young.

With the annual publication of this Consolidated Report, the Group commits to disclosing a global overview of its performance in economic, social and environmental terms, and demonstrates its firm commitment to maintaining a strategy aligned with the principles of sustainable development.

As was the case in previous years, this report has been approved by the Sacyr Board of Directors, which, as the company's highest

governing body, is responsible for defining, guiding and overseeing the Group's strategy concerning all those matters dealt with in the present report.

Sacyr is committed to ensuring consistency in relation to the limits and scope of its successive consolidated reports; accordingly, as was the case with previous reports, the present document aims to cover the full range of the Group's activities, in all those countries in which it operates, changing only the time frame, the present document referring to 2012.

In certain cases, and due generally to the lack of global data, the information contained in this report cannot refer to the Group as a whole, a circumstance which has been expressly reflected in those points in the report which are affected. It should be mentioned that, in this regard, the Group's management wishes to establish the mechanisms required to gradually eliminate these limitations from the information at hand.

It should also be noted that, to ensure consistency with the rest of the information submitted by the Group (Annual Corporate Governance Report, Accounts and R&D+i Report), unless explicitly indicated otherwise, the data presented herein refer to the situation of the Group at 31 December 2012. Similarly, except where indicated otherwise, for the purpose of comparison, the information for 2012 is presented adhering to the same criteria applied in preparing the different reports referring to 2011.

The structure and content of this report have been designed to meet, as far as possible, the information requirements

our key stakeholders may have regarding our activities and performance in the economic, market, environmental, governance and structure, strategy, risks and future perspective settings.

When interpreting the definition of "stakeholder" appearing in the GRI Guide in the context of our organisation, it becomes apparent that there are numerous groups which, in one way or another, may be affected by our activities, and similarly numerous are those which may significantly affect the conduct of our business.

Nonetheless, there are certain groups which clearly stand out owing to their close links with our company, which comes to light when considering a combination of the frequency and possible impact of this relationship of dependence. These are as follows:

- Employees
- Shareholders
- Clients
- Public entities
- Suppliers and contractors
- Analysts and investors
- The media
- Local communities
- NGOs and other members of civil society

In order to guarantee the validity of this relationship with key stakeholders, and to determine those aspects referring to our organisation which are of interest to them (and which must thus form part of the present Report), the Sacyr Group systematically analyses the different sources of information:

- Daily analysis of the press and specialised publications with a view to constantly monitoring the news items published on the

Sacyr Group and on the sectors in which it operates, as well as the trends in the field of corporate responsibility.

- Study of reports on other companies, fundamentally those operating in the same sectors as the Sacyr Group.
- Analysis of the comments and contributions received with regard to our responsible management practices or specifically on our reports.
- In its meetings with the other organisational units that make up the Group and in those held with the CSR Work Group, the Corporate Responsibility department gathers information on the different groups with which they interact, as well as on their viewpoints and concerns.
- In general, information from the setting received through the different discussion channels established for that purpose by the Group, (as explained in the "Channels for discussion with our key stakeholders) provides highly useful references which help to focus the content of our reports.

Executive summary

The company

22,000
employees

3,6
billion euros,
a business
portfolio

business portfolio in
excess of 40.2
billion euros

implicit EBITDA
of over
16 billion

With an average workforce of 22,000 employees, turnover of 3.6 billion euros, a business portfolio in excess of 40.2 billion euros, and an implicit EBITDA of over 16 billion, the Sacyr Group closed 2012 consolidating its position as a large business group and as one of the leaders in the construction sector, in both the Spanish and the European markets.

The Group comprises the parent company, Sacyr Vallehermoso, S.A., and its subsidiary and associated companies, as listed in the Appendix to our Consolidated Annual Accounts.

The public limited company "Sacyr Vallehermoso, S.A." arose in 2003 as a result of the merger by absorption of the Grupo Sacyr, S.A. into Vallehermoso, S.A. Its registered offices are at Paseo de la Castellana, 83-85, Madrid.

Sacyr has five complementary areas of business areas suitably diversified in terms of sector and geographical distribution:

- **Construction:** fundamentally through Sacyr Construcción in Spain, Ireland, Panama, Costa Rica and Chile, Somague in Portugal and SIS in Italy, the Group conducts all manner of civil work and building for public and private customers.
- **High-quality urban housing:** carried out by Vallehermoso throughout the entire peninsula and the islands. The company operates principally with primary residence housing in demographically high-density urban centres.
- **Infrastructure concessions:** Sacyr Concesiones is the Group's infrastructure concession subsidiary. At the close of 2012, it had a portfolio of 36 concessions in six

countries (24 of them in operation and 12 in construction). Sacyr Concesiones' customers consist mainly of users paying tolls on toll roads, as well as public administrations which assumed the "shadow toll" or the costs derived from the concession of hospitals, transport hubs and other assets.

- **Property management:** Testa is the Group company specialised in the acquisition, sale and leasing of owned real estate. The bulk of its activity is focused on housing, offices and shopping centres, although it maintains a selective position in others, such as hotels, nursing homes, logistics, etc, in various locations and in high-demand assets.

Its principal areas of influence are Madrid and Barcelona in Spain, Paris in France and Miami in the USA.

- **Services:** Valoriza is the leader in this business arm, which focuses on four main areas of activity:
 - **Water:** Integrated water cycle management, purification and distribution, desalination of sea waters, sanitation and sewage, waste water treatment, regeneration of treated water and reuse of R&D+i in advances water treatment processes.
 - **Industrial Construction and Energy:** engineering and construction in all manner of energy projects.



Construction



Concessions



Property



Services/ Industrial



Property Development



Investments

- **Environment:** municipal services (street clearing, waste collection, gardening, etc.), waste management, landscape restoration and environmental work.
- **Multi-services:** cleaning, maintenance, refurbishments, socio-sanitary services, hospital services, infrastructure conservation and catering services.

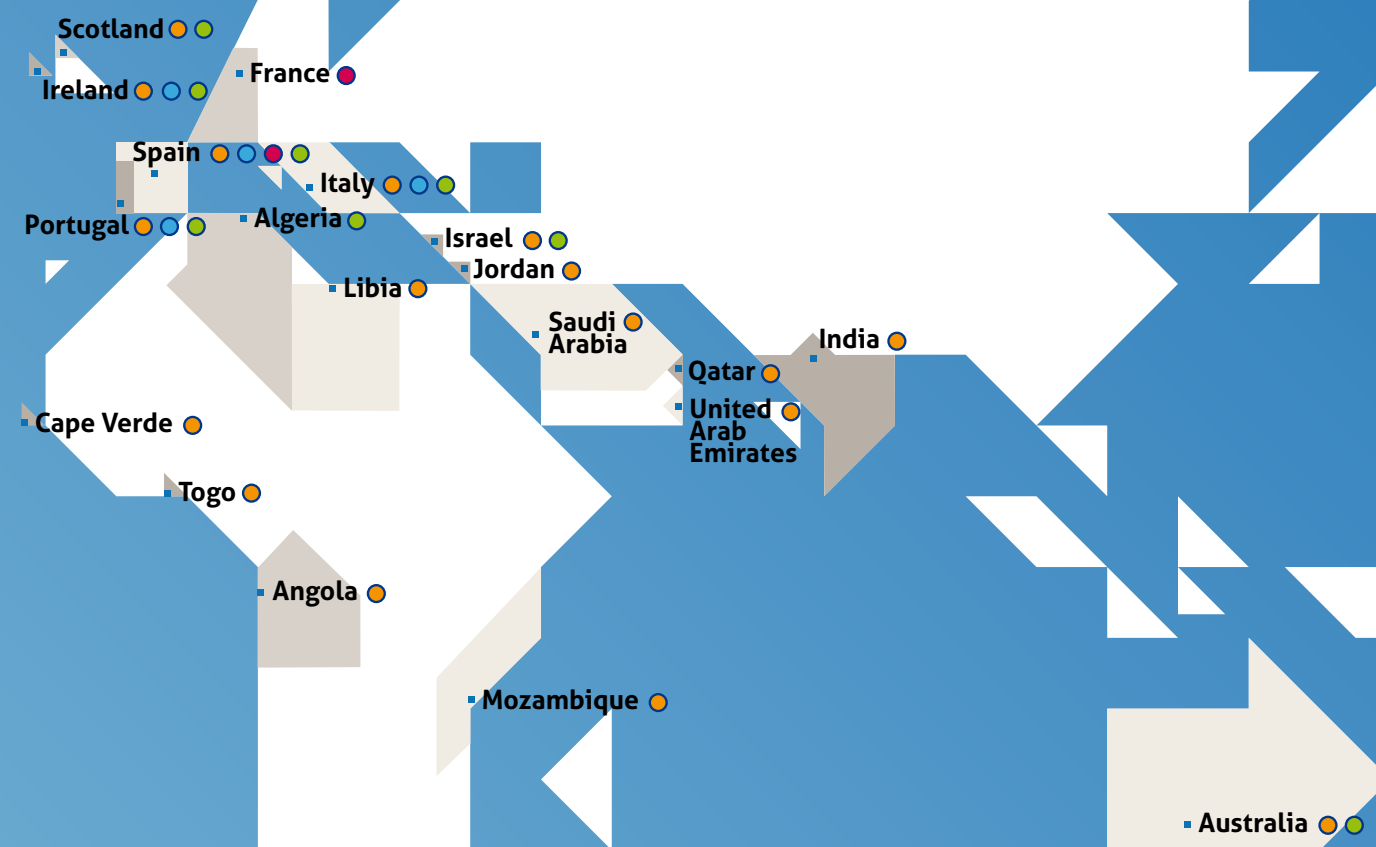
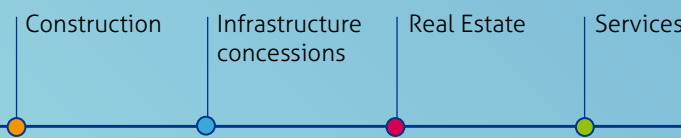
Within the investment diversification strategy, and in view of the high potential and strategic important of the energy sector, in 2006 Sacyr acquired a significant interest in Repsol. Repsol is an international integrated oil and gas company with activities in over 20 countries. It is one of the ten largest private oil companies in the world.

To reference the holding made by the corporation "Sacyr Vallehermoso, SA" and its subsidiaries and affiliates throughout the text of this report is used interchangeably with the terms "Grupo Sacyr" or simply "Sacyr".

The market

Sacyr conducts its business in Spain and other countries. In a short period of time the Group has gone on from having a scant but significant international presence, to operating abroad with a strong presence. The company's geographical diversification is reflected in the fact that 55% of its business portfolio now located outside of Spain: Ireland, Italy, France, and Portugal within the European Union, and Panama, Chile, Brazil, Bolivia and Costa Rica in Latin America. Our group also operates in other countries such as Australia, Israel, Cape Verde and Angola.

At year-end, 35% of the Group's workforce was located outside Spain. Some of its foreign subsidiaries have highly relevant workforces, such as in Portugal, with more than 2,000 employees or in Panama with more than 3,400 employees on the payroll.





Construction of the third set of locks Panama Canal.

The strategy

Throughout 2012, Sacyr has continued to implement a strategy based on strengthening those business lines in which we are leaders and experts, with high technological capabilities, as well as continuing to encourage the two new motors of growth, namely the management of Construction projects and concessions, and the firm commitment to stimulate the Group's industrial division, Sacyr Industrial, which forms part of Valoriza. This division has been strengthened through the provision of various assets already existing in Valoriza and also uses the new alliances established for entering into these sectors for the construction of electrical, chemical, petrol and gas installations.

All of this forms part of a policy aimed at obtaining a business mix which combines long-term activities with recurring revenue (Concessions, Services and Property Management) with those which are more closely linked to the economic cycles, such as Construction. This means that results can be properly defended at moments, such as the present, when market difficulties are intensifying.

All of the above, along with management methods based on cost and debt reduction, as well a strong commitment to continuity in international expansion, will give rise to a Group that is stronger, more innovative, competitive and committed to the our company's traditional values: prudence, austerity, quality and meeting commitments.

Focus on main activities

- Proper mix of complementary and consolidated activities Construction, Concessions, Services and Real Estate
- High technology, added value experience and business: tunnelling, desalination plants, water treatment plants and advanced engineering
- Primary business strengthened by industrial activity
- Periodic appraisal of real estate assets

International focus

- Continual internationalisation
- Prestigious local minority interests partners / investors
- Legal framework and financial security
- Focus on profitability

Focus on finances

- Corporate structure Care
- Focus on debt reduction
- Reduction of total corporate debt
- Asset turnover as a recurring financial resource



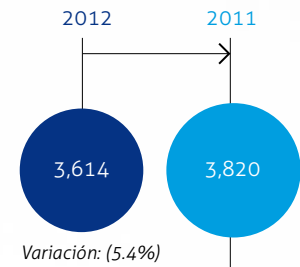
The results



	December 2012	December 2011	% Var 12/11
Total business turnover	3,614	3,820	(5.4%)
International business turnover	1,485	1,472	0.9%
International business turnover (%)	41%	39%	2 pp
Ebitda	506	524	(3.4%)
Ebitda margin	14%	13.7%	0.3 pp
Construction (Sacyr Somague)	5.8%	5.8%	0.0 pp
Services (Valoriza)	15.9%	15.9%	0.0 pp
Assets (Testa)	86.5%	79.7%	6.8 pp
Concessions (Sacyr Concesiones)	58.6%	65.9%	(7.3) pp
Portfolio	40,232	39,989	0.6%
International portfolio	22,193	20,935	6%
International portfolio (%)	55.2%	52.4%	2.8 pp

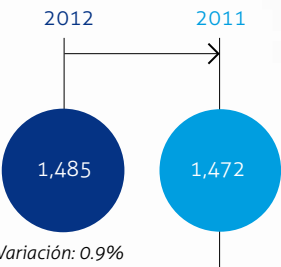
Total Business turnover

Billion Euros



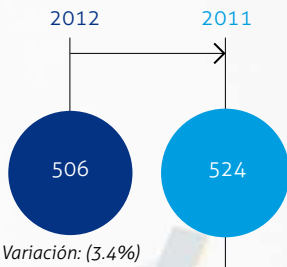
International business turnover

Billion Euros



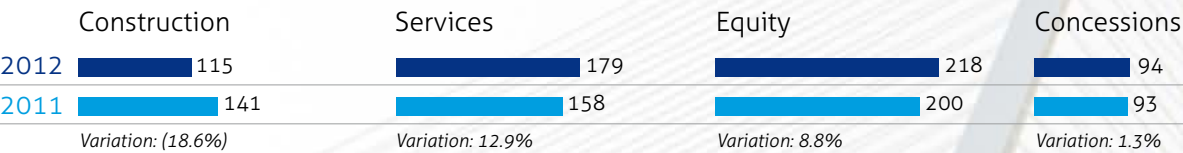
Total Ebitda

Billion Euros



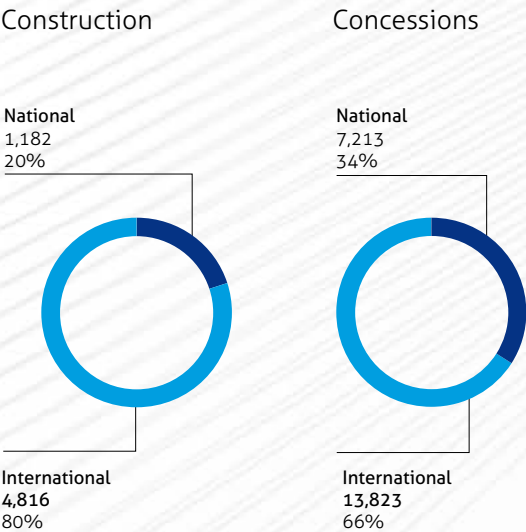
Ebitda

Billion Euros



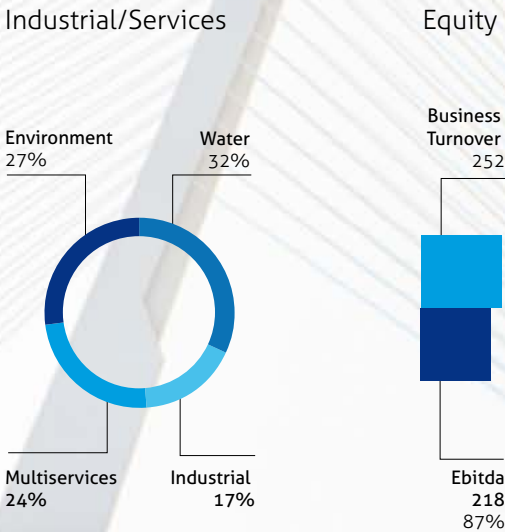
Business Portfolio

Billion Euros



Business turnover

Billion Euros





Manuel Manrique Cecilia
Chairman of Sacyr



Manuel Manrique Cecilia (Navas de San Juan, Jaén, 1954) has been the Chairman and CEO of Sacyr since October 2011. Under his guidance, the company has re-launched its strategic business development strategy (infrastructure, service, industrial construction and property projects), it is encouraging international expansion, and is promoting innovation in all areas to enhance competitiveness. In this interview, Manuel Manrique clarifies Sacyr's strategic lines, and its commitments to its shareholders, employees and all other stakeholders.



What is your opinion of the current economic situation and what is your forecast?

In terms of public investments, internal demand and access to the financial market, 2012 has been an extremely complicated year in Spain. The Government has implemented stringent measures to reduce the public deficit and stabilise financial institutions, and these will bear fruit in the coming months, as soon as economic activity picks up. I believe that we are very close to reaching the turning point where the perception of the economy will change, generating increased confidence to take investment decisions, in both the public and private spheres. I also feel that, having reached this point, some type of stimulation measures will be adopted that will push us into growth. I'm a realist with regard to the present, and an optimist with regard to the future. In other parts of the world where Sacyr is present, the situation is more stable and offers greater perspectives, so international development is still a priority.

What do you feel were Sacyr's notable milestones in 2012?

Throughout 2012, Sacyr has consolidated a new style of management in which the most important aspects are the international development of those businesses in which we are positioned and have relevant experience -construction, concessions, services and property- the commitment to our new industrial division, the reduction in operating costs and the improvement of the financial

structure. Also worthy of mention is the board's unanimous support for this policy of prudence and the increase in the percentage of shares floating freely on the stock exchange, which is providing the company with greater visibility in the markets. Little by little, investors are showing increasing interest in Sacyr, as they consider it may be an opportunity for profitable investment with regard to the future. In my opinion, the most relevant aspect is the confidence we are generating around us and which will have positive effects in all settings. The company's consolidation stage is coming to a close and I believe that we will soon be able to start speaking it terms of growth again.

Which economic data from last year do you feel are most relevant?

I feel that it is vital that the Group's operating figures continue to show positive results in spite of the problems of the economy and inevitable drop in turnover. This shows that we are on the right path. The company's gross profit, what the business lines bring in, has risen to 506 million euros, in line with what could be expected in a highly complicated setting, which shows that the strategy is right. Cost control has led us to raise the gross margin up to 14% and we have controlled debt. In 2012 we have continued to make progress in the Group's international profile, and 55% of the portfolio is now located outside Spain. Repsol has also given us good news, as it recuperated the losses from YPF in its profit and loss account, which is great news for the coming years, too.

"In other parts of the world where Sacyr is present, the situation is more stable and offers greater perspectives, so international development is still a priority."

"I feel that it is vital that the Group's operating figures continue to show positive results inspite of the problems of the economy."

"I'm convinced that the Government's plans and reforms will have a clear effect in the coming months"

"The values that have always characterised our professionals and for which we are known are commitment, effort, focused on individuals, the client and austerity."

How is Sacyr tackling the management of its principal risks?

In the period of financial difficulties that we are currently going through in Spain, the greatest risk we find for the development of our activities is financial. On one hand, access to loans and bank guarantees, since institutions have increased the collateral they are asking for. On the other hand, the lack of liquidity in Public Entities, which have extended their repayment periods. I'm convinced that the Government's plans and reforms will have a clear effect in the coming months and will help to improve our financial position. This, along with the constant care of our cash and the rotation of our mature assets has enabled us to deal with all of our commitments in 2012, and the same will be true in 2013.

In which countries do you consider the establishment of Sacyr to be priority?

With culture and tradition in mind, we are focusing our efforts in those Latin American countries which offer the greatest legal and economic security: Mexico, Panama, Colombia, Peru, Brazil, Bolivia in the industrial setting, and of course Chile, where we are leaders in construction and concessions. In Europe our main activity is in Portugal, Italy and Ireland, without ruling out opportunities in Eastern Europe in the services setting. And regarding markets which are emerging or being consolidated, Africa (Angola, Mozambique, Algeria, Togo, Libya) and the Middle East (Israel, Qatar, UAE, Saudi Arabia), without forgetting countries further afield, such as India, where we have already started doing business, and Australia, which is a very important country for us.

What will the strong points of Sacyr's strategy be in the future?

In addition to the prudent, profitable management model of which I have spoken, innovation, undoubtedly. Thanks to the challenges we have had to face throughout the Group's growth years, Sacyr has acquired a way of relating with its stakeholders based on innovation, and the principal aim of which is to predict and satisfy their needs. The principal objective in each project we undertake is going to be profitability, and our decisions will be governed by it. Of course, the increasing internationalisation of all our principal businesses, cost control, risk analysis and the rotation of mature assets to attain the greatest possible degree of self-financing, too.

Which values do you think Sacyr needs to cultivate in this stage?

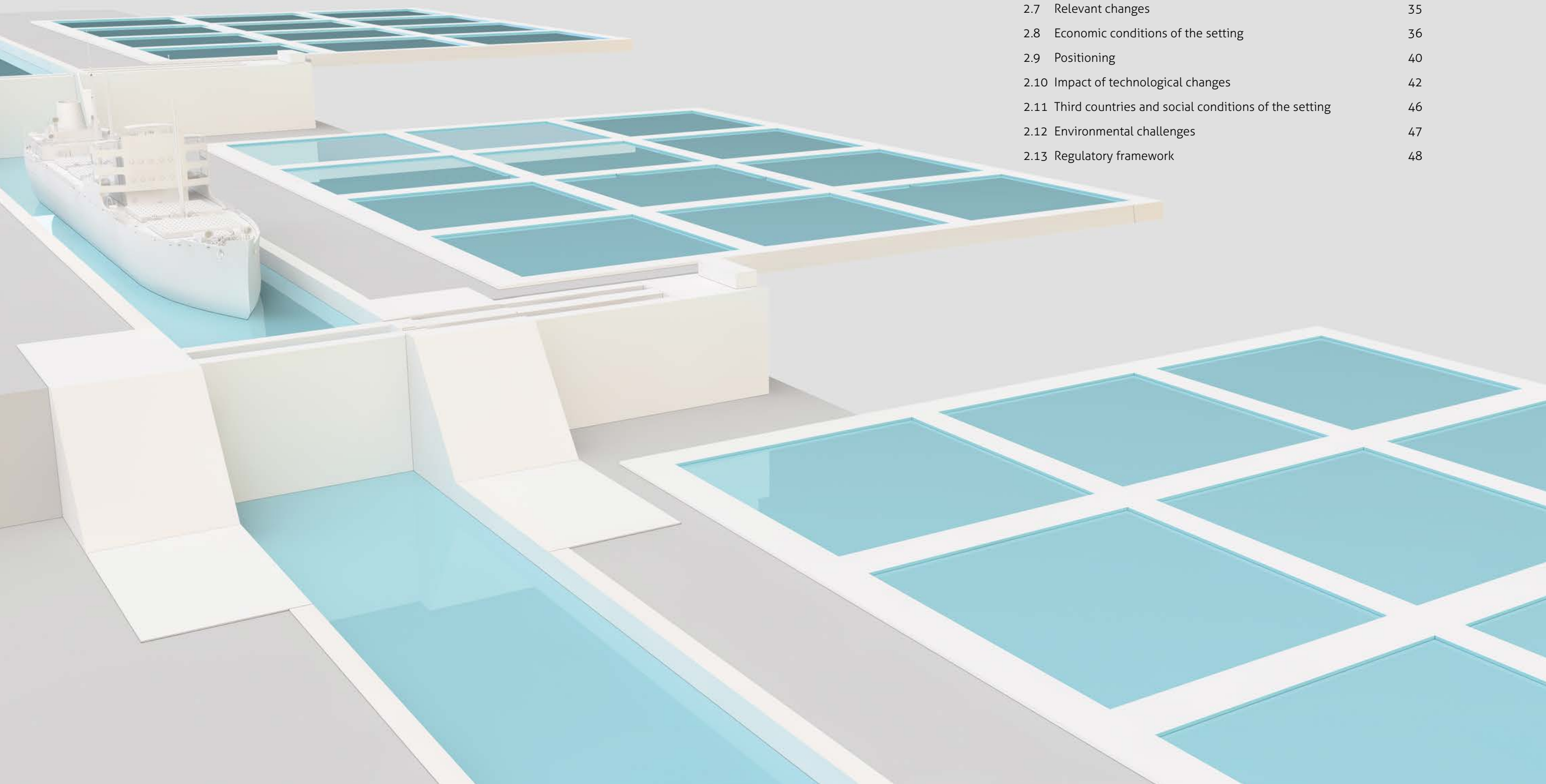
The values that have always characterised our professionals and for which we are known are commitment, effort, focused on individuals, the client and austerity. To these traditional values, we have to add other new ones which have become necessary in recent years: innovation, excellence, multi-disciplinary nature, flexibility, concern for the environment and integrity. All understood from a perspective of opening up to the outside world. I believe that Sacyr is blessed with the best human team in the sector and we are in a position to deal with any challenge in any part of the world. I would like these values to give rise to a new company profile: innovative, global, responsible, close and positive.



02

Organisational structure and operational setting

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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 elements of the business culture will communicate with and respond to all our stakeholders, and will be transformed into the company's principal slogan and performance benchmark, as a framework which will define future actions.

The Mission, Vision and Values are drafted clearly and concisely, and must constitute a long-term reference which identifies and distinguishes the Sacyr Vallehermoso Group from its competitors.

The company **Mission** is a declaration of intent, insofar as it reflects what it has been created for and what it contributes to society. Thus, it defines the Company's *raison d'être*, the fundamental aim and the purpose to achieve before the various stakeholders.

A company's **Vision**, however, includes its long-term expectations and future projection, the position it is aiming for, and how the organisation wishes to be perceived by its customers and society in general. A suitable definition of the organisation's vision is a signal for the stakeholders of its great challenge and business strength, as, owing to its conceptual clarity regarding what the company aims to build in the future, it enhances its capacity for management, handling and execution toward permanent attainment thereof.

Both the Mission and the Vision defined by the organisation are based on clear **Values**, considered as a set of principles, ideals, beliefs and rules which act as a reference framework for taking organisational decisions.

Thus, values are qualities that translate into determined behaviours which identify the company, guiding its management, as well as the development of policies, strategies and processes.

Mision

"To focus our activities on society using a sustainable, viable corporate management model that adds value for all stakeholders by applying innovation, technological development and excellent execution to all activities performed by our lines of business".

Vision

"To maintain an integrated, diverse, leading group for society that works towards the sustainable, conscious development of the new needs in society to build a better future by guaranteeing responsible decision-making in all our activities and ensuring that our stakeholders are satisfied".

Values

- Innovation
- Excellence
- People orientation
- Concern for the environment
- Team spirit
- Integrity

Current market conditions and the economic setting in which we operate would seem to make it wise, at this particular moment in time, **to permanently incorporate two new corporate values**, which clearly stress the behaviour of our Group, both externally as well as internally in our everyday work..

Thus, the permanent incorporation of two new principles has been decided:

- Commitment
- Austerity

Innovation: The pursuit of excellence in each and every one of the company's operations and actions, meeting the highest standards of quality.

All actions conducted by the Sacyr must be an example of professionalism, thanks to the experience, knowledge and values assumed by all employees.

Finding solutions which satisfy clients' interests and needs, in line with the highest standards of quality, investing in innovation, in an ongoing quest for excellence, aiming for improvements in processes, products and services.

People orientation: Finding solutions which satisfy clients' interests and needs, in line with the highest standards of quality, investing in innovation, in a continual search for excellence with improvements in processes, products and services in mind.

Sacyr's greatest asset is the effort and dedication of all those working in the Group; accordingly, we consider each collaborator to be unique, investing to improve their potential and their professional expectations, and fostering pride in membership of the organisation.

Providing optimal working conditions in terms of health and safety. We demand high safety levels in processes, installations and services, paying particular attention to the protection of employees, suppliers, clients and the local setting, and this principle of action is conveyed to the entire organisation.

Each and every act by the Sacyr and its employees must show total respect for the Human Right and Civil Liberties appearing in the Universal Declaration of Human Rights.

Concern for the environment: Each and every act by the Group must be conducted with the utmost concern and care for the environment. Sacyr considers itself an integral part of those communities in which it conducts its business, and as such, it undertakes to encourage and promote the economic, social and cultural development of its setting.

Team spirit: Encouraging team work, creating multi-disciplinary teams which allow full professional development.

Developing a global vision of all objectives, values and principles, in line with the guidelines and policies set by the Group, acting as a benchmark for unity in all the companies that comprise SyV's business lines. Providing an example of effort and dedication when carrying out our daily activities, overcoming adversity and jointly overcoming great professional challenges.

Improving the exchange of knowledge between our employees though continuous training to promote current and future professional success.

Integrity: The Group's business and professional activities must be conducted in

"Thus, the permanent incorporation of two new principles has been decided: Commitment Austerity".

"Sacyr greatest asset is the effort and dedication of all those working in the Group; accordingly, we consider each collaborator to be unique".

"Responsibility, control and efficiency applied to the development of our business plans, will add points to the share price of our future."

strict compliance with legislation currently in force in each of the places it they are conducted.

Showing impeccable behaviour, aligned necessarily with honesty and integrity, eschewing all forms of corruption and respecting the specific circumstances and needs of all those involved in the Group's business and professional activities. We must encourage rigorous consistency between corporate practices and our values.

Disclosing suitable, accurate information on our management. Information that is true and verifiable. Clear communication, both internally and externally, promoting dialogue and commitment with stakeholders.

Assuming our responsibilities and acting accordingly, committing all our ability to achieve this objective, developing a sustainable business, based on criteria of economic, social and environmental responsibility.

Commitment: The true reflection and embodiment of the so-called "Sacyr Spirit".

Undying effort to ensure that our Company is constantly successful, where every woman and every man are essential cornerstones.

The sum of our efforts focused on a common aim. The perpetual desire to create and supply value for the group. Non-conformity in the face of mere compliance. The sense of belonging and attachment to the values and formulas that have forged the keys to success throughout the first quarter century of our history.

Austerity: We live in a world of scant resources and we are living through times of market restrictions. Thus, every element used must be productive. Each resource must be invested swiftly but prudently. The true creation of value must govern everything: value for the human resources as a whole, 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 add points to the share price of our future.



High-Speed Railway
station, Logroño
(La Rioja).

2.2 Business culture and corporate responsibility

The main impetus stems from the Board of Directors, which, as the company's highest governing body, has assumed the responsibility of defining, encouraging and overseeing the Group's strategy in this field.

The main impetus stems from the Board of Directors, which, as the company's highest governing body, has assumed the responsibility of defining, encouraging and overseeing the Group's strategy in this field.

Sacyr also has a Corporate Responsibility division, which reports directly to the Finance and Corporate Development Department, and whose main responsibilities include implementing the Corporate Responsibility decisions taken by the Group's governance and management bodies, advising the latter in the taking of decisions, and coordinating the activities conducted in this field by the different organisational units that make up the Group.

There is also a Corporate Responsibility Work Group, comprising a representative from each business area, and from each of the corporate units with the strongest links to the responsible management of the company (Corporate Governance, Human Resources, Internal Auditing, Environment, Risk Prevention and R&D+i).

The individuals assigned are the CR Department's interlocutors in their respective business settings, and they participate, with decision-making powers, in the interdepartmental meetings held to deal with CR-related matters.

Other Group employees may be invited to these meetings, in accordance with their competences and the specific needs of each meeting.

Guidelines for action

Sacyr advocates a model of responsible business management, aimed at the long-term creation of value for all its stakeholders, and which helps society and the economy to progress along the path of sustainable development.

Sacyr views responsible management as an unavoidable commitment towards its stakeholders; hence, the company must be respectful of, and constantly consider the rights, needs and wishes of the different groups and settings with which it interacts. This basic principle of action must guide all our business decisions, from those deemed to be strategic, to those more characteristic of day-to-day, routine management.

The Group's corporate mission reflects Sacyr's commitment to the principles of Corporate Responsibility, highlighting, among other things, its client-orientated vocation and its confidence in the value supplied by the professional integrity of its employees.

Corporate Responsibility Master Plan

Towards the end of 2009, Sacyr implemented its first Corporate Responsibility Master Plan, with the approval of an action plans for 2010 and 2011. Once this came to an end, the Board of Directors approved the implementation of a second plan to guide the responsible management of the Group and all the companies comprising it, in force for 2012 and 2013. The Plan specifies the Sacyr Group's actions in this setting, and defines the distinguishing corporate elements in its policy: The principal aspects covered by the Sacyr business culture can be grouped into 7 points:

- **Promoting communication** with stakeholders by setting up discussion platforms through which to gauge their expectations and establish suitable action plans to respond to their demands.
- **Fostering a sense of belonging among employees**, and making the company a preferred work place, establishing improvement actions in key aspects, such as integration and equality, health and safety, social benefits, training, conciliation, and the proper professional development of workers.
- **Extending the Group's ethical and corporate principals** to the supply chain

(suppliers/ subcontractors), by approving a policy of responsible purchasing which sets guidelines for contracting, evaluating and monitoring suppliers.

- **Strengthening Good Governance mechanisms** to guarantee stakeholders transparency and ethics in all our actions, ensuring compliance with the current legislation and avoiding involvement in disputes concerning corruption, bribery or non-compliance with fundamental human rights.
- **Contributing to the development of the society** in which the Group conducts its activities, through innovative projects and participation in projects of social interest, channelled through its Foundation.
- **Establishing the mechanisms needed to reduce the environmental impact** of our activities and projects, showing due care and respect for the environment in all our actions.
- **Integrating all actions and principles regarding Corporate Responsibility** into all decision-making processes.

The Board of Directors approved the implementation of a second plan to guide the responsible management of the Group and all the companies comprising it, in force for 2012 and 2013.



*Ashdod
Desalination Plant,
Israel.*

The definition of this culture is transformed into specific indicators through the Sacyr Group's Corporate Responsibility Master Plan, which establishes the following guidelines as priority for 2012 and 2013:

- Improving dialogue with stakeholders.
- Helping to improve all aspects related with the Company's Corporate Reputation.
- Promoting the Group's values and ethical principals in the setting of organisation and establishing guidelines for social action policies.
- Strengthening the contribution to the development of those societies in which Sacyr conducts its business, establishing a system for measuring and monitoring the same.
- Continuing to underpin the global action framework for environmental matters, maximising its contribution to the sustainability of all Group activities.
- Strengthening R&D&i Policies as a basic components of our capabilities and technological expertise.
- Continuity in adopting international policies and standards in the setting of CSR.
- Adopting a global internal assurance system as a guarantee of compliance with the objectives set in the field of CSR.

These actions have been defined in the first place due to objective reasons of profitability for the company in terms of economics, transparency, public image and reputation as well as through explicit evaluation by all of our stakeholders:

In parallel, they have been defined by quantifiable circumstances in terms of our relative situation in the market, best practices at the national and international levels as well as internal legal requirements, international standards and European Union transitory recommendations that shall soon comprise part of our regulations.

- DJSI Requirements
- FTSE4GOOD Requirements
- Global Reporting Initiative Requirements
- United Nations Global Compact Requirements
- OCDE Directives Requirements
- AA1000 Regulations
- Law on Equality
- LISMI
- Law on Public Sector Contracts
- Legislative proposal on the transparency of social and environmental information by companies
- Study on socially responsible investment from the European Commission
- Recommendations on Reporting from the European Commission
- Environmental Information Reporting Obligations in the Corporations Act
- Sustainable Economy Act
- State Board of Corporate Social Responsibility

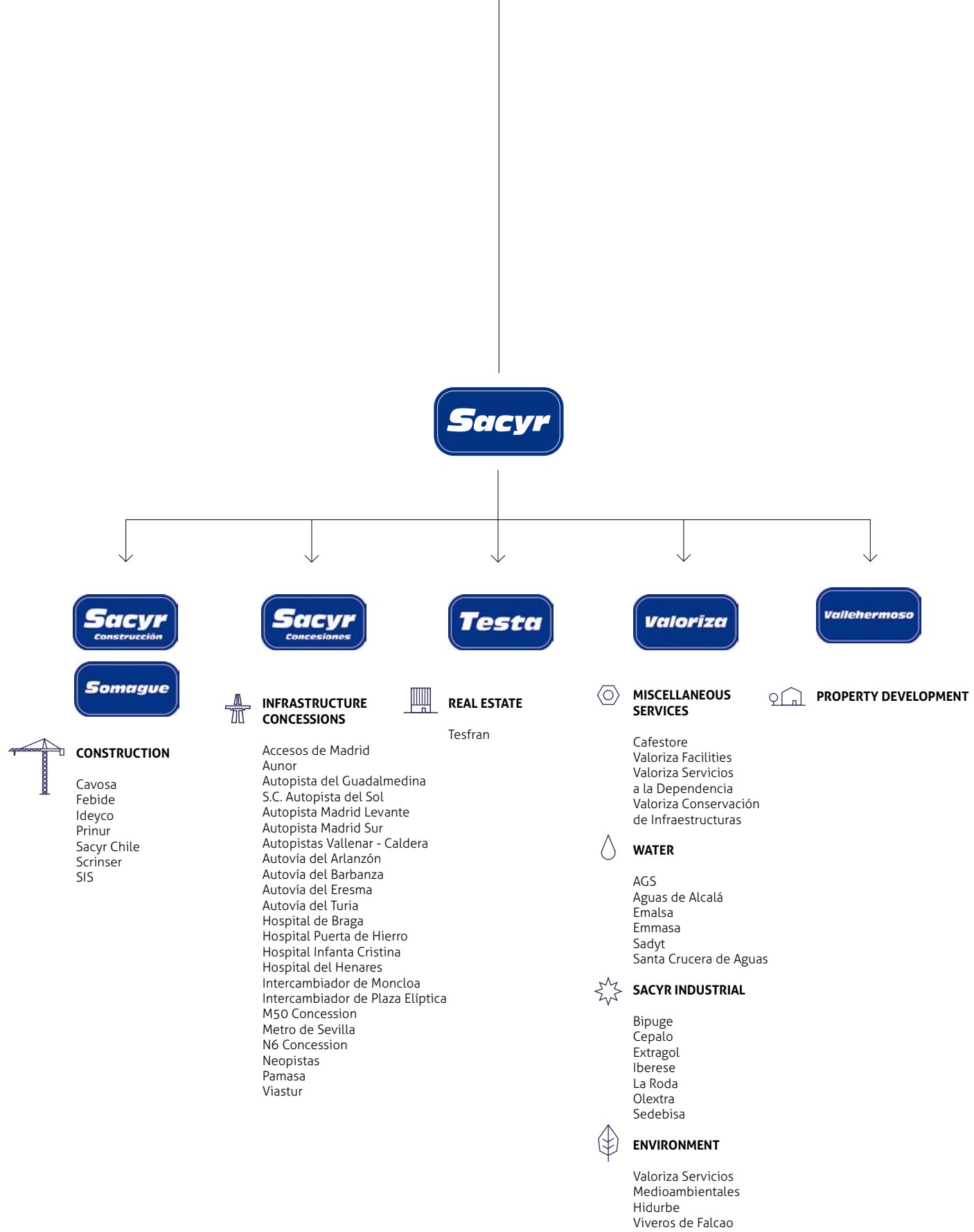
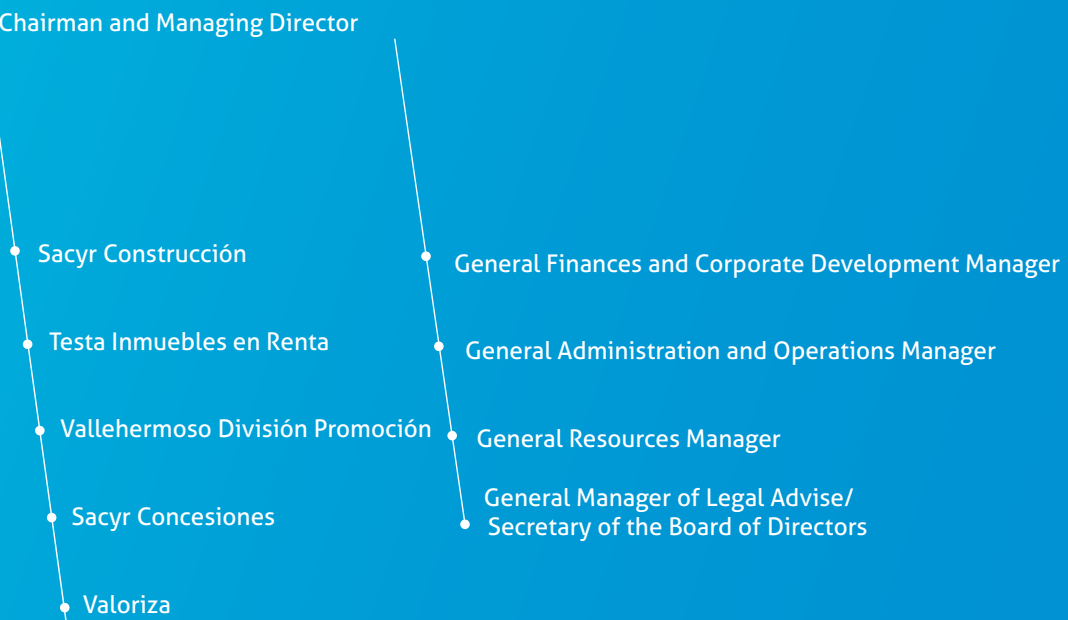


2.3 Operational and management structure

In recent years, the development of the business lines which make up the Sacyr Group has been characterised by strong growth in activity, increasing complexity in the projects tackled, diversification in activities and significant international expansion.

At Sacyr we are fully aware that, to a large extent, our future success depends on our capacity to adapt; accordingly, we have been adapting our structure to these changes, to ensure that the different organisational units which comprise the Group are in a position to provide the most efficient and operative response possible to any new challenges which may arise.

The group is structured under the figure of an Executive Chairman, to whom report the two principal lines of command: on one hand each of the business areas has a non-executive Chairman and a CEO; on the other hand, there is a line of staff departments which provide support to the entire group in different settings, as shown in the diagram below:



2.4

Ownership structure

At 31 December 2012, the share capital of Sacyr Vallehermoso, S.A. was represented by 443.7 million shares each with a par value of

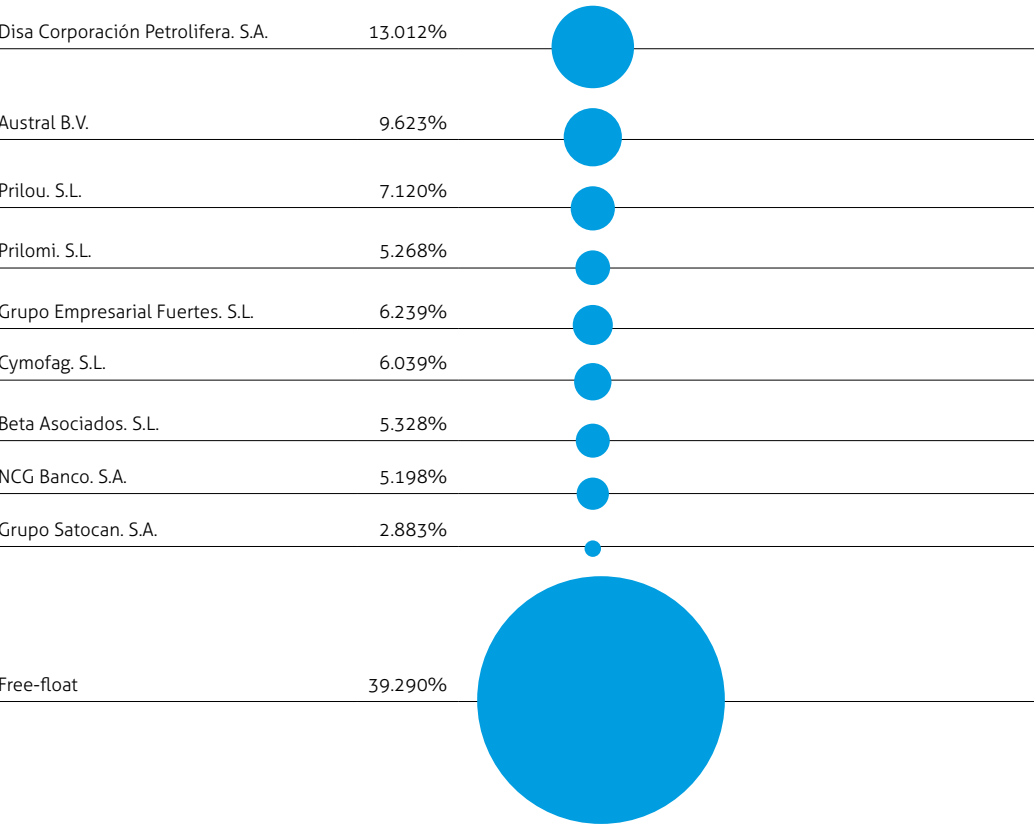
€1, fully subscribed. All shares have the same voting and profit-sharing rights.

EVOLUTION OF CAPITAL

EUROS	Share Capital	No. of shares
2012	443,728,374	443,728,374
2011	422,598.452	422,598,452

Furthermore, the distribution of the capital at the same date was established in accordance with the following percentages:

SHAREHOLDING STRUCTURE



443.7
million shares
each with a par
Value of €1.

2.5

Resources

Human

In the current socio-economic setting, human capital is the principal competitive advantage that organisations have in order to be able to generate added value within a global market. This notion, a historical point of reference in the policies implemented by the Group, is the one which has enabled us to become one of the companies with the greatest development and growth within the European Union, consolidating us today as a benchmark in the sector, on both national and international levels.

Taking this international situation into account, we must stress the diversity in labour relation models with which the Group interacts, a fundamental premise being the strict compliance with the legislation and internal regulations of each country, as well as respect for the customs and cultural realities of our teams.

The proper management of information, communication, of both individual duties and responsibilities, as well as the objectives to be obtained, concern for the development of our professionals, as well as for their welfare and the extent to which they can balance their personal and professional lives, all provide us with individuals who are not only highly qualified, but also highly motivated by and committed to the culture and development of the organisation. All the above enables us to guarantee a suitable work environment resulting in the levels of efficacy and efficiency.

GEOGRAPHIC PERSONNEL DISTRIBUTION OF SACYR, 2011

COUNTRIES	MENS	WOMENS	NUMBER	%
Spain	7,809	5,780	13,589	66.5
Portugal	2,245	365	2,610	12.8
Panama	1,737	127	1,864	9.1
Italy	635	26	661	3.2
Chile	612	45	657	3.2
Angola	548	98	646	3.2
Cape Verde	98	19	117	0.6
Australia	57	34	91	0.4
Libya	50	7	57	0.3
Brazil	33	14	47	0.2
Costa Rica	23	11	34	0.2
Ireland	31	15	46	0.2
Algeria	0	0	0	0.0
Israel	2	0	2	0.0
Peru	1	0	1	0.0
India	0	0	0	0.0
Qatar	0	0	0	0.0
Mexico	0	0	0	0.0
TOTAL	13,881	6,541	20,422	100

The staff information refers to the Mean Consolidated Staff, which is nill in countries where the company has been established recently with a small number of workers, such as Colombia.

GEOGRAPHIC PERSONNEL DISTRIBUTION OF SACYR, 2012

COUNTRIES	MENS	WOMENS	NUMBER	%	Var.%
Spain	7,439	6,904	14,343	65.0	5.55
Portugal	1,884	314	2,198	10	-15.79
Panama	3,268	152	3,420	15	83.48
Italy	341	14	355	2	-46.29
Chile	772	98	870	4	32.42
Angola	480	90	570	3	-11.76
Cape Verde	81	18	99	0.4	-15.38
Australia	31	32	63	0.3	0.00
Libya	12	2	14	0.1	-75.44
Brazil	33	13	46	0.2	-2.13
Costa Rica	31	10	41	0.2	20.59
Ireland	25	19	44	0.2	-4.35
Algeria	0	0	0	0.0	--
Israel	11	4	15	0.1	--
Peru	0	1	1	0.0	--
India	1	1	2	0.0	--
Qatar	0	0	0	0.0	--
Mexico	0	0	0	0.0	--
Colombia	0	0	0	0.0	--
TOTAL	14,409	7,672	22,081	100	8.12

Technical and material resources

Although essential for any type of activity, human resources are insufficient if they are not provided with suitable technical and material resources. Given the extensive range of activities that the Group undertakes in its daily work, the volume of technical and material resources made available to them are also diverse and quantitatively relevant.

To give an idea of the dimensions and size of the resources employed, these include but are not limited to the following:

• Buildings and installations

The Group’s central services offices occupy approximately 11,000 square metres, principally in Madrid, on top of which are the different regional offices and head offices in other countries.

• Design and development

Applications

- GPD comprised of 140 centralised systems supporting all corporate and business applications
- Externally-developed corporate applications: 8, worthy of special note being SAP R/3 (Finances/Controlling processes, and Vallehermoso & Testa’s commercial processes), LOGA (Human Resources Processes) and PLIDO (Sacyr Construcción’s Planning and Work Management processes).

- In-house designed corporate applications: 10, among which worthy of note are the applications supporting the Prevention, Quality and Environmental processes, as well as those for Contracting.

- In-house designed departmental applications: 30, including SIA which provides support for Sacyr Construcción’s purchasing function.

- Web applications and sites: 18 Websites, the most relevant being the Group’s corporate website, the Employee’s portal and the Vallehermoso website.

User Care Centre

- The UCC deals with close to 5,000 incidents (support, evolutionary, errors) reported by users.

• Hardware

3200 job positions connected to the network with more than 600 peripherals

GEOGRAPHIC PERSONNEL DISTRIBUTION 2012





Málaga-Las
Pedrizas AP-46 Toll
Motorway.

2.6

Activities and markets

Sacyr groups its activity around five large business lines:

- Construction
- Concessions
- Property management
- Services and Industrial
- Property development

Nonetheless, it has many more areas of activity, as it conducts work and provides services with their own specific characteristics, within each of the principal lines of activity. As there are a large number of these areas, a summary thereof is shown in the following diagram, along with their presence in the different markets:

		SPAIN	PORTUGAL	ITALY	IRELAND	FRANCE	CHILE	PANAMA	USA	COLOMBIA	COSTA RICA	BOLIVIA	BRAZIL	ISRAEL	MOZAMBIQUE	CAPE VERDE	ANGOLA	ALGERIA	TOGO	AUSTRALIA
CONSTRUCTION	Motorways/Highways																			
	Railways																			
	Hydraulic																			
	Airports																			
	Non-residential building																			
	Residential building																			
	Hospitals																			
CONCESSIONS	Motorways																			
	Hospitals																			
	Hubs																			
	Metro lines																			
	Airports																			
	Service areas																			
REAL ESTATE	Offices																			
	Hotels																			
	Commercial																			
	Housing																			
	Industrial																			
	Residences																			
	Car parks																			
VALORIZA	Energy and Industry																			
	Water																			
	Environment																			
	Multi-services																			



2.7 Relevant changes

The different companies that comprise the Group have gradually adapted to the new situation, focusing on activity in the core industries, and on opening up opportunities in new markets.

In recent years, Sacyr has successfully dealt with the different challenges posed by the economic situation. The different companies that comprise the Group have gradually adapted to the new situation, focusing on activity in the core industries, and on opening up opportunities in new markets, for which the organisational structure of the different businesses in Sacyr has had to be adapted:

- Owing to the high degree of geographical diversification involved in the business lines, an International Expansion and Institutional Relations Department has been established, reporting directly to the Chairman.
- Testa and Vallehermoso: With the aim of taking full advantage of the synergies existing between the real estate and equity businesses and optimising the structures, the executive posts in both companies have been amalgamated.

- Following the close of the business year, the Sacyr Group has opted to create a new line of activity (**Sacyr Industrial**) focused on projects related with the design and construction of energy generation (conventional and renewable), industrial and waste treatment plants, infrastructures for the transport and distribution of energy and installations in the upstream and downstream areas.

2.8 Economic conditions of the setting

International economic context

Once again, 2012 has been characterised by an international economic crisis, although little by little, some countries, such as the United States or Japan, are starting to see improvements in some of their parameters. In Europe, the situation is characterised by a lack of liquidity, a downturn in consumption and high unemployment.

Countries such as Spain or Italy, have avoided compromising situations, distancing themselves from those that have affected other states such as Greece and Portugal. Measures such as the implementation of the European Stability Mechanism, or the agreement for the creation for the Single Banking Supervisor, have improved the perception of the European project.

The behaviour of the Chinese economy merits special mention. With an increase in GDP of 7.8%, although with a slowdown, it still shows sustained growth, although with an impact on the Asian giant's exports to the old continent.

With regard to the principal economies, in 2012 the United States experienced 2.2% GDP growth, compared with 1.8% the previous year, thanks to strong private consumption, exports, and non-residential fixed investment, as well as maintenance of public assistance and expansionary fiscal and monetary policies.

In the American labour market unemployment was 7.8%, an improvement on the 8.5% for 2011, and a four-year minimum. Inflation in 2012 ended with a rise of 1.7% compared with 3% the previous year, thanks to stable

fuel prices throughout the year and the still quite subdued level of consumer spending. Finally, the Fed once again kept interest rates below 0.25% during the year, to stimulate the economic recovery.

The economic performance of the euro zone countries has continued to be uneven in 2012.

Although Eurostat has not published its definitive GDP figures, and in many cases the data we have are provisional, we can say that the euro zone overall showed even performance in terms of growth, with a slight fall of 0.6%.

Tension regarding risk premiums has continued to characterise peripheral countries. The ECB has intervened by purchasing government bonds in these countries, as well as by holding various liquidity swaps, in order to normalise countries' credit situations. With this in mind, in February it adjudicated 529.531 billion euros, at 1% interest, to 800 financial institutions in different countries, at the same time as it increased the range of assets accepted as guarantees, and undertook to offer unlimited liquidity until at least 2014.

Year-on-year inflation in the euro zone was 2.2% in 2012, compared with 2.7% for the previous year, while in the EU as a whole it reached 2.3%, compared with 3% for the previous year. Core inflation, excluding the price of energy and fresh food from the equation, was 1.6% in the euro zone. The ECB lowered its interest rates to a historic low of 0.75%, to give a boost to Community economies.

National economic context

Measured in terms of GDP, the Spanish economy showed a decrease of -1.4% in 2012. The Sovereign debt and the financial system crisis in general continued to take a toll on the Spanish economy, its financing conditions and the confidence of the principal economic agents. This has resulted in consumption remaining nearly flat, and in the poor situation of the employment market.

On the positive side is the strong boost experienced by exports of goods and services, with year-on-year growth of 3.1%. Whereas, external demand triggered a rise of 2.5% in tourism GDP in Spain in 2012. The record for revenue was broken, totalling 55.7 billion euros. In 2012, a total of 58 million tourists visited Spain, up 2.9% on 2011 and returning to pre-crisis levels.

Regarding prices, inflation in 2012 stood at 2.9%, as a result of price hikes in the principal groups. The only group to suffer a fall in prices was Communications (-3.4%), owing to the fall in telephone tariffs and services. While the core inflation, which does not include fresh fruit or energy products in the calculation thereof, stood at 1.6%, in the same line as 2011.

The principal Spanish stock index, the IBEX-35 closed at 8,168 points, down 4.65% for the year, significantly lower than the 13.1% decline in 2011.

Regarding public tenders, In the congress held on 26 September 2012, the Ministry of Promotion presented the new Land of Infrastructures, Transports and Housing Plan (PITVI), which replaced the Strategic Plan for Infrastructures and Transport (PEIT) and the

Strategic Plan for Infrastructures (PEI), and which will remain in force until 2024. Depending on the macroeconomic evolution scenarios in Spain, up until that year, the sum total of investments contemplated in the PITVI in relation to the GDP, supposes a variable percentage between 0.89% and 0.94%.

Of the total sum envisaged, approximately 90% of resources will be devoted to transport policies, and 10% to those for housing. Within the former, 52.403 billion euros will be earmarked for highways, including 18.668 billion euros for the construction of 3,500 km of new high-capacity roadways, while another 1.265 billion will be earmarked for expanding existing roadways. The high-speed railway, AVE, will receive an investment of 25 billion euros. The bulk of this investment will be used for the connection to Galicia (8.517 billion euros) and for the Basque "Y" (4.323 billion euros). The other flagship projects will be the AVE to Badajoz, with 2.651 billion euros, and the connection to Asturias, with another 1.719 billion euros. Other noteworthy interventions include national ports, with 2 billion euros, and modernisation of conventional railway transport, with 1.31 billion euros.

Additionally, and with the aim of kick-starting public investment in Spain during 2013, the Ministry of Promotion has a further ten roadway projects prepared to go out to public tender with a total investment of 600 million euros. The most important in terms of budget, are the Coastal Belt (130 million euros) and a section the National II highway, between Gerona and the French border (110 million euros).



At the end of 2011, the European Transport Commission approved the new routes of the European rail transport plan. Spain, with five corridors crossing the entire country, will 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 49.8 billion euros, of which at least 10% will be covered with Community funding.

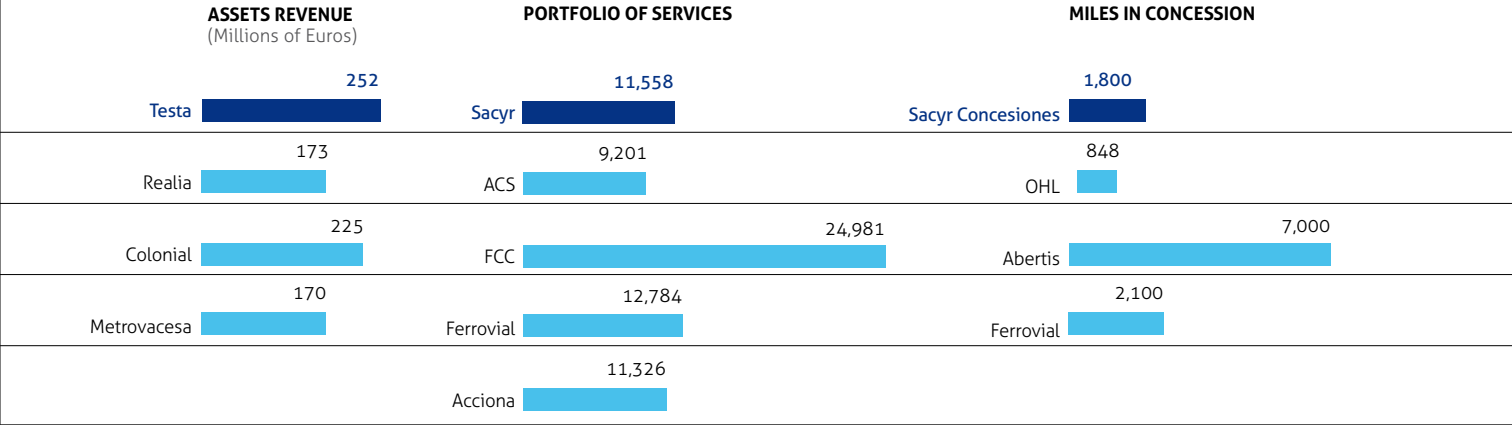
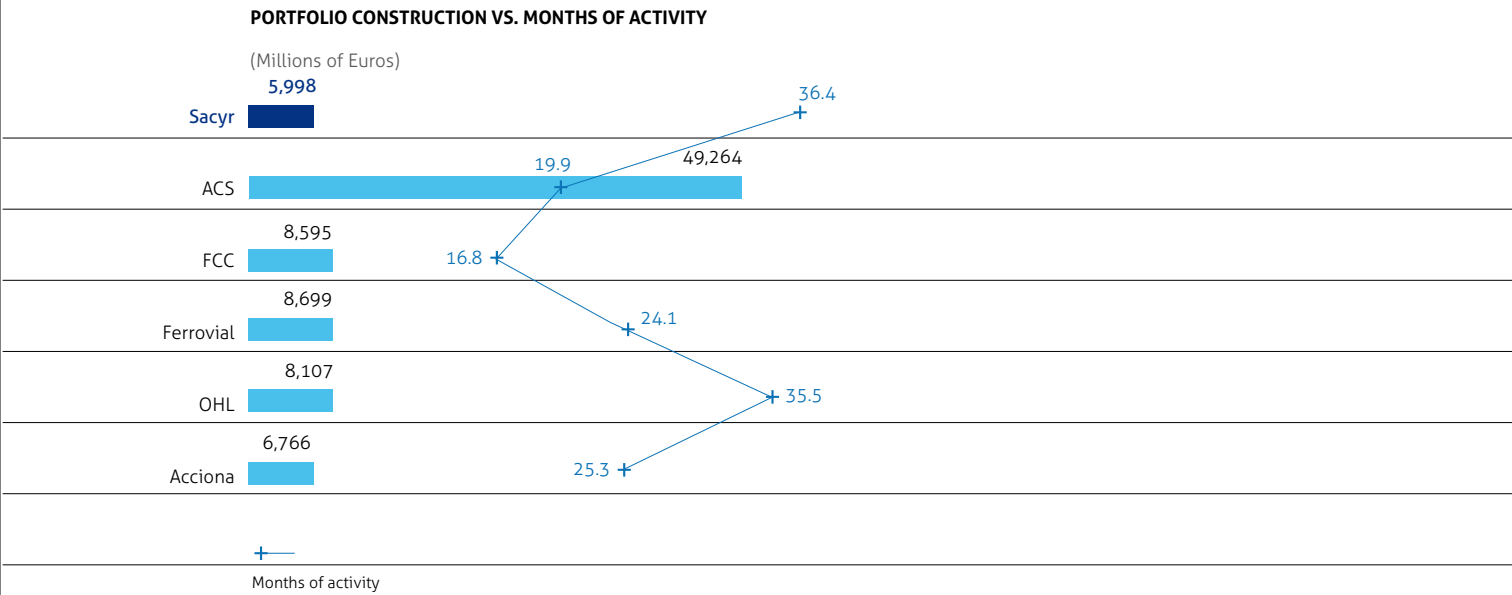
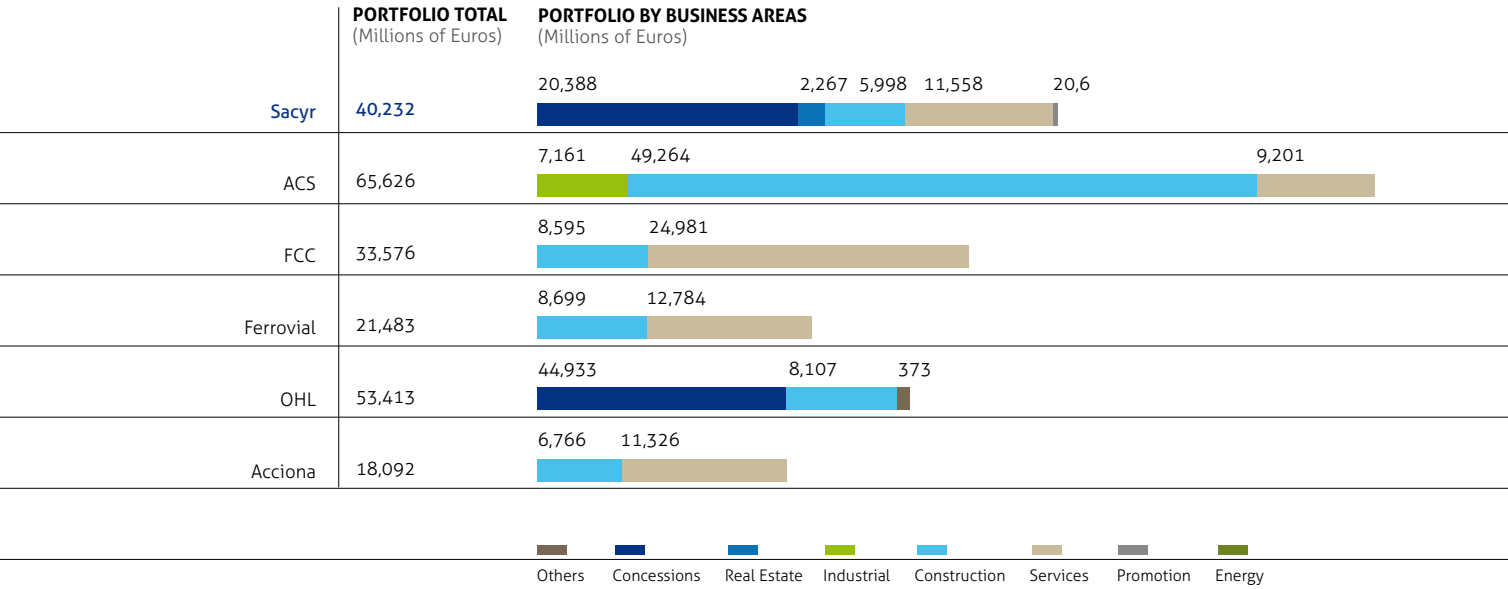


DG 48 Salerno-Reggio Calabria toll motorway. Italy

2.9

Positioning

Over its 26-year history, the Sacyr Group has become one of the leading construction, infrastructures and services operators in the market. On the domestic level, it is one of the six main operators, with acknowledged capabilities in the execution of works with a high technical component. The group positions itself as a company with high levels of execution in terms of quality.



2.10

Impact of technological
changes

Research, development and technological innovation are already one of the mainstays upon which the Sacyr strategy is based.

Given those sectors in which Sacyr conducts its business, in the main dominated by technology at the service of society, the Group’s management believes the proper management of our R&D+i to be a key priority in satisfying the new social demands, and consequently, in boosting our business competitiveness, ensuring proper preparation faced with technological changes in the setting.

This explains why research, development and technological innovation are already one of the mainstays upon which the Sacyr strategy is based, and must be so in the future, as an additional pathway towards ensuring the success of our companies.

We now go on to deal with some of the principal technological challenges which may affect each of our business areas.

TECHNOLOGICAL CHALLENGES BY AREA OF ACTIVITY AREA CHALLENGES:

AREA	CHALLENGES
CONSTRUCTION	<div>New materials and industrial technologies for the manufacture thereof</div> <div>Development, innovation in Civil Engineering processes</div> <div>Innovations in safety, detection and accident prevention</div> <div>Design of new robotics</div> <div>Development of new planning and control methods for the production and optimisation of excavation and support cycle times.</div> <div>Active environment with the aim of reducing emissions, use of recycled materials, reduction in consumption of natural resources, reduction in visual impact.</div> <div>Design and development of new Information and telecommunications technologies</div> <div>New uses of fibres to reinforce sprayed concrete in underground works</div> <div>Development of improvements in the behaviour of lining concrete</div> <div>Automation of support laying processes in underground works</div> <div>Redesigning for the optimisation of resources and machinery</div>
REAL ESTATE	<div>New uses of sustainable energies and their effect on environmental certification</div> <div>Design of systems complying with the new Technical Construction Regulations</div> <div>Development of systems for improving energy efficiency</div> <div>New low-consumption equipment</div> <div>Architectural design and innovation in the new technical construction code</div> <div>Research into new sustainable energies and compliance with the new technical construction code</div>
PROPERTY DEVELOPMENT	<div>Research into new sustainable energies and compliance with the new technical construction code</div> <div>Redesign of and investigation into soundproofing systems for the application thereof</div> <div>R&D&i of new domotics in promotions</div> <div>New exterior finishes and facades using cutting-edge materials</div> <div>Innovations in traditional construction systems</div>
CONCESSIONS	<div>Development of improvements in the safety of concessions</div> <div>Innovation in the customer care service</div> <div>Deployment of new control systems and optimisation of the service life of concessions</div> <div>Design of environmental improvements in the design and construction of concessions</div> <div>Advances in the design, construction and conservation of road surfaces (new methods, materials, construction processes, etc)</div>

SERVICES

Technological advances in geothermal drilling techniques
Development of new materials for geothermal heat exchangers and connection technics
Development of new more efficient geothermal heat pumps
Development of new techniques for laying thermo-active foundations
Development of calculation tools for the design of geothermal installations
New desalination systems for agriculture
Research into odour measurement technologies and the applications thereof
Redesign of odour treatment technologies
Energy optimisation in water treatment plants
Use of renewable energies in water treatment plants, minimisation of the carbon footprint
Development of advanced waste water treatment technologies (biofiltration)
Elimination of emerging compounds and pathogens in waste water
Development of new membranes and their processes
Recycling and new uses of waste material in desalination plants
Research into the reduction of odour, sludge and brine emissions
Research into zero discharge In brackish water desalination plants
New energy recovery in the treatment of sludge from sewage treatment plants
Pre-treatment of sludges to reduce dry material and maximise biogas thermo-hydrolysis production
New technologies in sludge drying
Investigation into the processes of bio-fouling and contamination in membrane plants
Development of wastewater reuse systems
New post treatment and re-mineralisation process
Research into the treatment of water from mining
Research into the effects of red tides on the environment and desalination
Redesign of direct osmosis
New microbial fuel cell processes for water purification and bio-indication
Research into new uses for biofilms in wastewater treatment. Granular sludge over fixed base
Application of ICTs to manage maintenance and improve the operation in WWTPs
Redesign of the life-cycle of membranes, treatment and reuse of discarded membranes
Research into the elimination of autotrophic nutrients in wastewater
New systems for providing services and conserving road infrastructures
Research into melting ice on roadways through the use of renewable energies
Development of energy efficiency improvements in roadway and tunnel lighting
New safety systems for tunnels and road infrastructures
IT developments for improving infrastructure conservation management
Research into systems and the monitoring thereof in dams
New virtual winter driving training systems

New waste treatment technologies
Research into energy recovery from waste
Redesign of systems for reducing the quantity hazardousness of material rejected from waste treatment and management.
Development of software and programming related with activities in the services sector
New systems and equipment related with mobility and urban services for gardening, cleaning, regulated parking services
Innovations aimed at minimising environmental impact



Porto Carvoeiro de Sines, Portugal.



2.11

Third countries and social
conditions of the setting

The group currently operates in around a score of countries, with a presence on 5 continents. These include countries in highly developed zones, but it is also present in emerging areas and in developing countries:

COUNTRIES	POPULATION	NOMINAL GDP (BN \$)	INCOME PER CAPITA (\$)	CURRENCY
Spain	47,265,321	1,575,113	33,325	Euro
Italy	60,813,326	2,066,934	33,988	Euro
Portugal	10,561,614	223,700	21,180	Euro
Ireland	4,581,269	258,574	56,442	Euro
France	66,007,374	2,582,527	39,125	Euro
Panama	3,405,813	34,517	10,135	Us Dollar
Chile	16,572,475	268,413	16,196	Chilean peso
Colombia	47,121,089	378,713	8,037	Colomb. peso
Costa Rica	4,667,096	45,107	9,665	Colon
Bolivia	10,389,913	27,012	2,600	Boliviano
Brazil	193,946,886	2,421,637	12,486	Real
Cape Verde	499,796	1,367	2,735	Cape V. Escudo
Togo	6,791,000	5,901	869	CFA Franc
Angola	17,747,679	82,471	4,647	Kwanza
Mozambique	21,284,701	19,600	921	Metical
Algeria	34,800,000	157,759	4,533	Algerian dinar
Libya	5,670,688	36,874	6,503	Libyan Dinar
Israel	7,588,400	243,654	32,109	New Shekel
Australia	22,951,906	1,487,000	64,788	Aus. Dollar
USA	308,745,538	14,204,322	46,007	Us Dollar

2.12

Environmental challenges

In its commitment with the environment and society in general, the Sacyr Group helps to promote environmental sustainability, principally through:

- The implementation of its projects in environmental management plans.
- The conduct of R&D+i projects of a marked sustainable nature.
- The promotion of environmental dissemination, training and awareness-raising initiatives.

Environmental management plans take the form of a series of sustainable practices, aimed at minimising effects on the natural setting, efficiency in resource use, the application of the waste management hierarchy, the fostering of energy saving, etc., such as:

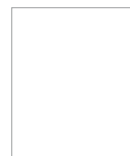
- use of natural easily recyclable products.
- use of materials with a low environmental impact throughout their life-cycle.
- elimination of materials which are hazardous for the environment and for health, such as asbestos, lead and PVC.
- purchasing of local materials to reduce emissions from the transport of these materials.
- protection of natural habitats.
- promotion of energy saving and adoption of energy efficiency measures associated to lighting, air conditioning, equipment, refrigeration, transport, etc.
- installation of accumulators and solar panels in buildings.

- proper management of any construction and demolition waste generated.
- use of wood from sustainable forestry exploitation, wherever possible with FSC, PEFC (Pan European Forest Certification) certificates, or similar.
- purchasing products bearing the European eco-label (EEL). This label is a system for identifying products which are respectful with the environment. The EEL is issued to those products (except for foodstuffs, drinks and medicinal products, which are not covered by the System), which have a reduced environmental impact based on the establishment of ecological criteria, which make it possible to evaluate the environmental impact of products throughout their life cycle, extraction of raw materials, manufacturing process, distribution, even with regard to containers, consumption and final elimination.

From an environmental perspective, the challenges and objectives with the greatest impact on our structure are the following:

- Informing Society about our carbon footprint.
- Extending environmental certification to the company's new business activities.
- Implementing our software applications in the international setting.

Environmental management plans take the form of a series of sustainable practices.



Interior Braga
Hospital in Portugal

2.13 Regulatory framework

Sacyr is subject to compliance with the general Spanish legal system, as the headquarters of its central structure are in Spain. It is additionally subject to compliance with the laws of other countries where various business activities also take place (see page 34 of this report).

At the present time, our activities are not included in the “regulated sectors”.

In a supplementary manner, it is interesting to highlight two aspects :

- Public Administrations’ arrears.

Act 15/2010, amendment to Act 3/2004, of December 29, which establishes measures to combat late payment of commercial transactions, obliges Public Administrations to pay their bills within 40 days in 2012 (30 days in 2013).

Public Administrations have made their payment terms worse, creating an anomalous situation for an economy such as the Spanish one, which can only be solved (i) by modifying the rules that govern the funding of Autonomous Communities, and municipalities, (ii) by ensuring strict compliance to budgetary rules and (iii) by requiring, where appropriate, penalties for those who fail to comply with these rules.

In 2013, the new arrears Directive 2011/7/EU, which shall be incorporated into the domestic legal systems, should provide an alternative to the legal uncertainty that arises from the aforementioned multiple and contradictory interpretations of Act 15/2010.

- Public Administrations’ arrears.

Legal certainty is a determining factor when considering options for financing a concession business.

The current lack of proper regulation on important aspects of the financing of public works concessions is hindering access to financial resources necessary for concessions’ success.



03

Corporate Governance

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3.1

General Meeting, Board and Committees

Governance bodies

The General Shareholders meeting is the company's maximum decision-making body. Represented therein are all the shareholders of the Group and thus, all its share capital. The General Meeting is responsible for deciding on all matters which may have been legally or statutorily attributed to it, and in particular, its competences include, but are not limited to, appointing and dismissing directors, approving the management report and annual accounts, modifying company bylaws, as well as deciding upon the transformation, merger or break-up of the company.

Except for matters which are the competence of the General Meeting, the Board of Directors is the company's maximum decision-making body.

Its principal responsibilities include approving the company's general strategies, or overseeing the monitoring of management activity and the assessment of executives.

At 31 December 2012, the Sacyr Board of Directors comprised 15 members: 1 executive, 12 proprietary, one independent and one external. Its composition ensures the constant monitoring of profitability for all shareholders and the tracking of strict compliance with the company's strategy.

There are two different types of director: internal (also called executive), who are those who perform executive or management duties within the company; and external, which in turn may be proprietary or independent: proprietary directors represent shareholders with a significant holding in the company's share capital, while independent directors, with no link to the shareholders, are appointed for their acknowledged professional prestige and knowledge of corporate governance.

NAME	POST	REPRESENTATIVE	CHARACTER	ON BEHALF OF	DIRECT VOTING RIGHTS	INDIRECT VOTING RIGHTS	TOTAL	%
Manuel Manrique Cecilia ⁽¹⁾	Chairman and CEO		Executive		245	26,796,775	26,797,020	6.039
Demetrio Carceller Arce ⁽²⁾	First Vice-Chairman		Proprietary	Disa Corporación Petrolífera, S.A.	5,134	193,670	198,804	0.045
Nueva Compañía de Inversiones, S.A. ⁽³⁾	Second Vice-President	Juan Abelló Gallo	Proprietary		5	42,697,938	42,697,943	9.623
Diogo Alves Diniz Vaz Guedes			Independent		0	1,600,871	1,600,871	0.361
Austral, B.V. ⁽³⁾	Director	Pedro del Corro García Lomas	Proprietary		42,697,938	0	42,697,938	9.623
Grupo Satocan, S.A. ⁽⁴⁾	Director	Juan Miguel Sanjuan Jover	Proprietary		11,493,739	1,298,333	12,792,072	2.883
Matias Cortés Domínguez	Director		External		100	0	100	0.000
Beta Asociados, S.L. ⁽⁵⁾	Director		Proprietary		23,293,360	346,500	23,639,860	5.328
Prilomi, S.L. ⁽⁶⁾	Director	José Manuel Loureda López	Proprietary		23,378,134		23,378,134	5.269
Prilou, S.L. ⁽⁶⁾	Director	José Manuel Loureda Mantiñán	Proprietary		31,593,385	23,378,134	54,971,519	12.389
Cymofag, S.L. ⁽¹⁾	Director	Gonzalo Manrique Sabatel	Proprietary		26,796,775	0	26,796,775	6.039
NCG Banco, S.A. ⁽⁷⁾	Director	Fernando Vázquez de Lapuerta	Proprietary		0	23,066,841	23,066,841	5.198
NCG Corporación Industrial, S.L. ⁽⁷⁾	Director	Luis Caramés Viéitez	Proprietary		23,066,841	0	23,066,841	5.198
Grupo Corporativo Fuertes, S.L.	Director	Tomás Fuertes Fernández	Proprietary		27,683,467	0	27,683,467	6.239
Javier Adroher Biosca	Director		Proprietary		150,000	0	150,000	0.034
Elena María Otero-Novas Miranda	Non-Board Member Secretary							
Gerardo Manso Martínez de Bedoya	Non-Board Member Deputy Secretary							

(1) The indirect participation of Mr. Manuel Manrique Cecilia is through Telbasa Construcciones e Inversiones, S.L. which in turn controls 100% of the share capital of Cymofag, S.L.U.

(2) The indirect participation of Mr. Demetrio Carceller is through the Corporación Económica Damm, S.A. (0.038%) and related individuals (0.006%).

(3) Nueva Compañía de Inversiones, S.A., is the indirect owner of 100% of Austral, B.V.

(4) The indirect holding of Grupo Satocán, S.A. is through Grupo Satocán Desarrollos, S.L. (0.252%) and Grupo Satocán Invest Sicav, S.A. (0.041%).

(5) The indirect holding of Beta Asociados is through Cantevel 1, S.L. Mr. José del Pilar Moreno Carretero possesses a holding of 62.888 % in the developer company Majariiega de Inmuebles, S.L., which has a holding of 63.234 % in the trading company Beta Asociados, S.L.

(6) Prilou, S.L. owns a total holding of 12.389% (7.120% Direct and 5.269% indirect through Prilomi, S.L. Mr. José Manuel Loureda Mantiñán owns 49% of the share capital of the company Prilou, S.L. and Prilou, S.L. owns 85.45% of the share capital of Prilomi, S.L.

(7) NCG Banco, S.A. owns 100% of the share capital of NCG Corporación Industrial, S.L. (formerly, CXG Corporación Novacaixagalicia, S.A.).

Pursuant to the Regulations governing its organisation and operation, the Board is supported by three committees, which assist it in the performance of its duties:

- The Executive Committee, which is delegated all the powers of the Board, except for those which are legally or statutorily non-delegable and those which the Board retains for itself, with no possibility of delegation, in accordance with its Regulations.
- The Audit Committee, whose key duties include reporting to the General Meeting on matters raised by shareholders in issues within the remit of the committee; proposing the appointment of the statutory auditor, in keeping with applicable law, to the Board of Directors, for submission to the General Meeting; overseeing the drafting process and the integrity of the financial information pertaining to the Company and, where applicable, to the group, reviewing compliance with the regulatory requirements, the proper delimitation of the scope of consolidation and the proper application of accounting criteria; tracking the effectiveness of the Company's internal control, internal audit and risk management systems, and discussing with the auditor any significant weaknesses which may have been discovered in the internal control system during the audit; monitoring the preparation and presentation of regulated financial information; Liaising with the statutory auditor to receive information on any issues which could jeopardize its independence and any other issues relating to the performance of the audit, and generally receiving information and complying with the guidelines on information and communication flows provided for in prevailing auditing legislation and accounting standards.

In any event, the Audit Committee must receive annual written confirmation from the auditor of their independence from the Company and any companies linked directly or indirectly to the Company, and of the information provided by these to such bodies concerning any other services provided to these firms by the aforementioned auditor, or by persons or entities linked to the auditor, pursuant to prevailing regulations on audit reporting. In any event, this report must express an opinion on the provision of additional services referred to in the point above; and that of informing with regard to the transactions with Directors of the Company which imply or may imply conflicts of interest or transactions with related parties of which the Regulations of the Board state the Executive Committee or the Board of Directors must be notified.

- The Appointments and Remuneration Committee, which analyses the professional backgrounds and evaluates the profiles of those individuals most suited to form part of the Board and the different Committees, ensuring that the candidates proposed to the Board of Directors are always individuals of recognised solvency, ability and experience.



*Sacyr, Board of Directors, 2013 may.
From left to right (in sitting position):
Mr. Tomás Fuertes Fernández,
Mr. Demetrio Carceller Arce,
Mr. Manuel Manrique Cecilia,
Mr. José Manuel Loureda Mantiñán,
Mr. José Moreno Carretero.*

*From left to right (stand):
Mrs. Elena Otero – Novas Miranda,
Mr. Juan Miguel Sanjuán Jover,
Mr. Matías Cortés Domínguez,
Mr. José Manuel Loureda López,
Mr. Luis Caramés Viéitez,
Mr. Javier Adroher Biosca,
Mr. Diogo Alves Diniz Vaz Guedes,
Mr. Gonzalo Manrique Sabatel,
Mr. Fernando Vázquez de Lapuerta.*

NAME	EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS AND RETRIBUTION COMMITTEE
Manuel Manrique Cecilia	CHAIRMAN		
Demetrio Carceller Arce	MEMBER		MEMBER
Nueva Compañía de Inversiones, S.A.			
Cymofag, S.L.			
Diogo Alves Diniz Vaz Guedes		MEMBER	
Austral, B.V.	MEMBER	MEMBER	
Matias Cortés Domínguez			CHAIRMAN
NCG Banco , S.A.		MEMBER	
NCG Corporación Industrial, S.L.			MEMBER
Prilou, S.L.	MEMBER		MEMBER
Prilomi, S.L.			
Grupo Satocan, S.A.		CHAIRMAN	
Beta Asociados, S.L.			
Grupo Corporativo Fuertes, S.L.			MEMBER
Francisco Javier Adroher Biosca			

The Committee is also responsible for submitting to the Board of Directors proposals for appointment of independent directors (for the appointment thereof through co-optation or to be submitted for the decision of the General Meeting); informing on the proposals for the appointment of the remaining directors (for the appointment thereof through co-optation or to be submitted for the decision of the General Meeting); proposing to the Board those members who should form part of each of the Committees and the system and quantity of the annual remuneration of the directors ad members of the Company's Management Committee, as well as of those directors with executive duties; periodically

reviewing the remuneration schemes, assessing their suitability and performance; informing the Board of Directors of those cases in which it is concluded that the continuance of one of more of the directors as members of said body may place the interests of the Company at risk or adversely affect the credit or reputation thereof, and that of ensuring the transparency of remuneration.

3.2

Chain of command

In accordance with the Regulations of the Board, it is a policy of this governing body to delegate the ordinary management of the company to the executive bodies and to the management team, and to focus on its general supervisory duties.

The body responsible for the ordinary management of the organisation is the Management Committee composed of the following:

NAME	POST	MANAGEMENT COMMITTEE
Manuel Manrique Cecilia	Chairman and CEO of Sacyr Vallehermoso, S.A.	X
Miguel Heras Dolader	CEO of Sacyr Construcción, S.A.	X
Fernando Lozano Sainz	CEO of Valoriza Gestión S.A.	X
Jose María Orihuela Uzal	CEO of Sacyr Concesiones S.L.	X
Daniel Loureda López	CEO of Testa Inmuebles en Renta S.A. and Vallehermoso División Promoción S.A.	X
José Manuel Naharro Castrillo	General Manager, Recursos	X
Fernando Lacadena Azpeitia	General Manager of Finance and Corporate Development	X
José Manuel Loureda López	General Manager of International Expansion and Institutional Relations.	X
Javier López-Ulloa Morais	Deputy General Manager to the CEO of SyV	X
José Carlos Otero Fernández	General Manager of Administration and Operations.	X
Elena Otero- Novas Miranda	Secreatary of the Board of Sacyr Vallehermoso and General Manager of the Legal Department.	X

The Management Committee is the body responsible for implementing the decisions taken by the company's Board of Directors and Executive Committee. Present therein are the chairpersons and/or CEOs of each branch of activity and the general managers of the Holding company's central services.

The Company's senior management comprises the heads of each business line and Corporate Services who report directly to the Chairman and CEO, but who do not take part in collective decisions on the Group's management.

For information purposes, in this section, Sacyr Vallehermoso, S.A. considers its Senior Management to be those members of staff who report directly to the Chairman and CEO; i.e., those individuals entrusted with executing and implementing the business decisions taken by the Group's relevant management body - in this case, the Board of Directors and the Board Committees, which are exclusively responsible for management functions at the Group and which set its commercial and investment strategy.

This description, given solely for informative purposes, is not an interpretation of the classification for the purposes of regulations that apply to the Company (such as the regulation contained in Royal Decree 1382/1985), nor does it have the effect of creating, recognising, modifying or cancelling legal or contractual rights or obligations. Specifically, as long as the members of the Management Committee have not expressly entered into a written contract for the purposes of Royal Decree 1382/1985, they will be considered to be fully subject, for all purposes, to a standard labour contract. At 31 December 2012, two members of the senior management team have entered into a senior management contract, which includes an indemnity payment of two years' salary in the event of dismissal. The remaining members are subject to ordinary labour law.



*Sacyr Management Committee,
May 2013.*

*From left to right:
Mr. Daniel Loureda,
Mrs. Elena Otero – Novas,
Mr. José Manuel Naharro,
Mr. Manuel Manrique,
Mr. Fernando Lacadena,
Mr. Miguel Heras,
Mr. José Carlos Otero,
Mr. Fernando Lozano,
Mr. José María Orihuela.*

3.3 Good governance practices

"Sacyr's administration structure ensures that powers and duties are properly distributed among the various governing bodies"

Our corporate governance practices are designed to guarantee efficient governance of the Company, safeguard the rights of all shareholders and ensure maximum transparency in reporting the Company's operations and financial position.

Sacyr complies with all legally imposed corporate governance requirements and uses, as its principal source of reference for ensuring best practices in its management, that set out through the recommendations of the Unified Good Governance Code issued by the Spanish Stock Exchange Commission (CNMV).

Sacyr's administration structure ensures that powers and duties are properly distributed among the various governing bodies: The General Shareholders Meeting, the Board of Directors and the three committees that assist the Board in the performance 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 Regulations, and the Internal Code of Conduct, all of which can be consulted on the Group's website.

Sacyr complies with the best corporate government practices, notably the following:

- The Sacyr by-laws contain no "poison pills" limiting the maximum number of voting rights that can be exercised by any given shareholder or any other type of restriction designed to block a potential takeover bid through market share acquisitions.
- External directors easily outnumber executive directors, thereby ensuring the Sacyr Board of Directors' general oversight function.
- The distribution of different types of Sacyr directors is a fair reflection of the company's capital structure; directors represent shareholders from different origins, which do not form a monolithic group with each other. This diversity among proprietary external directors encourages a culture of mutual oversight that benefits all shareholders.
- There are also two other Vice-Chairmen, both of whom are external proprietary directors.

Lastly, the Executive Committee, comprising 4 directors, completes the overview of the separation of powers.

- The company's governance structure is not merely formal; throughout 2012 the governing bodies were involved in real, intense activity requiring 10 Board meetings, 9 Executive Committee meetings, 7 Audit Committee meetings and 5 Appointments and Remuneration Committee meetings.
- The members of the Board of Directors may consult any member of the company, as well as request external guidance.
- Membership of executive directors reaching the age of 65 comes under review by the Board. In addition, the membership of directors also comes under review of the Board in other cases, thereby ensuring that directors who are no longer suitable for the position do not remain in the governing body.
- The total remuneration of the directors, both the part attributed to them as directors and the quantities received by executive directors in the performance of their duties, can be considered reasonable in line with market standards.
- As an additional transparency measure in the company management, the Group publishes an individual breakdown of this remuneration. In addition, pursuant to article 43.2 of the Company Bylaws, each year the shareholders remuneration paid to executive directors is ratified by the shareholders at the Annual General Meeting.
- All changes to the membership of the Board of Directors and Board committees, or to the remuneration of their members, as well as in the remuneration of the members of the Management Committee, are reported by the Appointments and Remuneration

Committee, which is made up exclusively of external directors, following approval by the Board of Directors.

- The Audit Committee, also comprising exclusively of external directors, performs a wide range of tasks designed to reinforce the transparency of company management.
- Interim financial information is drawn up using the same accounting principles and professional practices as the annual financial statements, in order to maximise the comparability of data at all times.
- Measures are taken to ensure that all shareholders have access to the information they require in accordance with recommendations on good corporate governance. As explained in the section entitled "Channels of stakeholder engagement", Sacyr has established various different channels: the corporate Website, periodic public information, personalised attention through the Investor Relations Department, etc.
- The procedures for proxy voting at General Meetings have been broadened and improved, while participation therein has increased with the introduction of remote appointment of proxies and remote voting through electronic and postal communications, and the implementation of the Shareholders' e-Forum.
- To help shareholders exercise their vote to the best effect, separate votes are taken in General Meetings on materially separate items, so shareholders can express their preferences in each case, notably on the appointment or ratification of directors.

- The SyV Board of Directors takes steps to periodically control and evaluate the quality and efficiency of its own operation and that of its committees, based on reports prepared by the latter. The Appointments and Retribution 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 whether directors and external advisors can be consulted and the advice sought obtained.
- The risk management and control policy is formally presented to and approved annually by the Board of Directors.
- A new Code of Conduct has been approved, regulating those actions that are forbidden or undesirable for the Group more explicitly; the regulations expressly include the criminal risk for legal entities, set out in Law 5/2010 of 22 June on the reform of the Penal Code.
- In addition to this new Code of Conduct, a body has been established for overseeing the Code and ensuring it is applied throughout the Group, and which is assisted by the Compliance Department.
- As part of this new Code of Conduct, the Ethics hotline has also been modified, and now has two new functions: one for consultation, and the other for reporting breaches of that set out in the Code of Conduct. The latter function ensures the confidentiality of the individual reporting the breach, and respect for the accused party's rights.

- The regulations of the Board specifically govern the procedures established for avoiding conflicts of interests within the highest governing 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 a conflict of interests, the director in question shall refrain from participating and voting in the deliberation over the transaction to which the conflict relates.

The Sacyr by-laws also state that, whenever the Executive Committee deems it necessary, the Audit Committee must report any transactions with Sacyr directors that give or could give rise to conflicts of interest. In case, all conflicts of interest 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 interest and related party operations.



- The Board of Directors encourages informed participation by shareholders at the annual general meetings and is committed to taking all appropriate measures to ensure that shareholders participating in these meetings can carry out their work efficiently and in compliance with the law and company by-laws.

In particular, the Board of Directors shall adopt the following measures:

- Prior to the annual general meeting, the

Board shall distribute to shareholders all information that might possibly be of interest and reasonably distributed, as well as all legally required information.

- The Board shall respond, to the best of its ability, to requests for information made by shareholders prior to the General Meeting.
- It shall likewise deal with questions posed by shareholders during the General Meeting.



*Repsol Head Office,
Madrid, built by
Sacyr Construcción.*

3.4

Remuneration and bonuses

Remuneration of directors

Pursuant to the Company Bylaws, members of the Sacyr Board of Directors are entitled to receive remuneration from the Company comprising a fixed annual sum and allowances for the attendance of meetings.

A detailed breakdown of the amounts received by directors in 2012 for the performance of their duties on the Board is provided below:

DIRECTORS	BOARD	AUDIT COMMISSION	REMUNERATION COMMITTEE	EXECUTIVE COMMITTEE	TOTAL
Manuel Manrique Cecilia	44,550.00			29,700.00	74,250.00
Demetrio Carceller Arce	44,550.00		14,850.00	26,400.00	85,800.00
Matías Cortés Domínguez	44,550.00		14,850.00		59,400.00
Francisco Javier Adroher Biosca	44,550.00				44,550.00
Diogo Alves Diniz Vaz Guedes	44,550.00	6,364.29			50,914.29
Austral, B.V. (Pedro del Corro García-Lomas)	44,550.00	14,850.00		29,700.00	89,100.00
Participaciones Agrupadas, S.R.L. (Manuel Azuaga Moreno) (baja 18/12/2012)	31,185.00			23,100.00	54,285.00
Nueva Compañía de Inversiones, S.A. (J. Abelló Gallo)	44,550.00				44,550.00
Prilou, S.L. (J.M. Loureda Mantiñán)	44,550.00		14,850.00	29,700.00	89,100.00
Prilomi, S.L.(J.M. Loureda López)	44,550.00				44,550.00
Actividades Inmobiliarias y Agrícolas, S.A. (AIYASA) (Ángel López Coróna Dávila)(baja 23/04/2012)	13,365.00				13,365.00
Grupo Satocán, S.A. (Juan Miguel Sanjuán Jover)	44,550.00	14,850.00			59,400.00
Rimefor Nuevo Milenio, S.L. (Luis F. del Rivero Asensio)(baja 23/04/2012)	13,365.00				13,365.00
Beta Asociados, S.L. (José del Pilar Moreno Carretero)	44,550.00				44,550.00
Grupo Corporativo Fuertes, S.L. (Tomás Fuertes Fernández)	44,550.00		14,850.00		59,400.00
NCG Banco, S.A. (Fernando Vázquez de la Puerta)	44,550.00	14,850.00			59,400.00
NCG Corporación Industrial, S.L. (Luis Camarés Viéitez)	44,550.00		8,910.00		53,460.00
Cymofag, S.L. (Gonzalo Manrique Sabatel)	44,550.00				44,550.00
TOTAL	726,165.00	50,914.29	68,310.00	138,600.00	983,989.29

The detail of remuneration received by the Company’s Directors and senior management in 2012 is as follows:

ACCRUED REMUNERATION EUROS				
NAME	FIXED INCOME	VARIABLE INCOME	LIFE.INS	TOTAL R
Manuel Manrique Cecilia	1,400,000.00	974,400.00	521.03	2,374,921.03
Management Team	2,729,589.57	1,069,680.64	3,181.47	3,802,451.67
TOTAL	4,129,589.57	2,044,080.64	3,702.50	6,177,372.70

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

The detail of loans and advances outstanding and amounts repaid by Company’s directors and senior management in 2012 is as follows:

During 2012, one member of the senior management was given an advance of 274,266 euros.

LOANS	AMOUNT PENDING REPAYMENT 31/12/2012	AMOUNT RETURNED AT 31/12/2012
Management Team	289,074.47	160,925.53

Furthermore, one member of the senior management has a loan of 450,000 euros, at an interest rate equivalent to the three-month Euribor rate plus a spread of one hundred basic points (1,00%). Interest accrues daily on a base of 360 days.

3.5 Auditing and internal control

The principal aim of the Sacyr Group's Internal Audit Department is to provide senior management and the Audit Committee with reasonable guarantees that the control setting and the internal control systems within the group have been designed correctly and are suitably managed. Achieving this goal has entailed conducting the following functions:

- Monitoring the existence and suitability of the internal control and the quality and reliability of the financial and management information (review audits of the financial and management information, review and analysis of compliance with the policies, plans and procedures and analysis of the effectiveness, efficiency and economy of operations) collaborating in the continual improvement thereof, ensuring that operations and procedures are being implemented and carried out exactly as they were planned and, consequently, verifying that the results obtained are in line with the objectives established.
- To review and update the risk map and participate actively in the Group's Control and risk management policy.
- To provide an independent, corroborated opinion on the interpretation and application of the current legal regulations concerning matters related with the risks to which the Sacyr Group is exposed.
- To ensure suitable physical and legal protection for assets and the proper recording thereof in the accounts.
- To cooperate in improving good corporate governance.

In order to achieve its goals, the Internal Audit Department has a team in Spain comprising the manager, two administrators and three supervisors. It also has a three-person team in Portugal, including a Deputy Manager, entrusted to deal with the needs of the Somague Group its foreign subsidiaries.

3.6 Risk management and anti-corruption policies

With an important presence in the international setting, the Sacyr Group conducts its business in a number of different sectors, socio-economic settings and regulatory frameworks. In this context, there are risks of different types that are specific to the businesses and sectors in which the company operates.

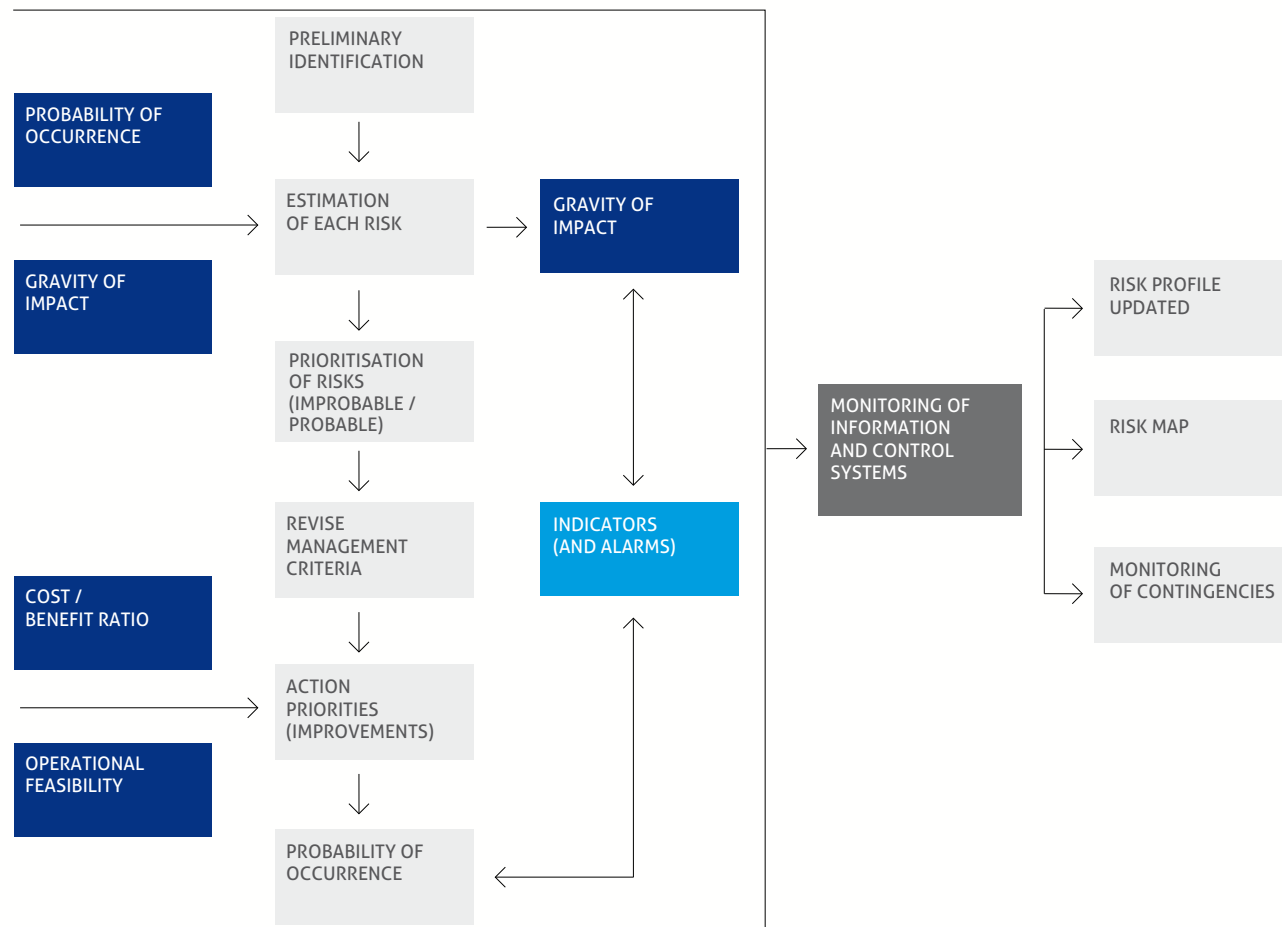
Sacyr has established a sound policy for effectively identifying, evaluating and managing risks, in order to reasonably guarantee the efficiency and effectiveness of its operations, reliability of information and compliance with legislation.

As established in Sacyr's risk control and management policy, the process begins with the identification and preliminary evaluation of risks, which, given the changing nature of the settings in which the organisation operates, needs to be updated periodically.

This initial stage results in 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 probability that each risk could materialise.

Having identified the risks, the management's knowledge of them is analysed, along with the suitability and effectiveness of the decisions taken to mitigate them. Based on this information, the Management of Each business unit, under the oversight of the Internal Audit Department, establishes its risk priorities and determines the measures to be implemented, taking into account the operating viability, possible effects, and the cost effectiveness of implementation.

Process for identifying risks and establishing control measures.



Risk control and risk management accountability structure

The Board of Directors formally approves Group's risk management and control policy, and regularly monitors the information and control systems. This guarantees the Board of Directors' involvement in overseeing the risk identification process and the implementation and monitoring of adequate control and information systems.

Reinforcing this structure, the Group's different business divisions have their own management and control personnel to monitor the achievement of the specified objectives identified by business division or company as part of the strategic planning in force at all times.

Risk management and control activities in 2012

In 2012 the Internal Audit Department renewed its "Quality Certificate" issued by Institute of Internal Auditors. The majority of its auditors have obtained the "Certified Internal Auditor" (CIA) certificate, by passing the access exam, as well as the "Certification in Risk Management Assurance" (CRMA) Certificate.

With the Quality Certificate and CIA and CRMA qualifications, the Institute commends the quality of the work of internal auditors, certifying their commitment to the highest professional standards.

One of the principal aims of the 2012 Internal Audit Plan was to continue moving forward in the development and updating of detailed risk maps for each business line, and in the framing and implementation of improvements in the Sacyr's risk management and control policy. Our Group has gone from one 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.

The Internal Audit Department, which reports directly to the Sacyr Group Chairman and is supervised by the Audit Committee, is responsible for systematically evaluating the efficiency of the risk identification, management and control procedures. To do so, it draws up a annual Internal Audit Plan, which subject to approval by the Audit Committee, and which establishes the yearly priorities and the work plan required to attain them.

Owing to the international crisis, in the last three years the importance and probability of occurrence for the different risks have undergone highly significant changes; accordingly, in 2012 we focused on updating the existing maps for Vallehermoso, Testa, Valoriza, Concessions and Somague, paying special attention to those geographic areas abroad where these sub-groups are particularly active (Portugal, Angola, Cape Verde, Madeira, Chile, Panama, France, Ireland, United States and Brazil).

The Sacyr Group's Board of Directors formally approved the Risk Management and Control Policy monitors its information and control systems.

Also during 2012, we completed the Construction risk map and updated high-level risk maps, independently of the risk maps for the different business lines. These can be used as tools for managing the risks associated with new regulations, the supervision of internal control over financial reporting by the Audit Committee, and the impact on our organisation of Spain's new Penal Code, under which legal entities are held liable for offences committed.

The Sacyr Group's Board of Directors formally approved the Risk Management and Control Policy monitors its information and control systems. As a result, subsequent to the Audit Committee's analysis and supervision of risk management and control in the year, the Board of Directors approved the Risk Control and Management Policy for 2012.

The 2012 Internal Audit Plan schedules its work in line with COSO risk control and management methodology (Internal control). As a result of this work, which covers all the Group's divisions and business lines, no incidents having a significant impact were detected in 2012.

The following sections provide an overview of the Sacyr Group's management of the regulatory compliance risks that require a more detailed explanation due to their relevance or specific characteristics.

Regulatory compliance risks

According to the Sacyr Code of Conduct, compliance with legislation is one of the basic principles underlying the conduct of the Group and its employees. The Sacyr Group 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 different legal provisions is monitored primarily by the Legal Department and the Internal Audit Department, which, as of 2008, has a dedicated Regulatory Compliance Unit.. Other organisational areas, including the Quality and Environmental Department and the Occupational Health and Safety Service, also help guarantee respect for prevailing legislation in the corresponding activity areas.

In view of the high volume of the Group's activities and its diverse and complex nature, claims occasionally arise in respect of the supply and use of products and services or other causes derived from the different regulatory and sector regulation environments applicable to Sacyr subsidiaries. These claims are promptly processed and either accepted or contested 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 indicative of corruption or bribery.

In 2011, Sacyr set up the "Code of Conduct Control Unit" (OCCC), comprising members of its Senior Management. This unit processes all reports filed within the Group, and is also responsible for assuring strict compliance with the Code of Conduct.

Among other provisions, the Code expressly prohibits Group 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 in a commercial, professional or administrative relationship.

The Group's Internal Audit Department is responsible for establishing the necessary mechanisms to prevent and detect corruption. The department has specific fraud-detection software and employs specialist personnel to carry out both the preventive and detective elements of this work.

Any signs of corruption are analysed in detail and, in each case, depending on whether there are signs evidence, the proper action is taken. In all cases, possible solutions for the specific business procedure which failed to preclude corruption practices are reviewed and improvements are sought.

Other risks

In addition to the compliance risks described above, within the Group's Risk and Control Management Policy control and communication mechanisms are also established for many more, noteworthy amongst which of the following:

- Risk of poor adaptation to the setting or market in which the Group operates.
- Risk of inadequate management of the aspects relating to social responsibility and sustainability, as well as the corporate image.
- Risks related with human capital: positioning, training, flexibility, dependence on key personnel, working environment, etc.
- Financial risks: credit, interest rate, exchange rate liquidity.
- Risk of inadequate information for taking decisions.
- Risks related with the area of technology and information systems: network management, physical and logical security, integrity of information.

3.7 Money laundering prevention

The Group is its Internal Money Laundering And Terrorism Financing Prevention Protocol, 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.

The Sacyr Group is committed to and vigorously cooperates with the various international programmes and initiatives to prevent money laundering and the financing of terrorism.

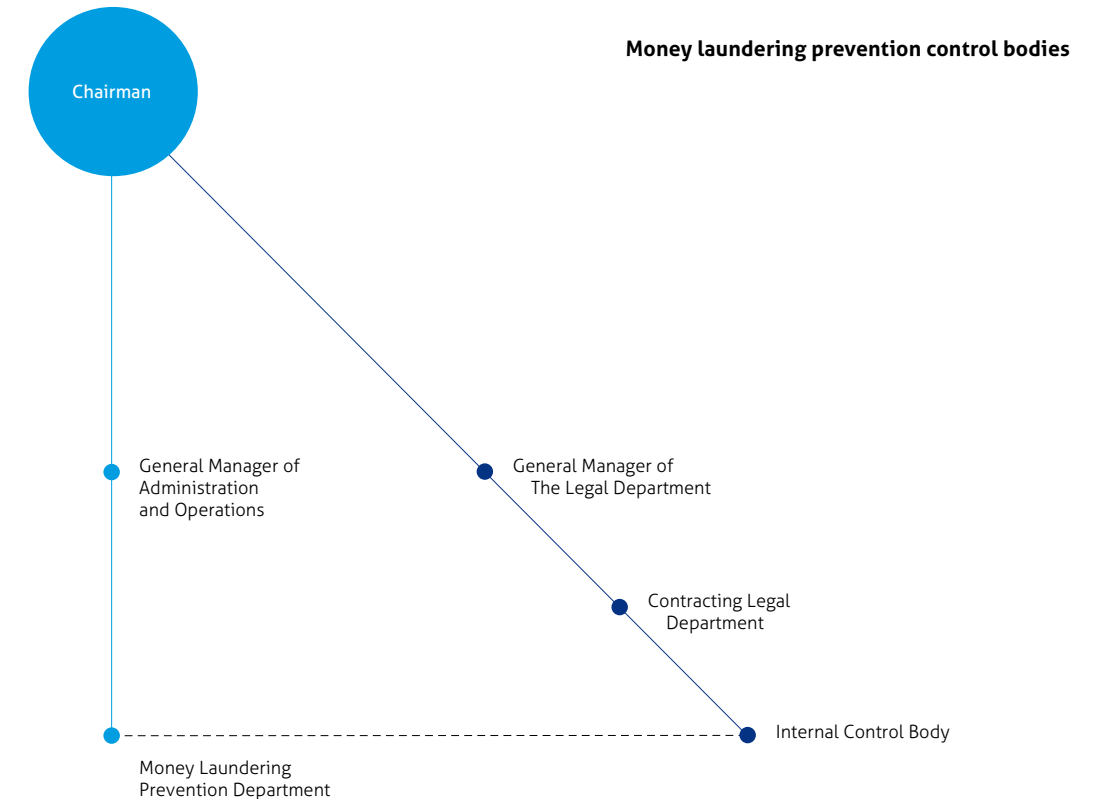
To comply with prevailing legislation in this area, the Group has established the internal control procedures and bodies necessary to prevent and impede transactions associated with money laundering in all areas under its control.

The principal management tool adopted by the Group is its Internal Money Laundering And Terrorism Financing Prevention Protocol, 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 modified on several occasions to adapt to applicable laws, the last such modification took place in November 2012.

This protocol shows, in a structured form, 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 implicated in illegal money laundering activity. The structure is as follows:

- The Internal Control Body (OCI), forming part of the Legal Department. This body aims to analyse, control and report to the Bank of Spain's Executive Service all information on operations or events that could be related to money laundering.
- The Group's Money Laundering Prevention Department which reports to the General Administration and Operations Department and is overseen by the Internal Control unit, has as its exclusive remit the management of anti-money laundering activities.



To further strengthen the Group's control activities, the Internal Audit Department supervises all the Group's money laundering prevention activities on an ongoing basis.

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

- Training plans and specialised courses for Group personnel and personnel belonging to the externalised sales network.

- Internal compliance audits and yearly external expert review of money laundering and financing of terrorism prevention procedures and control bodies.

- Implementation of strict preventative control and review measures for operations, through the Money Laundering Prevention Department and the Internal Control Body.

- Strict compliance with the measures aimed at identifying new clients and safeguarding confidentiality.

- Incorporation within the IT system of a complex system of automatic alerts that limits the possibility of human error in the detection of risk situations.
- Inclusion in contracts concluded with businesses belonging to the sales network of clauses requiring them to ensure strict compliance with anti-money laundering legislation.

Every quarter, the Department drafts a newsletter which is sent to a list of recipients selected according to their relationship with the prevention of money laundering (Board members and Group directors, VDP personnel 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 of the external expert, and the extent to which the auditors' 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 exit 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.

With regard to the training policy, the main goal was to train all staff whose jobs directly or indirectly involve money laundering prevention functions under the new requirements of the Money Laundering Prevention Act (Ley 10/2010) and in its practical applications to Group procedures. In 2012, the training plan consisted of completing the aforementioned training plan (including the legal developments that have appeared), training all staff who had not yet been trained and new recruits. In 2011, an online course was designed on the group's platform, and worker has continued this year in this vein, at the same time as a personalised training plan has been designed to facilitate the application thereof under specific circumstances. In 2012, 46 individuals were called to attend, and 25 were trained. The rest will be called for training in 2013.

In Portugal, Sacyr has a number of property development subsidiaries and must accordingly comply with money laundering prevention regulations. The Prevention of Money Laundering Department receives a monthly report on new operations showing the amount of each transaction, the name of the client, the company making the sale, the contract type, and whether or not the transaction is high-risk. The information is analysed monthly at Internal Control Body meetings.



Subsidiaries have to file, two biannual reports (in July and December). At the time of drafting this report, all information had been received correctly and without incident.

In 2012, the amount for IT alerts was modified, owing to the needs of the market and to the current VDP situation. On the other hand, taking into account Law 7/2012, of 29 October, which limits cash payments to €2,499, the cash alerts have been duly modified and set at this quantity.

Moreover, the Money Laundering Prevention Department conducted monthly reviews of the status of documentation in the files generated with management sales in 2012, of both physical and digital files. The results were satisfactory since the standard of documentation, fundamentally regarding the identification of and knowledge on the client, is very high. This will again be on of our objectives in 2013.



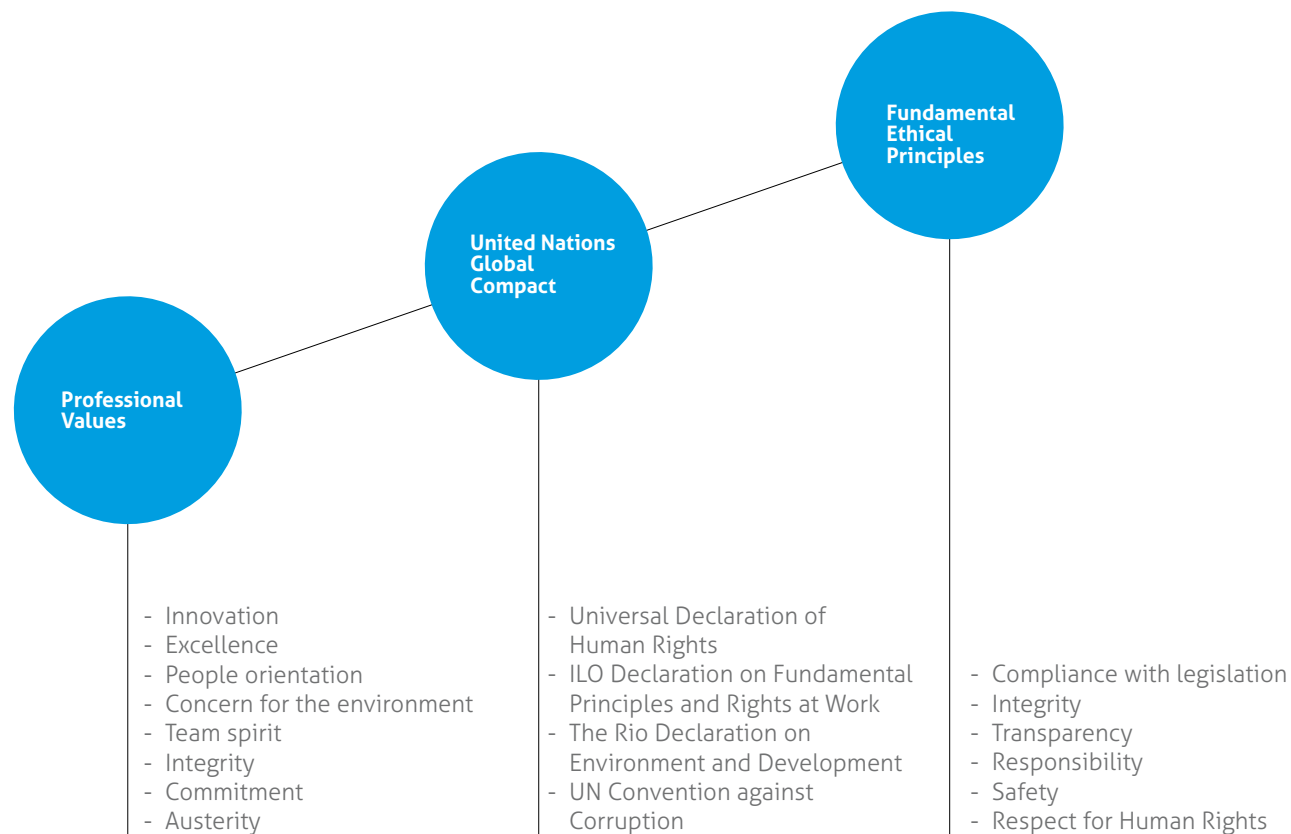
Encarnación Square,
Seville

3.8 Code of Conduct

Following the introduction of the Penal Code Reform Act (Ley Orgánica 5/2010) on 22 June 2010, the Sacyr Group drew up a new Code of Conduct governing the conduct of the Group and its employees both in the fulfilment of their duties and in their relations with third parties and with the market.

Underlying Principles of the Code of Conduct

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, and environmental protection, to name but a few. This new code came into force on 1 December 2010.



The ethical values reflected in this Code are the foundation of the Group's commitment to its different stakeholders. Sacyr promotes compliance with this Code by distributing it widely, offering specific employee training courses, and monitoring compliance therewith.

Internal Rules of Conduct

In addition to its Code of Conduct, the Sacyr Group has in place a set of internal rules and regulations for conduct which implement specific principles of action that apply to all our employees.

Breaches of the Code

Sacyr Group employees can report divergence they observe with regard to the conduct appearing in the Code of Conduct, either by reporting any such incidents to the Head of their Area, or through the Conduct Helpline.

Conduct Helpline

A confidential service which all employees can access through the Group Intranet, e-mail and post.

The helpline was launched in 2006 in response to Sacyr's desire to improve its corporate governance mechanisms in line with the guidelines appearing in the National Securities Market Commission's Unified Code. In addition to reporting possible infractions of the Code of Conduct, this service can be used to make inquiries and to receive advice on economic and financial policies applicable in case of possible fraud.

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

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

Complaints made through the Helpline are initially received and considered by the Internal Audit Department and the Compliance Department. These are then studied exhaustively by the Code of Conduct Compliance Unit, which determines the relevance thereof, the impact of the matters reported, and where applicable, any actions to be carried out, which must always be well-founded and duly justified. At that point, if the complaint does not appear to disclose any punishable offence, it is shelved; otherwise, it is referred to the Board of Directors or to a board committee which empowered to impose penalties.

Throughout this year various complaints and received which have followed the course set out in the procedure established for this purpose. The Guidance and Complaint Line is one of the tools Available to the Code of Conduct Compliance body for the detection of possible breaches thereof.

Specifically, throughout 2012 4 complaints were received, all admitted for processing, and which at the time of writing this report are being processed.

UN Global Compact


In 2007, the Sacyr Group signed up to the UN Global Compact, an ethical initiative designed to create a corporate citizenry that balances corporate interests and processes with the values and demands of civil society.

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, labour regulations, the environment and anti-corruption.

In 2011, the Group renewed its commitment through its Chairman and released its second progress report for the purposes of the United Nations Global Compact, which is now available at: www.sacyr.com


THE TEN PRINCIPLES OF THE GLOBAL COMPACT

HUMAN RIGHTS
THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

- 


Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS
THE INTERNATIONAL LABOUR 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	Businesses should the elimination of all forms of forced and compulsory labour
Principle 5	Businesses should the effective abolition of child labour
Principle 6	Businesses should 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	Businesses should undertake initiatives to promote greater environmental responsibility
Principle 9	Businesses should 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.
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04

Opportunities and risks

4.1 Opportunities

82

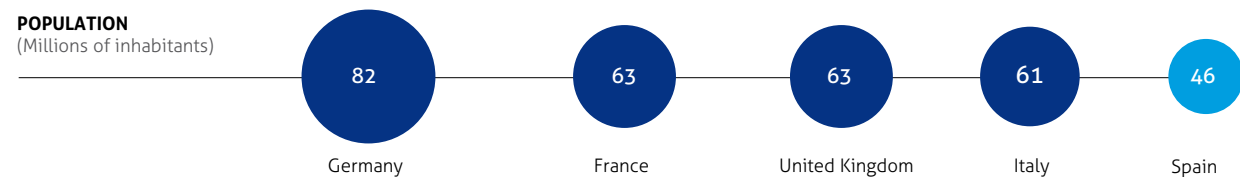
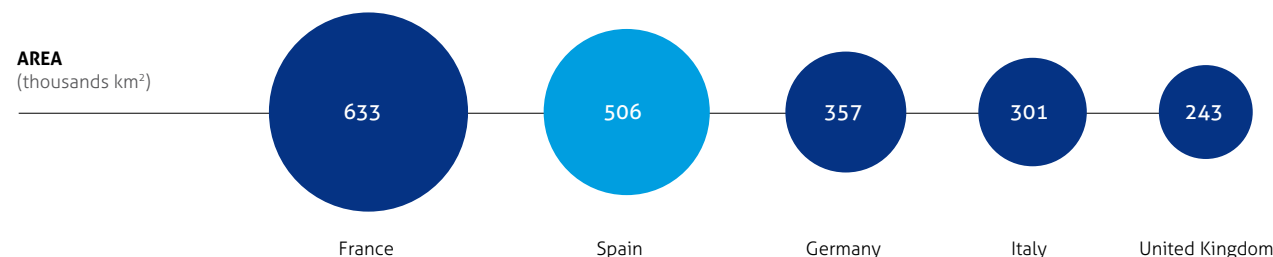
4.2 Risks

86



4.1 Opportunities

Spain's uniqueness in terms of area and population requires a higher investment/GDP ratio than the EU average. An annual ratio of 1,500 euros investment per km2 per million inhabitants implies that Spain's investment effort over GDP would have to be 1.6 points higher than Germany's; 1.5 points higher than Italy's, and 1.1 and 0.3 points higher than those of the UK and France, respectively.



(Source: Seopan)

Construction-Civil Work-infrastructures

In a difficult setting, different sectors in which our Group acts decisively, present clear development opportunities for the immediate future on the basis of different Scheduled investment plans:

- Emerging markets doubling their construction volume up until 2020.
- US transport infrastructure renovation plan (476Bn\$ Investment 2013 - 2019).
- Industrial construction investment programmes, especially in Latin America, e.g., Brazil and Mexico.
- EU restrictions on landfill (-65% landfill for 2016 vs 1995 - EU Landfill Directive)
- Need for infrastructure is in the waste treatment sector.
- Increasing demand for the integrated water cycle in areas with Water stress, especially in Latin America, Middle East and North Africa.
- Urban growth in emerging countries implying the need for higher investment in hydraulic infrastructures.

From a domestic perspective, there are opportunities in the medium-term from public-private collaboration projects, in sectors such as the integrated water cycle, freight transport by rail, local rail transport or the ports network. Also, a possible change in the model of useful infrastructures, which would involve an increase in the tariffs for use and a lower free network weight.

In the foreign sector, in 2012 contracting and Turnover in the foreign sector was 1.6% over the GDP, respectively. The weight of contracting in North, Central and South America, with close to 50% over the total, constituted the top market for new business generation, followed by Europe.

Industrial construction - energy

All the processes linked to the integrated water cycle, as well as construction linked to industrial processes, represent clear growth opportunities for the sector. In the former case, the scarcity of water and the low quality thereof, traditionally linked with underdeveloped or developing countries, provide opportunities for those companies endowed with sufficient technical capacity to tackle the processes of improvement, distribution, desalination, cleaning or purification.

In the latter case, the energy world will undergo interesting changes in the near future.

Sustained demand for fuels and the objective of universal access to energy, along with the need for water resources associated to energy generation, point towards a scenario of high demand for industrial infrastructures in the coming years.

The world energy map is being redrawn as a consequence of the resurgence of oil and gas production in some countries, reduced use of nuclear energy and the more rapid growth of wind and solar energy. The sustainability of energy systems and their efficiency, the interactions between the different fuels, safety and the cost thereof, transport and marketing all represent opportunities for companies in the sector.

Sustained demand for fuels and the objective of universal access to energy, along with the need for water resources associated to energy generation, point towards a scenario of high demand for industrial infrastructures in the coming years.

POSITION	COMPANY	COUNTRY	TOTAL INVESTMENT *(MILLIONS \$)
1	Ferrovial-Cintra	Spain	72,000
2	ACS (Hochtief + Iridium)	Spain	70,200
3	Vinci - Cofiroute	France	66,400
4	Macquarie	Australia	45,970
5	EGIS Projects	France	25,800
6	Bouygues	France	37,230
7	Sacyr	Spain	21,500
8	Global Vía - FCC - Bankia	Spain	19,400
9	OHL	Spain	17,870
10	John Laing	United Kingdom	14,200

* Aggregate value of all a company's PPP transport projects since 1985.

Infrastructure management

Spain occupies a prominent place at world level in infrastructure management. If we classify concessionaries in terms of capital invested, five of the 10 foremost concessionaries in the world are Spanish. Sacyr is seventh this ranking. The demand for infrastructures through greenfield projects in emerging and developing countries has been a constant up until 2012, and the forecast for the coming years suggests this demand shows no sign of tailing off.



Rental property

For those companies which are affected by high vacancy rates and who have succeeded in maintaining a portfolio of loyal clients with contracts adapted in terms of price and quality the future of this business throws up some interesting vectors as potential opportunities.

In the office market, it is predicted that there will be movements of large corporations who are still to regroup their different departments, searching at the same time for readjustments to their rents in the region of 8% for the markets of Madrid and Barcelona.

In the industrial and logistics area, Spain will offer a significant opportunity as a platform for international markets and for all manner of distributors orientated towards e-commerce needing strong distribution centres.

Finally and from the perspective of hotels, there is increasing interest from national and international operators in locating in large cities, provided prime locations are on offer. Also, the different public entities freeing up real estate may allow reconversion processes towards these types of assets, accompanied by greater profitability and maximisation of the value of the asset itself.



Ática Offices,
Pozuelo de Alarcón
(Madrid).

4.2 Risks

Sacyr Group is exposed to a number of risks and uncertainties.

Financial risks include the following:

- **Credit risk:** This type of risk is practically non-existent in our group's Construction, Infrastructure Concessions and Services divisions, since a large part of the income thereof originates directly from the State, Autonomic and Local Bodies in Spain, as well as from the other markets in which the Group operates. These bodies pay punctually, in line with the conditions stipulated in the respective contracts entered into with them, and all have excellent credit ratings. In the other divisions, including Rental Property And Housing Promotion, the credit risks are also minimal, as, in the case of the former, additional financial guarantees are required of lessees prior to the formalisation of contracts, and in the latter, invoicing is conducted through advance payment from clients during the construction of housing, 30%, with the remaining 70% being demanded on signing the deeds. In the event of any non-payment, the contract would be cancelled and the handing over of the property halted. Owing to all the above, the Group has no credit risk owing to the high solvency of its clients and the short payment period negotiated with them.
- **Liquidity risk:** Liquidity risk in the Group's different divisions is virtually non-existent owing to the nature and characteristics of the collections and payment structure. In the case of infrastructure concessions, and energy projects, the projects themselves guarantee and self finance their investments, generating

the cash flow themselves. In the case of construction activity, the Group guarantees its liquidity levels through contracting lines of credit. With regard to the Rental property sector, liquidity is provided by the nature of the investments made and the high level of occupation to date. In relation to Promotion division, the financing structure for promoting activity mitigates any liquidity risk, since land purchases are financed through the contracting of long-term bilateral loans. Prior to the actual construction of the housing, these bilateral loans are transformed into mortgages which finance reconstruction thereof. Finally, these loans are transferred, through subrogation, to the end client.

In all the Group's divisions, short-term cash surpluses are occasionally invested in highly liquid short-term risk-free deposits, provided this is in line with the best financial management practice.

- **Market Risk:** The principal risks of this type face by the Group are as follows:

- **Interest rate risks:** This is the principal risk the Group is exposed to as a consequence of the debt it maintains with the financial institutions specified in the report. A large part of this debt is at a fixed interest rate, as a consequence using hedging instruments, such as swaps, thus reducing the exposure of the business lines to rising interest rates.

- **Exchange rate risks:** The Group's policy is to contract debt in the same currency in which the flows in each business line are produced. Consequently, there is currently no relevant risk relating to these types of change. Notable within this type of risk is exchange rate fluctuation when converting the financial statements of foreign companies whose operational currency is other than the Euro. The Group's rapid geographic expansion in recent years means that in the future it may encounter situations that give rise to exchange rate risk. Under such circumstances, it will consider how this risk can best be minimised through the use of hedging instruments under the umbrella of conservative corporate policy.

Other market risks to which the Group is also exposed are:

- **Slowdown in the real estate sector:** The real estate sector continues to slow down as a consequence of the downturn in demand, and the conditions for taking up mortgage loans becoming stricter. Nonetheless, at 31

December 2012, our Group's Promotion division recorded 20.64 million euros in pre-sales.

- **Risk of business expansion to other countries:** This is due to our Group's continuous expansion into other markets. A detailed, exhaustive analysis of the countries in which new investments are to be undertaken is always made, and on occasion may last a number of years on the ground.

- **Regulatory risks:** The Group's companies are subject to compliance with the different regulations in existence, both general and specific, which affect them (legal, accounting, environmental, labour, fiscal, data protection, etc), which may affect, either positively or negatively, the different regulatory changes which may be made in the future.

Other risks to which the Group is exposed include:

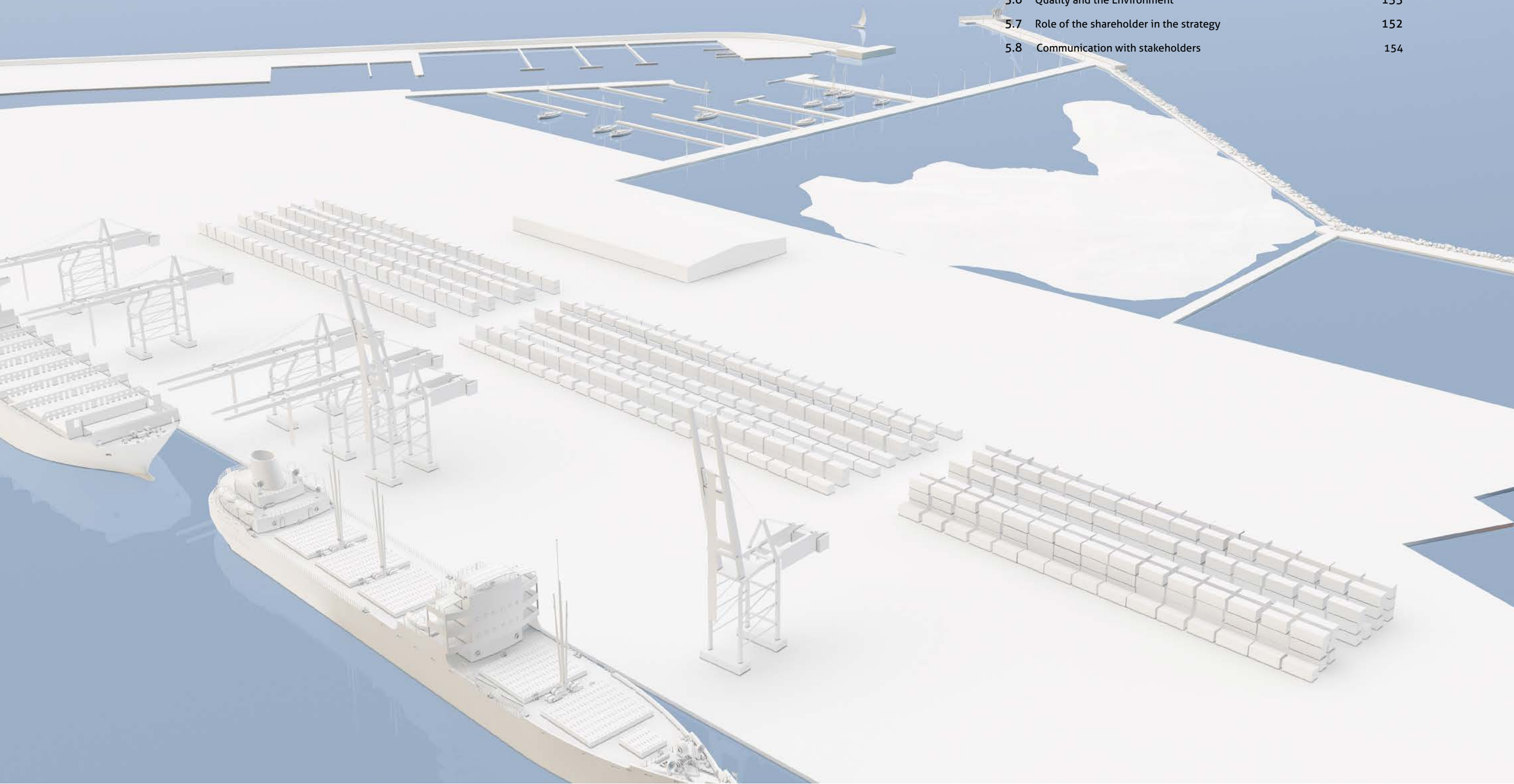
- Environmental risks
- Risks of damage caused during work.
- Risks associated with workplace health and safety;
- Risks of loss of assets.

Sacyr has implemented control systems to adequately identify, quantify, evaluate and remedy all of these risks, with a view to minimising or eliminating the consequences.

05

Strategy and resources

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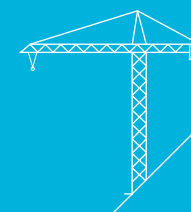


5.1 Current strategy

In strategic terms, Sacyr has a clear, transparent and predictable strategy, which takes our group back to its traditional values and to the fields of activity which have yielded more success:

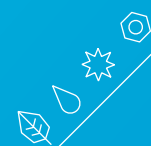
- The "construction + concessions" mix, aimed at greenfield projects, with the clear intention of accepting more institutional investors as partners.
- International civil engineering with a prominent technological component, providing us with margins, prestige and recognition.
- Business lines with high added value, in which we also have specialised subsidiary companies and considerable, relevant expertise, such as water, waste treatment, this relation, tunnelling or high velocity.
- Other business lines based on the quality of assets and contracts, where Testa is the prime example, with unbeatable stability in its results and an undeniable revitalisation.
- To give a further example: our industrial construction division, which has already been transformed into another clear driver of growth, and whose capacity has been demonstrated with the recently awarded contract for a gas pipeline and the 250 plants that it has already executed, both within and outside Spain.

Naturally, the strategic framework incorporates the strengths of each of our business divisions. To mention but a few, worthy of note is the solidity and potential of Testa; the expertise and international portfolio in the construction division, already up to 80%; the expansion capacity and growth potential of Sacyr Concesiones, and finally the added value of Industrial division within Valoriza.



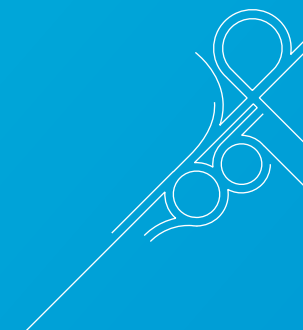
Construction Strategy

- To strengthen profitability and consolidate our extensive experience in high-technology projects: tunnels, desalination and water treatment plants, advanced engineering and ample international presence.
- To continue our sustainable growth and increase our quota in international markets, collaborating with high-profile local associated companies to obtain a strong local presence from the start.
- To study possible expansion into new markets.
- To maintain stable margins and prioritise profitability over volume.



Services Strategy

- To strengthen profitability and consolidate our extensive experience in high-technology projects: tunnels, desalination and water treatment plants, advanced engineering and ample international presence.
- To continue our sustainable growth and increase our quota in international markets, collaborating with high-profile local associated companies to obtain a strong local presence from the start.
- To study possible expansion into new markets.
- To maintain stable margins and prioritise profitability over volume.



Concessions Strategy

- To optimise our current management capacity in concessions, expand as a business platform for other areas (construction and services). To concentrate on margins.
- Selective inclusion of investors and prestigious associates in mature assets and financial associates in projects requiring high financial commitment, from the beginning of the award procedure.
- To continue expanding in markets and geographical areas that are open to opportunities, with appropriate local associates. Reasonable and continued growth by 2-3 concessions per year.
- Strengthen the implementation of new operating systems to obtain greater induced traffic and improve customer allegiance systems (payment strategies, marketing, etc.).



Strategy

- Maintain our leadership in the Spanish market.
- Maintain our efficiency ratios: level of occupation greater than 97% EBITDA of 80% and profitability over expenses at 7.60%.
- Continue with "3B strategy": good Tenants, good buildings, good contracts.
- Maintain a portfolio of long-term contracts with solvent tenants in order to guarantee future cashflow.
- Add value by mature, non-strategic asset rotation and improvements in the market (value creation and maximisation of income).
- Take advantage of opportunities: divestments in mature assets, joint ventures with international financing, etc.

It is well-known that among our assets we have an important investment in Repsol. Our position within this company as the second largest shareholder is relevant and of a permanent nature.

This stake provides us with prestige abroad and potential synergies with the industrial division. Its remuneration policy easily covers the financial costs and the stake has been refinanced until 2015.

Irrespective of any other type of consideration regarding this stake, we shall only insist on our firm belief that our investee company is endowed with enormous value, unrecognised until now in stock market terms. We believe that, sooner rather than later, its downstream capacity and its new upstream potential will generate value in line with its assets.

5.2 Innovation. R&D+i

Organisational Structure in R&D+i:

Innovation Management, through its R&D+i Department, coordinates activities related to research, development and innovation carried out at the different Group companies, and serves as a driving force and point of reference for advances and ongoing improvements in this field.

Rounding off this structure, a sizeable number of Group companies have their own R&D+i Department, or at least someone who is responsible for the area and whose responsibility is focused on the implementation of specific projects, which always come under the coordination and supervision of the R&D+i Department and the Group's Innovation Department. All those involved feed the relevant information back to the R&D+i Units Committee.

Certification of the R&D+i Management System:

Sacyr's Innovation Management System is certified by AENOR according to the UNE 166002:2006, which helps to streamline and systematise all our R&D+i, allowing us to:

- Foster R&D+i activities across all Group companies and define the primary objectives in this field.
- Provide common guidelines to organise and effectively manage R&D+i.
- Promote technological monitoring analyzing the internal and external situation.

- Identify and assess the threats and opportunities posed by technological progress.
- Ensure that the activities in the various departments within the company that may be capable of generating technologies and patents are detected.
- Select and manage an appropriate portfolio of strategic projects for different companies in the Group.
- Promote R&D+i as a means to gain a competitive edge and consider it as such in all corporate reputation schemes.
- Foster collaboration with universities and public research organisations, eliminating the traditional separation between the public and private sectors in this field of business.
- Involve SMEs in R&D+i, thus contributing to the R&D+i investment targets set by the Government to achieve convergence with Europe.

In 2012, following the ENAC guidelines (National Accreditation Body), the following Group companies were individually certified by AENOR (Spanish Association for Standardization and Certification):

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

R&D+i: activities carried out in 2012 and targets for the future:

Throughout 2012, Sacyr has continued to enhance its activity in R&D+i, and reached the following milestones:

Regarding the initiatives carried out in 2012 to provide renewable energy-based or energy-efficient products, and the reductions in energy requirements as a result of these initiatives, noteworthy are the following:

- Design and development of models for calculating and dimensioning geothermal exchange systems and active glazing for buildings. Geoglass Energy

Energy efficiency is one of the main goals in the construction of new buildings, for which new measures have been incorporated such as solar panels, thermal insulation or HVAC systems in walls, ceilings and windows.

The ultimate goal is to achieve a rational use of the energy needed, significantly reducing consumption and obtaining part of this consumption from renewable energy sources.

The project has been awarded a grant under the Innpacto programme (Ministry of Economy and Competitiveness, formerly the Ministry of Science and Innovation).

- Integration of ICT solutions for the analysis and implementation of energy measures in buildings to improve energy balances and reduce the carbon footprint.

The change in the statutory framework applied in the European Union, and its transposition to Spanish law, is causing new requirements to be applied in the building sector and in matters relating to energy consumption. It is of vital strategic importance for companies to have the knowledge and the tools to study them not only with traditional approaches based on minimising cost and execution times, but also from the standpoint of reducing energy consumption. It is therefore imperative to investigate and develop the energy consumption in buildings to be controlled. The project has been awarded a grant by the Ministry of Industry, Tourism and Commerce (Plan Avanza).

- Research and development of energy efficient lighting systems, adapted to advertising and information equipment located in out-of-town environments.

The current solution for the lighting of billboards in Cafestore restaurants located on roads and motorways is to use metal halogen lamps with high energy costs. This is a high cost energy solution, where the flow cannot be regulated, and with a useful life limited to 10,000h. The objective is to develop an innovative alternative for these systems, making use of more advanced high flow LED solutions and a completely innovative scheme and mesh model, with intelligent lighting control to allow consumption to be reduced, adapting the light intensity emitted by the LED equipment to the environmental conditions in place (day or night, mist, etc), to achieve an apparently even light intensity, while minimising consumption. The project has been awarded a grant by the Autonomous Government of Castilla la Mancha (HITO Call).

- Innovative system for calculating the CO2 footprint of companies:

The aim of this project is to carry out the development of an innovative software tool which allows the organisation to effectively develop its corporate carbon footprint, in this case CO2. This project has obtained from ACIE, the content certification and first exaction certificate beforehand in accordance with RD 1432/2003.

Initiatives developed in 2012 to mitigate environmental impacts of products and services, and the extent of this mitigation, include were as follows:

- Sustainable urban road surfaces:

In recent years, within the current growing awareness and restrictions in the different environmental regulations, work has been done to assess and attempt to correct the impact on the environment caused by the manufacture and application of bituminous mixtures. The sustainability concept has arrived to the field of bituminous mixtures with two main components: preserving resources for the future. The aim of this project is to research and develop warm recycled road surface mixes suitable for low speed roads, hence contributing to the sustainability of urban road assets by reusing high quality materials which consume lower energy levels and generate lower emissions during their manufacture. The project has been awarded a grant through the Innpacto 2012 call (Ministry of Economy and Competitiveness).

The sustainability concept has arrived to the field of bituminous mixtures with two main components: reduction of emissions and reduction of raw material consumption, preserving resources for the future.

- Research and development of new treatments to improve the quality of acid mine water. File No. ITC-20111083. The Odiel river (Huelva) is heavily contaminated by the mining activity which exploited the sulphide deposits of the Iberian Pyrite Belt (FPI). In recent years research has been initiated on the passive treatment of acid leaching and the recovery of the polluted river network, with the TAAM project presented as the best option.

The project is led by the company Sacyr Construcción in cooperation with its partners, Sadyt, Agq Mining & Bioenergy and Cabal Geólogos Consultores SL. The project has been approved by the Centre for Technological and Industrial Development, an agency under the Ministry of Economy and Competitiveness, within the ERDF Programme ININTERCONECTA. The project has also received support from the Innovation and Development Agency of Andalusia.

Noteworthy Initiatives undertaken in 2012 to mitigate the impacts of products and services on customers' health and safety, and the extent of impact mitigation, include:

- Design and development of a prototype training system for operating snowploughs.

Snowploughs are crucial for the operational maintenance of the road network during winter. Given the conditions under which snowploughs are often used, there is a high risk for both their drivers and public road user that may be in the vicinity. That is why it is essential to train drivers under realistic and appropriate operating conditions to minimise this risk. The project has been awarded a grant by the Centre for Industrial Technological Development (CDTI) of the Ministry of Science and Innovation.



For 2013, the following objectives have been defined:

1. Patenting at least 4 products or processes between 2012 and 2013.
- 2 Undertaking an R&D+i project using grants available from European funds.
3. Creating value based on one of the R&D+i results.
4. Obtaining at least one technology contract award from a public authority
5. Obtaining R&D+i certification for more group companies.
6. Submitting data to the Marketing Department to draft the 2012 R&D+i Report before 30/06/2013.
7. Obtaining the Seal of Excellence in Innovation.

Evolution of Sacyr's activity in R&D+i:

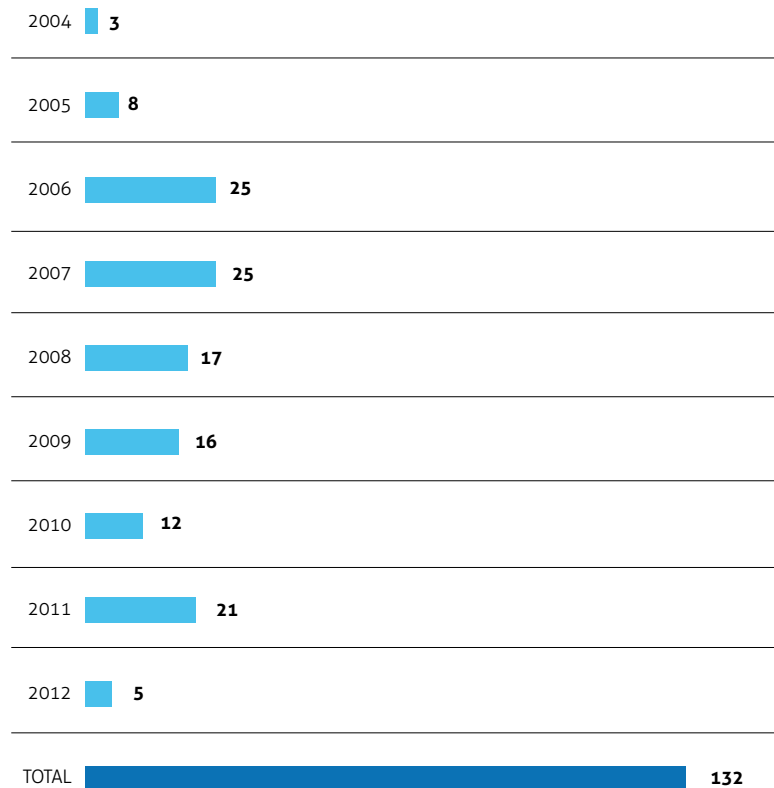
Sacyr is engaged in an ambitious expansion of its R&D+i activities. Since 2004, it has obtained external, official recognition, in the form of loans, grants and certifications, in a total of 132 projects via various public sector contract tender processes.

Despite the tough economic climate, investment in R&D+i during 2012 has exceeded 11 million of Euros in the group, an excellent result in the light of a governmental change and thus the drastic reduction in contract tender processes and funding.

Public aid granted also reflects governmental support for Sacyr's R&D+i projects.

Updates of R&D+i information contained in the 2011 CR Report. Due to budget adjustments, adjustments in awarded projects and the updating of provisional tax relief figures, the figures reflected in the accompanying tables differ from those presented the previous year.

NEW R&D+I PROJECTS



EUROS	SUBSIDY	LOAN	AX RELIEF (SOCIAL INVESTMENT)	DEDUCTION FOR DISPOSAL OF INTANGIBLE ASSETS
2004	40,000	876,363		
2005	394,723	5,670,883	461,151	
2006	1,086,610	48,403,814	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	3,739,753
2011	1,156,280	5,451,327	2,997,624	2,834,233
2012	1,576,897	5,028,478	-	

Collaborations with benchmark institutions (R&D+i):

Sacyr is a member of various organisations and participates in fora for dialogue dedicated to R&D+i. Participation in these initiatives allows the exchange of experiences and good practices with other professionals, and promotes the joint reflection of a number of experts who specialise in the different R&D+i fields. The following are some of these organisations or forums in which Sacyr actively participates:

- **The Spanish Technology Platform for Construction (PTEC).**

The ultimate aim of the Platform is to steer the Spanish construction industry towards a high level of technology, identifying and analyzing the key challenges it faces in terms of technology and sustainable development, and efficiently dealing with these challenges in the coming decades. Sacyr belongs to the PTEC Foundation, and is part of the standing committee and the strategy commission.

Within the la PTEC foundation, Sacyr leads the Strategic Line "Transport Networks" and participates in the "Sustainable Construction "and "Materials ".

- **Spanish Technology Platform for Environmental Technologies:** Sacyr participates in the Spanish Technology Platform for Environmental Technologies, which is responsible for defining and promoting the implementation of the Strategic R&D+i agenda in the field of environmental technology, integrating the activities of technology platforms from other sectors and supporting government in their lines of work and future R&D+i programmes related to the environment.

- **Advisory Council Breeam Spain:** Breeam (Building Research Establishment Environmental Assessment Methodology) is the world's foremost and most advanced environmental assessment method and rating system for buildings, with a history of over twenty years in the sustainable building market. BREEAM corresponds to a set of advanced tools and procedures to measure, evaluate and assess the level of sustainability of a building, both during design and implementation and maintenance phases, considering the peculiarities of each of the main types in existing use (housing, offices, industrial buildings, health centres, schools, etc.).

BREEAM assesses impacts in ten categories (Management, Health and Wellbeing, Energy, Transport, Water, Materials, Waste, Ecological soil use, Pollution, Innovation) providing certification according to the different levels of sustainability, and serving as both a reference and technical guidance for more sustainable construction.

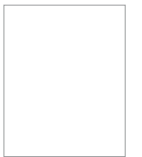
Breeam Spain deals with the development and adaptation of Breeam to the nature, rules and particularities of construction in Spain. The Advisory Council, of which Sacyr forms a part, is responsible for tracing the development strategy of Breeam Spain. It represents building sector stakeholders, including designers, developers, end users, builders, material manufacturers, environmental institutions and foundations, financial institutions and government.

- **Participation in Spanish Road Technology Platform:** The Spanish Road Technology Platform (PTC) is a meeting place for all stakeholders in the science-technology-company system with an important role in promoting employment, competitiveness and growth in the road infrastructure sector in Spain. Sacyr is active in the platform through its role in the Management Council and the working groups.
- **SEOPAN R&D Committee:** Sacyr, through its Director of Innovation, actively participates on the Committee of the Association of Construction Companies (SEOPAN).
- **Technological Corporation of Andalusia:** Sacyr is a permanent member and trustee of this corporation, which brings together researchers from universities and research centres, companies with a vocation for innovation, financial institutions and government, in order to form an alliance for innovation, research and development.
- **Knowledge and Innovation Executives' Club:** Sacyr is part of this private initiative dedicated to promote and encourage improved productivity and competitiveness in organisations by managing intellectual capital, knowledge and innovation.
- **R&D&i Commission of the CEOE:** This committee maintains contact with the government and the relevant R&D+i ministries and clusters to promote and activate R&D+i projects.

Not only has Sacyr helped in the process of development and implementation of the R&D+i activities, but it has also established collaboration agreements with various universities and other research centres and organisations.

- Politécnica University of Madrid
- Alfonso X El Sabio University
- Politécnica University of Cataluña
- Antonio de Nebrija University
- University of Oviedo
- University of Alcalá de Henares
- University of Alicante
- University of Almería
- University of Seville
- University of Córdoba
- Complutense University of Madrid
- Politécnica University of Valencia
- University of Jaén
- Carlos III University in Madrid
- University of Burgos
- University of La Coruña
- University of Málaga
- University of León
- University of Granada

- University of Huelva
- University of Las Palmas
- University of Castilla La Mancha
- University of Cantabria
- Industrial Engineering School Vigo
- LECEM
- CEDEX (Centre for Public Works Studies and Experimentation)
- Intromac (Technological Institute of Ornamental Rocks and Building Materials)
- LOM (Madariaga Official Laboratory)
- Gómez Pardo Foundation
- Eduardo Torroja Institute for Construction Science
- IMDEA AGUA (Madrid Institute for Advanced Studies in Water)
- CIDEMCO (Technology Centre)
- LOEMCO (Official Laboratory for Construction Materials Testing)
- AIDICO (Technological Institute of Construction)
- Tecnia Foundation
- National Research Council (CSIC)
- Institute of Research Chemistry & Environmental Science of Barcelona (IIQAB)
- Foundation for Research and Development in Transport and Energy (CIDAUT)
- Cartif Foundation
- Aitemin Technology Centre
- ITG (Technical Institute of Galicia)



Grand Marina Hotel,
Barcelona.

5.3 Human Resources

The Sacyr Human Resources Department, through its Personnel Administration, Human Resources Development, Recruitment, and Employee Relations Divisions, makes every effort to develop dynamic innovation, training, development and communication policies, designed not only to promote motivation, but also to maximum efficiency of each of the Members of the Group.

Description of the Workforce:

In 2012 Sacyr's Group workforce figures reached a total of 22,081 employees (average consolidated workforce). This implies an increase over the previous year of 8.12%. About 65% of the workforce is employed in Spain although the Group also has a significant number of employees in Portugal, Chile, Angola, Italy, Panama and other countries.

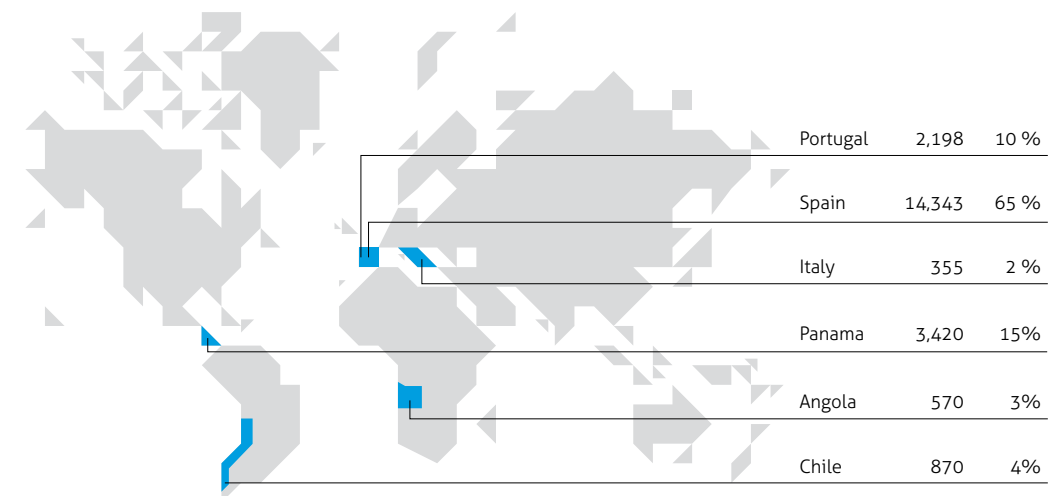
GEOGRAPHIC DISTRIBUTION OF THE WORKFORCE OF SACYR, 2011

COUNTRY	NUMBER	%
Spain	13,589	66.5
Portugal	2,610	12.8
Panama	1,864	9.1
Italy	661	3.2
Chile	657	3.2
Angola	646	3.2
Cape Verde	117	0.6
Australia	91	0.4
Libya	57	0.3
Brazil	47	0.2
Costa Rica	34	0.2
Ireland	46	0.2
Algeria	0	0.0
Israel	2	0.0
Peru	1	
TOTAL	20,422	100

GEOGRAPHIC DISTRIBUTION OF THE WORKFORCE OF SACYR, 2012

COUNTRY	NUMBER	%
Spain	14,343	65.0
Portugal	2,198	10
Panama	3,420	15
Italy	355	2
Chile	870	4
Angola	570	3
Cape Verde	99	0.4
Australia	63	0.3
Libya	14	0.1
Brazil	46	0.2
Costa Rica	41	0.2
Ireland	44	0.2
Algeria	0	0.0
Israel	15	0.1
Peru	1	0.0
India	2	0.0
TOTAL	22,081	100

AVERAGE CONSOLIDATED WORKFORCE 2012 DISTRIBUTION BY COUNTRY



Business units workforce:

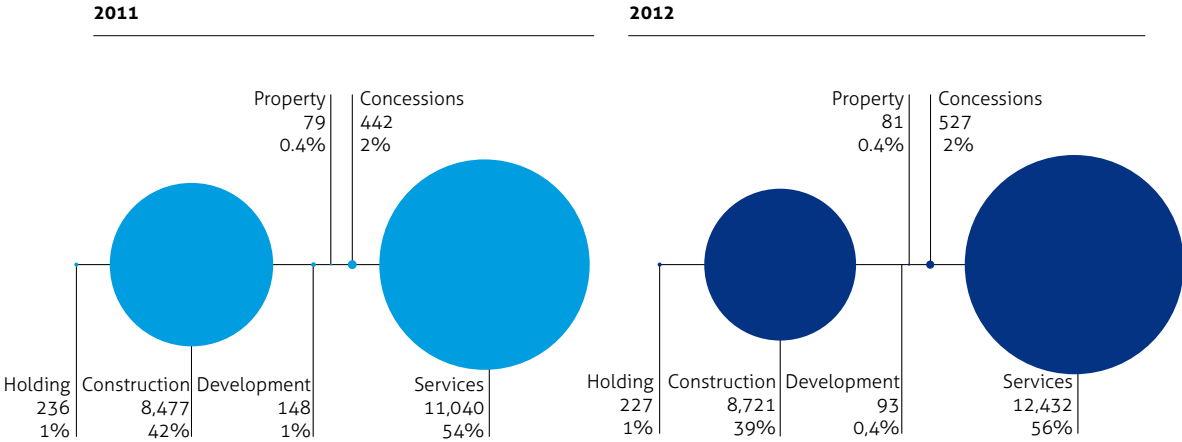
By business unit, the construction and service divisions have by far the largest number of employees. Between them accounting for 95.80% of the Group's workforce.

Particularly noteworthy is the increase in the number of employees in the Group's operating divisions, where -with the exception of Promotion-, the growth capacity of our units can be seen.

AVERAGE CONSOLIDATED WORKFORCE DISTRIBUTION BY BUSINESS UNIT

BUSINESS UNITS	2010	2011	2012	% VAR.
Holding	237	236	227	-3.81
Construction	8,509	8,477	8,721	2.88
Development	189	148	93	-37.16
Property	79	79	81	2.53
Concessions	343	442	527	19.23
Services	10,853	11,040	12,432	12.61
TOTAL	20,210	20,422	22,081	8.12

SACYR GROUP. AVERAGE CONSOLIDATED WORKFORCE DISTRIBUTION BY BUSINESS UNIT



CONCESSIONS	2011	%	2012	%	VAR.%
Holding	236	1	227	1	-3.81
Construction	8,477	42	8,721	39	2.88
Development	148	1	93	0.4	-37.16
Property	79	0.4	81	0.4	2.53
Concessions	442	2	527	2	19.23
Services	11,040	54	12,432	56	12.61
TOTAL	20,422	100	22,081	100	8.12



High-Speed Railway Line, Madrid-Community of Valencia. Orihuela-Colada de la Buena Vida Stretch.

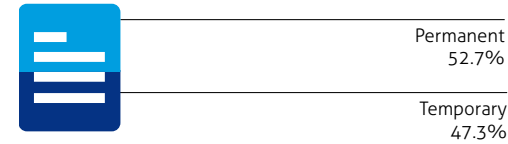
AVERAGE CONSOLIDATED WORKFORCE 2012 DISTRIBUTION BY CONTRACT TYPE

SPAIN



By type of contract, a significant increase of almost 3 percentage points in permanent recruitment can be seen, compared to the

ABROAD



temporary contracts which were about 24% in 2012.

2011

CONTRACT TYPE	SPAIN	ABROAD	TOTAL	% SPAIN	% ABROAD
Permanent	9,929	4,510	14,439	73.1	66.0
Temporary	3,660	2,323	5,983	26.9	34.0
TOTAL	13,589	6,833	20,422	100	100

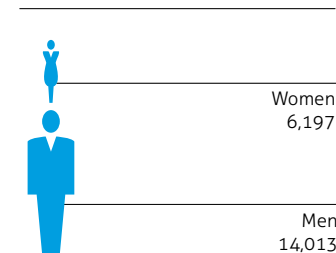
2012

CONTRACT TYPE	SPAIN	ABROAD	TOTAL	% SPAIN	% ABROAD
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

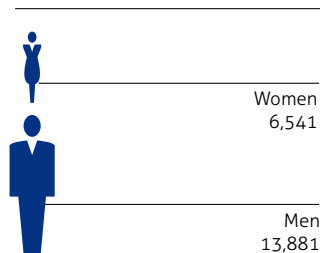
Based on gender:

AVERAGE CONSOLIDATED WORKFORCE 2012 DISTRIBUTION AS PER GENDER

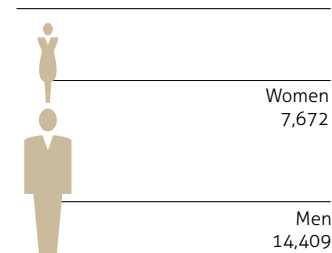
2010



2011



2012



2011

GENDER	SPAIN	ABROAD	TOTAL	%
Men	7,809	6,072	13,881	68.0
Women	5,780	761	6,541	32.0
TOTAL	13,589	6,833	20,422	100.0

2012

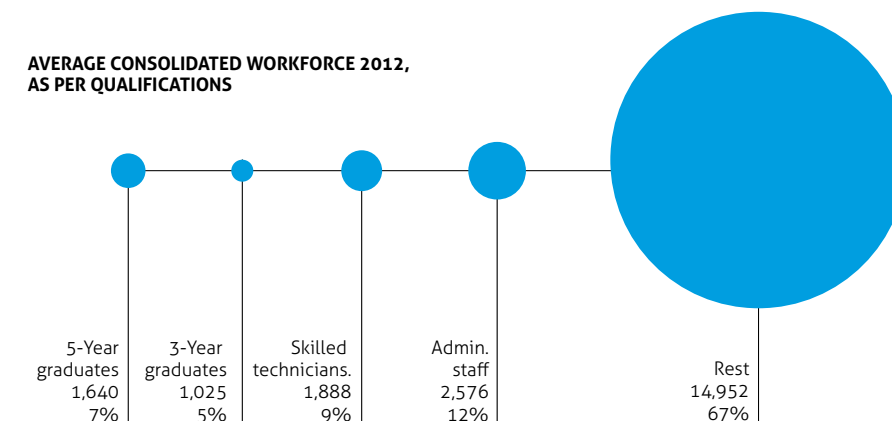
GENDER	SPAIN	ABROAD	TOTAL	%
Men	7,439	6,970	14,409	65.3
Women	6,904	768	7,672	34.7
TOTAL	14,343	7,738	22,081	100.0

Based on qualifications:

AVERAGE CONSOLIDATED WORKFORCE 2012, AS PER QUALIFICATIONS





	2011						2012					
	5-YEAR GRAD.	3-YEAR GRAD.	SKILLED TECH.	ADMIN. STAFF	REST	TOTAL	5-YEAR GRAD.	3-YEAR GRAD.	SKILLED TECH.	ADMIN. STAFF	REST	TOTAL
HOLDING SPAIN	116	29	11	74	6	236	114	26	10	72	5	227
GENERAL CONSTRUCTION	506	465	442	319	829	2,561	435	371	336	258	564	1,964
GENERAL DEVELOPMENT	50	28	2	50	16	146	35	15	2	25	14	91
PROPERTY SPAIN	37	8	2	32	0	79	39	8	2	32	0	81
GENERAL CONCESSIONS	62	15	18	45	52	192	61	11	19	43	51	185
GENERAL SERVICES	401	348	328	1,069	8,229	10,375	395	366	343	1,191	9,500	11,795
TOTAL SACYR SPAIN	1,172	893	803	1,589	9,132	13,589	1,079	797	712	1,621	10,134	14,343
CONSTRUCTION ABROAD	402	127	1,201	295	3,891	5,916	404	183	1,056	886	4,228	6,757
DEVELOPMENT ABROAD	1	1	0	0	0	2	1	1	0	0	0	2
CONCESSIONS ABROAD	19	7	74	8	142	250	29	19	20	10	264	342
SERVICES ABROAD	124	11	111	41	378	665	127	25	100	59	326	637
TOTAL SACYR ABROAD	546	146	1,386	344	4,411	6,833	561	228	1,176	955	4,818	7,738
TOTAL SACYR GROUP	1,718	1,039	2,189	1,933	13,543	20,422	1,640	1,025	1,888	2,576	14,952	22,081

AVERAGE CONSOLIDATED WORKFORCE 2012, AS PER QUALIFICATIONS



Combining gender and qualifications criteria:

CONSOLIDATED AVERAGE WORKFORCE 2012- QUALIFICATION BY CATEGORY, MEN

	TOTAL	M. BOARD	SENIOR MANAGER	SPECIALIST AND MID. MANAGMENT	ADMIN. STAFF	REST
	14,409	26	143	 3,399	 1,162	 9,679

MEN





2011

	M. BOARD	SENIOR MANAGER	SPECIALIST AND MID. MANAGMENT	ADMIN. STAFF	REST	TOTAL
Holding Spain	1	21	69	28	6	125
General Construction	6	40	1,098	144	783	2,071
General Development	1	14	37	15	14	81
Property Spain	1	5	26	7	0	39
General Concessions	2	11	61	23	51	148
General Services	7	27	648	310	4,353	5,345
TOTAL SACYR SPAIN	18	118	1,939	527	5,207	7,809
Construction Abroad	10	17	1,525	195	3,643	5,390
Development Abroad	0	0	0	0	0	0
Concessions Abroad	1	1	87	5	96	190
Services Abroad	5	9	149	9	320	492
TOTAL SACYR ABROAD	16	27	1,761	209	4,059	6,072
TOTAL SACYR GROUP	34	145	3,700	736	9,266	13,881

2012

Holding 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 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 SACYR SPAIN	10	119	1,716	501	5,093	7,439
Construction Abroad	10	15	1,480	638	4,113	6,256
Development Abroad	0	0	0	0	0	0
Concessions Abroad	1	0	53	7	180	241
Services Abroad	5	9	150	16	293	473
TOTAL SACYR ABROAD	16	24	1,683	661	4,586	6,970
TOTAL SACYR GROUP	26	143	3,399	1,162	9,679	14,409

CONSOLIDATED AVERAGE WORKFORCE 2012- QUALIFICATION BY CATEGORY, WOMEN

	TOTAL	M. BOARD	SENIOR MANAGER	SPECIALIST AND MID. MANAGMENT	ADMIN. STAFF	REST
	7,672	1	6	 978	 1,414	 5,273

WOMEN

2011

	M. BOARD	SENIOR MANAGER	SPECIALIST AND MID. MANAGMENT	ADMIN. STAFF	REST	TOTAL
Holding Spain	0	4	61	46	0	111
General Construction	0	0	269	175	46	490
General Development	0	0	28	35	2	65
Property Spain	0	0	15	25	0	40
General Concessions	1	1	19	22	1	44
General Services	0	0	395	759	3,876	5,030
TOTAL SACYR SPAIN	1	5	787	1,062	3,925	5,780
Construction Abroad	0	0	178	100	248	526
Development Abroad	0	1	1	0	0	2
Concessions Abroad	0	0	11	3	46	60
Services Abroad	1	1	81	32	58	173
TOTAL SACYR ABROAD	1	2	271	135	352	761
TOTAL SACYR GROUP	2	7	1,058	1,197	4,277	6,541

2012

Holding Spain	0	4	58	46	0	108
General Construction	0	0	215	134	48	397
General Development	0	0	17	16	2	35
Property 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 SACYR SPAIN	0	4	739	1,120	5,041	6,904
Construction Abroad	0	0	138	248	115	501
Development Abroad	0	1	1	0	0	2
Concessions Abroad	0	0	14	3	84	101
Services Abroad	1	1	86	43	33	164
TOTAL SACYR ABROAD	1	2	239	294	232	768
TOTAL SACYR GROUP	1	6	978	1,414	5,273	7,672

Specific information relating to Human Resources in Spain:

Regional distribution:



AVERAGE CONSOLIDATED WORKFORCE IN SPAIN FOR 2011 AND 2012 DISTRIBUTION FOR AUTONOMOUS REGION IN SPAIN

REGION	HOLDING	CONSTRUCTION	REAL ESTATE	PROPERTY	SERVICES	CONCESSIONS	2012	2011
Andalusia	0	238	8	1	1,852	24	2,123	1,671
Aragon	0	72	1	0	254	0	327	376
Madrid Region	227	878	41	80	4,491	65	5,782	5,428
Valencia Region	0	86	0	0	366	20	472	741
C. F. Navarre	0	0	0	0	11	0	11	17
Canary Islands	0	40	1	0	459	0	500	529
Cantabria	0	10	0	0	47	0	57	77
Castilla La Mancha	0	64	0	0	723	0	787	922
Castilla Leon	0	93	19	0	894	15	1,021	701
Catalonia	0	165	5	0	942	0	1,112	1,083
Melilla Autonomous Region	0	0	0	0	51	0	51	53
Extremadura	0	31	0	0	90	0	121	207
Galicia	0	98	1	0	527	12	638	750
Balearic Islands	0	7	0	0	113	15	135	36
La Rioja	0	23	0	0	134	0	157	164
Asturias	0	22	0	0	122	14	158	162
Basque Country	0	102	10	0	306	0	418	446
Murcia Region	0	35	5	0	413	20	473	226
GENERAL TOTAL	227	1,964	91	81	11,795	185	14,343	13,589

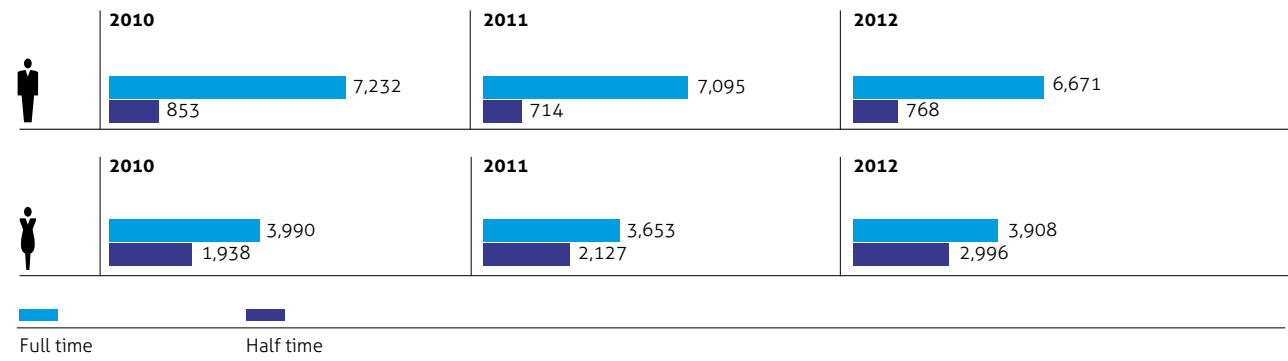
AVERAGE AGE OF THE WORKFORCE

BUSINESS UNIT	AVERAGE AGE 2010	AVERAGE AGE 2011	AVERAGE AGE 2012
Holding	40	40	41
Construction	40	40	41
Development	41	42	41
Property	43	43	43
Services	42	43	44
Concessions	38	38	39
AVERAGE	41	43	44

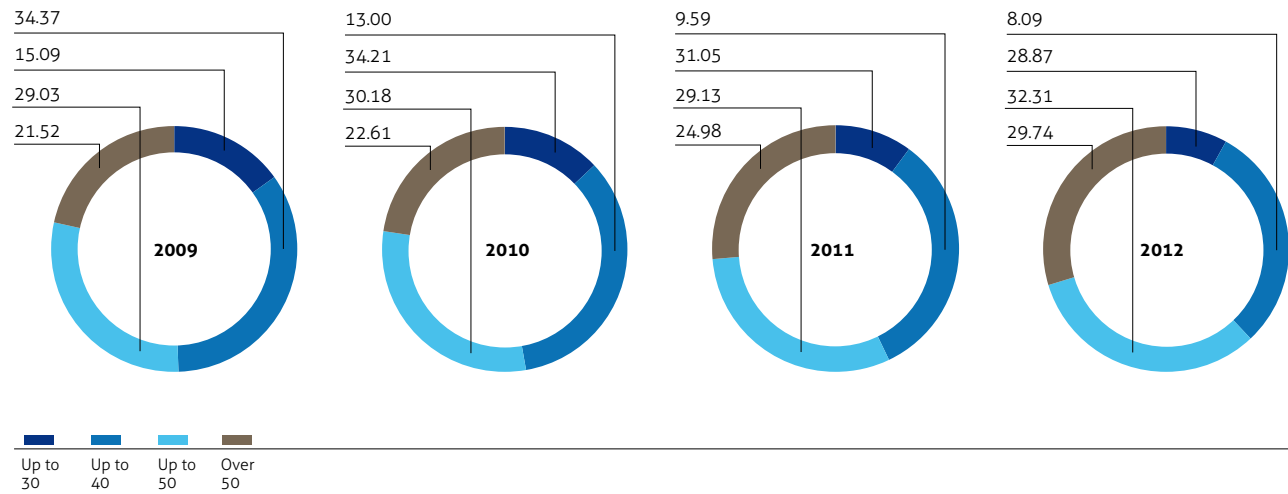
DISTRIBUTION OF STAFF ACCORDING TO GENDER AND SPANISH WORK DAY

CONTRACT TYPE	MENS	WOMENS	2010	%	MENS	WOMENS	2011	%	MENS	WOMENS	2012	%
Full time	7,232	3,990	11,222	80.1%	7,095	3,653	10,748	79.1%	6,671	3,908	10,579	73.8%
Half time	853	1,938	2,791	19.9%	714	2,127	2,841	20.9%	768	2,996	3,764	26.2%
TOTAL	8,085	5,928	14,013	100%	7,809	5,780	13,589	100%	7,439	6,904	14,343	100%

STAFF OF SPAIN BY GENDER AND JOURNEY



AVERAGE CONSOLIDATED WORKFORCE IN SPAIN DISTRIBUTION BY AGE - YEAR 2012



Employee turnover, sick leave and absenteeism:

The Sacyr Group turnover rate is the proportion of the workforce leaving the Company in a given period (month and year), expressed by the percentage rate of employees circulating within the Group, in relation to its workforce average.

Since 2010 we have adapted the reality of the Services Division, including only the concepts of leave not desirable by the Sacyr Group:

- Voluntary resignation by employee
- Incapacity leave
- Loss of temporary disability
- Leave
- Unpaid leave
- Retirement
- Death

2011

BUSINESS UNIT	MEAN CONSOLIDATED STAFF	TOTAL WORK LEAVES	MEAN WORK LEAVES	MONTHLY % ROTATION
Holding	236	13	1.1	0.46%
Construction	2,561	61	5.1	0.20%
Development	146	1	0.1	0.06%
Property	79	0	0.0	0.00%
Services	10,375	768	64.0	0.62%
Concessions	192	14	1.2	0.61%
TOTAL	13,589	857	71	0.53%

2012

BUSINESS UNIT	MEAN CONSOLIDATED STAFF	TOTAL WORK LEAVES	MEAN WORK LEAVES	MONTHLY % ROTATION
Holding	227	5	0.4	0.18%
Construction	1,964	46	3.8	0.20%
Development	91	2	0.2	0.18%
Property	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%

For the purposes of the turnover rate the following reasons will not be considered, as they are considered absenteeism:

- End of contract
- Replacement
- Transfers between Sacyr Group companies, consecutive file change

The information is gathered monthly, in accordance with the business units. The calculation is performed monthly. The information is then reconstructed by gender, Autonomous Region, reasons and age.

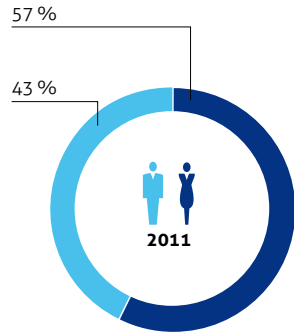
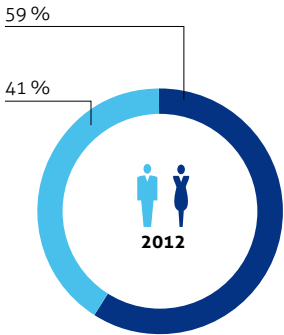
Employee turnover is an indicator which forms part of the Group management's balanced scorecard. It is measured on a monthly basis, taking into consideration the redundancies and resignation figures in terms of the entire workforce.

Turnover at Sacyr is determined by the monthly number of voluntary resignations, retirements, full disability or contracts that have come to an end and have not been renewed. The highest turnover is recorded in the Services and Concessions divisions, due to the special circumstances of these business units, such as, the seasonal nature of their activity, the loss of services put out to tender, recruitment for a specific project or recruitment on the basis of production needs.

LEAVE PER GENDER

	2011			2012		
	MENS	WOMENS	TOTAL	MENS	WOMENS	TOTAL
Holding	8	5	13	2	3	5
Construction	51	10	61	39	7	46
Development	--	1	1	2	0	2
Property	--	--	0	--	--	0
Services	299	469	768	247	415	662
Concessions	10	4	14	6	2	8
TOTAL	368	489	857	296	427	723

LEAVE PER GENDER % 2011 Y 2012



EXTERIOR ROTATION 2012

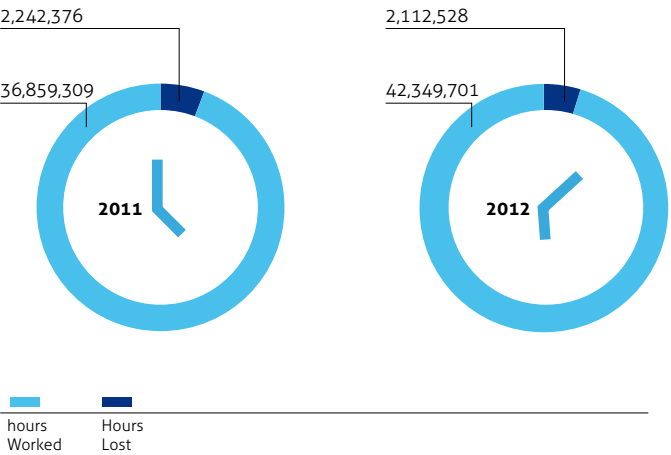
COUNTRY	STAFF	TOTAL WORK LEAVES	MEAN WORK LEAVES	MONTHLY % ROTATION
ANGOLA	570	N/D	---	---
ARGELIA	0	2	0.2	0.00%
AUSTRALIA	63	20	1.7	2.65%
BRASIL	47	N/D	---	---
CAPE VERDE	99	N/D	---	---
CHILE	870	277	23.1	2.65%
COLOMBIA	0	0	0.0	0.00%
COSTA RICA	41	28	2.3	5.69%
INDIA	2	0	0.0	0.00%
IRELAND	44	21	1.8	3.98%
ISRAEL	15	0	0.0	0.00%
ITALY	355	N/D	---	---
LIBIA	14	0	0.0	0.00%
PANAMÁ	3,420	N/D	---	---
PORTUGAL	2,198	N/D	---	---
TOTAL	7,738	348	29	0.37%

CHILDCARE LEAVE FIGURES

2011	CURRENTLY	1 MONTH	2 MONTHS	3 MONTHS	4 MONTHS	5 MONTHS	6 MONTHS	7 MONTHS	8 MONTHS	TOTAL
Holding	1	-	-	-	-	1	-	-	-	2
Construction	2	-	1	1	-	-	-	-	-	4
Development	-	-	-	-	-	-	-	-	-	0
Property	-	-	-	-	-	-	-	-	-	0
Services	14	7	2	4	3	4	1	-	2	37
Concessions	-	-	-	-	-	-	-	-	-	0
TOTAL	17	7	3	5	3	5	1	0	2	43

2012	CURRENTLY	1 MONTH	2 MONTHS	3 MONTHS	4 MONTHS	5 MONTHS	6 MONTHS	7 MONTHS	8 MONTHS	TOTAL
Holding	-	-	-	-	-	-	-	-	-	0
Construction	1	-	-	-	1	-	-	-	-	2
Development	-	-	-	-	-	-	-	-	-	0
Property	-	-	-	-	-	-	-	-	-	0
Services	11	5	-	3	-	-	-	-	-	19
Concessions	-	-	-	-	-	-	-	-	--	0
TOTAL	12	5	0	3	1	0	0	0	0	21

ABSENTEEISM 2011- 2012 (NUMBER OF HOURS WORKED AND LOST)



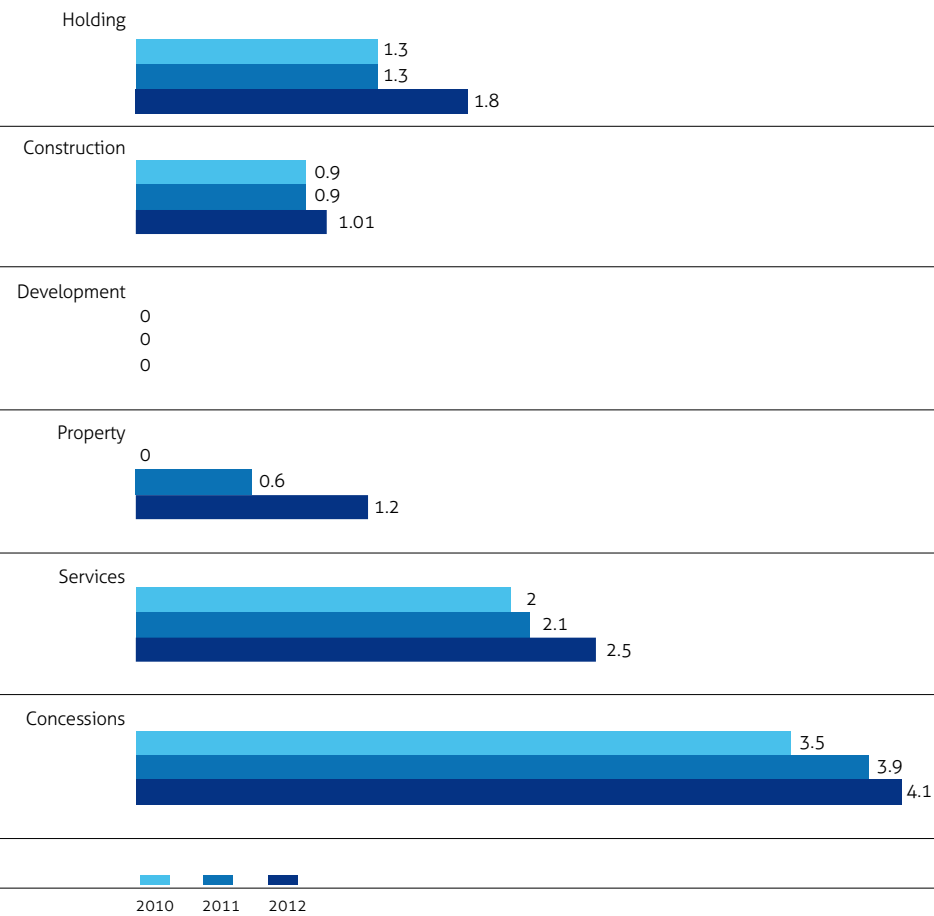
Lost work days are leaves motivated by non-work related accident or illness.

The percentage of absenteeism in Spain in 2012 was 3.6%.



Work under way on
the construction of
the Madrid Metro's
Line 9.

DISABLED AVERAGE 2010-2012
%



5.4 Selection, training and intellectual capital

Having the best people, motivating them and guiding them in their professional development, is the formula for success that has enabled us to establish ourselves as a leading company able to reconcile the interests of their employees with business performance.

Aware of the role that human capital plays in generating value and, therefore by extension, as a source of competitive advantage in today's global market, The Sacyr Group pays special attention to the development and motivation of the people who form part of it, and makes use of various tools, management programmes and policies aimed at attracting and managing team talent in order to retain and enhance it.

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Recruitment

The Sacyr Group recruits using transparent, confidential and rigorous processes, which ensure respect for the principles of equality and non-discrimination. These processes include objective tests designed to evaluate only the merits, qualifications and skill profile of each candidate, in order to optimise the job-person match.

The selection process is based on the job manuals, documents which include a description of each position, including the mission, functions to be performed, required skills profile, training, experience, languages or other knowledge or aptitudes needed to adequately perform the job in question.

Based on the job description and after an interview with the person requesting the selection to match the profile requested to

the department in order to ascertain details such as the organisation of the department, number of people, dependency, work methods etc.

The process continues by interviewing and assessing candidates, followed by language level testing, as only those candidates capable of exceeding the minimum required level can be contracted. The ultimate aim is to achieve alignment with the strategy of internationalization that is taking place in the Group.

Finally the assessment process concludes with a comprehensive report on those deemed most appropriate for the post. The reports are sent to the person requesting the process, who, after conducting a second interview, will make the final decision on the choice of candidate to incorporate.

Noteworthy is the creation of an induction protocol for new employees, which is a series of actions to encourage and promote the new employee's sense of belonging/ commitment to the company from the first day they form part of the company, as well as being motivated and productive from the first steps of their career within the Group.

This process is digitised through an online management tool, which provides and collects data such as interview appointments, candidates' CVs and assessment reports, as well as allowing us to meet the requirements of The Data Protection Act, in relation to information and treatment regarding access to this tool (both candidates and managers).

For the recruitment of final year students and recent graduates, we have signed more than 50 agreements with universities both nationally and internationally, which have been revised and updated to comply with current legislation in this area, following the publication of the three RDs: 1493/2011, RD 1707/2011 and RD 1543/2011. Through these university-business collaboration agreements, there will always be trainee personnel in any division of the Group.

This year 2012 we once again attended University Employment Forums, but only those involving students in fields related to our business. Likewise for the first time, we have participated in the Disability Forum held in Madrid, hiring a stand during the two days of the fair, in order to recruit people with disabilities and incorporate them into the various businesses.

In addition and in line with our international expansion, we also attended Forums at highly regarded Business Schools. On this occasion our aim was to make ourselves known to MBA students with strong track records and languages skills from a range of countries (Panama, India, Israel, Libya, Algeria etc.) where the Group is already working on several projects involved in the construction, concessions, water utilities areas etc. These actions allows us to establish links to enable us to hire the best candidates (recent graduates), in addition to experienced professionals with post-graduate training.

Finally, we have participated with the Department of Education and Employment of the Community of Madrid, by incorporating scholarship holders from their pioneering programme Dual Training; an innovative educational model aimed at adapting Professional Training to the needs of the productive sectors, improving the skills of those with qualifications and improving their qualifications as well as their chances of entering the job market.

We have also incorporated scholarships holders through the "Green Jobs Programme" set up by the Department of Employment and Social Affairs of the Basque Government, with the aim of providing businesses the possibility of integrating unemployed young people trained in eco-innovation, with grants from the programme, to develop eco-innovative Plans matched to the needs of each organisation.

Noteworthy is the creation of an induction protocol for new employees, which is a series of actions to encourage and promote the new employee's sense of belonging/ commitment to the company from the first day they form part of the company, as well as being motivated and productive from the first steps of their career within the Group.

At Sacyr training is based on a standardised model and is centrally managed throughout the entire Group, with the aim of adding value to the company through the professional development of employees.

Training

At Sacyr training is seen as a strategic talent management tool, to support change and reinforce the corporate mission, it is therefore “a value-generation driver.”

Therefore, the Sacyr Group is firmly committed to increasing its investment in training, and is implementing various measures to enhance the skills and abilities of its employees, optimizing their performance and boosting its competitiveness.

At Sacyr training is based on a standardised model and is centrally managed throughout the entire Group, with the aim of adding value to the company through the professional development of employees.

The Group produces an **annual Training Plan** based, mainly, on three key sources of information:

- Training required for employees
- Training needs survey.
- Results of performance assessment (Annual Development Programme-Interview EAD).

The training plan provides different types of training initiatives tailored to the specific needs of employees and the organisation:

- **Induction training:** Induction courses designed to make the integration process in the Company easier for new employees.
- **On-the-job training:** The aim is to develop Group employees’ skills and enable them to acquire the knowledge to ease their adaptation to new demands in their jobs.

This takes the form of technical training initiatives supplied externally, with leading bodies, and internally, by recognised professionals and experts in the company.

- **Expert training:** Aimed at upgrading the professional qualifications of those already established in their positions. This is usually carried out through advanced specialised courses, Master’s programmes, etc.

Both on-the-job and expert training are designed to provide functional mobility and further the career progression of employees. These training programmes focus on team management, negotiation skills and the development of language skills to help meet the challenges posed by the Group’s international expansion.

The Group’s key training-related indicators and trends over the past three years are set out in the table below, which attests to the considerable commitment to employee training conducted by Grupo Sacyr in recent years.

TRAINING - KEY INDICATORS (SPAIN)

Key Indicator	2012	2011	2010
Total training hours	89,741	111,180	133,869
Investment (euros)	843,670.45	€962,489	€865,672
Number of employees trained	3,650	3,563	3,834
Average hours of training per year per employee	5.8	7.6	8.8

Throughout 2012 we continued to arrange grants and bonuses as well as free training offered by industry associations to which the Group various companies are affiliated.

Furthermore, intensive and one-to-one language training has increased significantly, in accordance with Group internationalization. In practise this training model has brought about an increase in the cost per hour training ratio.

HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY (SPAIN 2012)

Employee Category *	Number of training hours	%
Category 1	8,908	9.93%
Category 2	12,606	14.05%
Category 3	33,323	37.13%
Category 4	34,904	38.89%
TOTAL	89,741	100%

(*) Note: Category 1 Executives; Category 2 Middle Managers; Category 3 Specialist Personnel; Category 4 Other personnel

Four types of training are offered: classroom-based, distance learning, online and mixed (mixture of the other three types). In 2011, most training actions were in the form of distance-learning and online courses.

Importantly, online training is provided through the Group’s platform, allowing all our collaborators to be trained, thus obtaining complete and tailor-made training. The 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. 67 courses are currently available.

Noteworthy is the development and implementation of Training Programmes on our training platform specifically aimed at key groups in the company (Training Programme for Heads of Services); including training related to technical, skills and IT.

On the other hand, noteworthy was the heavy use of online training in 2012, with 90.7% (528) of the employees enrolled in training on the platform finishing it.

TRAINING BY TYPE (SPAIN)

TRAINING MODE	2012		2011		2010	
	TOTAL HOURS	% OF THE TOTAL NUMBER OF TRAINING HOURS	TOTAL HOURS	% OF THE TOTAL NUMBER OF TRAINING HOURS	TOTAL HOURS	% OF THE TOTAL NUMBER OF RAINING HOURS
Classroom-based	39,609	44%	42,489	38.21	29,640	22.14
Distance learning	21,270	24%	37,540	33.79	63,974	47.78
Online	28,861	32%	31,133	28	40,255	30.07
TOTAL	89,741	100%	111,180	100%	133,869	100%

USE OF THE ONLINE TRAINING ROOM STATISTICS (2012)

Number of users	3,181
Number of students enrolled in 2012	582
Training hours provided by the online Classroom	25,843
Investment in training via the online Classroom * (euros)	€212,432.74
Courses available	68 courses

In terms of the training mode carried out in terms of internal or external, noteworthy is that external training is more extensive (89%) than in-house training, which accounts for 11% of the training given. In-house training is given by our collaborators who have the necessary training, experience and abilities to carry it out, thus guaranteeing that the knowledge acquired in their jobs will be applied.

Training conducted in 2012 was mainly centred on the following content areas:

- Technical training (65%).
- Languages and development of language skills (25%).
- Skills- qualitative abilities (3%).
- Information technology, development of new technological and communication tools (5%).

TRAINING 2012 BY AREA



Professional development

Technical training still accounted for the bulk of training given in 2012, since employee specialisation and retraining remains one of our principal objectives.

Noteworthy are the investment ratios and number of training hours in language activities using a range of methods (one-to-one classes, group classes, online courses, telephone classes, intensive programmes, immersion programmes, etc.) to fit employees' needs and so fulfil the requirements arising from the Group's increasing internationalisation.

Lastly, we highlight skills training, designed to equip employees with attitudes and qualitative abilities, aimed at providing participants with the tools they need to strengthen their management skills (team management communication, negotiating, etc.).

In order to ensure that the objectives established by the training department are met, The Training Division has developed an assessment and quality control procedures using different quality controls along two main lines:

- Impact of the training process, which is measured in terms of participation and the achievement of the objectives.
- Transfer of the course content to job.

Committed to each and every one of the people who make up the organisation, Grupo Sacyr has clear convictions with regards their development potential within the Company, providing them job opportunities for improvement, and implementing active management policies to guide them in their professional growth within one of today's leading companies.

Added to this, we try to improve communication and understanding about the roles of each of the Group's jobs, identifying and analyzing current and future responsibilities and detecting employment opportunities that promote the personal and professional growth of our teams. In this way we can ensure the motivation, value, recognition and development of the talent of our principal asset: our employees.

Employee Portal

As in previous years, in 2012 the Human Resources Division continued to strive towards providing a faster, more direct and effective service by working on the consolidation of the Employee Portal as a corporate window of direct communication with our employees. For that purpose, communication has been reinforced through the new channel, centralising all statements or news issued by the HR department and incorporating all those from other departments of potential interest to employees.

For example this year, as well as the statements made in previous years, it has been used as a communication and management programme for one of the most important corporate programmes carried out in our Company, the Annual Development Interview or EAD Programme.

Likewise, given the Organisation's commitment be socially engaged with its policies and projects, we are using all our resources and channels to inform and thereby raise awareness about campaigns

and solidarity programmes (Food, Toys, Clothing, Collection Programmes, Charity Races, etc...) or action and awareness against gender violence.

Therefore, the Employee Portal, our main corporate PA system, has made remarkable progress this year in disseminating and communicating to all employees.

Moreover, as a means of promoting internal mobility to fill vacancies within the organisation, during 2012 the Company's Job Exchange has continued to function through which employees can find out personnel requirements for the different international projects of any of the Group companies and apply to them if interested.

Similarly publications such as the Welcome Protocol or the Job Offers for Employees section are still available, which not only help new employees joining the Group to adapt, but also provide the business agreements signed by the Company with different clients and service suppliers.

In addition to existing functions there are also:

- Requesting leave and training actions.
- Obtaining payslips and withholding-tax certificates.
- Viewing the Workers' Agreement (Estatuto de los Trabajadores), the business calendar and individual training records.
- Accessing the online platform and various knowledge management applications, such as the "language corner".
- Enabling managers with teams under their charge to obtain useful data (assessment reports, leave and holidays, etc.).
- Updating your personal details and CV.
- Accessing news and announcements in real time .
- Viewing assessment reports carried out by superiors within the framework of corporate evaluation programmes.

All of this keeps our commitment to continuously improving our efficacy and efficiency in PEOPLE Management alive.



Within this context, we regularly update our job descriptions, identifying functions, synergies, required competence profiles, and performance indicators, and continue to promote performance appraisal, essential in any professional development programme as it provides an in-depth knowledge of the human resources available to the organisation.

Performance is measured through two established programmes within the culture of the organisation: Objective Based Management (OBM programme) and the Annual performance Interview (API programme).

The GPO is a tool made available to Group managers to help oversee and organise their team. The aim of this programme is help obtain the following objectives:

- Establish, communicate, monitor, evaluate and recognise individual and group targets, helping to ensure that these are in line with the Sacyr Group's strategy.
- Facilitate the achievement of the company's objectives and those of the different business units.
- Motivate and retain employees by setting performance-related remuneration, ensuring that the best-performing employees 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 participating in the programme. During a year-end interview, both interviewer and employee have the opportunity to analyse and comment on the latter's performance over the year, highlighting

both successes and areas for possible improvements.

The API programme is designed to be beneficial for all the members of the Company, both employees and those in charge.

For the Person in Charge:

- It strengthens communication using a more **collaborative** management style.
- Maximise planning and organisation of the team.
- Facilitate decision making

For the employee:

- Favour the professional **recognition** of the work carried out.
- Provide them with **feedback** from their superiors.
- Offer self-evaluation and self-criticism to help them ascertain their Strengths and Areas of Improvement.
- Attribute an active role to the employee in their professional development
- Based on the aforementioned, favour their **professional motivation**.
- Finally, facilitate the identification of the company's objectives and maximise the feeling of adding value.

To sum up, this tool allows us to obtain very valuable and useful information to manage Human Capital. It provides us information on the potential of the workforce, on the motivations of employees, it helps us to ascertain the areas of improvement, facilitates decision-making by those responsible and helps them organise their teams, as well as providing a greater awareness to the employee of their own abilities.

For this reason, this year we wanted to go a step further by incorporating the group under assessment into the group of Technicians from the different Business Units, professionals who are earmarked to be the future leaders of the Company and who are a cornerstone within the organisational structure of the various divisions.

This action has allowed us to significantly increase the final group of persons subject to assessment, however, the Sacyr group aims to continue to consolidate and strengthen it over the next few years.

BUSINESS UNITS	GROUP 2012	DIF.%	GROUP 2011
Holding	254	14	103
Construction	494	15	430
Development	44	-19	54
Property	40	67	24
Services	474	15	413
Concessions	78	50	52
TOTALS	1,384	29	1,076

On the other hand, this commitment to identifying and then managing our employee's talent, has led us to develop additional tools which are more specific and suitable for particular groups. Using these, not only can we accurately and objectively identify the potential of each employee, but also the most suitable plan of action for their subsequent development.

With the information gathered, 547 potential collaborators have been identified this year, enabling us to consolidate a sound bank of highly qualified professional experts.

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 pay.

Talentya Programme: A comprehensive career development programme that runs for about 36 months, Talentya is aimed at graduate entrants to Grupo 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 their taking up key positions in the organisation in the future.

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

- 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.
- Specific individual training programmes shaped by need 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 150 employees, who took part in over 247 training actions involving 10,639 teaching hours.

Internal Mobility Programme: Following on from the talent management of our employees, the Human Resources Department further developed the Internal Job Mobility Programme. It is clearly focused not only on continuing to offer career/personal development opportunities to our employees but also guaranteeing the job stability of all our professionals, thus fostering stable employment.

Based on these principles, through the Corporate Job Exchange, the number of selection processes covered by internal personnel has increased notably.

Similarly, we have continued to work on the professional relocation of internal personnel who are pending project finalisation within the different Business Lines. For this reason, this year Human Resource Management have worked on the development of **Professional Reorientation Training Programmes** enabling this group to adapt quicker to businesses and responsibilities within areas different to those previously they had been involved in.

Other projects: Additionally, the Organization has another series of Programmes and Initiatives that are allowing us precise Talent Management adapted to the demands of both our Company and our professionals:

- **360º appraisals** which, in tandem with coaching programmes (personal development process with a trainer); enable us to develop our managers as a reference in the management of the different businesses.
- **Monitoring of Expatriate Personnel:** The Human Resources Department are analyzing the level of adaptation to the country and the job of all our expatriate employees, which allows us to support them and their families at such a crucial moment both personally and professionally.

Sacyr offers its employees a range of social benefits that help enhance the quality of their lives

Similarly, prior to their return, we assess their performance, strengths and potential areas for improvement which, together with the knowledge of their personal and professional interests, is of great interest and value to us when relocating them once they have returned to Spain.

- **Development of Country Guides:** As a complementary tool to support employees in their international transfer, we have produced Guides describing the various countries where we operate, where all the necessary local and general information has been compiled, thereby making it easier for them to adapt to both their home environment and to the new environment.

Social Benefits

Salaries are not the only means by which Sacyr employees are rewarded for their professional activity. Sacyr offers its employees a range of social benefits that help enhance the quality of their lives. These include:

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

Encouraging 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 Sacyr Group is committed to implementing measures aimed at balancing the two areas.

To this end, Sacyr strives to go beyond mere compliance with legislation in the area of the work-life balance by providing a high level of employment flexibility enabling its employees to amply fulfil their family responsibilities.

Initiatives started by the Group in this area include:

- **Flexible working hours:** Employees enjoy a degree of flexibility in their arrival, departure and lunch times.
- **Shorter working day without breaks:** Employees work through from 8.00 to 15.00 every Friday of the year and over the summer months.
- **Target-based work:** in order to achieve more flexible working hours, in many positions the attainment of annual targets takes precedence over physical presence at the workplace.
- **Reduction of working hours:** Requesting a reduction in working hours is looked upon favourably for employees who are legal guardians and look after family members unable to look after themselves due to age, accident or illness.

- **Accumulation of breast feeding hours:** Employees may accumulate full working days, even when the hours of paid permission are not stipulated under the collective labour agreement
- **Leave of absence:** those employees who need to do so may request that the company temporarily suspend their employment contracts.
- **Internal mobility:** employees can request a change in geographical location or position in order to satisfy needs such as being closer to home, the best person-job match, etc.

Equal opportunities and non-discrimination

The Sacyr Group is committed to managing its human resources strictly on the basis of professional criteria, avoiding all types of discrimination, whether due to race, religion or beliefs, 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:

- Men and women must enjoy equal opportunities in terms of employment, training, promotion and carrying out their work.
- Men and women must receive equal pay for performing the same tasks under the same conditions.
- The company must ensure the welfare and non-discriminatory treatment of women working for any of the Group companies.

The Labour Relations Department has appointed an Equality Officer in charge of supporting equality plans and putting in place specific systems for regular monitoring and control.

In addition, Sacyr conducts active employment policies with a particular focus on disadvantaged groups such as immigrants and disabled individuals. Some of the main initiatives implemented in 2012 included:

- **Immigrants:** Within the framework of an agreement concluded between the Senegalese authorities and the Spanish Ministry of Employment in 2007, the appraisals and monitoring of the group of Senegalese employees contracted, continued in 2012. These appraisals included analysis of both their performance at work and the degree to which they had adjusted to Spanish culture and customs.

Throughout 2012, after substantiating the correct adaptation to the country, culture and job using the appraisals received, this monitoring process has now been finalised, however direct communication channels have been offered in which any incident or query they might have can be solved.

- **Victims of gender-based violence:** Within the framework of an agreement with the Ministry of Employment and Social Affairs, in 2013 Sacyr plans to continue its work to facilitate the work-force integration of this marginalised group.

- **Persons with disabilities:** In 2012, the number of employees included in this group has increased to 21.36%. At 31 December 2012 they represented 2.36% of the Group's workforce in Spain. Sacyr aims to continue increasing this percentage in the years ahead.

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 on their incorporation process.

In 2012 there were no cases of discrimination 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.

Sacyr Vallehermoso against gender violence

Under the gender Violence Eradication Agreement entered into in 2007 with the Ministry of Labour and Social Affairs, the Sacyr Group continued to take steps in 2012 along both our lines of action: raising awareness of gender violence and promoting employment for the victims of gender violence

In an ever-changing and challenging environment, the Group provides the skills and knowledge needed showing its social commitment to the diversity of nationalities, thus reflecting us as an open, agile organisation with the support capacity in which diversity is recognised and valued.

We should point out that within the Grupo Sacyr workforce in Spain there are employees from over 60 different nationalities, with Ecuadorian, Rumanian and Moroccan citizens making up the largest nationality groups.

Elimination of child and forced or compulsory labour

The Sacyr Group does not tolerate child labour or any other form of forced or compulsory labour and is committed to the rigorous enforcement of the International Labour Organisation's standards (ILO) in relation to these issues.

Consequently, Sacyr will not use child labour in any shape or form and will not incorporate into its business activity any product or service resulting from such labour, and will require all its employees, suppliers and contractors to strictly observe this principle.

In 2012 no incidents related to child 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

The Sacyr Group safeguards the rights of association, union representation and collective bargaining of all its employees, in line with legislation prevailing in each country. In 2012, over 500 employees acted as legal representatives on committees and representatives from various trade unions in the different Group companies.

No company activity jeopardises the fundamental right to freedom of association. Moreover, the company offers employees the possibility – at all Group companies, regardless of location – of directly paying union dues from their salaries, with the company itself transferring payment to the union.

In Spain, 100% of the Group's workforce is covered by sector collective labour agreements, according to the job performed, and in the rest of the world the relevant local laws and regulations apply. In addition, employees in Group companies with union representation regularly meet with union representatives to ensure that their concerns are addressed.

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

In Group companies where employees have legal representatives, the opinion of representatives is taken into account in any decisions affecting the workforce as a whole, in line with the provisions of the Workers' Statute. In companies where no such legal representation exists, the Human Resources Department takes into consideration the contributions and suggestions of the employees affected.

In the event of corporate restructuring, the minimum periods of redundancy notice and consultation and negotiation with employees and/or their representatives depends on the specific circumstances of each case. Where possible, these issues will be mutually agreed between the company and employees; otherwise, the organisation will proceed in accordance with prevailing legislation and collective labour agreements.

A highlight of employer-union relations were the agreements on working conditions and occupational risk, which merited special attention.

5.5 Occupational risk prevention

Guaranteeing maximum safety for employees in the performance of their business activities 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 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, preventative initiatives at the Sacyr Group 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 legally-required prevention areas: 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:** Formed by basic level technicians, working on a part-time basis at the different work centres. These personnel are integrated into 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 arranged with 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 the Sacyr Group.

In 2012 the companies of Sacyr submitted its OHS management to OHSAS legal and compliance audits, which they successfully passed.

Certified health and safety system

In addition to fully complying with all legal requirements in the area, Sacyr Group companies are implementing occupational health and safety management systems certified under OHSAS 18001, the principal international benchmark for occupational health and safety.

The system was implemented in 30 Group subsidiaries, eleven of which have obtained OHSAS 18001 certification.

In 2012, one new certification was obtained, bringing the total to over 78% of the Group based on its revenue figures.

This OHS management system helps to correctly identify, review, manage and improve monitoring of 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 standard, Sacyr sets annual targets, aimed at constantly improving its occupational risk management. Proposals for 2013 include:

- **Objective 1.** Progressively decreasing accident rates in the company, to reach a figure of 12% within a defined time frame. (3 years).
- **Objective 2.** Progressively reducing accidents caused by physical overexertion, to reach a figure of 9% within a defined period. (3 years).
- **Objective 3.** Increase, by 10% of its value, the safety visit average to Work Centres within a defined period. (1 year).
- **Objective 4.** Increase, by one tenth of its value, the documentation visit average to work centres within a defined period. (1 year).

Dissemination of the prevention policy

The Group management understands that in order to improve occupational safety, employees themselves must be aware of the risks they are exposed to in their job, and the importance of taking the appropriate preventive measures.

For this reason, the Sacyr Group encourages all employees to be familiar with the guidelines on which its Occupational Risk Prevention Policy is based and to incorporate them into their work style, to this end, it is committed to informing employees of the policy and distributes related documentation through training programmes tailored to each functional area and hierarchical level within the company.

As an example we can name some of the courses taught in the group:

- OHSAS "Health and Safety in the Workplace Management System".
- Company Management Course

Furthermore, both the Occupational Health and Safety Manual and General Procedures are available to all employees through Sacyr site and the PRESYV application. Through the Sacyr sitechannel, Group employees can access technical guides, prevention registers and technical notes focused on occupational risk prevention.

Employee representation in OHS matters

38% of Sacyr Group employees are represented on health and safety committees.

In addition, 7% of the total Group workforce has union representation through Prevention Officers. Although these officers do not form part of a Health and Safety Committee because is not constituted, they actively participate in health and safety-related issues by periodically attending meetings with company representatives.

The main issues associated with Occupational Health and Safety discussed at meetings between the company and unions, and which have resulted in formal agreements, are as follows:

- Setting up Health and Safety Committees
- Delivery and clarification of documentation to Prevention Officers.

- Joint review of: Risk assessments, health and safety planning and work procedures.
- Drafting and implementing Emergency and Evacuation Plans.
- Overseeing employees' health and medical conditions with restrictions.
- Scheduling and teaching of OHS Training courses.
- Review and disclosure of accidents.
- Defining risk in the use of auxiliary means.
- Condition of health and hygiene facilities.
- Signposting of localised risks.
- Installation and revision of collective protection systems.
- Adaptation of personal protection equipment.
- Maintenance condition of work equipment.

Results of the occupational health and safety management

The Sacyr Group's endeavours in the field of occupational health and safety have enabled significant advances in workplace quality, as measured by an internal scoring system that assesses each work centre in relation to the fulfilment of preventive duties.

The occupational accident rate has decreased in terms of last year's figure, remaining at levels still well below the figures released by the Ministry of Labour for the two sectors in which the Group employs the most people. Although the calculation system recommended by the NIOHS is used (Frequency, seriousness and incidence rates) as it is standard procedure in Spain, the criteria included in the LA7 of the Global Reporting Initiative are still met.

In 2012, the Sacyr Group reported no fatalities in the workforce in Spain however there were 22 cases of work-related illnesses.

All statistical data below refers exclusively to Spain.

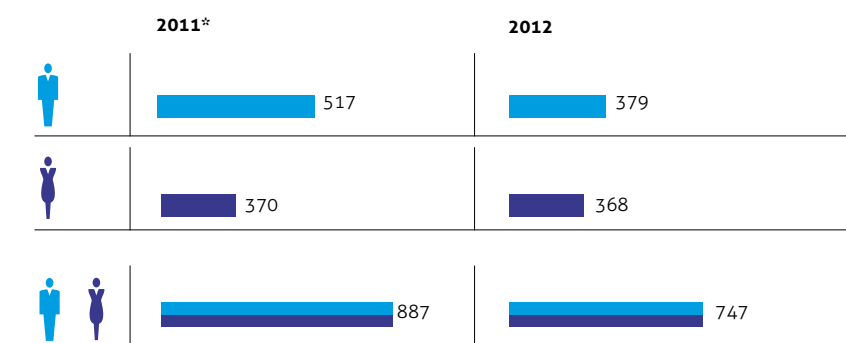
	INCIDENCE INDEX	FREQUENCY INDEX	GRAVITY INDEX	EMPLOYMENT INDEX
GROUP TOTAL 2011*	7,926.72	30.49	0.78	0.0008
GROUP TOTAL 2012	6,120.53	23.45	0.54	0.0007
DATA TOTAL MINISTRY OF EMPLOYMENT 2011	3,515.2	21.9	0.61	

* 2011 indices have been recalculated following the methodology applied in 2012, consisting of calculating each of the indices in terms of days lost, hours worked and total accidents of the Sacyr Group throughout the year.
Note: As of today's date the official indices corresponding to 2012 have not been published.

Throughout 2012, the SyV Group reported no fatalities in the workforce however there were 22 cases of work-related illnesses.

In terms of accidents involving subcontractors, during 2012 there was 1 fatal and 2 serious accidents registered. The Joint Prevention Service carried out the appropriate investigations for each of the three cases, assessing the causes and adopting suitable measures to prevent the recurrence thereof.

In terms of the breakdown of accidents by gender, the last two years have resulted as follows:



* Accidents during 2011 have been recalculated excluding adopted as accidents

In terms of the most significant accident types, the last two years have resulted as follows:

TYPOLGY	2011	2012
PHYSICAL EXERTION - ON THE MUSCULOSKELETAL SYSTEM	42%	40%
CRUSHING ON OR AGAINST THE RESULT OF A FALL.	17%	23%
CRUSHING ON OR AGAINST, RESULT OF A TRIP OR CRASH INTO A STATIONARY OBJECT.	9%	8%

For the system of notification and registration of accidents, this is carried out through the standardised part published in Order TAS/2926/2002 published of 19 November of the Electronic Work Accident Declaration System (Delt@), accessible from the link: <http://www.delta.mtas.es/>.

Cooperation with leading OHS agencies

Sacyr works with a range of organisations specialising in promoting 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:

- **National Occupational Health and Safety Commission.** The Sacyr Group's Joint Prevention Unit Head is the member representing the CEOE, the Spanish business federation, in the Construction Working Group of the National Occupational Health and Safety y Commission.
- **The Madrid Association of Architects and Master Builders:** Sacyr forms part of the Health and Safety Committee of this association, which promotes occupational health and safety initiatives and activities in the construction industry.
- **SEOPAN Health and Safety Committee:** The Sacyr Group plays an active role in this committee within the Association of Spanish Construction Companies (SEOPAN), whose mission includes the promotion of compliance with occupational health and safety legislation and the provision of training within this area.
- **The Madrid Region Association of Construction Companies (AECOM):** Sacyr is a member of this Association, whose objectives include the promotion of occupational health and safety in sector companies and presides over the Health and Safety Committee.
- **Spanish Association of Park and Garden Maintenance Companies (ASEJA):** Sacyr participates in this association through its subsidiary Valoriza Servicios Medioambientales. ASEJA is currently preparing a training manual for gardening works which includes OHS recommendations.
- **Spanish Association of Cleaning Companies (ASELIP):** Through its Valoriza Facilities subsidiary, the Group takes part in this association by producing risk prevention handbooks.
- **ACEX (the Spanish association of infrastructure maintenance and operation companies),** comprising the leading infrastructure maintenance firms, is currently designing an array of statistics for occupational accidents in the industry.
- **Construction Industry Labour Foundation:** Comprised of the major players in the construction sector, this foundation provides training and promotes the use of appropriate preventative practices.



Amorebieta-Muxika
Radial Road.
Autzagane Relief
Road (Vizcaya).

Contractor and occupational risks

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

To this end, Sacyr has specific Sub-contractor Information, Control and Monitoring procedures in place, the main objectives of which are:

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

Noteworthy is that during 2012, Sacyr complied with construction industry subcontracting regulations by limiting the number of levels in the subcontracting chain by using subcontracting records and requiring subcontractors to produce evidence of compliance.

5.6 Quality and the Environment

TARGETS MET IN 2012

- ISO 9001 and ISO 14001 certificated, Cafestore, Itepesa and Itemosa*
- Maximum score for the Green Certification (5 leaves) awarded to the project carried out by Sacyr Construcción, Millennium Square (Valladolid).*
- Putting in place of an electronic Supplier Assessment system in Somague.*
- Increase in the number of users of the environmental information applications*
- 81.87 % of the earth excavated in the construction area is Spain in reused and 78 % in Portugal.*
- The environmental performance of Cafestore (multi-services), Itepesa, Itemosa (concessions area) and Valoriza Water Australia PTY LTD has been reported for the first time.*
- For the first time the amount of waste managed, based on the treatment received has been reported.*
- The Analytical Control Plan for water has been rolled out in AGS which has meant more than 215,000 analyses being conducted throughout the year.*
- Reduction of emissions associated with earth moving transport during the Olost by-pass Joint Venture, thus avoiding some 20.2 tons of CO₂ emissions.*

CHALLENGES FOR 2013

- Increase certifications in ISO 9001 and ISO 14001 in other activities of the Group, (Industrial Division and motorway concession).*
- Report to the Community on our carbon footprint.*
- Roll out our computer applications in the international area.*
- Define a customer satisfaction system in the industrial division.*
- Make available to the company a summary of the most significant environmental actions carried out by the Group.*
- Extend LEED certification in the Real Estate division.*
- Inform the company on the achievement rate of the environmental targets by business division.*
- Report on the Scope 3 emissions for construction activities in Spain.*

Grupo Sacyr’s respect for the environment is a fundamental factor in the way it conducts its business and is essential to achieve customer satisfaction, meet users’ requirements and satisfy their needs. All of this based on the fundamental premise of making its activities compatible with the environment.

Sacyr boasts an **Integrated Quality and Environmental system** in accordance with the ISO 9001, ISO 14001 and EMAS standards, the main benchmarks in their respective areas on a national and European level. All the activities carried out by the Sacyr Group are included in a single comprehensive system, which is unique but also requires a great deal of effort.

CERTIFIED ACTIVITIES SACYR GROUP
%

AREA OF ACTIVITY	ISO 9001			ISO 14001		
	SPAIN	CHILE	PORTUGAL	SPAIN	CHILE	PORTUGAL
Construction	87.06%	100%	100%	87.06%	100%	75%
Property	68.28%	n/a	n/a	68.28%	n/a	n/a
Development	10.00%	n/a	n/a	0%	n/a	n/a
Concessions	11.18%	n/a	n/a	11.18%	n/a	n/a
Services						
-Energy	n/a	n/a	n/a	n/a	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

The Sacyr Group currently holds 32 certificates in accordance with the ISO 9001 Standard, 28 certificates in accordance with the ISO 14001 certifications, and three certifications under the EMAS Regulation. The percentage of activity certified under these voluntary requirements at the close of 2012, is as follows.

In 2012 the Sacyr Group passed the external audits in accordance with the UNE-EN ISO standard 14001:2004; UNE-EN ISO 9001:2008 and the EMAS regulation.

The Environmental Statements are available for consultation at the following address www.sacyr.com.

Furthermore, since 2003 Sacyr Vallehermoso has been a licensee of Madrid Excelente, a seal of quality which recognises Sacyr as a company committed to excellence, and reflects the Group’s commitment to innovation and continuous improvement, satisfied people and as making an active contribution to economic, social and environmental development.

Given the importance of company classification systems in the construction sector in Italy, the Italian authorities recognise the importance and value of organisations on achieving ISO 9001 certification and also add requirements and additional demands defined in the Technical Regulation TR 05, which established the provisions for the assessment and certification of quality management systems in these companies. Sacyr Construcción and Valoriza Servicios Medioambientales, have held this requirement since 2008 and are recognised in Italy by Accredia for certification of compliance with the ISO 9001 standard, in accordance with the Technical Regulation TR 05. This is renewed annually.

In 2012, various actions undertaken by the Sacyr Group, have been recognised by independent organisations, of which are noteworthy:

GBC CERTIFICATE SPAIN – GREEN. The Millennium Square in Valladolid.

The Millennium Square project, constructed by Sacyr, has obtained “green” certification from the Green Building Council Spain, which means that the environmental and sustainability values have been acknowledged by independent bodies external to the project.

The Millennium Square is the first project in Spain to obtain such a high score the area of sustainable building and the environment, no other GREEN certified building or public space in Europe has obtained such a high score.

A GBC Spain Green Certificate is recognition by an organisation, independent from both the developer and the project design firm, of the environmental value of a building in the light of a range of internationally accepted assessment criteria.



LEED Certification. Own office building in Madrid (Spain) and Miami (USA)

For office buildings in Miami and Madrid, during 2012, the work required to obtain the silver certification has been carried out (LEED Silver). In the case of the office building in Madrid, after the work was executed and the 90 E.Star was obtained the performance period began which ended in November 2012, finally all the information was sent to the USGBC (certifying body) on December 13, 2012.

The office building in Miami is currently within the performance period. Both certificates are expected to be obtained within the first months of 2013.

Valoriza Energía Operación y Mantenimiento has renewed their PEFC and FSC certificates for Forestry Biomass Stewardship.

Sacyr Industrial's subsidiary, Valoriza Energía Operación y Mantenimiento has renewed its PEFC (Programme for the Endorsement of Forest Certification Council) and FSC (Forest Stewardship Council) certificates for the stewardship of the forestry biomass which is used in the company power plants.

Valoriza Operación y Mantenimiento is the first company in the sector in Europe to obtain the PEFC chain of custody certificate for forestry products, i.e. the purchase of PEFC certified forest biomass deriving from non-controversial sources, for burning and energy production.

The three companies who generate electricity from Biomass which Valoriza Operación y Mantenimiento use in Andalusia (Biomassas de Puente Genil (Córdoba), Bioeléctrica de Linares (Jaén) and Extragol (Málaga) have received the PEFC accreditation, which means the wood from the mountains used for their activity has been audited and certified in accordance with the standards of the "Responsible Forest Management" from the FSC, or "Sustainable Forest Management" from the PEFC. In addition to the wood from "controlled" or "non controversial origins": wood not FSC or PEFC certified, but complies with the minimum requirements of social responsibility, environmental responsibility and traceability, defined by these Bodies, with which the certified wood can be mixed.

The Sacyr Group and environmental responsibility

In terms of the environment, the management system helps the organisation identify the major environmental challenges associated with its activities, as well as the applicable legal requirements, and arrange the appropriate targets to guarantee the continuous improvement of its environmental performance.

Senior Management of the Sacyr Group understands that respect for the environment in which it operates, cannot be imposed from outside, but must be born from within the Company's team and encourages everyone to work in an environmentally friendly way.

The aim of the Sacyr Group is to conduct its business in a manner that enables us:

- To comply with all legal and regulatory requirements, and all customer and user prerequisites that the Sacyr Group is required to satisfy. This is borne out by the 1,774 statutory provisions of environmental law and 1,732 statutory provisions on quality that apply to the Sacyr Group's various activities.
- To plan and execute activities in an orderly, rational and defect-free manner, reducing the impact on the environment.
- To improve waste management, applying the proper methods for reducing, recovering and recycling waste and ensuring that non-recoverable waste is properly disposed of.
- To prevent pollution throughout the environment (subterranean and surface waters, soils, atmosphere).
- To maintain fluid communications with customers to meet their needs, requirements and expectations, maximising their satisfaction and building loyalty. To enhance communication with the public administrations, neighbourhood associations and non-governmental organisations on environmental issues of common interests.

- To encourage employees to adopt quality procedures and use the most environmentally appropriate techniques and products, without undermining creativity or innovations that could arise as part of the ongoing system improvement process.
- To reduce natural resource consumption by using recycled and/or recyclable materials.
- To promote energy saving.
- To improve atmospheric emissions control (dust, gases and noise).
- To build a team of chosen partners whose quality and environmental criteria are aligned with those of the Sacyr Group.
- To ensure ongoing improvements.

The Sacyr Group's objective is to develop activities in such a way that allows us to:

- Implement environmental management in its projects.
- conduct actions of a marked sustainable nature.
- foster environmental outreach, training and awareness initiatives

This commitment is embodied in a series of sustainable practices, aimed at managing to minimise the impact on the natural environment, the efficient use of resources, the application of the hierarchy in waste management, the promotion of energy saving, etc., such as:

- the use of natural easy to recycle products;
- the use of material with a low environmental impact throughout their life cycle;
- elimination of materials which are a danger to the environment;
- the purchase of local materials to reduce the emissions derived from the transport of these materials;
- protection of natural habitats;
- encourage energy saving and adopting efficient energy measures associated with lighting, heating, equipment, refrigeration, transport, etc;
- installation of accumulators and solar panel on buildings;

- proper management of building and demolition waste generated;
- use of wood from sustainable forest sources, if possible certified with the FSC, PEFC stamp (Pan European Forest Certification) or similar,
- purchase of products with European Ecological Label (EEE);
- etc.

The Environmental Division reports directly to Innovation Management and operates as a company division at the highest level of the Organisation. Its responsibility focuses mainly on contributing to the effort of improving the quality of the services offered by the Sacyr Group and in the development of the actions leading to the reduction of negative effects, which the group activity could cause to the environment.

In this regard, it is noteworthy that the activity of the Quality and Environment Department, affects all the group's business areas, which in turn has direct consequences in its organisational structure. A direct reflection on the plurality of tasks carried out is the number of highly diverse and versatile people in the Department, which in 2012, consisted of:

- Construction and Services (Spain): 59 people.
- Construction (Chile): 7 people.
- Construction (Portugal): 9 people.
- Services (Portugal): 3 people.

All of whom are professionals with very different profiles, making up multi-disciplinary teams.

The Application of the Environmental Quality and Management Systems used in the Sacyr Group is customised to the needs of each work centre, depending on the activity on the basis of an Environmental Quality and Management Plan covering the following:

- Identification and appraisal of the environmental aspects.
- Resources and controls necessary for comprehensive supervision of operations.
- Setting goals for self improvement.
- Identification and evaluation of the legal requirements and other necessary environmental requirements.

In order to evaluate how the Management System has been applied and is operating, audits and regular visits are conducted to each of the Group's workplaces. These are intended to determine whether the System is meeting the targets established, operating efficiently, reliable, satisfies the Group's stated Quality and Environmental Policy, etc.

ENVIRONMENTAL SUPERVISION VISITS BY PERSONNEL OF THE WORK CENTRE

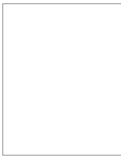
SPAIN	CHILE	PORTUGAL
938	N/D	38

With respect to Sacyr's groups documentation from the Environmental Quality and Management System, in 2012, 25 documents were created, 75 updated, implying a total of 100 documents, which has enabled us to get a deeper insight into continuous improvement and the processes and tools which form part of it.

The System's documentation is available to the entire organisation through Sacyr Group's intranet and on the computer application.

What has been previously mentioned is currently 60% computerised thanks to the internal development of a software tool that allows:

- The personnel responsible for Quality and the Environment as well as the personnel concerned to be able to instantly communicate, at all levels, and obtain the different data needed for monitoring and controlling the systems.
- Support in the system implementation and supervision systems in the different work centres.
- Possibility of greater monitoring and control of the different work centres by people responsible for each area and the quality and environment departments.
- Production of statistics and lists to analyse, at global and individual level, the extent of system implementation and identify areas for improvement.



Gas collection
system from the
Campo de Margarita
gas well, Bolivia.

ACCESSES



The Sacyr Group feels part of the community in which it operates and as such encourages and promotes environmental development in its surroundings, respecting and promoting the protection of the natural environment through its participation in various environmental volunteer programmes both in Spain, as well as the other countries where it operates.

In recent years we have participated in many projects aimed at the conservation of biodiversity, protection of water, protection of natural areas and wildlife. These projects and initiatives include:

- breeding programmes of endangered species
- planting various indigenous species and reforestation
- awareness campaigns for the general population on water saving and responsible consumption

- awareness campaigns to promote energy saving
- efficient energy consumption, etc., reduced waste generation and the proper use of office supplies.
- workshops related to reducing waste generation

The ultimate goal is to achieve sustainable environmental behaviour with the different resources used every day.

All these programmes have been developed with different collaborations, e.g.: Ministries of the Environment, Councils, Schools and non-profit organisations.



Awareness and training

Human capital is one of the driving factors of Sacyr. So, one of the group's goals is to have a select team of chosen partners whose quality and environmental criteria are aligned with those of the Group.

The search for sustainable development and the fight against climate change, inter alia, means that in the design, contracting, construction, upkeep of roads, rendering of services, rental of properties, etc., all activities carried out by the SyV Group, it is not enough simply to comply with the requirements demanded by the environmental laws applicable, but it is essential to take a step further, towards promoting and fostering the application of good practices in order to minimise impacts on the natural environment, efficiency in the use of resources and the application of the hierarchy in waste management.

For this reason, environmental training and awareness-raising are one of the cornerstones of the Group's strategy, and it uses a combination of didactic 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 environmentally friendly conduct.

This process, developed through different instruments, one of which is the development and dissemination of the Environmental Good Practices Manuals. Currently there are 16 Environmental Good Practice Manuals available, with which we contribute to:

- the protection and improvement of the environment;
- inform and the raise the awareness of our employees and collaborators hence successfully reducing environmental impact through more environmentally friendly actions and processes;
- improve public perception about our activities;
- provide information on good environmental practices;
- continuously improve our performance by decreasing the environmental impact of our activity.

The summary of the data is as follows:

ENVIRONMENTAL TRAINING 2011/2012

	SPAIN		PORTUGAL	
	2011	2012	2011	2012
	NO. TRAINING HOURS	ATTENDEES	NO. TRAINING HOURS	ATTENDEES
Construction	2,839	759	2,105	733
Services				
Multi-services	1,470	111	376	372
Water	1,423	22	28	2
Energy	31	2	--	--
Environment	1,400	186	43	40
Concessions	--	--	42	34
Property	--	--	76	5
Holding / Sacyr	900	37	25	24

In 2012, 3,694 hours of environmental training were taught in Spain to 1,117 employees through courses and informal discussions in various forms (external, internal, on-site, on-line, etc.). Compared with 2011, training contact hours have increased and training attendees have decreased. In Somague Construcción, 2,294 hours of environmental training were given to 278 collaborators, while in Somague Ambiente 278 hours of environmental training were given to 111 collaborators.

Environmental training

The Group 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 about environmental matters. The Sacyr Group has established various internal and external communication channels to this end.

The main channels for the dissemination of environment-related information are the Group's intranet (Portal Sacyr), the green mailbox, the Dimensión in-house magazine, the environmental improvement, consultation and suggestion section, the Group's website (see section entitled "Channels for stakeholder engagement"), the environment newsletter, and "Press Statements".

In relation to external communications, Sacyr has a variety of channels available to the public, the most important of which are its Annual Corporate Responsibility Report, Somague's Annual Sustainability Report, the Group's website, or the environmental statement associated with the EMAS certifications.

The Sacyr Group's Quality and Environmental Management is involved with various task forces working at various associations, including:

- **SEOPAN Quality Committee and Environmental Committee:** Sacyr plays an active role in these committees belonging to the Association of Spanish Construction Companies (SEOPAN), whose mission includes, inter alia, promoting compliance with environmental legislation.

- **It also participates in ASEFMA**, forming part of different work groups (e.g. environment), whose objectives include the identification of sustainable systems and methodologies.
- **Spanish Technological Roads Platform (PTC).** We participate in the environment and energy working groups.
- Sacyr is a member of the Advisory Board for the certification of construction companies (made up of the Ministries of Justice, Environment and Development and representatives of construction companies).
- Member of the **AEN/CTN 198 Sustainability in Construction Committee.**
- **BREEAM Certification Advisory Board**, responsible for defining the development strategy of BREEAM Spain and representing all parties in the building sector including planners, developers, builders, foundations and environmental institutions, financial entities and public administrations.
- The company is active in the **PLANETA platform**, one of the objectives of which is to foster the exchange of knowledge, information and experiences relating to environmental technologies, propose lines of cooperation and promote initiatives to improve the qualification of Spanish professionals in the field of Environmental Technologies.

The active participation of Sacyr in these working groups contributes to the development of documents, standards, etc, which will subsequently be shared with society.



Expenditure and environmental investments

The Sacyr Group's commitment to the environment is the source of a wide range of initiatives to prevent, mitigate and, wherever possible, eliminate or minimise the environmental impact of its businesses.

Putting these initiatives into practice carries a number of environmental costs, which have to be identified and assessed from a wide variety of perspectives. Sometimes, the costs arise from discretionary activities, while in other cases they are required by contract or environmental law; but they are always earmarked to prevent, decrease or redress any damage done to the environment.

In 2010, we made the initial effort to identify possible environmental costs and broke these down into groups to glean a rough idea of environmental expenses and investments, given the difficulty of obtaining information from the different work centres. In 2012,

we defined and established an internal system based on the work carried out in previous years, broadening the categories for environmental expenses and incorporating information from a greater number of centres.



Madrid Río
Project.

The results obtained were as follows:

ENVIRONMENTAL INVESTMENTS

ORDINARY	
Waste Disposal	1,510,198.29
Atmosphere Protection	345,357.95
Noise Protection	136,226.31
Fire Protection	88,950.22
Flora and Fauna Protection	177,054.14
Landscape Protection	435,019.50
Land Protection	69,325.81
Water Protection	207,285.85
Archeological Protection	235,973.76
Socio-Economic Protection	241,117.54
Permits, Licenses, Taxes and Authorisations	345,854.79
Sigma Audit and Certification (ISO 14001-EMAS)	211,718.35
Others (Specify)	701,812.97
SUBTOTAL	4,705,895.48
EXTRAORDINARY	
External Environmental Consulting	216,909.54
Disciplinary Proceedings, Multas	70,151.02
SUBTOTAL	287,060.56
ENVIRONMENTAL INVESTMENT	
Environmental and Outreach	7,336.18
Energy Efficiency Improvement	1,750,063.23
Resource Consumption Reduction	1,819,799.31
SUBTOTAL	3,577,198.72
ENVIRONMENTAL INCOME	
Grants, Awards	11,839.99
SUBTOTAL	11,839.99
TOTAL	8,581,994.74

In 2012, the Sacyr Group, with regards Spain, was the target for 12 environmental penalty claims and has had proceedings closed on 24, 11 of which correspond to proceedings opened in 2011 and 7 in 2012. 16.67 % of the total proceedings closed correspond to proceedings closed due to lack of liability and 4.17 % had expired and were hence closed. The remaining proceeding entailed a cost for the group of €70,151.02, all of which are being processed by the Group's legal department in accordance with current legislation.

No environment-related penalty was levied in 2012 against Somague – in either its construction or environment area (water and waste activity) – or against Sacyr Chile.

On the other hand, due to greater awareness with regards the Group's environmental risks, Sacyr has contracted a Corporate Civil Liability Insurance Policy with an international scope that covers all the Sacyr Group's 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.: Act 26/2007 in Spain and Decree – Law 147/2008, in Portugal). The Insurance Programme covers up to €40 million per claim and €65 million a year at the Group 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. The Group insurance programme takes effect to cover any mismatch in indemnity limits and insurance conditions.

AGS, which provides water services in Portugal, has a certificate issued by the insurance company ACE Europe for environmental risk policy on the premises and/or environmental services to third parties, with No. ESENV006213 for the period 24.07.2012 to 23.07.2014.

Relations with collaborators

Sacyr is aware of the impact its goods and services suppliers 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 and Environmental Policy, the Group's aim is to have a select team of collaborators in place who share its environmental values. To this end, when contracting services, besides assessing their resources and experience, it also assesses the supplier's degree of compliance with certain other prerequisites, 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.
- 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, environmentally friendly technologies, minimisation of waste, restoration of land occupied by installations, 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.

Suppliers are evaluated at regular intervals and their environmental performance assessed on the basis of both environmental practices adopted and compliance with the required environmental documentation (authorisations, waste management, etc.). Candidates area also assessed on the basis of quality criteria such as meeting deadlines, service quality, contractual performance, etc,

Suppliers assessed throughout 2012, by business area are as follows:

SUPPLIERS EVALUATED

		CONSTRUCTION AREA								SERVICE AREA		CONCESSIONS AREA	
SPAIN		CHILE		PORTUGAL		MULTI-SERVICES		ENVIRONMENT SPAIN AND PORTUGAL		WATER SPAIN AND PORTUGAL		SPAIN	
2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2012	
Suppliers Evaluated	1,102	764	23	137	1,690	N/D	291	405	265	293	232	153	52
Favourable Evaluation	962	700	22	118	739	N/D	284	395	259	282	230	147	52
Unfavourable Evaluation	82	35	1	19	88	N/D	5	9	4	6	0	0	0
Conditional Evaluation	58	29	0	0	863	N/D	2	1	2	5	2	6	0

Customer satisfaction:

Customer satisfaction is a key indicator to evaluate the overall performance of the organisation and analysing it helps create a culture of continuous management improvement.

What we seek by measuring our customers’ satisfaction is to objectively assess their perception of all the activities we conduct, and then use this information to improve performance in areas that contribute to increasing their satisfaction.

Currently we are using a system based on Customer Satisfaction Surveys, a system which consists of carrying out surveys on all our customers through questionnaires designed according to the activity conducted and the customers’ characteristics.

From the results of these assessments (continuous format, i.e. the respondent chooses a series of numbers, from 1 to 5, which defines the extremes, very good and very bad), we analyze and implement those actions necessary to improve customer satisfaction.

The frequency of customer satisfaction assessments is established for each business area, depending on the activity and how long it lasts.

RATING CUSTOMER SATISFACTION 2011

AREA OF ACTIVITY	SPAIN	CHILE	PORTUGAL
Construction	4.2	N/D	4.3
Property	3.5	N/A	N/A
Development	3.4	N/A	N/A
Concessions	N/A	N/A	N/A
Services			
-Energy	N/A	N/A	N/A
-Water	4.1	N/A	4.5
-Environmental	4.0	N/A	4.4
-Multi-services	3.9	N/A	N/A
AVERAGE	3.9	N/A	4.4

* Assessment score is between 1-5 (with the latter being the most favourable)

The information provided in the table above is for the 2011 period. The findings for the period 2012 will be available throughout the first half of this year.

In addition, the Sacyr Group has a complaints handling procedure for customers, the purpose of which it to regulate any claims that eventually might arise in connection with the activities carried out by the group and companies that form part of it.

For the Group, customer complaints are a valuable source of information to detect dissatisfaction and align services with their expectations, considering it an opportunity to meet the customers’ needs.

From each complaint received an investigation is conducted and the appropriate action taken to solve it. The resolution rate for these complaints was 100% in 2012.

5.7 Role of the shareholder in the strategy

At year-end 2012, 60.19% of the share capital was represented on the Board of Directors of the company, grouped in 9 significant shareholdings:

SHAREHOLDER	%
Mr. Manuel Manrique Cecilia	6.04
Cymofag, S.L.	6.04
Disa Corporación Petrolífera, S.A.	13.01
Mr. Juan Abelló Gallo	9.62
Nueva Compañía de Inversiones, S.A.	
Austral B.V.	9.62
Mr. José Manuel Loureda Mantiñán	12.39
Prilou, S.L.	7.12
Prilomi, S.L.	5.27
Grupo Corporativo Fuertes, S.L	6.24
Beta Asociados, S.L.	5.33
NCG Banco S. A.	5.20
Grupo Satocán, S.A.	2.88
Mr. Diogo Alvez Diniz Vaz Guedes	0.38
TOTAL SIGNIFICANT SHAREHOLDINGS	61.09

The Sacyr Group continually strives to ensure ongoing and constructive contact with shareholders and investors in general, as well as transparency as regards the Company's performance and future plans.

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

Through the Internet channel, the "Shareholders and Investors" section of our website (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.

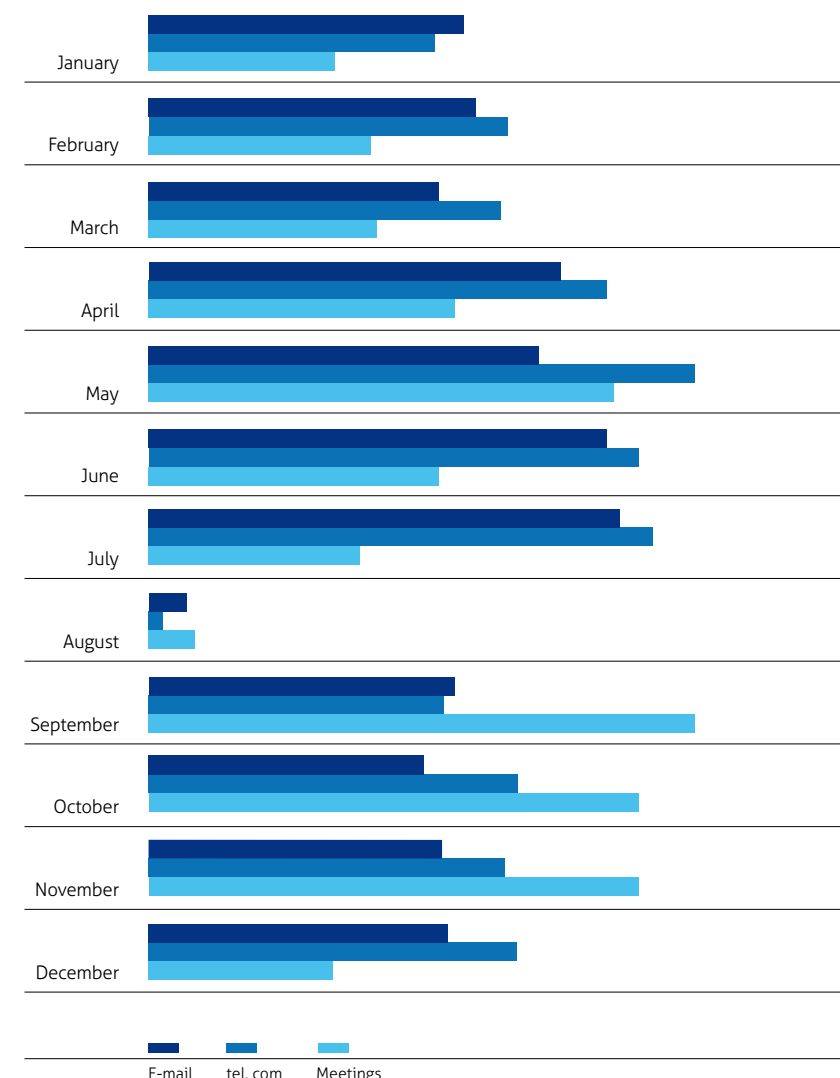
The communication channels used by shareholders to contact Sacyr are:

- Telephone - shareholder helpline: **902196360**
- Website: www.sacyr.com
- E-mail: IR@sacyr.com
accionistas@sacyr.com

One of the guiding principles underlying Sacyr Group policy is transparency of information. In particular, the Group 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 assumed.

Lastly, highlights of the company's performance, its financial and economic results, developments in its business divisions, and stock market performance, among other issues, are published in the quarterly Shareholder's Bulletin, "En Contacto". The bulletin is freely available to the public on the company's website, and can also be delivered through a regular e-mail subscription service.

SHAREHOLDER SERVICES 2012



5.8 Communication with stakeholders

The Sacyr Group 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, in order to properly attend their needs and expectations.

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

Employees

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

Information on the organisation (internal regulations, directory, organisational charts, informative notes, Corporate Responsibility Reports, etc.).

A communication section containing, among other items, a daily press summary, press releases issued by the company.

"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 themed 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 Group's Human Resources Department by giving them new functions and greater information and providing better service overall.

"Dimensión" in-house magazine: Through this quarterly publication, the Sacyr Group informs employees of the work carried out by the different business units, the main corporate responsibility initiatives, the most salient corporate news, etc.

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

Shareholders, analysts and investors

General shareholders meeting: 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 and are able to get their message across to the company directors.

Annual Report: The Sacyr Group and its listed subsidiaries (Testa) prepare an annual report presenting their financial results and the most important milestones for the development of its businesses achieved in the period.

Interim consolidated financial statements: www.cnmv.es, the Spanish stock exchange regulator's website, and the company's website www.sacyr.com provide detailed six-monthly information on the Group's financial position.

Quarterly Reports: The Sacyr Group and its listed subsidiaries prepare quarterly reports setting out the most significant operating and financial information for the period, including an interim income statement and a consolidated balance sheet at the quarterly close, a description and analysis of each business area, any resolutions issued by the Boards of Directors, stock market performance and the current shareholding structure.

Annual Corporate Governance Report: In accordance with prevailing legislation, the Sacyr Group and its listed subsidiary prepare this annual report providing information on the following: ownership structure, administrative structure, operations with related parties, risk control systems, the annual general meeting, and the degree of compliance with good governance recommendations.

Quarterly Results Published quarterly highlights the most important information on company's performance, its financial and economic results, developments in its business divisions, and stock market performance, among other issues.

Websites of the Group and listed subsidiaries: These websites contain all relevant corporate and financial information regarding the performance of the companies, as well as all information made public through 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 and personalised contact channels:

- Telephone - (shareholder helpline 902196360).
- E-mail
IR@sacyr.com and accionistas@sacyr.com).
- Meeting: Investor Relations Department personnel meet with stakeholders upon their request.

Customers

- Satisfaction surveys: Sacyr carries out surveys among its customers to ascertain their satisfaction with the products and services acquired, as well as their needs and expectations. Information obtained through these surveys is used as a reference point in ongoing improvement processes.
- Direct dialogue: The Group maintains a close and long-standing relationship with many of its customers, based on ongoing dialogue and close ties. For example, relationships forged with many public entities that require the services of Group companies a number of times and with which Sacyr has a long history.
- After-Sales Service: Through this channel, the Group deals with any customer complaints that may arise and takes the steps necessary to resolve the situations at the root of such complaints.

Public entities

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

Suppliers and contractors

The Sacyr Group establishes cooperative relationships with suppliers and contractors that are 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.

Group website: The Sacyr Group's corporate website includes a section for the press and the general public, where the following information is available:

- Press releases issued by the Group.
- Press dossier containing the most important news stories on the Company published in newspapers and magazines.
- Details of press conferences on the Group's results, corporate operations, etc.
- Subscription-based e-mail newsletter containing important news on Sacyr.
- Photographs of assets and projects in all the Company's areas of activity.
- Graphs and charts showing the Group's key financial indicators.

Personal Assistance: Sacyr makes the following channels available for the media to directly contact the Group Communication Department:
Telephone: 91 545 52 94.
E-mail: comunicacion@sacyr.com



Local communities, NGOs and other members of the civil society

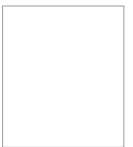
- Group website: The website contains a wealth of up-to-date information on many aspects of the organisation and is the Group's main external communication channel.
- Annual Corporate Responsibility Report: Through the publication of this yearly report, Sacyr meets its commitment to report on its performance from a threefold 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 email (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 through these channels.



Valles del Bio Bio,
Queule Quarry,
Chile.

SUMMARY OF SACYR GROUP COMMUNICATION CHANNELS

GROUPS OF INTEREST	CHANNELS OF COMMUNICATION	SACYR AS RECEIVER	SACYR AS ISSUER
EMPLOYEES			
	Group intranet (Sacyr Site)	X	X
	Employee mail boxes (suggestions, training, R&D+I, green mail box, etc.)		
	"Dimensión" in-house magazine		X
	Conduct Helpline	X	
	Employee portal	X	X
SHAREHOLDERS, ANALYSTS AND INVESTORS			
	Shareholders' Meeting	X	X
	Annual and six-monthly financial statements		X
	Quarterly reports		X
	Annual Corporate Governance Report		X
	Shareholders' Newsletter		X
	Websites of the Group and listed subsidiaries		X
	Personal assistance	X	X
CUSTOMERS			
	Satisfaction surveys	X	
	Direct dialogue	X	X
	After-sales service	X	
PUBLIC ENTITIES			
	Meetings between members of the Group's senior management and public representatives	X	X
	Sacyr's participation in forums and work groups organised by the public sector	X	X
	Co-hosting of special events	X	X
SUPPLIERS AND CONTRACTORS			
	Direct dialogue	X	X
MEDIA			
	Press releases		X
	Group website		X
	Personal assistance	X	X
LOCAL COMMUNITIES, NGOS AND OTHER MEMBERS OF CIVIL SOCIETY			
	Group website		X
	Annual Corporate Responsibility Report	X	X
	E-mail boxes	X	

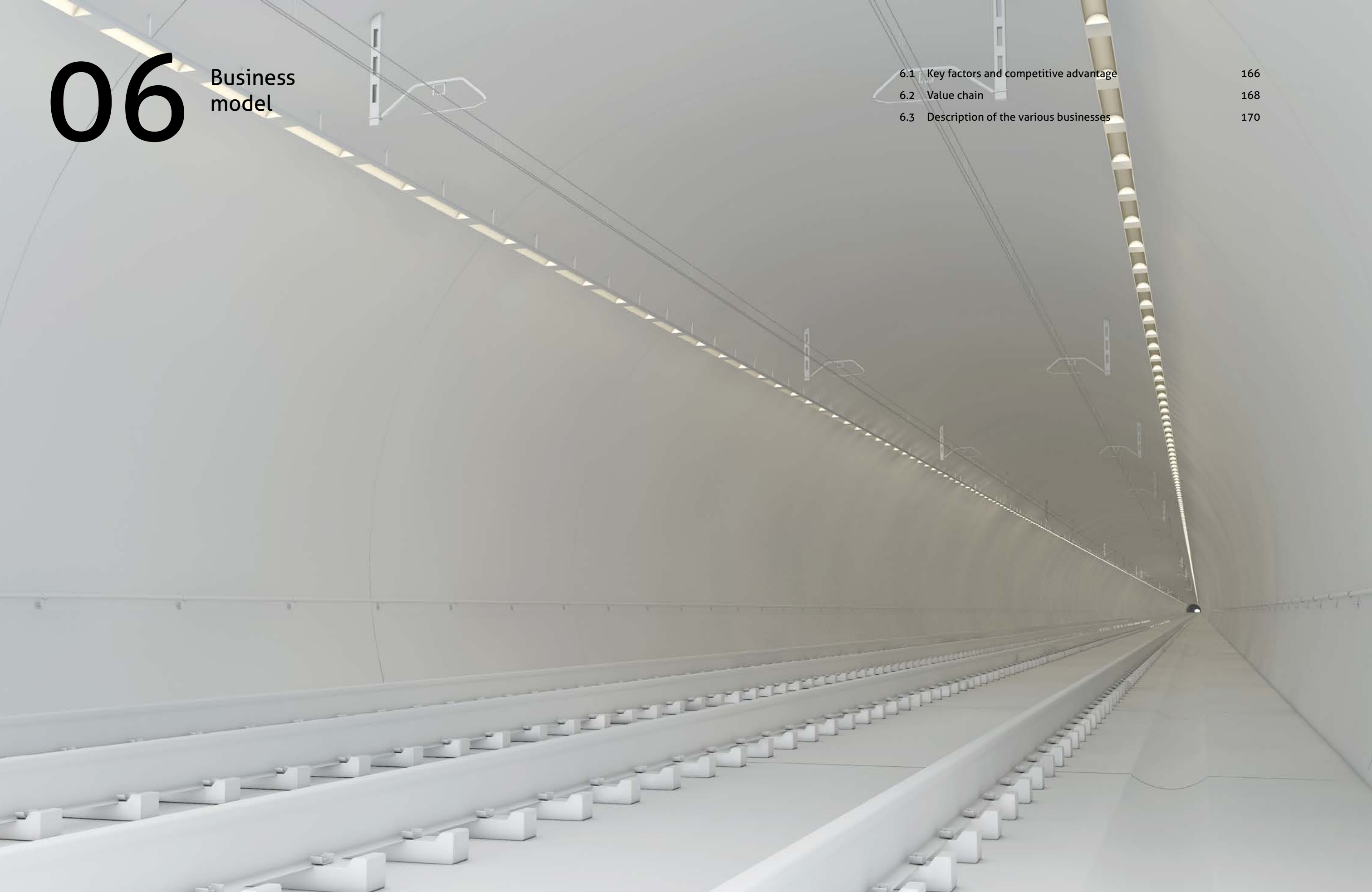


Sacyr 3rd Edition
innovation awards.

06

Business model

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6.1 Key factors and competitive advantages

Business and quality asset mix

The combination of businesses with long-term profitability and which are not significantly exposed to economic cycles (Real Estate, Concessions and Services), with short-term businesses more linked to the economic environment (Construction and Development), forms the proper distribution of activities, thus enabling us to tackle economic downturns with greater guarantees. The Group's historical ability to form a portfolio with top quality assets, gives great flexibility in the standard asset turnover policy. As their activities are also complementary, there is a higher capacity for synergies.

INTERNATIONAL ACTIVITY

	PORTFOLIO	TURNOVER
CONSTRUCTION	80%	51%
CONCESSIONS	66%	64%
SERVICES - INDUSTRIAL	33%	27%

Internationalisation

In late 2008 the Group's business portfolio had a 27% international presence. At the end of 2012, this had increased to 55%. In specific areas, internationalization has come even further still: the construction area holds 80% of its portfolio beyond our borders, Concessions has 66% of its business outside Spain and the Services and Industrial Division has 33% of its portfolio in foreign markets.

In terms of turnover, Construction is 51% in foreign markets, Concessions 64% and Industrial Services 27%.

This process has become the main driver for future growth and will ensure turnover stability, in the event of potential fluctuations in the domestic market or other markets.

Technological capacity

Sacyr has achieved throughout its history unanimous recognition in the sector and the markets, for its high technological capacity and implementation in different business areas. From the Property Development Division, where Vallehermoso ranks as the oldest and best quality developer in the market, with over 60 years of experience and continuous activity, to the construction division, where some of the largest civil works in the world are being executed (including the largest of them all, the execution of the third set of locks of the Panama Canal), not forgetting the Industrial Services area which has executed the world's largest reverse osmosis desalination in Perth (Australia) or other specific high-tech areas such as tunnelling (through our subsidiary Cavosa), or high-speed railway construction.

On the other hand, both the Concessions and the Real Estate division boast a well-earned reputation in their management capacity, with ratios above the average in the first case, or outstanding returns with virtually full occupancy in the case of Testa.

Adaptability

Sacyr has been characterised in recent years for its high capacity to adapt to the environment and especially the new characteristics of a complex global economy, where important frameworks such as finance, consumption and public investment have been seriously affected.

In this environment, the Group has been able to carry out an ambitious financial consolidation process which has led to a drastic reduction in debt levels by re-adapting them and their maturities, a substantial strengthening of capital through two expansions and a bond issue, along with two very important refinancing operations for approximately 3.8 billion euros. These are particularly valuable if we consider how closed markets are at present.

This has been done without affecting the smooth running of the core business and while implementing a new corporate strategy at the same time.

Cost structure-profitability

The efforts made in this area have made possible to create a cost structure considered among the lightest in the industry. After an initial adjustment in 2010, mainly to the workforce, reducing other overheads has made it possible not only to improve profitability significantly in terms of EBITDA margin (which rose from 11% to 14% in the last three years), but has also allowed significant job creation in the last two years, without hindering improvements in profitability at the same time.

6.2 Value chain

The pursuit of creating value for the community that should guide the operation of any business, takes on particular importance in the case of the Sacyr Group, which by the very nature of its activities, represents an important driver of social and economic development.

Many activities are carried out by the Group's companies, and often in partnership with public entities, and as a result generate direct and indirect positive impacts on society.

This applies to the construction and maintenance of infrastructure for public use (roadways, health centres, airports, etc.), private housing construction, power generation from renewable sources or water supply and sanitation activities, to name a few.

Sacyr contributes in this way through the development of its own activity, to the structuring of the territory, the strengthening of society and the economy, and ultimately improving the individual's quality of life.

Vitoria-Bilbao-San
Sebastián High-
Speed Railway Line.
Stretch: Aramaio-
Mondragón.

Sacyr, one of the world leaders in infrastructure investment.

According to a study published in the journal Public Works Financing, Sacyr Vallehermoso Group, through its subsidiary Sacyr Concessions, was ranked in 2012 in one of the leading positions worldwide for the number of concessions in which it participates, and the volume of investment therein.

Drinking water obtained through desalination

Sadyt, a Sacyr Group subsidiary, is a company dedicated to the design, construction, maintenance and operation of water treatment systems.

Currently it is the leader in reverse osmosis desalination, with major projects underway or under development in Spain, Algeria, Australia and Israel. With this activity, Sadyt contributes to supplying water to areas where this resource is scarce and improving the quality of water available.



6.3 Description of the various businesses

Construction: Sacyr Construcción

Since the founding of the Group, its policy of diversifying into various activities which complement each other has given rise not only to a constant increase in activity levels and business parameters, but also to the possibility of taking advantage of synergies between the various businesses. Thus, in construction, civil engineering and building projects are complemented by property promotion, equity business and concessions, along with business activities involved in the entire water lifecycle, renewable energies and, finally, environmental activities, and other services. This also allows for any downturns in economic cycles to be compensated for. This, along with the necessary efficiency and autonomy of management and application of advanced technology, leads naturally to maximum viability and risk prevention.

It is important to highlight Sacyr's technical and technological capacity, and that of the other construction companies in the Group. This capacity allows the Group to tackle highly complex projects requiring first-class personnel and technology. This is amply demonstrated by contracts such as Murcia Airport, works in progress such as the Panama Canal and the Sants-La Sagrera tunnel, and completed works such as the Plaza Elíptica Intermodal Transfer Facility and the Sacyr Tower in Madrid or the interconnection between lines 1 and 4 of the Madrid Metro, are a good example of this.

The Sacyr Construction strategy has three basic pillars:

- Locally-implemented structures and equipment.
- Collaboration with Sacyr Concesiones, Testa, Valoriza and Vallehermoso.
- Cutting-edge technology, quality, meeting deadlines and risk prevention.

Concessions: Sacyr Concesiones

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

During 2009 the sale of certain shares in the company Itinere were concluded. Sacyr Concesiones retained corporate shareholdings in 25 concessions that were in the construction or ramp-up phases and the rest of the non-motorway assets (service areas, intermodal transfer facilities, airports, and hospitals). All of these were grouped into a new company, Sacyr Concesiones, which is the vehicle through which Sacyr Group continues to develop its activities in the infrastructure concession sector, with its sights firmly fixed on greenfield projects.

Services and Industrial: Valoriza Gestión

Valoriza Gestión heads the services section of the Group, and brings together general management and administration services for this area.

In recent years, the Valoriza group has grown substantially, and has become more dynamic via company reorganisation and the acquisition of companies in the service sector.

Despite being the newest section in Sacyr, the services section is experiencing the fastest growth, thanks to intense contract activity in its four areas:

Miscellaneous services (integral building maintenance, motorway and dual carriageway maintenance, service areas on motorways and dual carriageways, healthcare services, integral hospital management).

Water (management of the entire cycle, treatment, desalination, purification y recycling).

Industry (energy plants, waste treatment, oil and gas, electrical installations).

Environment (municipal services, waste management, landscape restoration, environmental projects).

Without a doubt, the four areas of environmental activities, water, miscellaneous services and alternative energies are very strong and dynamic at present, and have an even more promising future. They also supplement other activities relating to construction, rental property, property promotion or concessions very well, both due to their clear synergies and because they provide stability against cyclical downturns.

Rental Property Testa

The Sacyr Group operates in this activity through its subsidiary Testa Inmuebles en Renta, a publicly-listed company in which the Group holds a 99.33% stake. Testa has an outstanding capacity for

generating recurrent revenues, due to the extended lifetime of its managed assets and its customer portfolio. This means that it is an excellent consistent creator of value. Moreover, the potential for appreciation of its real estate assets means that capital gains may be added to the income generated from rent.

The Testa group has a portfolio of first-class assets, located in the best locations and rented to large companies and with medium and long-term leases.

Turnover of mature assets is also considered, provided that this generates funds for new, more profitable investments, and the value of the asset is not expected to increase significantly in the future.

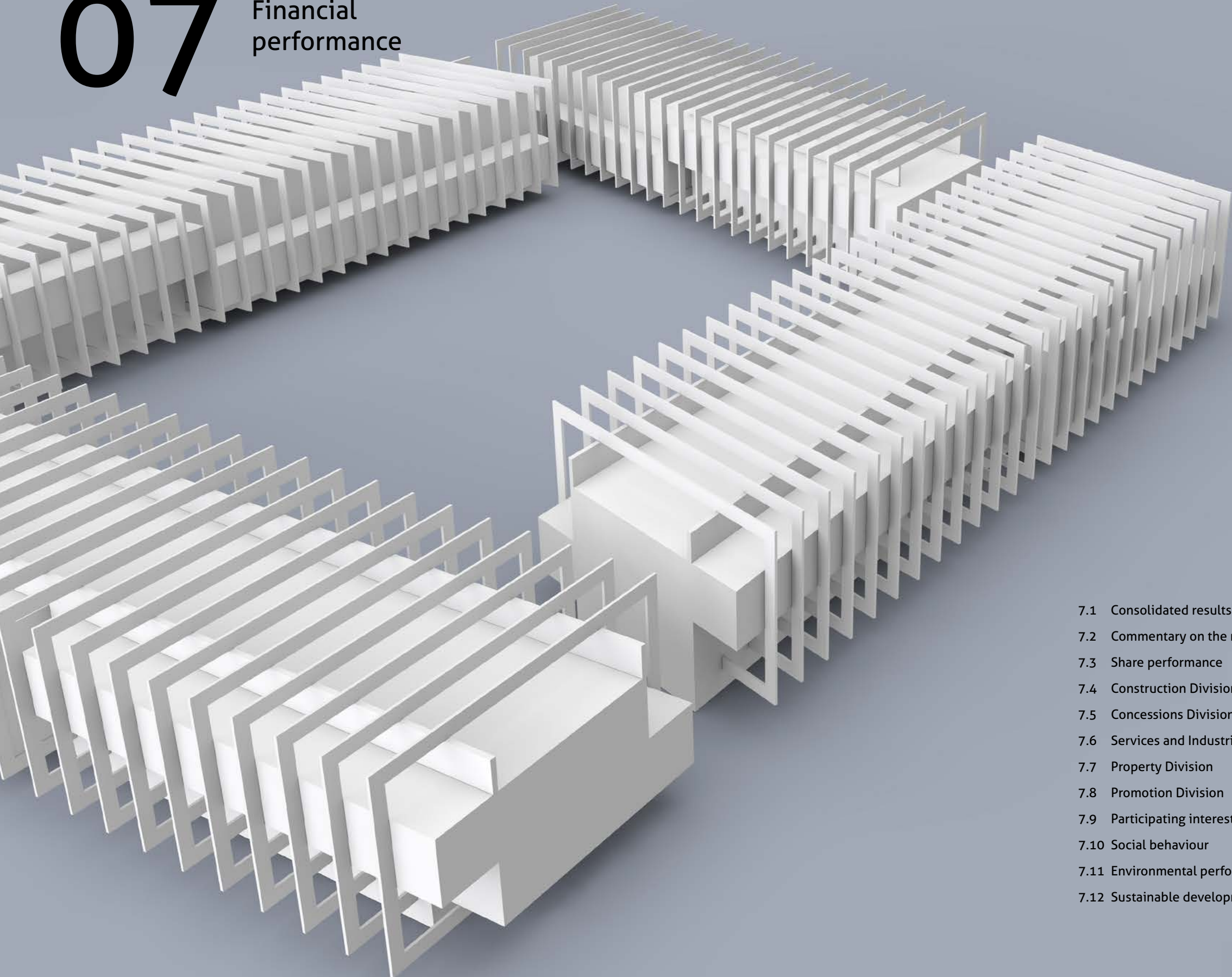
Property development: Vallehermoso Property Development Division

Vallehermoso's business activity is centred on the primary home market, mainly in cities, mainly for the middle and mid-to-high socioeconomic segments.

Vallehermoso's reputation is backed by a solid 60 years of experience. The real-estate developer in the Group has established itself not only as the most experienced company in the sector in Spain, but also as a market leader due to its business model.

07

Financial performance



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7.1 Consolidated results

Income statement

CONSOLIDATED INCOME STATEMENT (THOUSANDS OF EUROS)

	DECEMBER		% VAR 12/11
	2012	2011	
Net Revenue	3,613,733	3,820,246	-5.4%
Other Income	213,417	298,448	-28.5%
Total Operating Income	3,827,150	4,118,694	-7.1%
External and Operating Expenses	-3,321,065	-3,595,132	-7.6%
GROSS OPERATING RESULT	506,085	523,562	-3.3%
Depreciation	-187,442	-203,690	-8.0%
Working Capital Provisions	-364,331	-105,018	n.s.
NET OPERATING INCOME	-45,688	214,854	n.s.
Net Finance Gain/Loss	-404,565	-539,228	-25.0%
Gain/Loss on Exchange Rate Differences	479	508	-5.6%
Gain/loss on Companies accounted for using equity method	-869,356	-671,931	-29.4%
Provisions for Financial Investments	-36,676	-25,962	-41.3%
Change in value of financial instruments at fair value through profit or loss	-9,661	232	n.s.
Gain/Losses on disposal of non-current assets	-120	-1,124,955	n.s.
Pre-tax profit	-1,365,588	-2,146,483	36.4%
Corporate Taxes	385,767	539,591	-28.5%
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-979,821	-1,606,892	39.0%
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	3,069	4,766	-35.6%
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	-976,752	-1,602,127	39.0%
Attributable to Minority Interests	-784	-2,004	60.9%
ATTRIBUTABLE NET PROFIT	-977,536	-1,604,131	39.1%
Gross income	14%	13.7%	0.3 pp

We would highlight the following summarised general results for year-end 2012:

- **Positive performance of the activities.** The variation in turnover compared to 2011 was -5.4% and EBITDA performance has been positive due to tight control of operating costs, with a lower decline of 3.3%. The positive trend in the second half of the year moderated the decline in revenue, which reached -20% at the close of 2011 and -17% in the first half of 2012, to close the year at -5%, with EBITDA improving from -7% to -3%.
- **Core business and the consolidated operating margins consolidated:** The consolidated EBITDA margin reached 14.0% in 2012, up from 13.7% in 2011, consolidating the business margins.
- **The intense activity in the international arena continues to pay off.** In 2012 we were awarded major contracts in Chile, Panama and Angola and added new markets, such as Togo, Colombia and Bolivia, adding new markets to those in which it Sacyr operates.

- **Net profit** contains a number of impacts on the income statement with no effect on cash flow (being changes in accounting policies or valuation of assets), and affect the comparison of operating results between the years.

The most important of these impacts has been the impairment of the value of the stake in Repsol to adjust the carrying value to the fair value which Sacyr held at the end of first half of 2012, with an impact on the income statement of -973 million euros (-780 million euros net of tax). Additionally, Sacyr has made valuation adjustments this year to the fair value of some of its assets - mostly real estate and concessions - and has posted provisions to cover the impact that a further deterioration of the economic situation might have on any of its activities. **Recurring profit, net of these extraordinary impacts, would have amounted to 90 million euros after tax.**

7.2

Commentary on the most significant aspects

Revenue and EBITDA

Total revenue at 31 December 2012 reached 3.614 billion euros, expanding in all business areas except construction activity, which has been affected by the slowdown in domestic activity.

Total sales in the fourth quarter reached 964 million euros, up 21% from the last quarter of 2011 and also higher than the previous quarters of the year, consolidating the turnaround started in the second half of the year.

EBITDA performance has also been positive, amounting at 31 December 2012 to 506 million euros with an EBITDA margin of 14%, higher than the margin of 13.7% obtained at 31 December 2011, highlighting the profitability of the core activities of the group.

As has been the case in previous quarters, the contraction in revenue has had no direct impact on EBITDA due to the close monitoring of procurement margin and the strict monitoring and cost control plan implemented by Sacyr.

The performance of the various business areas is as follows:

REVENUE (THOUSANDS OF EUROS)

	DECEMBER		% VAR 12/11
	2012	2011	
Construction (Sacyr Construcción-Somague)	1,975,525	2,438,782	-19.0%
Services (Valoriza)	1,123,016	991,901	13.2%
Concessions (Sacyr Concesiones)	267,212	444,042	13.8%*
Property management (Testa)	251,627	250,902	0.3%
Real estate development (Vallehermoso)	189,885	179,606	5.7%
Holdings & Adjustments	-193,533	-484,987	
REVENUE	3,613,733	3,820,246	-5.4%

(*) Revenue growth ex construction revenues

EBITDA (THOUSANDS OF EUROS)

	DECEMBER		% VAR 12/11
	2012	2011	
Construction (Sacyr Construcción-Somague)	114,780	141,026	-18.6%
Services (Valoriza)	178,624	158,227	12.9%
Concessions (Sacyr Concesiones)	94,123	92,941	1.3%
Property management (Testa)	217,776	200,206	8.8%
Real estate development (Vallehermoso)	-83,119	-53,081	-56.6%
Holdings & Adjustments	-16,098	-15,757	
GROSS OPERATING INCOME	506,085	523,562	-3.3%
EBITDA Margin (%)	14.0%	13.7%	

GROSS OPERATING INCOME (Thousands of Euros)



EBITDA MARGIN (%)



- Revenue in the **Construction** division amounted to 1.976 billion euros, of which international activity now accounts for 52%. The decline in sales over the previous year in Spain and Portugal was partially offset by the growth in the other countries in which Sacyr operates. Backlog amounted to 5.998 billion euros, with 80% corresponding to work abroad. In 2012 major contracts were awarded in Chile, Panama, Angola, Togo and Colombia. This high level of backlog ensures the evolution of this activity in the future.
- The **Service** activity maintains a high growth rate, with revenue increasing about 13% over 2011. Growth has been particularly prominent in the Water activities (+41%) due to the start of construction of the desalination plant in Ashdod (Israel) and the expansion of the desalination plant in Perth

(Australia) and in Multi-services (+13%) for the organic growth in this activity.

- Revenue in the **Concessions** activity increased by 14% mainly due to the commissioning of new concessions (Vallenar - Caldera motorway (Chile) in the last months of 2011 and, in 2012, of the Terceira Island Hospital (Azores) and a stretch of the Arlanzón motorway).
- Rental Property** maintained stable revenue thanks to the stability and recurrence of income, despite having a smaller leasable area in 2012 after having sold an office building in Barcelona. Based on an equal surface area, revenue growth was 1.3%.

- Lastly, in the Residential **Property Development** activity, 509 homes were delivered for a total of 132 million euros. Land sales brought in 53 million euros and revenues received for services rendered totalled 5 million euros. The second half of the year was very positive for this activity and 40% of the housing stock was sold at the beginning of the year.

Year-on-year performance of EBITDA was impacted primarily by promotional activity and the slow-down in domestic construction.

Margins in the rest of the activities remained at similar levels to the previous year, despite the deterioration of the macroeconomic and financial environment. The EBITDA margin in Construction reached 5.8%, 16% in **Services** and 59% in **Concessions**. Regarding the **Rental Property** activity, the EBITDA margin excluding asset turnover remained stable at 79%.

International activity

Sacyr’s international activity now accounts for 41% of sales compared to 39% at the 31

December 2011. The weight of international sales is maintaining an upward trend and will continue to do so in the future thanks to the high international component of backlog.

The deterioration of the economic situation in Spain and Portugal caused a contraction in sales in the Iberian Peninsula of -23% compared to 2011 (-9% in Spain, -47% in Portugal), while revenues in the rest countries in which Sacyr operates expanded by 24%. This growth came especially from Panama, Angola, Israel, Australia, Algeria, Brazil and Bolivia.

Geographically, 21% of international revenue was generated in Panama, for the redevelopment of the Canal, another 21% in Angola from the construction activity of Somague and the services of Valoriza, 17% derives from Portugal, 11% from Chile for the construction of newly awarded concessions, 10% from Italy for construction activity conducted by SIS, 6% in Australia from the contribution of Valoriza Water, 5% from Israel, also for the water activity, and the rest is primarily derived from the activities in Ireland, Costa Rica, Cape Verde, Brazil, Bolivia and Algeria and Testa’s vacation properties in Miami and Paris.

Financial results

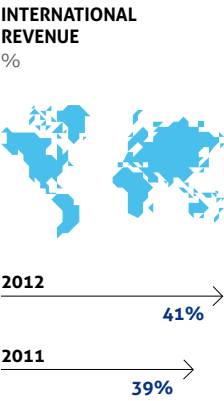
The net financial loss amounted to -405 million euros compared with -539 million euros in 2011, a 25% improvement due to the reduction of Group debt and lower commissions and other financing costs. The average interest rate on debt dropped from 4.36% at 31 December 2011 to 4.00% at the close of 2012.

Results of companies accounted for using the equity method

This item on the income statement reflects a loss of -859 million euros on our stake in Repsol, of which 207 million euros related to our share in the net profit of 2.06 billion euros reported by Repsol at 31 December 2012 and -1066 million euros to impairment resulting from the adjustment to fair value that emerges from the impairment test.

Backlog

The future income from backlog amounted to 40.232 billion euros and is basically based on recurring activities: concessions and services, representing 51% and 28% respectively of the total backlog, also highlighting the high volume of backlog on contracts primarily awarded abroad. Operating income implied in this level of backlog amounts to 15.596 billion euros.



	DECEMBER		% VAR 12/11
	2012	2011	
Spain	2,128,315	2,348,125	-9%
Portugal	255,986	482,866	-47%
Other countries	1,229,432	989,255	24%
REVENUE	3,613,733	3,820,246	-5%
INTERNATIONAL	41%	39%	

BACKLOG (THOUSANDS OF EUROS)

	DECEMBER 2012		
	Income	% Ebitda(1)	EBITDA
Sacyr Construcción - Somague (Construction backlog)	5,998,006	5.8%	348,489
Vallehermoso (Presales backlog)	20,640		
Sacyr Concesiones (Income backlog)	20,387,883	58.6%	11,948,166
Testa (Rentals to maturity)	2,267,394	79.8%	1,809,258
Valoriza (Services backlog)	11,558,272	15.9%	1,838,429
BACKLOG	40,232,195	38.8%	15,595,853

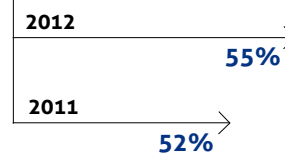
(1) EBITDA MARGIN AT 31 DECEMBER 2012.

The award of the hospital in Antofagasta, La Serena Highway - Ovalle of Route 43, and the modernisation of the Northern Coastal Highway, all in Chile, are behind the increase in backlog in the last quarter of 2012. Backlog maintained similar levels to the previous year given the appropriate level of replacements.

International backlog

55% of backlog comes from international activity.

INTERNATIONAL BACKLOG %

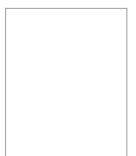


BACKLOG (THOUSANDS OF EUROS)

	DECEMBER		VAR 12/ 11
	2012	2011*	
Abroad	22,193,056	20,934,825	6.0%
Spain	18,039,139	19,054,303	-5.3%
CARTERA DE NEGOCIOS	40,232,195	39,989,128	0.6%
% International	55%	52%	2.8 pp

* Restated for changes in scope of consolidation

- The construction business accounts for 80% of international backlog due to the intense tendering taking place outside of Spain, which has led to contracts in Chile, Italy, Panama, Israel, Angola, Cape Verde, Colombia, Togo, Bolivia and other countries.
- In the concession business, international backlog represents 65% of the total and stems from our concessions in Chile, Italy, Costa Rica, Portugal and Ireland.
- As for Valoriza, international backlog accounts for 33% of the total of this division, with a presence in Israel, Algeria, Australia, Brazil, Portugal, Bolivia and other countries, primarily for projects related to water and industrial activities.



Interior of Moncloa
transport hub.
Madrid

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET (THOUSANDS OF EUROS)

	DECEMBER		% VAR 12/11
	2012	2011	
Non-current assets	9,787,237	10,795,321	-1,008,085
Intangible assets	11,614	14,982	-3,368
Real estate investments	2,494,075	2,623,606	-129,531
Concession projects	1,384,558	1,594,395	-209,837
Fixed Assets	552,712	604,369	-51,657
Financial assets	5,199,104	5,800,562	-601,458
Other Assets, Non-Current.	2,045	13,217	-11,172
Goodwill	143,128	144,190	-1,062
Current assets	5,174,014	5,915,024	-741,010
Non-current assets held for sale	199,668	319,793	-120,125
Inventories	1,996,548	2,322,000	-325,452
Debtors	2,124,694	2,423,711	-299,017
Financial assets	227,767	265,100	-37,333
Cash	625,337	584,420	40,917
TOTAL ASSETS / LIABILITIES	14,961,251	16,710,345	-1,749,094
Net equity	1,476,156	2,548,286	-1,072,130
Shareholders Equity	1,427,762	2,500,934	-1,073,172
Minority Interests	48,394	47,352	1,042
Non-current liabilities	7,723,907	8,295,615	-571,708
Financial debt	6,634,815	7,265,169	-630,354
Financial instruments at fair value	216,756	241,295	-24,539
Provisions	198,429	156,791	41,637
Other Liabilities, Non-Current.	673,908	632,359	41,548
Current liabilities	5,761,187	5,866,445	-105,258
Liabilities associated with assets held for sale	0	0	0
Financial debt	2,738,783	2,314,971	423,812
Financial instruments at fair value	23,077	17,086	5,991
Trade creditors	2,350,925	2,810,867	-459,942
Trade provisions	301,047	203,007	98,040
Other current liabilities	347,355	520,514	-173,159

The main change that has taken place during the period in the balance sheet has been the adjustment of the value of the stake in Repsol in the first half of the year, which is behind the decrease in non-current financial assets.

Non-current assets

- At December 31, the group had invested in concession projects in operation (mostly highways) 1.082 billion euros net of accumulated depreciation, and 302 million euros in developing projects. Additionally, non-current financial assets include 950 million euros invested in risk-free concessions and 121 million euros is included as current financial assets.
- Real estate assets include properties in operation with a net value of 2.494 billion euros, mainly assigned to the business assets. The annual variation is due to the sale of an office building in Barcelona, which resulted in a capital gain of 12 million euros for Sacyr.
- Fixed Assets, for a net amount of 553 million euros, includes investments in cogeneration and power generation plants, water and sanitation networks and other projects in the services business as well as machinery, technical equipment and other fixed assets, with the balance sheet reflecting accumulated depreciation of 535 million euros.
- Financial assets include holdings consolidated under the equity method amounting to 2.606 billion euros, among which we would highlight that

corresponding to the investment in Repsol (2.468 billion euros) and to the concession companies of Sacyr Concesiones. This item also reflects - as mentioned above - long-term accounts receivable for concession assets arising from the application of IFRIC 12 in the amount of 950 million euros. In addition, this item includes 1.325 billion euros for deferred taxes.

Current assets

Overall, working capital totals 5.174 billion euros, of which 200 million euros corresponds to non-current assets classified as held for sale (this includes the 15.5% stake the Sacyr holds in Itinere).

The most significant portion corresponds to inventory, amounting to 1.996 billion euros, which mostly relates to Vallehermoso's property development activity, and to accounts receivable, amounting to 2.125 billion euros. The reduction in inventory is due to sales in the year.

Net equity

Net equity at December 31, 2012 amounted to 1.476 billion euros. 97% of the total (1.428 billion euros) corresponds to the net worth of Sacyr and 48 million euros to the minority shareholders of the Group.

In the General Meeting held on 21 June 2012 the shareholders agreed to a capital increase against reserves amounting to 21.1 million euros through the issue of 21 million shares with a par value of 1 euro for free allocation to shareholders in the proportion of one new share for every twenty old.

NET FINANCIAL DEBT (MILLIONS OF EUROS)

	DECEMBER 2012	TYPE OF DEBT		
		STRUCTURED FINANCING*	LINKED TO CONTRACTS	CORPORATE DEBT
Testa	2,279	2,279		
Sacyr Concesiones	1,379	1,379		
Vallehermoso	1,235		1,235	
Sacyr Construcción + Somague	180	52	128	
Valoriza	403	258	145	
Repsol	2,367		2,367	
Participación Itinere	253		253	
Corporate	360			360
SUBTOTAL	8,455	3,967	4,127	360
Convertible bonds	189			
TOTAL NET FINANCIAL DEBT	8,643	3,967	4,127	360

* Project Finance, Mortgages and Leasing

The new shares were admitted to trading on 23 July 2012. Accordingly at 31 December 2012 share capital was represented by 443.7 million shares with a par value of 1 euro each.

Financial debt

The Group's total net debt at 31 December 2012 amounts to 8.643 billion euros. The breakdown is as follows:

- The Group's net **corporate** debt amounts to 360 million euros.
- The debt arising from the financing of infrastructure **concessions** stands at 1.379 billion euros. This debt is associated with the long-term financing of projects secured by the cash flows of the concessions.
- In the **Rental Property Division**, the debt consists of mortgage loans and lease contracts for an amount of 2.279 billion euros, including finance assets in operation and under development, which have been valued at 31 December 2012 by an independent expert at 3.878 billion euros. The debt of the property management business is serviced with the cash flows generated from rentals thanks to the buildings' high occupancy rates.
- Regarding the **Property Development** activity, with net debt of 1.235 billion euros, financed through the assets listed in Vallehermoso balance sheet with a carrying value of 1.442 billion euros and a value to at 31 December 2012 of 1.848 billion euros according to the independent expert appraisal. This debt was refinanced in 2010 with a structure that does not divert resources from the rest of the group.
- Bank lending to finance the investment of 9.7% in **Repsol** at 31 December had a balance of 2.367 billion euros. The conditions of this financing provide for an interest rate of Euribor +350 bp and it matures in 2015. The debt is serviced by Repsol dividends.
- The structure of **Valoriza's** debt, with a balance of 403 million euros, corresponds largely to the financing of water, renewable energy and environmental services concession projects and is serviced with cash flows.
- The debt associated with the **Construction** activity has a balance of 180 million euros, including working capital financing, structured financing of works with deferred payment.
- Lastly, the debt associated with our stake in **Itinere** amounts to 253 million euros and will be cancelled with the sale of the stake.

Construction of the third set of locks for the Panama Canal. Atlantic Zone

7.3

Share performance

At 31 December 2012 the share capital of Sacyr Vallehermoso, S.A. was comprised of 443,728,374 shares of the same class and series and with equal rights and par value of 1 euro each, all fully subscribed and paid in.

The Board of Directors of the Company, in its meeting held on 21 June, passed a resolution to begin the process of implementing the shareholder resolution to increase share capital against reserves, approved in the Annual General Meeting of the Company held the 21 June 2012. The aforementioned capital increase was executed for a nominal amount of 21,129,922 euros by issuance and placement of 21,129,922 shares of the same class and series and with the same rights, with a par value of one euro (€1) each. The new shares began trading on 23 July 2012.

The following table shows the share capital of the company at the close of the last two years:

EVOLUTION OF CAPITAL
(EUROS)

	CAPITAL STOCK	NO. OF SHARES
2012	443,728,374	443,728,374
2011	422,598,452	422,598,452

At 31 December 2012, Sacyr market capitalisation stood at 733.04 million euros. Sacyr Group's share price was logically affected by the environment in which the national and international economies are immersed and the share performance on the Continuous Market is summarised in the following table:

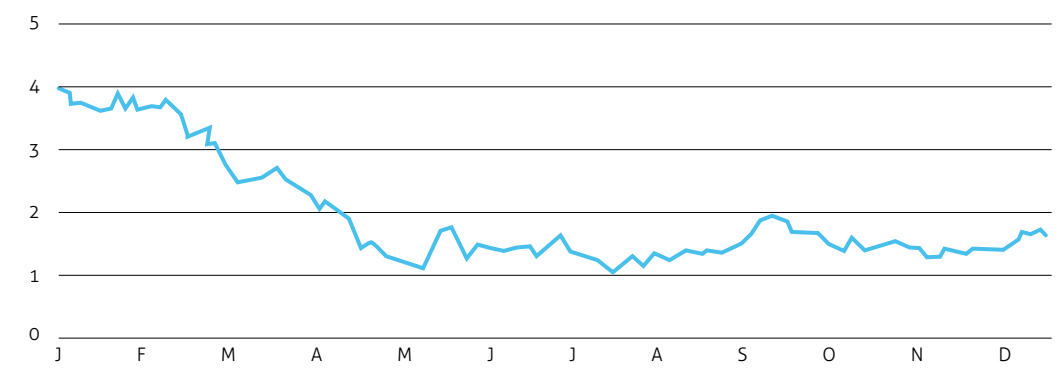
SHARE EVOLUTION DURING 2012

Number of quoting shares	443,728,374
Volume negotiated (Thousands of Euros)	1,489,547
Days of negotiation	256
Closure price 2011 (Euros)	3.97
Closure price 2012 (Euros)	1.65
Maximum (03/01/12) (Euros)	4.04
Minimum (23/07/12) (Euros)	1.01
Mean weighted price (Euros)	1.77
Mean daily volume (no. of shares)	3,277,892
Liquidity (shares negotiated/capital)	1.89

2012, like the previous year, was marked by a widespread and global economic crisis, whose magnitude was echoed by the stock markets. The main Spanish index, the Ibex 35, registered a decline of 4.66%. This left the index below 9,000 points, closing at 8,167.5.

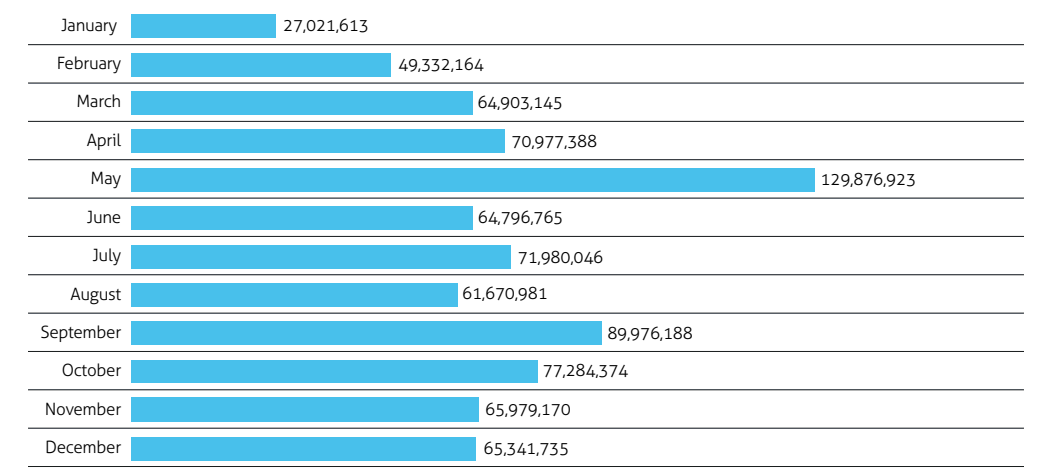
The financial problems of Greece, the sovereign debt crisis and other multiple factors tested the euro and negatively affected economies such as Spain's, which suffered severely from the consequences of these and other internal factors.

PRICING EVOLUTION 2012
(Euros)



The Group's trading volume totalled 1.489,6 billion euros, with an average daily volume of 3,277,892 shares compared to 1,879,973 shares in 2011.

VOLUMES 2012
(Nº Titles)





Sacyr Head Office.
Madrid

STOCK INFORMATION
(SHARE PRICES IN EUROS)

	2012	2011	%12/11
Maximum	4.04	9.59	-57.87%
Minimum	1.01	3.75	-73.07%
Average	1.77	6.15	-71.22%
Year-end	1.65	3.97	-58.39%
Average daily volume (No. of Shares)	3,277,892	1,879,973	74.36%
Annual Volume (Thousands of Euros)	1,489,547	2,970,128	-49.85%
Nº. of Shares at year-end (admitted to trading)	443,728,374	422,598,452	5.00%
Market Capitalization (Thousands of Euros)	733,039	1,677,716	-56.31%
Price/Carrying amount (No. of times)	0.49	0.66	-25.21%

At the closure of the 2012 financial year, 20 analysis companies performed active monitoring of Sacyr shares, and 2 of these were reviewing their valuation. In all, 89% recommended “buying”, “overweighting” or “maintaining”, while 11% recommended “underweighting”.

It must be highlighted that none of the companies recommended “selling”. Therefore, shares had a maximum revaluation potential according to analysts, with 80% bull trend among comparable shares in the Ibex 35.



7.4 Construction Division

In 2012, the Sacyr Group's construction companies, primarily Sacyr and Somague, have once again demonstrated their top-level technical, operating and commercial capabilities. These aptitudes have enabled us to build up a construction backlog worth 5,998.1 billion euros and achieve success in leading international projects. The satisfactory progress of these projects, particularly the Panama Canal, bear witness to the technological strength of the Group's construction division.

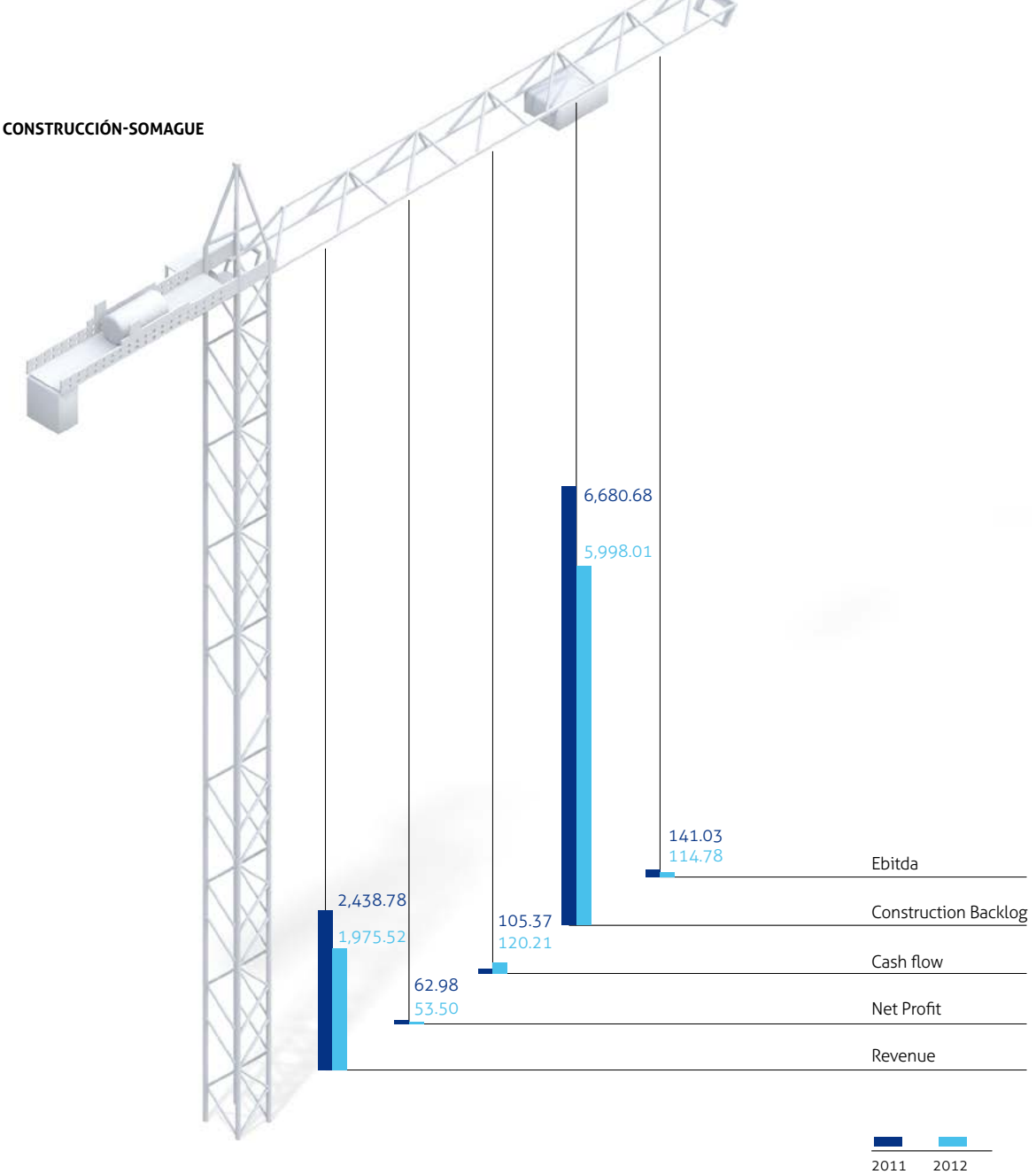
The internationalisation of the construction business has become a driver that assures future volume even in the face of the tough conditions now prevailing in the Spanish and global economies. At year-end 2012, 80% of the construction business portfolio was located outside of Spain.

The Group, which has been active in the Spanish construction industry through Sacyr since 1986, had the longest order book in the sector at more than 36 months of guaranteed work.

In 2012, both public administrations and agencies (Ministries of Public Works and of the Environment, Adif, Aena and organisations belonging to the various regional governments and city councils) and a large number of private clients have entrusted their projects to Sacyr construction companies, locking in a high level of activity over the coming years.

In terms of the type of work undertaken, the Group operates in all areas of infrastructure projects (high- speed railway lines, underground train lines, airports, motorways, toll roads, etc.) and is very active in both public and private building construction.

KEY FIGURES SACYR CONSTRUCCIÓN-SOMAGUE
(MILLIONS OF EUROS)



KEY FIGURES SACYR CONSTRUCCIÓN-SOMAGUE
(MILLIONS OF EUROS)

	2011	2012
Revenue	2,438.78	1,975.52
Net Profit	62.98	53.50
Cash flow	105.37	120.21
Construction Backlog	6,680.68	5,998.01
Ebitda	141.03	114.78

Backlog

At the close of 2012 backlog stood at 5,998.1 billion euros. Apart from Spain, accounting for 20% of the backlog, international markets, namely Portugal, Ireland, Panama Costa Rica, Chile and other countries, now comprise 80% of the backlog.

NATIONAL CONSTRUCTION BACKLOG / BACKLOG ABROAD
(MILLIONS OF EUROS)

	2011	2012
Spain	1,582.30	1,181.66
Abroad	5,098.38	4,816.35
TOTAL	6,680.68	5,998.01

NATIONAL CONSTRUCTION BACKLOG / BACKLOG ABROAD
(%)

	2011	2012
Spain	23.68%	19.70%
Abroad	76.32%	80.30%
TOTAL	100.00%	100.00%

This construction backlog is roughly equivalent to 350 million euros in terms of future Ebitda.

BACKLOG
(MILLIONS OF EUROS)

	2011	2012
Civil Works	5,878.20	5,363.30
Building	802.48	634.71
TOTAL	6,680.68	5,998.01

BACKLOG
(MILLIONS OF EUROS)

BUILDING	2011	2012
Residential	213.85	145.34
Non-residential	588.63	489.37
TOTAL	802.48	634.71

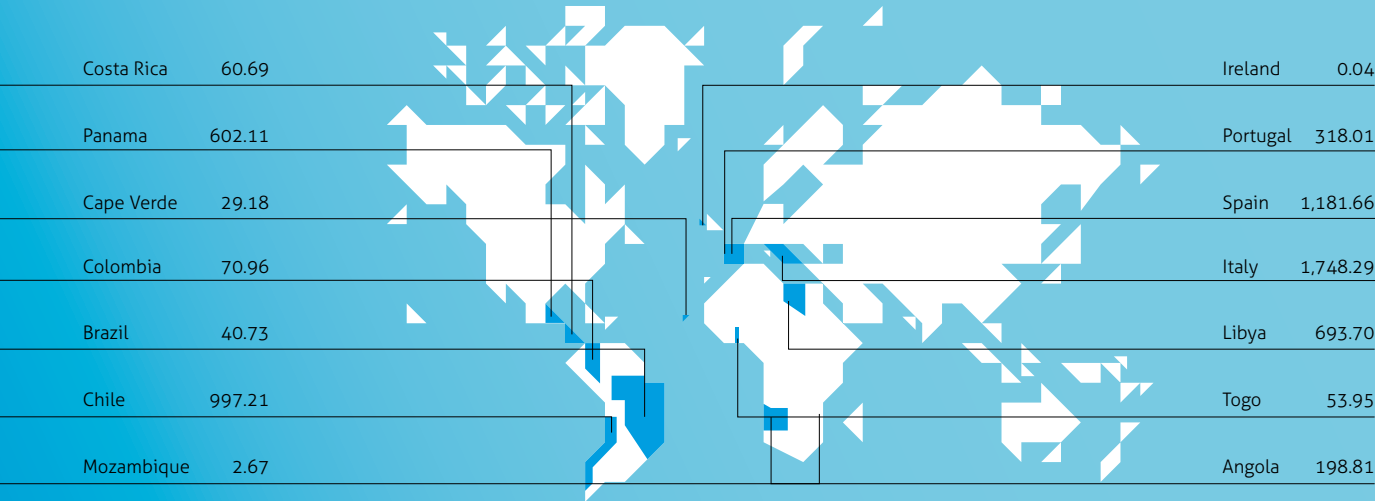


Almeria-Murcia
High-Speed Railway
Line. Stretch: Los
Gallardos-Sorbas

GEOGRAPHICAL BREAKDOWN OF BACKLOG
(MILLIONS OF EUROS)

	2011	2012
Spain	1,582.30	1,181.66
Portugal	308.97	318.01
Ireland	2.52	0.04
Chile	548.56	997.21
Italy	2,346.39	1,748.29
Costa Rica	56.65	60.69
Libya	662.15	693.70
Panama	823.04	602.11
Angola	291.42	198.81
Brazil	21.73	40.73
Cape Verde	36.97	29.18
Togo	0	53.95
Colombia	0	70.96
Mozambique	0	2.67
TOTAL	6,680.68	5,998.01

GEOGRAPHICAL BREAKDOWN OF BACKLOG
Millions of Euros



Revenue

The Group performs a wide variety of civil works, with a breakdown that is perfectly aligned with the present distribution of public investment and the requirements of private clients. Construction activity in civil works accounted for 87% of the backlog at year end. Activity levels were high and spanned all types of projects.

Construction revenue in 2012 was in excess of 1,975.52 billion euros. The Spanish market accounted for 47% of revenue, while the remaining 53% came from international works. Civil engineering was predominant, accounting for 65% of revenue.

REVENUE
(MILLIONS OF EUROS)

	2011	2012
Civil Works	1,818.72	1,297.14
Building	608.37	666.52
Services	9.37	9.43
Concessions	2.32	2.43
TOTAL	2,438.78	1,975.52

NATIONAL REVENUE / REVENUE ABROAD
(MILLIONS OF EUROS)

	2011	2012
Spain	1,258.25	942.08
Abroad	1,180.53	1,033.44
TOTAL	2,438.78	1,975.52

NATIONAL REVENUE / REVENUE ABROAD
(%)

	2011	2012
Spain	51.59%	47.69%
Abroad	48.41%	52.31%
TOTAL	100.00%	100.00%

REVENUE BY TYPE
(MILLIONS OF EUROS)

BUILDING	2011	2012
Residential	82.77	102.38
Non-residential	525.60	564.14
TOTAL	608.37	666.52

REVENUE BY TYPE
(MILLIONS OF EUROS)

CIVIL WORKS	2011	2012
Roads	614.64	395.6
Railway	450.94	352.33
Hydraulic	281.32	390.69
Airport	125.04	37.42
Urbanisation	60.51	12.7
Other	286.27	108.26
TOTAL	1,818.72	1,297.00

REVENUE BY GEOGRAPHIC AREA
(MILLIONS OF EUROS)

BUILDING	2011	2012
Spain	296.44	284.71
Portugal	104.08	75.79
Angola	199.79	299.66
Chile	0	0
Brazil	0	2.95
Cape Verde	8.06	3.37
Other countries	0	0.04
TOTAL	608.37	666.52

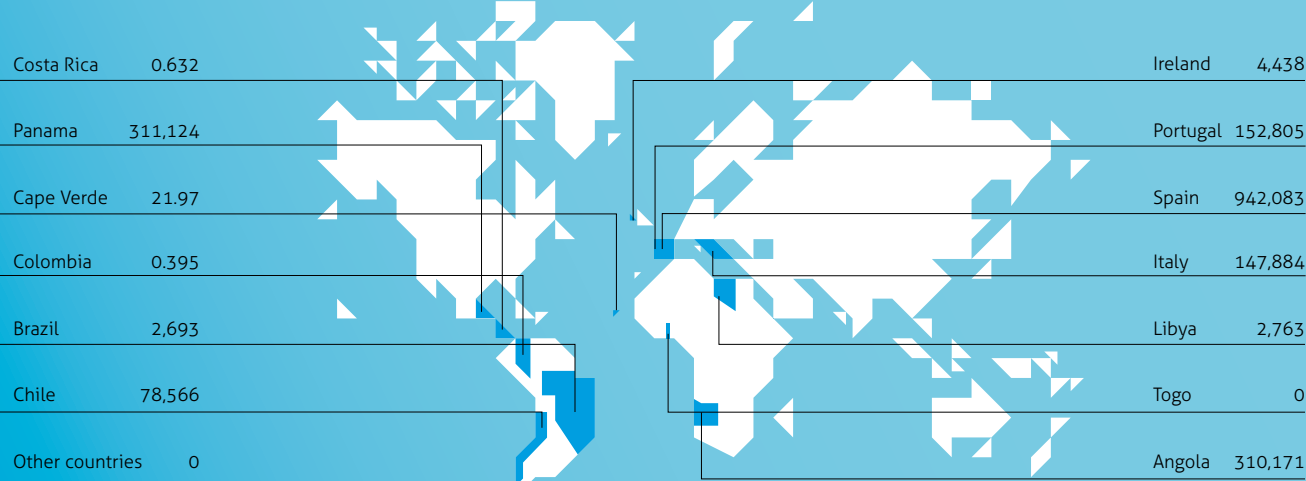
REVENUE BY GEOGRAPHIC AREA
(MILLIONS OF EUROS)

CIVIL WORKS	2011	2012
Spain	950.08	654.92
Portugal	313.09	-229.85
Ireland	-3.25	4.21
Chile	100.37	78.57
Italy	242.27	147.88
Costa Rica	5.03	0.452
Libya	2.78	2.76
Panama	176.46	303.23
Angola	0	310.17
Brazil	0	2.69
Cape Verde	31.84	21.94
Togo	0	0
Colombia	0	0
Other countries	0	0.51
TOTAL	1,818.68	1,297.00

REVENUE BY GEOGRAPHIC AREA
(MILLIONS OF EUROS)

	2011	2012
Spain	1,258.25	942.083
Portugal	417.17	152,805
Ireland	-3.25	4,438
Chile	100.37	78,566
Italy	242.27	147,884
Costa Rica	5.03	0.632
Libya	2.78	2,763
Panama	176.46	311,124
Angola	199.79	310,171
Brazil	0	2,693
Cape Verde	39.9	21.97
Togo	0	0
Colombia	0	0.395
Other countries	0	0
TOTAL	2,438.78	1,975.52

REVENUE BY GEOGRAPHIC AREA 2012
Millions of Euros



Madrid-Barcelona-
French Border High-
Speed Railway line:
Tunnel connecting
Sants-La Sagrera
(Barcelona).

Civil Works

Among others, the Group was awarded the following contracts in 2012:

- Route 43 motorway concession in the Region of Coquimbo in Chile, with a total construction investment of 144 million euros, which will link the greater metropolitan area of La Serena-Coquimbo with the city of Ovalle, expanding the current dual carriageway along its full length, including Cuesta de Las Cardas and a 17 kilometers bypass and totalling 86 kms of paved roads.
- New access to Confluencia-Maitenes to exploit the new level of the El Teniente Mine in Chile, with a budget of 116 million euros, which includes engineering and construction of 16.22 kms of road to access to the mine, seven bridges with lengths varying from 40 to 225 mts, a link to the current Cobre highway in the Maitenes sector and three tunnels measuring 370, 918 and 3090 m.
- Container Terminal in the Port of Lomé in Togo, with a budget of 108 million euros for the construction of an inner basin measuring 1,250 mts long by 250 mts wide and a platform with modern container transshipment areas.
- Construction of the Playa Larga - Cisneros section of the motorway from Cali to Buenaventura in Colombia, with a budget of 103 million euros, including the adaptation and straightening of 20 kilometers of existing roadway, the construction of 3.3 kilometers of second roadways and five viaducts with lengths between 320 and 580 meters.

Among others, we delivered the following works in 2012:

- LOC-West Coast (Portugal), with a budget of 364 million euros, which involved the construction and rehabilitation of several sections of state highways of distinct types (national highways, motorways and main routes) between the Portuguese towns of Nazaré- Leiria and Ourém.
- Section of the Madrid-Barcelona-French border high speed line in the city of Barcelona between Sants and La Sagrera, which consisted of the construction of 5.6 kms of tunnel under the Eixample district of Barcelona, next to the Sagrada Familia cathedral. The budget was 238.61 million euros.
- Construction of breakwaters in the Extension of the Port of Valencia. The project, with a budget of 234 million euros, included the construction of two breakwaters (one measuring 3 Kms and another 1 Km) forming the new dock north west of the Port of Valencia and an independent channel in order to improve maritime access.
- Adaptation, renovation and conservation of the North motorway (A-1), Santo Tomé del Puerto - Burgos of the A-1 motorway, with an investment of 161 million euros. The works consisted of a series of actions on a stretch of 150 km of the A-1 within as part of the First Generation Motorway Improvement Plan (strengthening of the pavement, remodelling links, changes in layout and elevation, rectification of curves, etc.).



In 2012 we have been advanced in the construction of the following works:

- Project and construction of the Third Set of Locks in the Panama Canal Expansion, with a budget of 3.129 billion dollars. This involves the construction of two new sets of locks on the Atlantic and Pacific, which will enable increased commercial traffic through the Canal.
- Salerno-Reggio Calabria Motorway (Italy). Stretch of 31 kms of motorway between Padula and Lauria, located 150 kms south of Naples, part of the route from Rome to southern Italy (Calabria). Due to the complicated terrain of the area, the project includes the construction of 37 viaducts and 20 tunnels. The budget amounts to 745 million euros.
- Widening and modernisation of the railway line connecting the centre of the city of Palermo to Punta Raisi airport on the island of Sicily. It has a total of 28 kms of which 7 are through a double-track tunnel. The budget amounts to 730 million euros.
- Motorway concession between Concepción and Cabrero, Chile, with an investment in construction of 168.8 million euros, connecting the cities of Concepcion and Cabrero with a 60 kms dual carriageway, and the cities of Cabrero with Cholguán with a 30 kms single carriageway and 40 kms of service lanes along the entire corridor.
- Hydroelectricity dam at Foz Tua, Portugal, with a budget of 162.7 million of euros, involving the construction of a concrete double-curved arch dam with a height of 108 mts and a crest length of 275 mts and a 700 m underground hydraulic circuit comprised of two independent lined tunnels with internal diameters of 7.5 mts and 5.5 mts.
- Venda Nova III Hydroelectric Plant (Portugal), with a budget of 143.6 million euros, entirely underground, consisting of several tunnels, shafts, galleries and a central cavern located 400 mts underground and equipped with two reversible generators with a total output capacity of 736 MVs.
- Madrid-Castilla La Mancha-Valencia-Murcia High Speed Line. Section: Orihuela-Colada de la Buena Vida, with a budget of 121.9 million euros, consisting of the execution of a high-speed railway platform measuring 6.7 mts, of which, 1.5 kms runs underground through the city of Orihuela. The main feature is the need to maintain the existing line in operation and one notable structure is the Viaduct over the Tajo-Segura Canal (1000 mts).

Building

Among others, the Group was awarded the following contracts in 2012:

- Extension of the Line 9 of the Madrid Metro, with a budget of 121.3 million euros, including the construction of a 1200 mts tunnel by EPD TBM and 600 mts of excavated tunnel using the traditional Madrid method. In addition we built two stations and the connection with the current line and the corresponding ventilation shafts, pumping stations and emergency exits.
- Extension of the Ronda Norte motorway of Zaragoza, with a budget of 109.1 million euros, involving the expansion of a third lane, improvement of 9 connections and construction of collector roads along the 18 kms of the existing Ronda Norte of Zaragoza.
- Antofagasta Hospital in Chile, with a construction investment of 171 million euros and involving the construction of a surface area of 114,000 m² distributed among nine interconnected buildings, which will house 45 regular treatment rooms, 24 emergency treatment room, 16 dental offices, 18 surgical rooms, 30 dialysis stations, 671 beds, auditorium and even a helipad. The design and construction will be performed following strict earthquake protection standards.
- Catumbela Airport in Angola, with a budget of 63.8 million euros, involving the construction of the interior work and finishes for the International Terminal, electrical systems, navigation systems and equipment for passenger boarding areas.
- 1st Phase of the Portugal Telecom's Data Center in Covilha, Portugal, with a budget of 54.8 million euros, and encompassing four identical technical buildings for data storage and high-tech facilities.
- Campus Infrastructure - DAR, in Angola, with a budget of 32.75 million euros, electricity grids, water supply, wastewater network and treatment plant, irrigation network and other general systems for a total campus are of 4.24 million m².



*Dr Agostinho Neto
Library. Angola*

The major projects under development in 2012 in the building division include:

- Levante II prison in Siete Aguas, Valencia, with a budget of 102.37 million of euros. The prison is to have 1,008 cells distributed across 10 residential modules, and 20 other buildings for various purposes, making for a combined total floor area of 130,000 m² and 60,000 m² of urban infrastructure work.
- Valladolid hospital, with an investment of 90.13 million euros. 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.
- Construction of the shell of the Kinaxixi urban complex in Luanda (Angola), with a budget of 85 million of euros, which will have a floor area of 250,000 m² in two 25 floor towers for different uses (one for offices and the other for residential use) and five underground levels for parking and technical facilities.
- Vila Franca de Xira hospital, Portugal, with a budget of 76.06 million of euros and floor area of 69,293.24 m². The new hospital will be equipped with 280 beds, 844 parking spaces, nine operating theatres and 33 surgery and consultation rooms.
- Building Construction for administrative purposes for the Regional Government of Andalusia at calle Pablo Picasso 1 in Seville, with a surface area of 41,000 m² and a budget of 53.1 million euros.

Among the works delivered in 2012 in the building division, we would highlight:

- The Hospital Universitario Central Asturias, with a budget of 286 million of euros, a total floor area of 300,000 m², 570 rooms, 1,039 beds, 38 operating theatres and 350 treatment rooms.
- Repsol Campus at Méndez Álvaro street (Madrid). This 127 million euro project to create our client's new head office covers a build area of 134,000 m², of which 56,700 m² are used for an underground car park with 1,600 spaces. The campus comprises four interconnected buildings laid out in square surrounding a central courtyard. The four above-ground floors are used as office space and for a roof-top technical facility centralising most of the installation systems serving the Campus.
- Santo Espiritu Hospital on Terceira Island in Portugal with a budget of 61.7 million euros and a surface area of 50,000 m² housing 236 beds, 45 treatment rooms and outpatient clinic.
- Campus Building D at the European University of Madrid in Villaviciosa de Odon, with a budget of 23.45 million euros with a floor area of 22,000 m², with an architecturally unique auditorium for 500 people.



7.5

Concessions Division

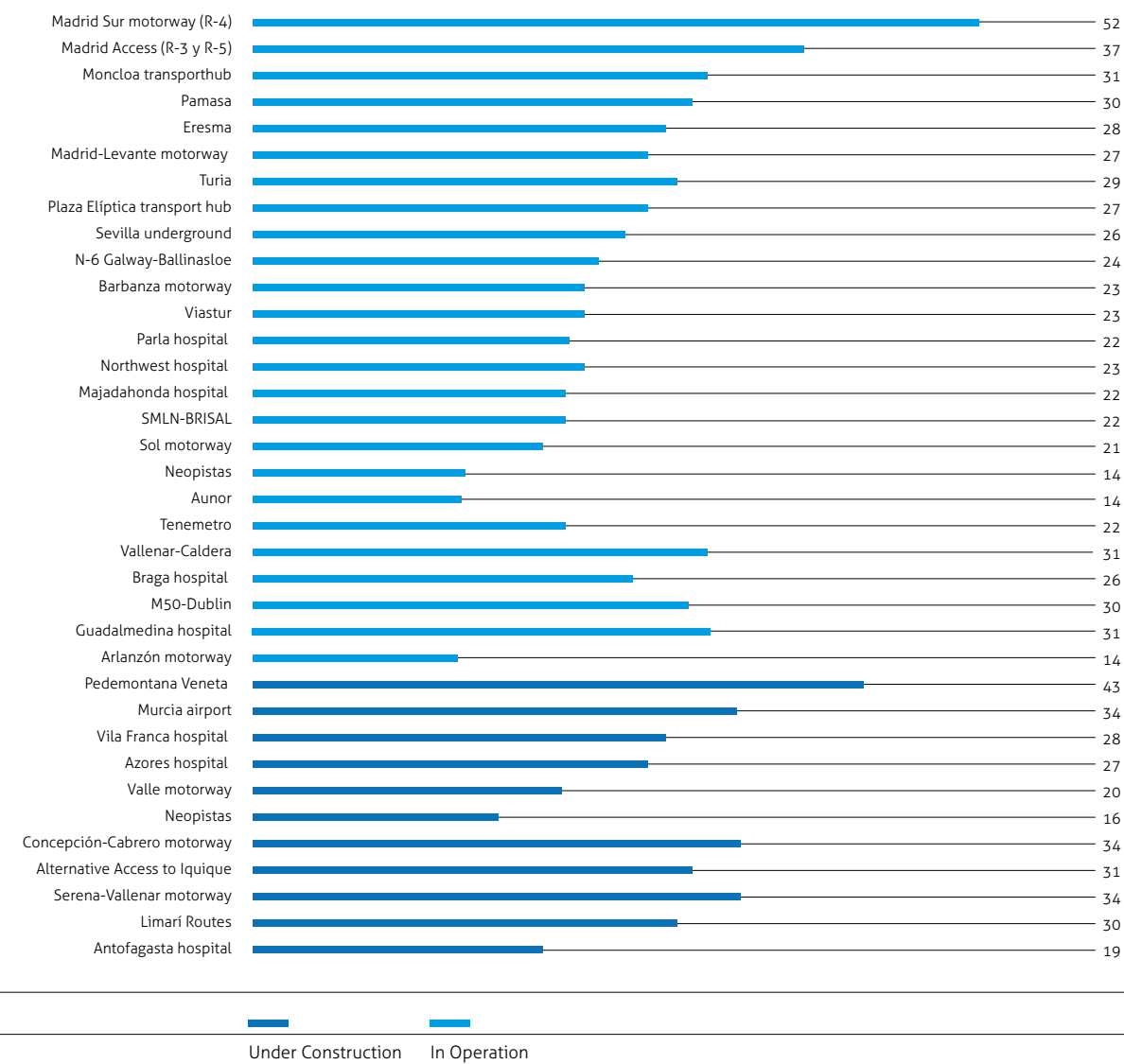
The Sacyr Group’s infrastructure concessions business started up in 1996 when the Group was awarded its first concession in Chile: Los Vilos-La Serena section of Route 5. Since then, its portfolio has grown thanks to continuing success in both new contract awards and in acquisition and privatisation processes in Spain and abroad. Today, Sacyr operates in the infrastructure concessions sector via its subsidiary Sacyr Concesiones.

At 31 December 2012, Sacyr Concesiones had a portfolio of 36 concessions in six countries, of which 23 are toll motorway concessions: 16 in the EU (11 in Spain, 2 in Portugal, 2 in Ireland and 1 in Italy) and seven in Latin America (5 in Chile and 2 in Costa Rica). Sacyr Concesiones also holds 13 concessions for other assets, namely: 3 hospitals in Madrid, 3 hospitals in Portugal, 1 hospital in Chile, 2 transport hubs in Madrid, 2 underground lines (one in Seville and one in Tenerife), 1 airport in Murcia and 1 motorway service area company. Of the 36 concessions, 10 are under development and 26 are in operation (including 16 motorways totalling 1,849 km, reaching 1,883 km including the two underground lines, as set out in the following list:

CONCESSION	TOLL ROAD	SECTION	% PARTICIP.	METHOD CONS.	TOTAL KM
Madrid-Levante Motorway	AP-36	Ocaña-La Roda	40,00%	Equity	177.0
Madrid Access (R-3 and R-5)	R-3	M-40-Arganda del Rey y Navalcarnero. A-6 M-409	25,16%	Equity	60.7
	R-5	M-40 - Navalcarnero	25,16%	Equity	
	M - 50	A-6-M-409	25,16%	Equity	
Aunor	C-415 (RM15)	Alcantarilla-Caravaca de la Cruz	51,00%	Proportional	62.2
Madrid South Motorway (R-4)	R-4, M-50	R-4 (M-50-Ocaña); M-50 (A-2 A-4)	35,00%	Equity	53.0
Pamasa	MA-15	Palma Mallorca-Manacor	40,00%	Proportional	43.7
Viastur	AS-18, AS-17	AS-18 (Oviedo-Porceyo), AS-17 (Lugones-Bobes)	70,00%	Full	24.3
Neopistas	EE:SS	Alberique-Valdáliga-Guitriz-Calzadilla de los Barros	100,00%	Full	NA
Plaza Elíptica transport hub		Plaza Elíptica (Madrid)	51,00%	Proportional	NA
Parla Hospital		Parla (Madrid)	100,00%	Full	NA
Noreste Hospital		Coslada (Madrid)	100,00%	Full	NA
Eresma Motorway	CL-601	Cuellar-Segovia	80,00%	Full	51.9
Moncloa Interchange		Moncloa (Madrid)	51,00%	Proportional	NA
Turia Motorway	CV-35	Valencia-Losa del Obispo	45,39%	Proportional	52.9
Barbanza Motorway	AG-11	Padrón-Ribeira	80,00%	Full	40.1
Majadahonda Hospital		Majadahonda (Madrid)	20,00%	Equity	NA
Sol Motorway		San José-Caldera (Costa Rica)	35,00%	Proportional	76.8
Sevilla underground	Line 1	Dos Hermanas-Aljarafe (Sevilla)	32,77%	Equity	19.0
Galway-Ballinasloe	N-6	Doughiska-Tulrush (Irlanda)	45,00%	Proportional	53.0
Tenerife underground	Spain	Tenerife Light Rail	4,20%	Equity	15.1
M50-Dublin	M-50	Dublin Beltway (Ireland)	45,00%	Proportional	24.0
Brisal		Autoestrada litoral centro (Portugal)	25,00%	Equity	93.0
Guadalmedina Motorway	Ap-46	Málaga-Alto Las Pedrizas	40,00%	Equity	24.5
Hospital de Braga		Braga (Portugal)	51,00%	Full	NA
Vallenar-Caldera Motorway		North of Route 5 Vallenar-Caldera (Chile)	60,00%	Proportional	221.0
Arlanzón Motorway		Santo Tomé del Puerto-Burgos	55,00%	Proportional	146.0
Braga Hospital		Azores (Portugal)	40,00%	Proportional	NA
TOTAL OPERATING SACYR CONCESIONES					1,238.2
Valle Motorway		San José/Airport-San Ramón (Costa Rica)	35,00%	Proportional	66.0
Murcia airport		Corvera (Murcia)	67,33%	Full	NA
Concepcion-Cabrero Motorway		Concepción-Cabrero (Chile)	51,00%	Proportional	103.4
Alternative Access to Iquique		Iquique (Chile)	51,00%	Proportional	78.4
Pedemontan-Veneta		Vicenza-Treviso (Italia)	60,00%	Full	95.0
Vila Franca Hospital		Xira (Portugal)	51,00%	Full	NA
Autoestrada Do Marão	Motorway between the towns of Amarante and Vila Real		53,99%	Proportional	29.4
Serena-Vallenar Motorway		Serena-Vallenar (Chile)	100,00%	Full	187.0
Antofagasta Hospital		Antofagasta (Chile)	50,00%	Proportional	NA
Limarí Routes		La Serena-Ovalle (Chile)	100,00%	Full	86
TOTAL UNDER CONSTRUCTION SACYR					645.2
TOTAL SACYR CONCESSIONS					1,883.4

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 27 years, and the project breakdown is as follows:



Revenue backlog

The Sacyr Concesiones revenue backlog comes to 20,388 billion euros according to forecasted earnings for each concession.

Operating concessions

At 31 December 2012, Sacyr Concesiones had a portfolio of 26 concessions in operation (16 toll motorways, with a combined length of 1,204 kms, and a total of 1,238 kms if the two underground train lines are included; four hospitals, with a total of 2,076 beds; two transport hubs, one service area management company; and two underground train lines).



Valles del Desierto Motorway, SN Route, stretch: Vallenar-Caldera (Chile).

CONCESSION	TOLL ROAD	SECTION	% PARTICIP.	METHOD CONS.	TOTAL KM
Madrid-Levante motorway	AP-36	Ocaña-La Roda	40.00%	Equity	177.0
Madrid Access (R-3 y R-5)	R-3	M-40-Arganda del Rey y Navalcarnero. A-6 M-409	25.16%	Equity	60.7
Aunor	C-415 (RM15)	Alcantarilla-Caravaca de la Cruz	51.00%	Proportional	62.2
Madrid South motorway (R-4)	R-4. M-50	R-4 (M-50-Ocaña); M-50 (A-2 A-4)	35.00%	Equity	53.0
Pamasa	MA-15	Palma Mallorca-Manacor	40.00%	Proportional	43.7
Viastur	AS-18. AS-17	AS-18 (Oviedo - Porceyo). AS-17 (Lugones-Bobes)	70.00%	Full	24.3
Neopistas	EE:SS	Alberique-Valdáliga-Guitriz -Calzadilla de los Barros	100.00%	Full	NA
Plaza Elíptica transport hub		Plaza Elíptica (Madrid)	51.00%	Proportional	NA
Parla hospital		Parla (Madrid)	100.00%	Full	NA
Northwest hospital		Coslada (Madrid)	100.00%	Full	NA
Eresma motorway	CL-601	Cuellar-Segovia	80.00%	Full	51.9
Moncloa transport hub		Moncloa (Madrid)	51.00%	Proportional	NA
Turia motorway	CV-35	Valencia-Losa del Obispo	45.39%	Proportional	52.9
Barbanza motorway	AG-11	Padrón-Ribeira	80.00%	Full	40.1
Majadahonda hospital		Majadahonda (Madrid)	20.00%	Equity	NA
Sol motorway		San José-Caldera (Costa Rica)	35.00%	Proportional	76.8
Sevilla underground	Line 1	Dos Hermanas-Aljarafe (Sevilla)	32.77%	Equity	19.0
Galway-Ballinasloe	N-6	Doughiska-Tulrush (Irlanda)	45.00%	Proportional	53.0
Tenerife underground	Spain	Tenerife Light Rail	4.20%	Equity	15.1
M50-Dublin	M-50	Doughiska-Tulrush (Ireland)	45.00%	Proportional	24.0
Brisal		Autoestrada litoral centro (Portugal)	25.00%	Equity	93.0
Guadalmedina motorway	Ap-46	Málaga-Alto Las Pedrizas	40.00%	Equity	24.5
Braga hospital		Braga (Portugal)	51.00%	Full	NA
Vallenar-Caldera motorway		North of Route 5 Vallenar-Caldera (Chile)	60.00%	Proportional	221.0
Arlanzón motorway		Santo Tomé del Puerto-Burgos	55.00%	Proportional	146.0
Azores hospital		Azores (Portugal)	40.00%	Proportional	NA
TOTAL OPERATING SACYR CONCESIONES					1,238.2

Concessions under development

At the close of 2012 the company had 10 concessions under development, of which one is in Spain, two in Portugal, one in Italy, one in Costa Rica and five in Chile, which will increase the total under management by 645 km:

CONCESSION	TOLL ROAD	SECTION	% PARTICIP.	METHOD CONS.	TOTAL KM
Valle motorway	San José/Airport-San Ramón (Costa Rica)		35.00%	Proportional	66.0
Murcia airport	Corvera (Murcia)		67.33%	Full	NA
Concepción-Cabrero motorway	Concepción-Cabrero (Chile)		51.00%	Proportional	103.4
Alternative Access to Iquique	Iquique (Chile)		51.00%	Proportional	78.4
Pedemontana-Veneta	Vicenza-Treviso (Italia)		60.00%	Full	95.0
Villa Franca hospital	Xira (Portugal)		51.00%	Full	NA
Autoestrada Do Marão	Motorway between the towns of Amarante and Vila Real		53.99%	Proporcional	29.4
Serena-Vallenar motorway	Serena-Vallenar (Chile)		100.00%	Full	187.0
Antofagasta hospital	Antofagasta (Chile)		50.00%	Proportional	NA
Limarí Routes	La Serena-Ovalle (Chile)		100.00%	Full	86
TOTAL UNDER CONSTRUCTION SACYR CONCESIONES					645.2

Business summary

In 2012, the major milestones in Sacyr Concesiones’ business were as follows:

Sacyr Concesiones was awarded the following contracts:

- On 19 October Sacyr Concesiones was awarded the contract for the construction and maintenance of the Antofagasta Hospital in Chile, with an investment of 285 million euros. The new hospital will serve a population of 215,000 people with a total of 671 beds and will have a surface area of 113,000 m².

- On 26 October Sacyr Concesiones was awarded the contract for the construction, expansion, improvement, maintenance and operation of a new motorway in Chile. Specifically, the La Serena-Ovalle section of Route 43 located in the 4th Region of Chile (Coquimbo Region), with an investment of 207 million euros. This is an 86 kms motorway with an estimated backlog of 700 million euros.

The following infrastructure has been put into service:

- On 25 March the Azores Hospital in Portugal was inaugurated with a capacity of 241 beds.
- On 15 May 2012 10% of the motorway came into operation.

In 2012, the following financing and refinancing transactions were concluded:

- In June, the company closed the refinancing of the Valles del Desierto concession (Vallena - Caldera toll motorway) with Chilean banks CorpBanca and Banco Estado for 211 million euros.
- In August, we closed the financing of the construction of the concession Ruta de Algarrobo (La Serena-Vallena motorway) with CorpBanca and Banco Estado for 262 million euros.
- We have obtained a series of amendments to contracts whose impact is favourable for Pamasa, Autovía del Turia, Hospital de Parla and Valles del Desierto.

Revenue

KEY FIGURES SACYR CONCESIONES

THOUSANDS OF EUROS	2012	2011	VAR. (%)
Revenue	267,212	444,042	-39.82%
EBITDA	94,123	92,940	1.27%

We would highlight the following transactions:

- In July 2012 the company executed the divestment of 45% of Arlanzón motorway, currently holding a total stake of 55%.
- In June 2012 Sacyr Concesiones acquired 10% of the Barbanza motorway, currently holding a total 90% stake.
- In September 2012 Accesos de Madrid filed for bankruptcy protection; Sacyr holds a 25% stake in the Company.
- In September 2012 Autopista Madrid Sur filed for bankruptcy protection; Sacyr holds a 35% stake in the Company.
- In October 2012 Autopista Madrid Levante filed for bankruptcy protection; Sacyr holds a 40% stake in the Company.

CONSOLIDATED REVENUE

	2012	2011	Var. (%)
Sacyr Concesiones	1,431	6,990	(79.5%)
Northwest motorway	4,250	3,827	11.0%
Eresma motorway	5,609	5,735	(2.2%)
Guadalmedina motorway	-	-	-
Barbanza motorway	4,368	4,388	(0.5%)
Turia motorway	5,900	5,643	4.5%
Viastrur	6,445	6,578	(2.0%)
Arlanzón motorway (*)	6,572	10,125	(35.1%)
Ctra. Palma-Manacor	3,370	3,405	(1.0%)
Neopistas	1,504	1,704	(11.7%)
Moncloa transport hub	6,746	6,139	9.9%
Plaza Elíptica transport hub	3,263	3,292	(0.9%)
Parla Hospital	13,471	12,807	5.2%
Coslada Hospital	13,913	13,703	1.5%
Murcia Airport	-	-	-
Spain	76,841	84,336	(8.9%)
Group concessions Costa Rica	12,923	14,427	(10.4%)
Group concessions Ireland	17,529	16,865	3.9%
Group concessions Portugal	26,736	28,069	(4.7%)
Group concessions Chile	26,577	8,389	216.8%
Total without construction income	160,607	152,086	5.6%
Construction Income	106,605	421,140	(74.7%)
TOTAL	267,212	573,226	(53.4%)

(*) Held for sale from 01-01-12 to 30-06-12

Main indicators

The main indicators used are Average Daily Traffic (ADT) of vehicles on each road or toll motorway, and thousands of passengers who pass through the transport hubs:

	2012	2011	Var. (%)
Turia motorway	35,551	36,373	-2.3%
Northwest C.A.R.M. hospital	10,292	11,076	-7.1%
Viastur	21,536	22,518	-4.4%
Palma Manacor	19,952	20,642	-3.3%
Barbanza motorway	12,216	12,679	-3.7%
Eresma motorway	6,583	6,906	-4.7%
Arlanzón motorway	22,399	22,672	-1.2%
Neopistas	-	-	-
Moncloa transport hub	-	-	-
Plaza Elíptica transport hub	-	-	-
Gualdamedina	-	-	-
Parla hospital	-	-	-
Coslada hospital	-	-	-
Sacyr Concesiones	-	-	-
Murcia airport	-	-	-
Spain	128,528	132,866	-3.3%
Valle (San José-San Ramón) motorway	-	-	-
Sol (San José-Caldera) motorway	32,642	27,273	19.7%
SyV Concesiones Costa Rica	-	-	-
Costa Rica	32,642	27,273	19.7%
N6 Concession Ltd	9,143	9,181	-0.4%
M-50 Concession Ltd	110,447	108,146	2.1%
Sacyr Concessions Ireland	-	-	-
N6 Operations	-	-	-
Ireland	119,590	117,327	1.9%
Autoestradas Do Marão	13,410	13,718	-2.2%
Braga hospital	-	-	-
Vila Franca Hospital	-	-	-
Azores hospital	-	-	-
Tunel Do Marão	-	-	-
Somague Concessoos-Portugal	-	-	-
Escala Parque	-	-	-
Portugal	13,410	13,718	-2.2%
Group concessions Chile	-	-	-
Sacyr Operación y Servicios	-	-	-
Rutas del Desierto-Accesos a Iquique	-	-	-
Valles del Bio Bio-Concepción Cabrero	-	-	-
Valles del Desierto-Vallenar Caldera	4,828	4,599	5.0%
Serena Vallenar-Rutas del Algarrobo	-	-	-
Chile	4,828	4,599	5.0%
TOTAL WITHOUT CONSTRUCTION INCOME	298,998	291,185	2.7%
TOTAL CONSTRUCTION INCOME			



Barbanza Motorway.
A Coruña

7.6 Services and Industrial Division

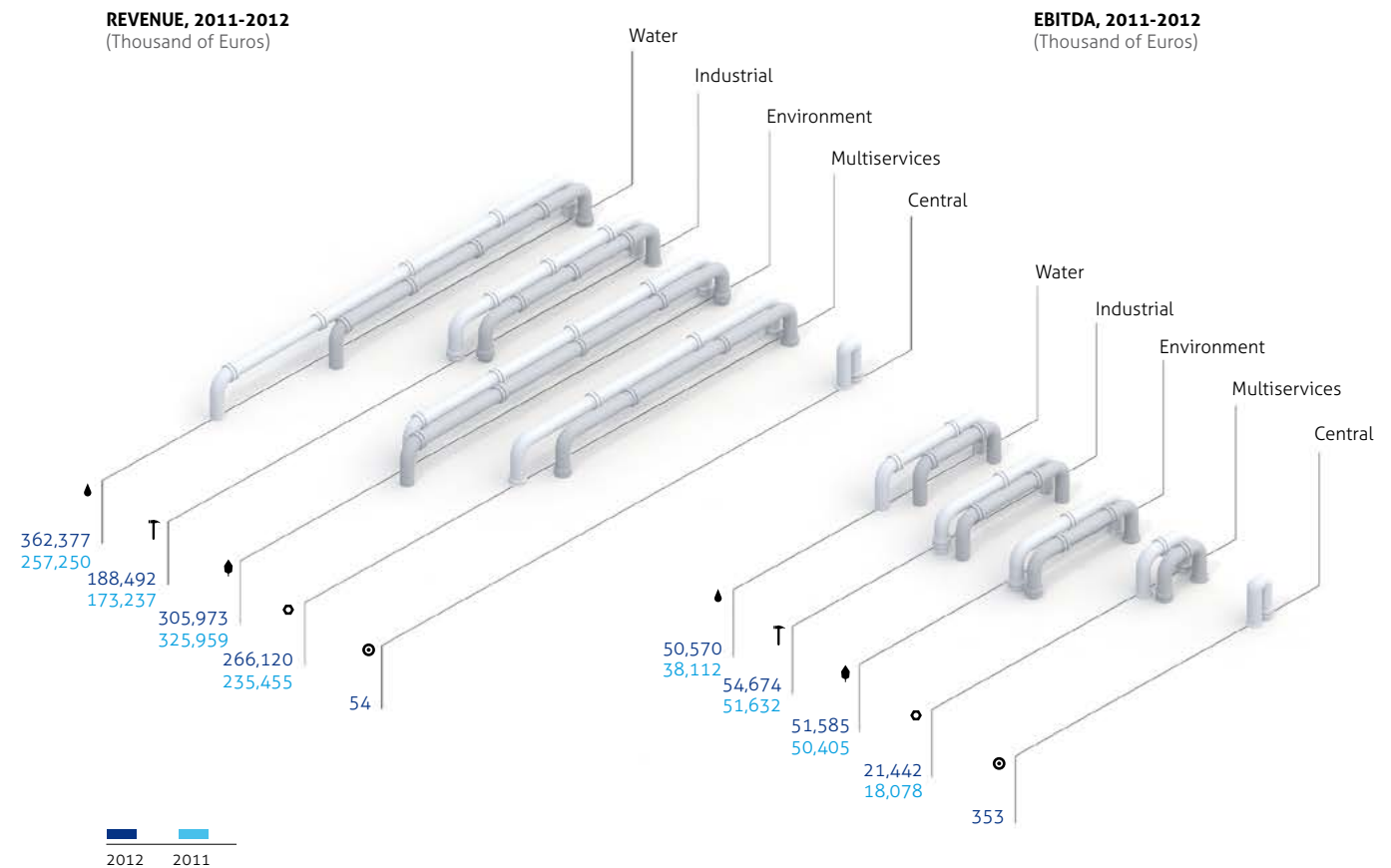
The services division of Sacyr and has become the fastest growing business area in the Group thanks to the intensive award of contracts in its four core business lines:

- **Environment** (municipal services, waste management, environmental restoration and landscape work).
- **Water** (water cycle management, water treatment, desalination, purification and reuse).
- **Multiservices** (integral building maintenance, industrial maintenance, servicing and maintenance of motorways and roads, dams and canals maintenance, service areas on motorways, health and social services and integral hospital management).
- **Industrial** (engineering projects, power

plants, oil and gas, electrical facilities, construction and management of thermal solar plants, biomass and cogeneration and waste treatment).

These activities involve synergies and complement the traditional business of the Group, providing high EBITDA margins and a recurring revenue base. The services business allows for stronger links with the company's traditional customers and creates new business relationships.

	DECEMBER		
(MILLIONS OF EUROS)	2011	2012	% VAR 12/11
Revenue	1,123.0	991.9	13.2%
Ebitda	178.6	158.2	12.9%
Net Profit	12.1	35.5	-65.8%
Cash Flow	112.8	101.8	10.9%
Backlog	11,558.0	12,102.0	-4.5%

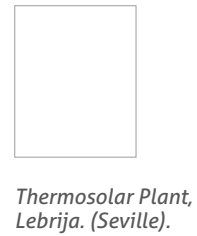


REVENUE
(THOUSANDS OF EUROS)

	DECEMBER		
	2011	2012	% VAR 12/11
Water	257,250	362,377	40.9%
Industrial	173,237	188,492	8.8%
Environment	325,959	305,973	-6.1%
Multi-services	235,455	266,120	13.0%
Center		54	
TOTAL	991.901	1,123.016	13.2%

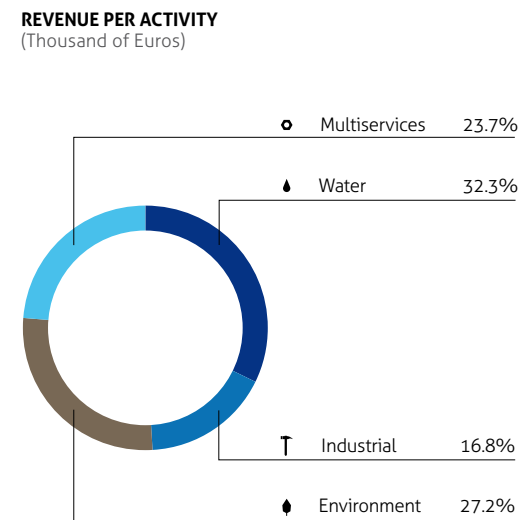
EBDITA
(THOUSANDS OF EUROS)

	DECEMBER		
	2011	2012	% VAR 12/11
Water	38,112	50,570	32.7%
Industrial	51,632	54,674	5.9%
Environment	50,405	51,585	2.3%
Multi-services	18,078	21,442	18.6%
Center		353	
TOTAL	158,227	178,624	12.9%



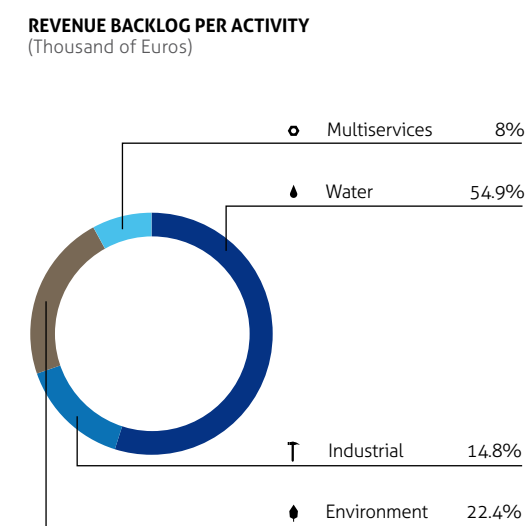
Revenue

Valoriza closed 2012 with revenue of 1.123 billion euros, 13% more than in 2011, with net attributable profit standing at 12.1 million euros. As to the relative weight of each activity in the revenue of Valoriza, environmental services is the leader with 27.2%, followed by water with 32.3%, Multi-services with 23.7% and Industrial with 16.8%.



Revenue backlog

Future income at December 31 shows a balance of 11.558 billion euros.



A. Environment

The difficult economic situation of local authorities has resulted in a contraction of activity which has manifested in a reduction of services to the municipalities, and therefore in sales. Despite this reduction, the degree of maturity reached in most of the contracts has led to improved Ebitda and net profit ratios in the projects. The financing mechanism for payment to suppliers of local and regional governments has been especially beneficial to Valoriza Servicios Medioambientales, which has very significantly lowered its debt ratios.

Nonetheless, we continue to follow the same policy of contracting only with municipalities with a sound financial position and rescinding any contracts that may have problem of default. Also urban mobility contracts have been enhanced, which provide cash flow and incorporate new complementary features, such as claims management and road safety items (radar, control of red traffic lights, etc.)

Turnover in 2012 amounted to 306 million euros, 6% lower than the previous year due to the termination of those contracts with bad debt problems and the reduction of fees for municipal services. Ebitda ratios remained in line with those of 2011, rising to 48 million euros, while net profit stood at 12 million euros. The net profit ratio experienced an improvement compared to 2011 due to the significant reduction in financial expenses. The backlog at year end amounts to 2.587 billion euros.

The business areas in which Valoriza Servicios Medioambientales operates are:

- **Municipal Services:** handles concessions and street cleaning, refuse collection, gardening and maintenance of green areas and trees, urban mobility (parking metre management, towing service, priority residential areas, handling of fines, etc..) as well as the maintenance urban infrastructure (underground containers, maintenance of roads, street lighting, maintenance of fountains and sport facilities).
- **Waste treatment and management:** important concessions and extended concession periods. Operates Urban Solid Waste plants and containers, transfer plants, used tyre plants and for construction and demolition waste, organic material composting plant (FORM), degassing and post-closure maintenance of landfills, biomethane plants, incineration, cogeneration, CSR (selected fuel waste) and energy recovery and treatment facilities, composting and thermal drying of sludge from sewage treatment plants.
- **Environmental works and regeneration:** including the inspection of water quality, and silvicultural treatment and forest works, landscape restoration, river restoration and bioengineering.



In 2012 the company was awarded, among others, the following contracts:

- Street cleaning and solid urban waste collection in Majadahonda (Madrid), for 62 million euros and with a 10 year concession term.
- Urgent Cleaning Service of Madrid (Selur), for 8.5 million euros and with a one year contract.
- Street cleaning and waste collection, as well as the management of the clean point in Paracuellos del Jarama (Madrid), for 5.3 million euros and with a five-year concession contract.
- Regulation of the hourly parking (SER) service, immobilization, withdrawal and transfer of vehicles, and handling complaints in Galapagar, for 7.3 million euros and with a 10 year contract.
- Regulated public parking service (SER), towing and handling of fines in Valdemoro, for 46.2 million euros and with a 25 year contract.
- Operation of two biomethanisation plants in the Valdemingómez Technology Park, for 21.5 million euros and with a 14 year contract.



Infraestructure
conservation
work (Valoriza
Conservación).



Abrera desalination
plant, Barcelona.

B. Water

This activity comprises two fields: engineering, development, implementation, maintenance and operation of all types of plants (water treatment plants, water purification plants, desalination plants, tertiary treatment and reuse, industrial processes, agricultural treatments, etc.) and integral management of the water cycle under public and private concession. Revenue in 2012 reached 362 million euros. Ebitda stood at 48 million euros.

Valoriza Aqua in Spain and AGS in Portugal and Brazil are in charge of the water cycle management activity, serving more than three million people in the three countries. In a recessionary environment, the company in 2012 achieved over 70% of revenue from outside of Spain.

Among the most significant activities, we would highlight the integral management of the water cycle in the city of Santa Cruz de Tenerife, through Emmasa, an investee company and the management of Emalsa, the company that manages the full water cycle and distribution in Las Palmas de Gran Canaria. Valoriza Agua also manages the complete cycle in the city of Alcalá de Henares (Madrid) and the provision of public water supply in Guadalajara.

In Portugal, AGS supplies 18 municipalities, among which we would highlight Setubal, Cascais, Gondomar and Barcelos. Also in Brazil, the company operates three concessions in the State of Sao Paulo.

As relates to the execution of works and project development, Valoriza Aqua acts through Sadyt, a 100%-held subsidiary that is a leader in the field of desalination and water treatment and which during 2012 has continued to expand in and outside our country, with a presence in Algeria, Tunisia, Israel, Chile and Australia.

We would highlight the following awards during 2012:

- Award of the concession on the integral water cycle for water supply and wastewater treatment in Votorantim (Sao Paulo, Brazil), for a period of 30 years and 20% for Valoriza. With this award, the Group now has 3 concessions in Brazil, all in the state of Sao Paulo.
- Integral Cycle Concession in Valdáliga (Cantabria).



The main desalination plant works completed and in progress, in which Valoriza Aqua and its specialized subsidiary Sadyt have reached a leading global position, are:

1. OI ASHDOD (ISRAEL)	REVERSE OS-MOSIS	384,000 M ³
2. Construction, O&M, SSDP 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
6. S kikda (Argelia)	Reverse Osmosis	100,000 m ³
7. Comunidad de Regantes Cuevas de Almanzora (Almería)	Reverse Osmosis	20,000 m ³
8. Desaladora Mantoverde (Chile)	Reverse Osmosis	16,000 m ³
9. Bahía de Alcudia (Mallorca)	Reverse Osmosis	14,000 m ³

The main water supply concessions are:

INTEGRAL WATER CYCLE CONCESSIONS

CONCESSION HOLDER	% VALORIZA	END OF CONTRACT	BACKLOG €Mn	POPULATION SERVED	CLIENTS	Hm3 DISTRIBUTED/ TREATED
EMALSA Las Palmas, Santa Brigida	33.00%	2,043	985	398,000	162,200	31.0
EMMASA Santa Cruz de Tenerife	94.60%	2,031	1,347	223,200	70,200	22.0
GUADALAGUA Guadalajara	60.00%	2,033	145	80,000	30,000	10.0
AGUAS DE ALCALÁ Alcalá de Henares	25.00%	2,029	29	201,400	45,500	24.0
ALMADÉN	100.00%	2,028	29	6,300	3,840	0.4
SAN VICENTE DE LA BARQUERA	100.00%	2,024	10	4,650	3,934	0.6
CABEZÓN DE LA SAL	80.00%	2,036	30	8,500	4,200	1.6
VALDÁLIGA	100.00%	2,037	10	2,400	1,400	0.4
PIOZ	60.00%	2,033	43	3,600	1,928	0.4
SPAIN			2,628	928,050	323,202	90.4
AGUAS DO SADO Setubal	40.00%	2,022	100	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	137	70,000	38,200	6.0
AGUAS DE CASCAIS Cascais	43.00%	2,025	328	188,000	107,000	24.0
AGUAS DE CARRAZEDA Carrazeda	75.00%	2,031	36	9,000	5,200	0.5
AGUAS DE GONDOMAR Gondomar	42.96%	2,026	202	194,000	74,200	12.0
AGUAS DE ALENQUER Alenquer	40.00%	2,033	84	40,000	22,200	5.0
AGS PAZOS DA FERREIRA Pazos Da Ferreira	90.00%	2,034	344	53,000	7,100	1.0
AGUAS DE BARCELOS Barcelós	75.00%	2,034	686	155,000	40,000	4.0
AGUAS DO MARCO Marco do Canaveses	50.80%	2,039	424	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	98	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			2,880	1,397,000	466,001	92.4
AGUAS DE MANDAGUAHY Mandaguahy Sao Paulo	42.45%	2,021	27	103,000	1	5.4
SANEAR Sao Paulo	27.00%	2,015	3	329,000	1	13.4
VOTARANTIM	20.00%	2,042	72	110,000	1	6.1
BRAZIL			30	432,000	2	18.8
TOTAL			5,538	2,757,050	789,205	202

C. Multi-Services

Valoriza Multiservicios manages the Valoriza Group’s business through 3 companies:

- Valoriza Facilities
- Cafestore
- Valoriza Conservación de Infraestructuras

Valoriza Facilities

The Valoriza Facilities group (VF) consists of Valoriza Servicios a la Dependencia (VSD) and Valoriza Servicios Energéticos (VESE). The main activity of Valoriza Facilities is the provision facility management services for real estate: facilities maintenance, cleaning, security, landscaping and other ancillary services.

In 2012, despite the general economic crisis, VF increased revenue by over 14%, from 138 million euros in 2011 to 158 million in 2012. It has also registered a very significant increase in earnings and profitability, with pre-tax profit of over 11 million euros, 7% over sales, representing a 34% increase over the previous year. These data make VF one of the most profitable companies in its sector.

These good financial figures have been made possible, first, by the provision of high quality services, which is behind the strong loyalty of our customer base, both public and private. But it was also due to the application of very stringent cost control policies which allowed the company to adjust contracts, reducing the amount, according to customer requirements, while maintaining profitability.

It should be noted that this has been achieved without increasing the debt of the company, which has even decreased slightly, closing at 10.1 million euros, which in relative terms is an even higher real decline in debt if we take into account the growth in business volume and the payment of 4.725 billion euros in dividends to the Group.

In 2012, the company consolidated the new Energy Services business line (VESE) that was launched last year. The new company has won and launched several tenders with various public administrations, which puts us in a very advantageous competitive position in this activity, which will become more important in Spain in the coming years.

Valoriza Servicios a la Dependencia (VSD) has also registered very positive performance. The company provides social services for public clients and is 76%-held by VF. Revenue in 2012 grew by 25% to 36 million euros. VSD manages a total of 22 residential and day centres, with a total capacity for 1,315 people, and provides home support services to more than 7,479 people in situations of dependency.

VSD has established itself as one of the leading operators of social services, with a presence throughout the country.

The main contracts awarded to VF and VSD in 2012 were as follows:

- Home help service for the Provincial Government of Jaén. Price: 23.1 million euros (2 year contract)
- Cleaning for the airports of Palma de Mallorca, Malaga and Vigo, and AENA Central Services. Price: 18.1 million euros (2 year contract)
- Cleaning service for the Hospital Universitario Virgen de la Arrixaca of Murcia for the Murcia Health Service. Price: 17.6 million euros (2 year contract)
- Management of a senior residence and day centre in Villa del Prado, Madrid, for the Regional Government of Madrid. Price: 7.2 million euros (3 year contract)



Street cleaning in
Coslada (Madrid).

- Energy and maintenance services with total guarantee of the lighting installations and municipal buildings of the City of Sevilla la Nueva, Madrid. Price: 6.3 million euros (15 year contract)

Cafestore

Cafestore provides restaurant and convenience store services in four concessions segments: motorway restaurants (tourist, professional and special promotion), hospitals (cafés, shops and catering) and urban transport hubs (cafés and franchises) and restaurant and catering for Official Bodies.

At the close of 2012, Cafestore managed the restaurants at a total of 28 service areas in Spain, four gas stations, three hospitals in the Region of Madrid, a nursing home and the tax office in Madrid.

The Cafestore service areas are located in the major traffic corridors of 11 regions, and the company is the third national operator in this market.

The general decline in ADT on motorways and the high investment costs have forced Cafestore to revise its strategy, aligning with the other companies of Valoriza Multiservicios. To this end, the company has achieved the rankings that allow it participate in government tenders (M) and is bidding on the tenders of the Official Restaurant Bodies, so far having been awarded a Senior Residence (Catering for residents and a day centre in Residencia Nuestra Señora de las Nieves en Barbastro - Huesca) and for the tax office at C/ Guzmán el Bueno in Madrid.

Cafestore has also been certified under ISO 9001 and ISO 14001.

Valoriza Conservación de Infraestructuras

Valoriza Conservación de Infraestructuras is the Sacyr Group company specialising in infrastructure maintenance and operation. By contract volume the company is among the five largest nationwide.

Awards in 2012 totalled 93 million euros (including VAT) which provides good stability for years to come.

Revenue for the year amounted to 42 million euros, representing an increase of 7.5% and profit before tax was 3 million euros, which represents an increase of 54% thanks to more efficient management, an 11% reduction in structural costs, financial income and machinery stock operating at full capacity. Ebitda totalled 7.9 million euros, representing an increase of 44%.

During 2012 Valoriza has maintained more than 4,250 equivalent kilometres of roads, 7 dams, a mini hydropower plant, two irrigation canal networks for a total 140 km and the port of Bilbao. Also noteworthy is the progress in the snowplow simulator project which expected to be operational by the end of 2013, with an investment of 2.5 million euros.



D. Industrial

Sacyr Industrial is the result of the integration of different companies and specialized divisions of the Sacyr Group dedicated to the activities of industrial engineering and construction, covering the development and design, engineering, construction and operation of the following business areas:

- **Engineering and energy.** Sacyr Industrial is positioned as one of the major players in the Spanish energy sector and an international benchmark in conventional and renewable energy generation plants, cogeneration plants, the development of biomass plants, solar energy and geothermal energy plants, EPC contracts and operation of industrial processes and maintenance of power plants and industrial facilities with an installed capacity of more than 900 MW.
- **Environment and Mining:** Sacyr Industrial is one of the top international companies in the design, construction and operation of waste treatment and assessment plants, having performed the design and construction of 43 waste management plants and installed 114 MWe of power generation. The company also has experience in the development of mining and processing plants.
- **Oil y Gas:** Sacyr Industrial has agreements with other technology companies that enable us to offer EPC solutions for refineries, chemical and petrochemical plants, gas and LNG processing and treatment, and the transportation and storage of liquid and gaseous fuel.

- **Electrical Infrastructure:** Sacyr Industrial provides engineering and construction services for high voltage power transmission lines, electrical substations and facilities in low, medium and high voltage.
- In 2012, the most relevant contracts awarded Sacyr Industrial were the following:
- Engineering and construction of Phase II Margarita GTS project in Tarija, Bolivia, comprising wellhead facilities, 30 Km Pipelines and the construction of the infield headers, with a budget of 42.50 million euros.
 - Engineering and construction of generation plant facilities for the Gualberto Villarroel Refinery in Bolivia, using two gas turbine generators with 4.8 kW for YPFB for 16.87 million euros.
 - Engineering and construction of generation plant facilities for the Guillermo Elder Bell Refinery in Santa Cruz de la Sierra (Bolivia), using a gas turbine generator with 4.4 kW for YPFB for 8.6 million euros.

The main cogeneration plants of Sacyr Industrial are:

FLOOR	OUTPUT (MW)	ENERGY GENERATED (MWH/YEAR)	PRIMARY ENERGY SAVINGS (TEO/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 Algaidas, Málaga)	16,60	115,000	8,500
Compañía Energética La Roda (Sevilla)	8,20	65,000	3,000
Compañía Energética Linares (Linares, Jaén)	24,90	200,000	6,700

The main biomass electrical plants of Sacyr Industrial are:

FLOOR	OUTPUT (MW)	ENERGY GENERATED (MWH/YEAR)	PRIMARY ENERGY SAVINGS (TEO/YEAR)
Extragol (Villanueva de Algaidas, Málaga)	9,15	66,000	25,000
Biomasas de Puente Genil (Córdoba)	9,80	73,000	27,500
Bioléctrica de Linares (Linares, Jaén)	15,00	112,000	25,500

The main MSW treatment plants built or under construction in 2012 are:

FLOOR	OUTPUT (MW)	AMOUNT ENGINEERING AND WORKS (€ MN.)	STATUS 2012
"Los Hornillos" Waste Recovery Complex (Quart de Poblet, Valencia)	400,000	124	Commissioned
Maresme Integrated Waste Recovery Centre (Mataró, Barcelona).	190,000	106	Commissioned
Bilbao Mechanical Biological Treatment Plant	180,000	53	Under construction
Cogersa biomethanisation plant (Asturias)	60,000	18	Under construction
Adaptation of La Rioja Ecopark	140,000	13	Commissioned
Composting plant in the Arico environmental complex	120,000	9	Commissioned

7.7 Property Division

Testa, a leader in the real estate sector in Spain and boasts a portfolio of top-level, prime-location properties leased to large companies and major clients. This enables the company to maintain its long-standing and stable occupancy levels of around 100%.

The bulk of the Sacyr Group's property business currently comprises offices for rent in Barcelona, Madrid, Paris and Miami. The Group has an area of over 1.5 million m² in operation.

In 2012, Testa recorded revenue of 252 million euros and EBITDA, without taking into account the results from asset sales, of 198 million euros.

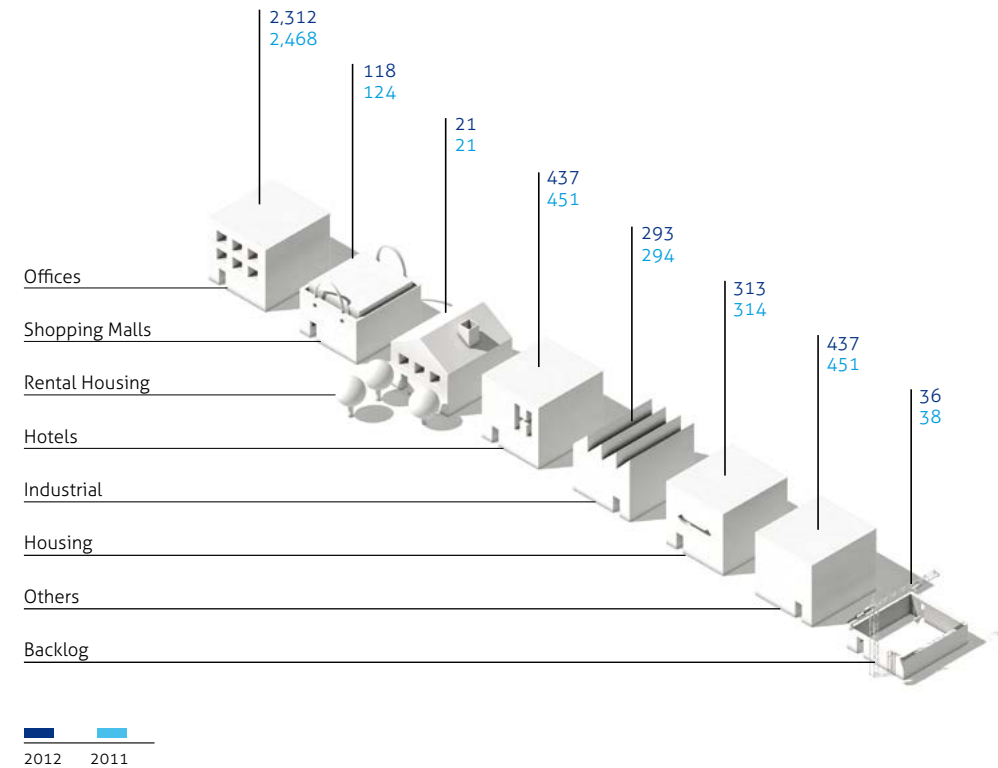
The rental portfolio amounted to 2.267 billion euros, which allows the company to achieve a latent EBITDA of 1.940 billion euros involving a margin of 80%.

TESTA KEY FIGURES (MILLIONS OF EUROS)

	2012	2011
Turnover	251.6	250.90
EBITDA*	198.4	200.20
Net Profit	60.6	72.50
Rental Portfolio	2,267	2,636

(*) without taking into account the results from asset sales.

ASSET VALUATION, 2011-2012 (Millions de Euros)



Asset Valuation

The value of the Testa's assets at 31 December 2012, according to the specialised firms CB Richard Ellis and Tasaciones Hipotecarias, amounted to 3.879 billion euros, with unrealised gains of 1.092 billion euros.

The offices, with a joint assessment of 2.312 billion euros, the shopping centres valued at 313 million and the hotels, valued at 437 million euros, occupy the top positions in the ranking of assets.

ASSET VALUATION (MILLIONS OF EUROS)

	2012	2011
Offices	2,312	2,468
Shopping malls	313	314
Rental Housing	293	295
Hotels	437	451
Industrial	118	124
Housing	21	21
Other	36	38
Backlog	349	362
TOTAL	3,879	4,073
UNREALIZED CAPITAL GAINS	1,092	1,163



Costa Brava
Building, Madrid

Business summary

Testa currently has 1,522,992 m² in operation. Of these, 576,885 m² are offices. It also holds 13,039 parking spaces, of which 9,840 belong to the office buildings.

Gescentesta, a company created for the administration and management of shopping centres, has 128,078 m² in this type of asset.

With respect to rental housing, Testa manages a total of 1,534 flats and 1,338 parking spaces, representing over 114,505 m² and manages similar assets belonging to real estate funds. This represents an additional 775,770 m², 8,448 homes and 8,573 more parking spaces.

Testa also owns 10 hotels with a capacity of 1,605 rooms. These assets add 124,611 m². All the hotel establishments are classified as 4 and 5-stars and are leased to the best-known hotel chains.

SURFACE AREA PER PRODUCT TYPE
(M²)

	2012	2011
Homes	114,505	114,505
Offices	585,097	576,885
Shopping Malls	71,958	71,958
Industrial	210,430	210,430
Hotels	124,611	124,611
Housing	9,429	9,429
Car Parks	397,613	396,653
Multi-use	18,521	18,521
TOTAL	1,532,164	1,522,992



Revenue

Testa achieved revenues at 31 December 2012 of 252 million euros, generating Ebitda of 198.4 million euros, without taking into account the results from asset sales, with the Ebitda over sale margin of 78.9%. The occupancy rate is 96.7% (Rentals).

The rentable area at the end of the period amounted to 1,523.000 m², below the 1,532.200 m² registered at the end of 2011 due to the sale of the office building at Paseo de Gracia, 56, Barcelona.

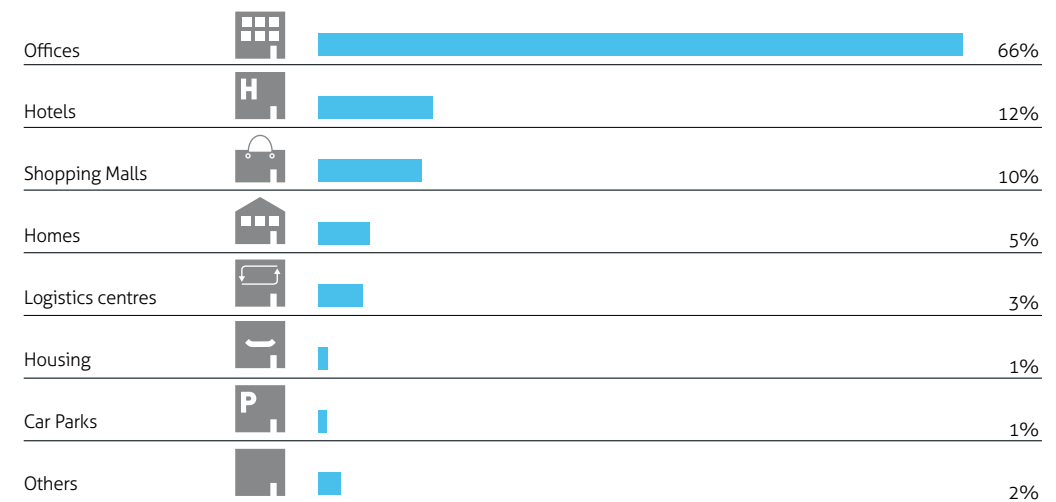
TURNOVER PER PRODUCT TYPE (MILLIONS OF EUROS)

	2012	2011
Homes	13.0	13.1
Offices	166.6	165.9
Shopping Malls	25.6	24.7
Industrial	8.6	9.9
Hotels	29.5	28.6
Residencias	1.9	1.8
Aparcamientos	1.2	1.2
Uso mixto	0.5	
TOTAL	246.9	245.3
Service Revenue	4.7	5.6
TOTAL	251.6	250.9

LEASES PER GEOGRAPHIC MARKET (MILLIONS OF EUROS)

	2012	2011
Madrid	137.6	134.2
Catalonia	33.7	35.2
Andalusia	12.9	11.8
Balearic Islands	8.5	8.6
Remaining	11.4	11.8
Paris (France)	30.9	30.9
Miami (USA)	11.9	12.8
TOTAL	246.9	245.3
Others	4.7	5.6
TOTAL TURNOVER	251.6	250.9

LEASES BY PRODUCT TYPE (%)



OCCUPANCY BY PRODUCT TYPE

	% OCUP.	M ²
Offices	95.8%	576,885
Hotels	98.1%	71,958
Shopping Malls	100.0%	124,611
Homes	96.4%	114,505
Logistics centres	74.1%	210,430
Residences	100.0%	9,429
Car Parks	100.0%	396,653
TOTAL	92.2%	1,504,471

Offices

The central business districts of major cities, is the site chosen for the office rental assets of Testa.

Madrid, with 355,271 m² and Barcelona with 94,555 m², Paris and Miami occupy a high percentage of owned assets.

OFFICE BUILDING
OFFICES

		M² SURFACE AREA	PARKING PLAZAS
Building Ribera del Loira, 60	Edificio Endesa	54,849	1,253
Building Avenida del Partenón	Campo de las Naciones	37,692	663
Building Avenida de Bruselas, 33	Edificio Indra	33,718	853
Complejo Princesa	Complejo Princesa	33,668	0
Building Juan Esplandiú, 11 - 13	Edificio O'Donnell	27,679	436
Parque Empresarial Ática	Ática 7	23,395	502
Paseo Castellana 259	Torre Sacyr	21,390	631
Building Alcalá, 45	Alcalá, 45	18,655	40
Building, Avenida de Bruselas, 24	Edificio Procter	9,163	243
Building Avenida de Bruselas, 26	Edificio Codere	8,895	214
Building Costa Brava, 2 - 4	Raqueta	16,000	335
Building Castellana	Paseo Castellana 83-85	15,055	271
Building Eucalipto, 25- 33	Los Jacintos	14,553	256
Building Príncipe de Vergara, 187	Príncipe de Vergara, 187	10,732	165
Building Pedro Valdivia, 10	Pedro Valdivia, 10	6,568	89
Building Juan de Mariana, 17	Juan de Mariana, 17	3,366	60
Building Josefa Valcárcel, 48	Josefa Valcárcel, 48	19,893	357
MADRID		355,271	6,368
Building Muntadas I	Muntadas I	24,380	640
Building Avenida de Vilanova, 12-14	Edificios Endesa	16,494	94
Building Sant Cugat I	Sant Cugat	15,374	219
Building Diagonal 605	Diagonal 605	14,795	217
Building Sant Cugat II	10 San Cugat	10,008	251
Building Avenida Diagonal, 514	Diagonal 514	9,721	76
Building Muntadas II	Muntadas II	3,783	82
BARCELONA		94,555	1,579
REST OF SPAIN		24,840	173
Tour Adriá	Tour Adriá	53,841	615
PARIS (FRANCE)		53,841	615
Brickell Ave, 1111	Brickell Ave, 1111	48,378	1,105
MIAMI (USA)		48,378	1,105
TOTAL		576,885	9,840



Shopping centres

Testa's portfolio of shopping centres consists of 4 shopping centres, plus those of real estate funds, which the company also manages, all of which are in the best shopping areas of capital and growing cities.



Port Pi Shopping
Centre, Palma de
Mallorca.

SHOPPING CENTRES

	CITIES	M² SURFACE AREA	LOCAL Nº
Porto Pi	Palma de Mallorca	26,359	169
Larios	Málaga	21,504	152
Complejo Princesa	Madrid	13,202	51
Centro Oeste	Madrid	10,893	66
TOTAL		71,958	438

Hotels

Testa has the best hotel chains among its clients. The hotels owned by the company are in singular buildings, well located and with excellent connections

HOTELS

	CITY	CHAIN	SURFACE 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	

Senior residences

The growing need for services for the elderly suggests that the business of nursing homes tend to gain stability and projection into the future.

Testa’s presence in this business is focused on the development of the residences, which are then leased to a specialised operator, thus eliminating the risk of management.

SENIOR RESIDENCES

	CITY	SURFACE 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

The new plans for the development of rental housing, both at the state and regional level, and the economic and fiscal measures implemented 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.

HOUSING

	SURFACE AREA	PARKING	HOMES
Plaza Castilla	20,574		302
Valdebernardo	7,030	100	94
Conde Xiquena 17	1,664	14	15
Alcorcón	10,750	182	159
MADRID LIBRE	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 VPO	36,098	567	511
Alameda de Osuna	9,318	95	95
VIVIENDA LIBRE REG. ESPECIAL	9,318	95	95
Sta. María Benquerencia	10,327	103	103
TOLEDO LIBRE	10,327	103	103
Benta Berri	18,744	277	255
S. SEBASTIÁN CONCESIONES	18,744	277	255
TOTAL	114,505	1,338	1,534



Office building
in Calle Josefa
Valcárcel 48,
Madrid.

Logistics centres

The activity of logistics centres and warehouses has remained at a very high level of occupancy, confirming the good prospects that this business has for Testa. The company, focused on the Madrid-Barcelona corridor and, especially, the

Henares corridor, continues to increase its profitability in this segment. Testa logistics centres have a combined area of 210,430 m2 in Barcelona, Zaragoza, Guadalajara and Coslada in Madrid.

LOGISTICS CENTRES

LOCATION	M² AREA
Cabanillas del Campo (Guadalajara)	70,134
Alovera (Guadalajara)	39,879
Coslada (Madrid)	35,934
Azuqueca de Henares (Guadalajara)	27,995
Pedrola (Zaragoza)	21,579
Lliça de Vall (Barcelona)	14,909
TOTAL	210,430



7.8 Promotion Division

Vallehermoso's reputation in real-estate development is backed by a solid 60 years of experience. The Sacyr Group's real-estate developer has established itself throughout this time not only as the most experienced company in the sector in Spain, but also as a market leader with a winning business model. This model sets Vallehermoso apart from its competitors and keeps its business strong in spite of the slowdown currently affecting the market.

Vallehermoso's business activity is centred on the primary home market, mainly in cities of over 100,000 residents, where there is a real demand and a greater turnover of properties. Holiday homes account for only 10% of Vallehermoso's business, and are located in firmly established areas.

The Vallehermoso División Promoción (VDP) development division builds its houses mainly for the middle and mid-to-high socio-economic segments. VDP also develops public housing, which accounts for 10% of its business.

Add to this strategy the skills, experience, and credentials of Vallehermoso's team of professionals, and the quality and market recognition of its name, it is easy to see how, despite unusually tough conditions, in 2012 Vallehermoso delivered more than 40% of the homes for sale at 1 January 2013, or a total of 508 homes, with a value of 131.5 million of euros. In 2012 the division booked total revenue of 189.885 billion euros, including land sales for 52.7 million of euros and services for 5.7 million of euros.

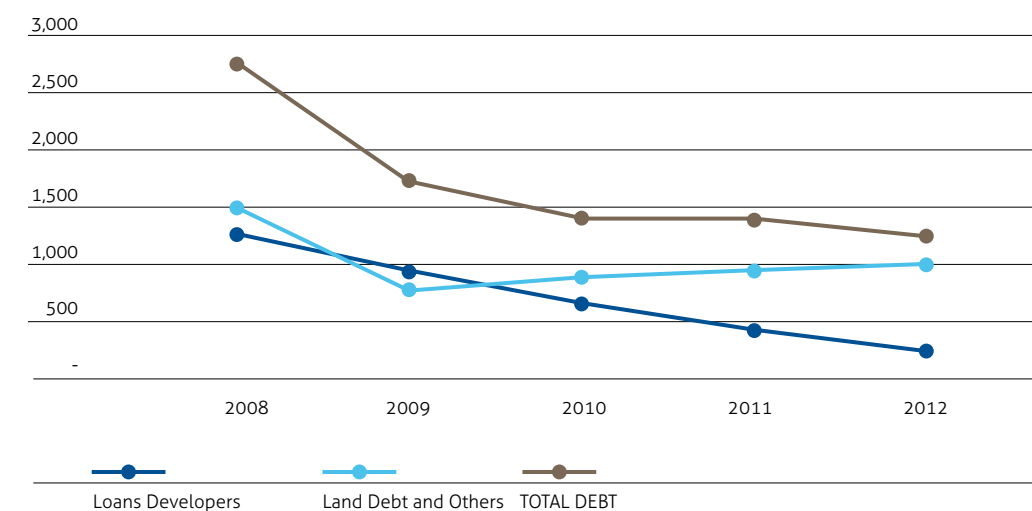
VALLEHERMOSO KEY FIGURES (MILLIONS OF EUROS)

	2011	2012
Revenue	179.60	189.89
Net Income	-93.11	-94.28
Ebitda	-53.08	-83.12
Presales	56	21

FINANCIAL DEBT

	2010	2011	2012
Loans Developers	570	399	269
Land Debt and Others	782	931	992
TOTAL DEBT	1,352	1,330	1,261

VDP DEBT EVOLUTION



Asset Valuation

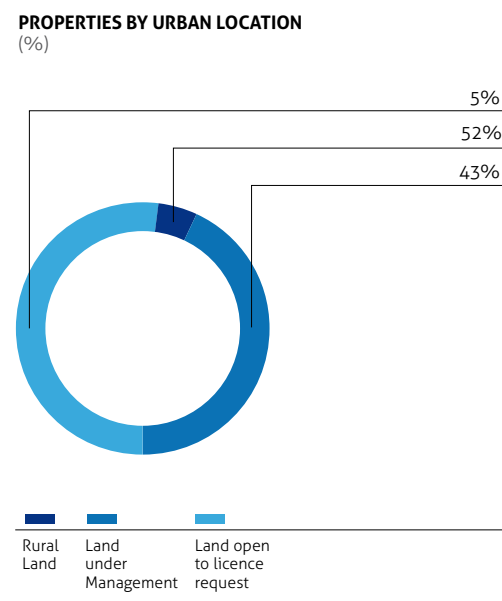
The value of real estate assets of Vallehermoso at 31 December 2012, as assessed by the independent firm BNP Paribas Real Estate, amounted to 1.848,2 billion euros (1.437,9 billion corresponding land and 410.2 million to the rest of the assets).

FINANCIAL DEBT

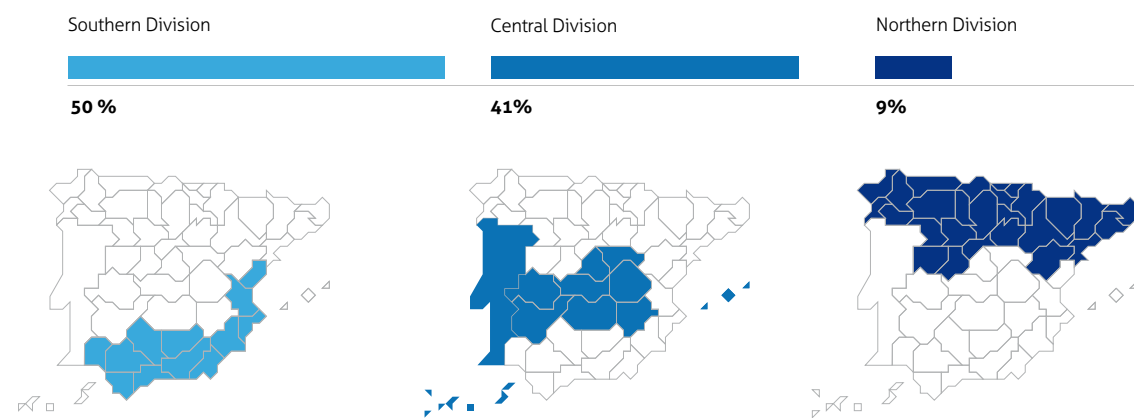
	2012	2011	VAR. 12/11
Land Bank	1,437,911,347	1,549,135,784	-7%
Shopping Centres (R.e. Investment)	62,698,095	71,710,290	-13%
Finished Product	347,579,152	562,913,905	-38%
TOTAL	1,848,188,593	2,183,759,979	-15%



The land bank of Vallehermoso at the end of 2012 amounted to 7253.9 million m2, with a building area of 2346.9 million m2, equivalent to 18,155 homes.



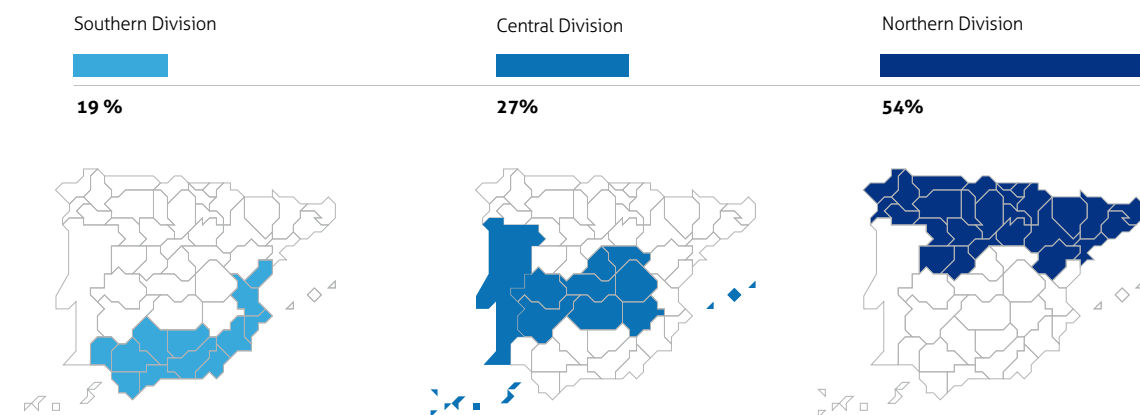
GEOGRAPHIC DISTRIBUTION OF DELIVERED HOUSING
(Thousands of Euros)



LAND BANK

	2012	2011	VAR. 12/11
Amount (€ millions)	1,437	1,549	-7.2%
Total Area (Mill m²)	7.2	7.2	0.0%

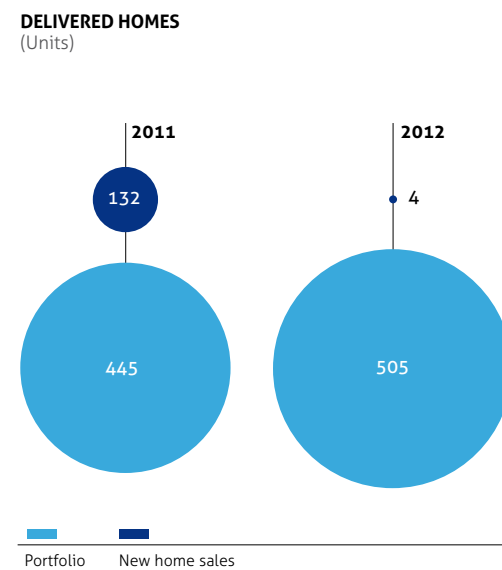
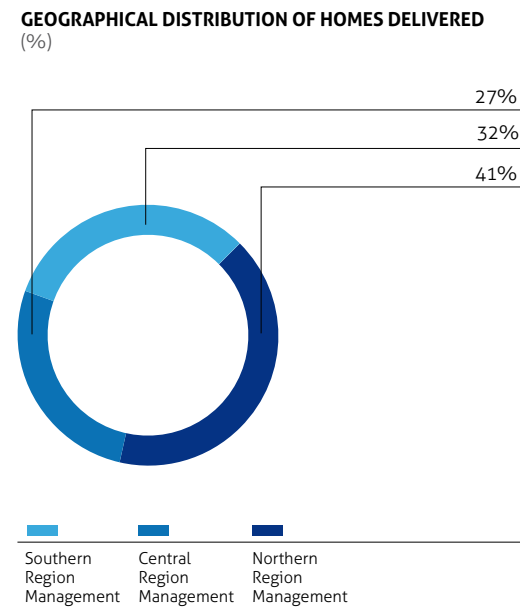
PROPERTIES BY GEOGRAPHIC DISTRIBUTION PRODUCT FOR SALE
(Percentage of number of homes)



Business summary

Vallehermoso's business activity is divided into three Regional Offices:

- **South:** This area covers the regions of Andalusia, Valencia and Murcia. Primary homes are clearly the main target market, although a small secondary market has been opened up in the holiday homes segment, specifically in high-quality, high-demand zones.
- **North:** With headquarters in Bilbao, this regional office covers Castile and Leon, the Basque Country, Cantabria, Asturias, Aragon, Galicia, La Rioja, Navarre, Balearic Islands and Catalonia.
- **Centre:** This regional office covers the territory of the Autonomous Community of Madrid, Castilla La Mancha, Canaries Islands and Portugal.



Diagonal Mar
Building, U.A. 10.
Barcelona

7.9

Participating interests. Repsol

Sacyr, following a strategy of diversification of investments and taking into account the high potential and strategic importance of the energy sector today, acquired a significant stake in Repsol in 2006. This investment amounted to 6.525,5 billion euros and Sacyr stood as the largest shareholder with a 20.01% stake.

Today, the Group maintains its presence in the investee with 9.53% of share capital, as the second largest shareholder of the company, and has cancelled much of the related debt, leaving the balance at 2.367 billion euros. This amount is refinanced by a syndicated bank loan maturing in January 2015.

Repsol is the leading company in its sector in Spain and one of the ten largest private oil companies in the world. It is also the leading seller of Liquefied Petroleum Gas (LPG) in Spain, serving more than eleven million customers in our country alone. As for chemicals, Repsol continues to lead in Spain and Portugal, and is the world leader in plastics for agriculture. Repsol also participates in the energy companies Gas Natural SDG, S.A., with 30.85%, and in Compañía Logística de Hidrocarburos, CLH, S.A with 10%.

On 16 April, the Argentine government executed partial expropriation without compensation of the 51% of share capital held by Repsol in YPF, leaving the Spanish company with just 6% of the capital of the Argentine company.

Repsol filed, during the month of June, an appeal of unconstitutionality before the courts in Argentina demanding the return of expropriated assets or the payment of a fair price.

Also, in December, Repsol filed a demand for international arbitration before the International Centre for Settlement of Investment Disputes (ICSID), an agency under the World Bank, for "violation of the Agreement for the Promotion and Reciprocal Protection of Investments between Spain and Argentina, dated 3 October 1991 ", also requesting compensation amounting to 10.5 billion.

During 2012 Repsol, S.A. billed a total of 57.193 billion euros, with consolidated attributable profit reaching 2.06 billion euros.

During the past year, Repsol, S.A. paid a final gross dividend of 1.1225 euros per share (0.5775 euros as an interim dividend against 2011 profit and 0.545 euros as a final dividend for that year). Sacyr Vallehermoso Participaciones Mobiliarias, S.L.'s share of the dividend amounted to 137.17 million euros.

Repsol, S.A. is listed on Spain's IBEX -35 index, as well as on the leading indexes in the United States. At year-end 2012, the Company's share price stood at 15.335 euros (for a 35.39% revaluation compared with 2011) and its market capitalisation was 19.263,5 billion euros.

On 27 February 2013, Repsol reached an agreement with the Shell Oil Company for the sale of LNG assets (Liquefied Natural Gas) for 6.653 billion dollars, which includes minority interests in Atlantic LNG (Trinidad and Tobago), Peru LNG and Bahía de Bizkaia Electricidad (BBE), along with the LNG sales contracts and charter of LNG carriers, and its loans and related debt. Without taking into account linked debt and associated credits, the value of the assets subject to the transaction amounted to 4.4 billion, for a profit before tax for Repsol of 3.5 billion dollars.

This operation, which has economic effects dated 30 September 2012, strengthened Repsol's balance sheet and financial position, reinforced ratings and reduced the company's net debt by more than half (excluding Gas Natural Fenosa), to 2.2 billion euros.

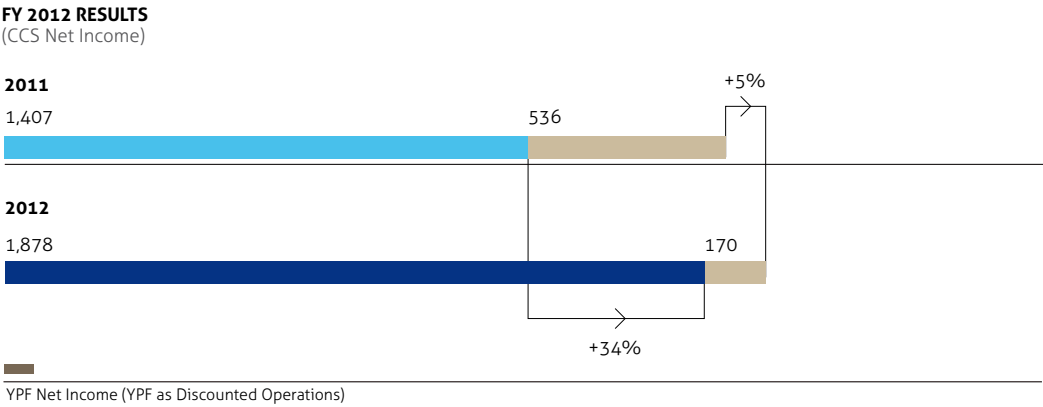
Repsol and Shell are proposing to close the deal before the end of 2013, after obtaining all necessary approvals and the fulfilment of agreed conditions. Repsol will continue to operate the assets being sold until the closing of the deal.

With the proceeds of this sale, Repsol will strengthen the organic growth of its upstream business, in which the company has successfully developed an intense exploration activity in recent years. Specifically, in countries where Repsol has sold its LNG assets, the company will maintain a major level of activity in exploration and production.



Repsol Head Office Building Madrid.

Along with the sale of assets, Repsol and Shell have signed an agreement, by which the latter company will supply LNG regasification plant in the Repsol Canaport complex (Canada) over the next 10 years, with a volume of about 1 million tonnes. The Canadian complex has been left out of the sale transaction because of the currently low level of gas prices in the United States, preventing a proper assessment of the importance of the asset over the medium and long term. Repsol will analyse all operational, financial and strategic options for the plant.



7.10 Social behaviour

Summary of Activities

As a result of the guidelines set out in the Corporate Responsibility Master Plan 2012 - 2013, the Group has set up a series of concrete actions to ensure an orderly effort to achieve the objectives pursued in each of the action lines:

1 Improve dialogue with stakeholders

- Incorporation of the CSR policies and achievements of Sacyr Group into the equity story and printed documentation of the company aimed at financial markets, investors and analysts both on the "buy side" and the "sell side".
- Incorporation of the CSR policies and achievements of Sacyr Group into the equity story and printed documentation of the company aimed at communication media in Spain and in those countries where we operate.
- Create a standardised CSR document to accompany the documentation in bids and tenders.
- Preparation of a global map of the Group's suppliers, with which to establish the minimum requirements for CSR compliance.
- Establishment of a specific code of conduct for suppliers.
- 2% increase in training hours.
- Implementation of the first certification of the Spanish market for an office for attending Minority Shareholders.

2 Contribute to the improvement of all aspects of the Company's Corporate Reputation.

- Quota of 2% of positions reserved for people with disabilities in those areas where it is possible, or equivalent alternative measures.
- Publish an Integrated Annual Report (Annual Financial Statements + Commercial Report + Corporate Governance & CSR Reports) in 2013.
- Place the company among the top 20 in the Spanish market for CSR compliance and policies, as measured by the Sustainability Excellence Club.

3 Promote the values and ethics of the Group in the field of organization and set policy guidelines for social action.

- Encourage employee participation in commitment of the Sacyr Group to the community by setting up a joint social action campaign among employees and the Company.
- Establishment of the Sacyr Vallehermoso Foundation as a single channel to encompass the different actions related to social action, sponsorship and patronage.
- Fix two major lines of social action, for which the Group can be recognised and gain prestige: Children and Youth + promoting R&D&I.



Levelling work.
Orihuela TJV
(Alicante).

- Establish a corporate social action programme that can be permanently linked to our brand image.

- Establish a special section for Sacyr Vallehermoso Foundation within the corporate website.

4 Enhance the contribution to the development of the societies in which it SyV operates, establishing a measurement and monitoring system

- Systematically gather information on the net contribution to the wealth of the countries where we operate.

5 Continue to strengthen the global framework for action on the environment, maximizing the contribution to the sustainability of all activities of the Sacyr.

- Define a climate change policy and environmental strategy.
- Define global sustainability challenges and objectives.
- Define and implement a Global Plan for resource efficiency

6 Strengthen R&D&i as a basic component of our technological capacity and expertise

- Develop research programmes with universities or scientists with whom we have agreements and create new links with research and teaching entities.

- Third and fourth edition of the “Sacyr Awards for Innovation” Awards

7 Continuity of policies and standards in the field of CSR.

- Sacyr Group included in the FTSE4Good sustainability index and preparatory work is underway for the DJSI.

- Progressive adoption of the UN Guiding Principles on Business and Human Rights.

- Adoption of the World Economic Forum’s Partnering Against Corruption Initiative (PACI).

8 Adoption of a comprehensive internal assurance system to guarantee compliance with the CSR objectives.

- Design and implementation of a global system of objectification, control, monitoring and measurement for all CSR activities throughout the Sacyr Group, both with regard to the business areas and employees, as well as the different geographical areas in which we operate.
- Preparation of a central indicator table.

Degree of implementation of the Plan at 31 December 2012

At year end 2012, the degree of compliance with the actions stood at 71% of the total planned for the whole of the two years covered by the Action Plan.

GUIDELINE 1. IMPROVE DIALOGUE WITH STAKEHOLDERS	COMPLIANCE STATUS	COMMENTS
1.1 Incorporation of the CSR policies and achievements of Sacyr Group into the equity story and printed documentation of the company aimed at financial markets, investors and analysts both on the “buy side” and the “sell side”.	100%	Specific chapters have been included in various group corporate presentations and we have updated the content on the website. Similarly, we have included specific sections in the equity story for investors and analysts and have created a mailing list for the 300 largest institutional investors in the world, who will be directly and proactively informed about any new or noteworthy fact arising in connection with the activity of the company.
1.2 Incorporation of the CSR policies and achievements of Sacyr Group into the equity story and printed documentation of the company aimed at communication media in Spain and in those countries where we operate.	100%	We have enhanced the integration of CSR policies and achievements in mass communication elements. Specifically, there already is a specific section in the CSR magazine Dimensión and specific sections in the “press” and “news” sections of the corporate website.
1.3 Create a standardised CSR document to accompany the documentation in bids and tenders.	100%	We have prepared a 80-page document that is updated annually, which includes the main CSR achievements and standards of the group to accompany all proposals submitted by the group in tenders requiring and/or rating actions in this regard.
1.4 Preparation of a global map of the Group’s suppliers, with which to establish the minimum requirements for CSR compliance.	50%	After the experience in the construction area, it remains to export the model to other units of the company.
1.5 Establishment of a specific code of conduct for suppliers.	50%	Our contracts and clauses already reflect the enforceable compliance with all of our internal procedures regarding quality, safety, prevention etc.. The establishment of a new annex to the contract to reflect the obligation to comply with the code of conduct within the organization is till pending.
1.6 2% increase in training hours.	25%	At the close of 2012 there was a slight decrease in training hours, motivated primarily by budgetary reasons (lack of administrative grants).
1.7 Implementation of the first certification of the Spanish market for an office for attending Minority Shareholders.	50%	We have compiled and described a specific procedure for the performance of this “office” within the structure of the Investor and Shareholders Relations Department. During the year 2013 we will undertake the corresponding audit certification by AENOR, in the format of a Service Memorandum.

GUIDELINE 2. CONTRIBUTE TO THE IMPROVEMENT OF ALL ASPECTS OF THE COMPANY'S CORPORATE REPUTATION.	COMPLIANCE STATUS	COMMENTS
2.1 Quota of 2% of positions reserved for people with disabilities in those areas where it is possible, or equivalent alternative measures.	100%	At the end of 2012 we met the requirements of the LISMI (Social Integration of Handicapped Persons Act), except in the area of construction, explicitly outside of this purpose because of its special characteristics, but which nevertheless passed the work site inspections performed for the purpose.
2.2 Publish an Integrated Annual Report (Annual Financial Statements + Commercial Report + Corporate Governance & CSR Reports) in 2013.	100%	Objective advanced. It has been decided to release an integrated annual report for 2012. We have already established the new structure of the report, adapted to the latest update of the International Integrated Reporting Council.
2.3 Place the company among the top 20 in the Spanish market for CSR compliance and policies, as measured by the Sustainability Excellence Club.	50%	In the 2011 ranking Sacyr improved its position from 96th place (2009) to 60th, over a total universe of 150 companies. Taking as starting point the weaknesses identified in the report, we are developing concrete actions to eliminate them and place us among the top 20 companies in the ranking.

GUIDELINE 3. PROMOTE THE VALUES AND ETHICS OF THE GROUP IN THE FIELD OF ORGANIZATION AND SET POLICY GUIDELINES FOR SOCIAL ACTION.	COMPLIANCE STATUS	COMMENTS
3.1 Encourage employee participation in commitment of the Group to the community by setting up a joint social action campaign among employees and the Company.	100%	We have developed several social action campaigns between the company and employees, through various forms of corporate volunteering. The most notable included different Christmas campaigns (toys and food) and the development of the I and II Solidary Race together with the Entreculturas Foundation.
3.2 Establishment of the Sacyr Vallehermoso Foundation as a single channel to encompass the different actions related to social action, sponsorship and patronage.	75%	Taking the existence of VAT in the different sponsorships undertaken by the organization as an deciding element, we have grouped all those authorized by management of the Company under the foundation, consigning them to the different action plans and accounting reports of the Sacyr Foundation.
3.3 Fix two major lines of social action, for which the Group can be recognized and gain prestige: Children and Youth + promoting R&D&I.	50%	The second action line /R&D&I) has been fully developed with the help of the relevant department, with funding from different public bodies and agreements with universities and research centres. Also, the Sacyr Awards for Innovation are in their III and IV years.

GUIDELINE 4. SYSTEMATICALLY GATHER INFORMATION ON THE NET CONTRIBUTION TO THE WEALTH OF THE COUNTRIES WHERE WE OPERATE.	COMPLIANCE STATUS	COMMENTS
4.1 Systematically gather information on the net contribution to the wealth of the countries where we operate.	50%	We have prepared a document in spreadsheet format to reflect the Ebitda and number of employees at the company level in each of the countries in which we operate, extrapolating the wealth generated in each country from this information. It will conclude with the results obtained at the end of 2013.

GUIDELINE 5. CONTINUE TO STRENGTHEN THE GLOBAL FRAMEWORK FOR ACTION ON THE ENVIRONMENT, MAXIMIZING THE CONTRIBUTION TO THE SUSTAINABILITY OF ALL ACTIVITIES OF THE SACYR GROUP.	COMPLIANCE STATUS	COMMENTS
5.1 Define a climate change policy and environmental strategy.	50%	A model climate change policy and environmental strategy has been prepared. Pending submission for approval of the CSR Working Group and then the senior management of the Company.
5.2 Define global sustainability challenges and objectives.	50%	To be developed in 2013.
5.3 Define and implement a Global Plan for resource efficiency.	25%	After some isolated actions in different areas of business and taking advantage of the experience in of Valoriza in the area of energy efficiency as a business, we are taking the first steps for the production of an internal Plan at the Group level.

GUIDELINE 6. STRENGTHEN R&D&I AS A BASIC COMPONENT OF OUR TECHNOLOGICAL CAPACITY AND EXPERTISE	COMPLIANCE STATUS	COMMENTS
6.1 Develop research programmes with universities or scientists with whom we have agreements and create new links with research and teaching entities.	100%	About 30 agreements are in place with agencies and universities, among which we would highlight those signed with: University Alfonso X El Sabio, Universidad Politécnica de Madrid, the Universities of Valencia, La Coruña, Vigo, Cantabria, Polytechnic of Catalonia, among others.
6.2 Third and fourth edition of the "Sacyr Awards for Innovation" Awards.	100%	The convening of III awards were on 16 January 2013, and the fourth call is already budgeted between for the 2013 Action Plan of the Sacyr Foundation, managed by the Communications Department.

GUIDELINE 7. CONTINUITY OF POLICIES AND STANDARDS IN THE FIELD OF CSR.	COMPLIANCE STATUS	COMMENTS
7.1 Sacyr Inclusion in the FTSE4Good sustainability index and preparatory work is underway for the DJSI.	25%	As a preliminary step and prerequisite, Sacyr has already been officially invited to apply for inclusion in the FTSE4Good index. Depending on budgets, this will be addressed or not during 2013.
7.2 Progressive adoption of the UN Guiding Principles on Business and Human Rights.	25%	A preliminary study has been performed by the Legal Department. Pending the approval of the Compliance Authority and subsequently by senior management.
7.3 Adoption of the World Economic Forum's Partnering Against Corruption Initiative (PACI).	25%	Analysing the requirements of this standard for submission to the Compliance Authority after consultation and approval of the Internal Audit area.

GUIDELINE 8. ADOPTION OF A COMPREHENSIVE INTERNAL AS- SURANCE SYSTEM TO GUARANTEE COMPLIANCE WITH THE CSR OBJECTIVES.	COMPLIANCE STATUS	COMMENTS
8.1 Design and implementation of a global system of objectification, control, monitoring and measurement for all CSR activities throughout the Group, both with regard to the business areas and employees, as well as the different geographical areas in which we operate.	100%	A preliminary study for the review of ISAE 3000 has been performed. To be undertaken for the first time about the year 2012.
8.2 Preparation of a central indicator table.	100%	Adopted GRI Version 3.1 as the standard model, with the full set of indicators. The next update will appear as an attachment to the 2012 Annual Report.

Commitment to Society Fundación Sacyr Vallehermoso

The Sacyr Group also contributes to the progress and welfare of the community through social action, through which we develop a wide range of charitable initiatives.

During 2012, the Sacyr Group has contributed to the development of various projects for the benefit of the community, which can be grouped into 6 categories:

- Social and Health Care
- Development Cooperation
- Art and culture
- Sports
- Socio-economic development of the environment
- Initiatives linked to the Group's activities

Below we describe some of the major initiatives in social action launched by the Sacyr throughout 2012.

- **Art and culture**
Prince of Asturias Foundation
Economic contribution and presence of the Group Chairman on the Board of that Foundation.

- **Development cooperation**
Chile - Spain Foundation
Economic contribution and presence in its Board of Trustees. Promotion of development actions in Chile.

Carolina Foundation
Economic contribution and presence in its Board of Trustees. Promotion of development actions in Latin America.

- **Social and Health Care**
Spanish Red Cross
Collaboration on several occasions during the year with the Transfusion Centre of this institution, as part of its national donation campaigns.

- **Initiatives linked to the Group's activities**
National Centre of Excellence in Desalination (Perth. Australia)

Collaboration in the study "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 collaboration with the University of South Australia.

- **Sports**
Entreculturas Foundation
Collaboration through volunteerism and sponsorship of the second edition of the street race "Run for a cause, run for education" aimed to generate resources for education in Haiti.

- **Social - economic development of the environment**
Sacyr Awards for Innovation

On 16 January 2013 we held the ceremony for 3rd Annual Sacyr Awards for Innovation, (previously Sacyr Awards - "We do the impossible"), chaired by the Minister of Development, Ana Pastor, and Chairman of Sacyr, Manuel Manrique.

These awards, which aim to encourage and publicly reward those who, individually or collectively, research and work on projects, developments and innovative, creative and pioneering ideas, ambitions raised such as overcoming challenges and knowledge, have a prize of 6,000 euros in each of the three categories, the winners were:

- Alejandro González Martínez, for the project "Treatment of effluents with high nitrogen content by new biological technologies of autotrophic nitrification-denitrification", University of Granada, in the category of Technology and Environment Innovation.
- DataAE+HArquitectes team of Barcelona, for the ICTA-ICP building project at the Autonomous University of Barcelona in the category of Construction Project.
- Mayte Pascual, of the television show Informe Semanal on TVE, for the story "Tesla the genius who did the light" in the category of Technological and Economic Journalism.

In this edition of the Sacyr Awards for Innovation, the three winners were selected from among nearly a hundred candidates presented. Again, the awards have been, as in the first two editions, a fantastic welcome, both for the quantity of the applications submitted and for the high quality of the projects received. The 3rd annual Sacyr Awards for Innovation had a specialised jury chaired by Manuel Manrique Cecilia, Chairman of Sacyr and which included: Antonio Calvo Roy, President of the Spanish Association of Science Communication; Luis Cueto Alvarez de Sotomayor, Deputy General Manager of Business Innovation Development for the Ministry of the Economy and Competitiveness, Miguel Angel Noceda, Vice President of the Press Association

of Madrid, Juan José Montoya, Director of the Foundation University Alfonso X el Sabio, Carlos Rubio Carvajal, Partner Rubio & Alvarez-Sala Architectural Studio, Juan Antonio Santamera Sánchez, President of the College of Civil Engineering, in addition to company executives and Enrique Coperías Jimenez, Deputy Director of the magazine Muy Interesante and secretary of the jury.

Sacyr Vallehermoso Foundation

Given the increasing volume of initiatives developed for the benefit of the community in recent years, the Board of Directors of Sacyr in December 2007 took decision to establish a corporate foundation, which would allow the Group to maximize results of social action in benefit of its recipients, and contribute more effectively to the welfare and environment in the Group operates.

Sacyr Vallehermoso Foundation was registered in the Spanish Registry of Foundations on 22 September 2008.

In accordance with its by-laws the aims of the foundation are the following:

1. To promote and spread arts and culture in general, to foster artistic and cultural skills, and to bring culture closer to society.
2. To promote human rights, encourage respect for all people and foster cooperation for the development of disadvantaged groups and regions.
3. To promote healthcare, voluntary help, social action and assistance for people who are in risk of social exclusion.

4. To promote the protection of the environment as well as environmental awareness, education and research.
5. To promote all fields of education and training for professional development and the promotion of learning, scientific research and technological development in all fields, but especially, without limitation, in the fields of construction and engineering.
6. To promote and support sports, as it is essential for the balanced development of individuals and serves to foster positive competitive spirit and educates individuals to respect norms and opponents.
7. To promote the protection of heritage and arts.
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 promote assistance for victims of terrorism and gender violence.

In the framework of the constitution of the Sacyr Vallehermoso Foundation, and to ensure adequate social action by the Group, we have prepared an internal procedure and methodology governing the reception, selection, financing and tracking of social project. Some of the main novelties introduced are:

- The Board of Trustees assumes maximum responsibility regarding the approval and supervision of social projects.

It is noteworthy in this regard that the members of the Board of Trustees of the Foundation are the same as the Board of

Directors of Sacyr Vallehermoso, which, in practice, are the highest governance body of the company who take effective control of the social action of Group, which amply demonstrates the implication of the Group in the active management of this matter.

- Objective criteria have been established as reference for project selection:
 - Alignment of the project with the purpose of Fundación Sacyr Vallehermoso contained in its bylaws.
 - Social profitability Assessment of the degree of urgency of aid and the number of potential beneficiaries.
 - Regional balance: Prioritising projects in the area of influence of the group and avoid distortions in geographical distribution of aid.
 - Budgetary balance: To avoid excessive concentration of aid in one of the Foundation's aims.
 - Technical and financial soundness of the collaborating agency or beneficiary.
 - Budget fitness.

7.11 Environmental performance

Responsible consumption, optimal use of resources and waste management

The range of activities performed by the Sacyr Group involves the consumption of many different resources from a variety of sources.

As established by the principles underlying its environmental policy, one of the Group's priorities in the performance of its activities is to reduce the amount of resources used by replacing them with recycled and/or recyclable products. As a result, the Group takes actions to encourage the use of recycled materials, both from internal and external sources and the use of leftover materials as alternatives while carrying out the activity itself.

The Group is always looking for a way to make its activities as sustainable as possible. Therefore, the steps taken result in the optimisation of resources and recycling of the materials and waste that are produced during their performance.

The most significant figures for resource consumption are listed below per business division and country, and the most significant projects are listed per business division.

The following are among the environment-related measures taken by the Sacyr Group in its endeavours during 2012:

- Recycling track ballast for use on paths and platforms and to improve access to future railway stations.
- Recycling of material obtained by asphalt milling to make embankments, manufacture mixes for base layers, repair roads and build project detours, etc.
- Leftover corrugated steel is reused as field marking for various areas of projects.
- Reuse of recycled aggregate to repair roads and roundabouts.
- Reuse of materials from excavation work for the construction of work and access platforms, ditch filling, embankments, etc.
- Reuse of excavation materials to restore and repair quarries, improve properties, etc.
- Topsoil reused to protect drain ditches, cover embankment slopes, etc.
- Reuse of soil and rocks from clearing work; the rocks are used to build masonry walls, as well as wing walls and basins for cross-section drainwork; clearing material such as selected ground material is reused in ecological barriers and embankments.

- Purchase of steel containing between 94% and 98% of recycled material.
- Recycling of logging material for use as compost to improve topsoil.
- Reuse of phenolic boards used in formwork to make information signs and safety signs regarding drum washing areas, danger of landslides, etc.
- Recycling of poured concrete as fill; concrete drums are cleaned over containers which are emptied after they are filled and the concrete has set. The concrete is then crushed and used as fill.

GENERATION AND MANAGEMENT OF CDW AND INERT WASTE IN THE SERVICES AREA

	SPAIN		CHILE		PORTUGAL, ANGOLA, CAPE VERDE AND BRAZIL		BOLIVIA		CONSTRUCTION		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
Concrete and mortar (m³)	300,409	327,140	22,690	415	185,469	216,722	-	-	508,568	544,277	7.02
Structural steel	149,846	57,435	-	263	23,669	16,612	-	-	173,515	74,310	-57.17
Aggregates and rockfill (t)	1,651,759	699,816	-	28,278	1,720,201	586,423	-	1,368	3,371,960	1,315,885	-60.98
Asphalt /Bitumens (t)	56,448	41,343	-	25,190	-	-	-	-	56,448	66,533	17.87
Cement (t)	96,717	32,362	-	-	85,277	75,333	-	5,000	181,994	112,695	-38.08
Ceramic materials (m²)	671,563	459,506	-	-	-	-	-	-	671,563	459,506	-31.58

PRIMARY CONSUMPTION OF RESOURCES IN THE SERVICES AREA (2011/2012)

MULTISERVICES (SPAIN)			ENVIRONMENT (SPAIN AND PORTUGAL)		INDUSTRIAL (SPAIN)		WATER (SPAIN, PORTUGAL AND AUSTRALIA)		SERVICES		
2011	2012		2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
Garbage bags (U)	5,893,567	6,976,056	3,072,749	3,370,980	-	-	-	-	8,966,316	10,347,036	15.40
Fluxing agents (sodium chloride, calcium chloride, etc.) (t)	7,725	145,503	174	395	4,43	4,73	-	-	7,903	145,903	1,746.18
SODIUM CHLORIDE AND FERRIC CHLORIDE (KG)	1,200	-	-	-	-	-	236,100	312,236	237,300	312,236	31.58
Biomass (t)	-	-	-	-	282,841	276,557	-	-	282,841	276,557	-2.22
Hexane (t)	-	-	-	-	97,86	92	-	-	98	92	-6.01
Hydrochloric acid (kg)	-	-	-	-	12,819	12,195	143,630	21,340	156,449	33,535	-78.56
Hypochlorite (kg)	-	-	-	-	14,675	8,897	-	49,816	14,675	58,713	300.09
SULPHURIC ACID (KG)	-	-	-	-	-	-	45,410	69,809	45,410	69,809	53.73
Sodium hypochlorite (kg)	24,700	8,410	-	24,144	-	-	603,159	674,012	627,859	706,566	12.54
Calcium hydroxide (kg)	-	-	-	-	-	-	174,373	229,874	174,373	229,874	31.83
Dispersing agents (kg)	-	-	-	-	-	-	21,478	23,147	21,478	23,147	7.77
COAGULATING AGENTS (KG)	-	-	-	-	-	-	121,470	1,797,535	121,470	1,797,535	1,379.82
PESTICIDES (PLANT PROTECTION AND HERBICIDES) (l)	4	925	4,732	3,603	-	-	180	126,5	4,916	4,655	-5.32
Fertilisers (kg)	-	-	596	6,285	-	-	-	-	596	6,285	954.53
Paints (l)	6,025	6,981	16,408	17,925	-	-	-	-	22,433	24,906	11.02
Cleaning products (l)	358,948	216,718	22,518	45,177	-	-	-	160	381,466	262,055	-31.30
Oils (l)	4,618	3,903	85,019	127,024	-	-	3,311	1,543	92,948	132,470	42.52
Caustic soda (kg)	-	-	-	-	-	-	383,408	57,653	383,408	57,653	-84.96
Polyelectrolytes (kg)	-	-	-	-	-	-	20,700	29,352	20,700	29,352	41.80
Carbon dioxide (kg)	-	-	-	-	-	-	135,790	156,994	135,790	156,994	15.62
Other chemical products (l)	-	-	24,735	52,227	-	-	-	-	24,735	52,227	111.15
Other chemical products (kg)	-	-	18,658	86,268	-	-	-	-	18,658	86,268	362.36
Adblue (l)	3,430	4,620	1,000	20,00	-	-	-	130	4,430	6,750	52.37
Mortar (Kg)	127,955	12,330	-	-	-	-	-	-	127,955	12,330	-90.36
Anti-freeze (l)	392	400	(VII)	8,095	-	-	-	-	392	8,495	2,067.09
Cooking oil (l)	-	5,502	-	-	-	-	-	-	0	5,502	-
Catering paper (napkins, table cloths and kitchen paper) (kg)	-	9,425	-	-	-	-	-	-	0	9,425	-

The following steps have been taken during the performance of the various services rendered by the Group:

- Used motor vehicle and machinery oils have been recycled to lubricate fixed machinery in facilities and to grease chains and belts, as long as permitted by the characteristics of the oil. In 2012, 450 litres, or 37% of the oil in the environmental area was recycled.
- In all, 54.7% of garbage bags used for cleaning and maintenance of buildings was recycled, up from 33.68% in 2011.
- Reuse of milled asphalt from maintenance performed on roadways in order to repair service roads in conservation work; 100%, or approximately 3,409 m3 of the milled material was reused.
- In roadway maintenance and conservation, 100% of the beams and laminates from the signal panels that were removed were reused to manufacture sheds inside industrial bays in conservation centres.
- Roadway maintenance and conservation activities included trimming roadside bushes and trees: this material was used as fertiliser for these same areas. Estimations indicate that 2,232 m³ or 12.23% has been put to use advantageously.
- Composting using remains of undergrowth, stubs, trimming remains, etc. as organic soil provision.

Within the environmental services division, it is important to distinguish between materials that are recovered as the result of good environmental practices carried out in the Group's work centres and those that pertain to the activity.

Among the former, there are materials recovered thanks to good practices, such as waste generated by company processes. These are reincorporated into company processes in one way or another and thus represent savings in raw materials.

In 2012, a notable case was the reuse of discs from sweepers used in roadway cleaning services. This was done by replacing the worn bristles from brushes with new ones, thus reducing the amount of metal waste in these work centres, since the disks holding the bristles were not removed. The mean percentage of recovery obtained by the service centres that implemented this step was 93%, or 1,088 discs.

Another highlight was the recovery of leachates generated in composting processes and dumpsites in some of our waste treatment plants. The leachate is recirculated by reinserting it into the process, where it contributes moisture to the organic material in fermentation. As a result, a large amount of this waste disappears and water consumption is reduced. This is common practice in the facilities shown below:

- The purchase of recycled raw materials also increases the use of recovered materials in company activities:
- Purchase of recycled garbage bags for cleaning activities, sometimes covering 100% of total garbage bag consumption, such as occurs in Roadway Cleaning in As Pontes (A Coruña), in Cleaning and Garbage Collection in Soria and in the Urban Maintenance Service in Arroyo de la Encomienda. In all, 37,846 recycled bags.

- Reusing leaves and grass cuttings for compost in urban gardens and reusing trimmings as mulch in gardens in the Urban Maintenance Service in Arroyo de la Encomienda. These totalled approximately 1,338 m³ in 2012.
- The Rioja waste treatment plant reuses leachates in the biomethanation process after treatment and for agricultural purposes. Approximately 30,000 m³ are used in the first process, while the second uses approximately 15,000 m³, for a total of 45,000 m³.

In 2012, paper consumption by the Sacyr Group was 175,017 kg. The purchased product should bear the FSC certification, proving that it comes from sustainable sources. This FSC stamp guarantees that the paper products purchased come from properly managed forests.

PAPER CONSUMPTION

	CONSTRUCTION (SPAIN, PORTUGAL, BRAZIL, CAPE VERDE, ANGOLA AND BOLIVIA)		SERVICES		
	MULTISERVICES SPAIN	ENVIRONMENT (SPAIN AND PORTUGAL)	WATER (SPAIN, PORTUGAL AND AUSTRALIA)	CONCESSIONS (SPAIN)	
	2012	2012	2012	2012	2012
Paper (Kg)	122,492	9,915	7,105	35,284	277

Waste Management

Another priority that the Sacyr Group applies in all its activities is to minimise waste and improve waste management. To do so, it applies the necessary measures to reduce, recover and recycle the waste and then ensures that waste that cannot be recovered is eliminated correctly.

The main methods put into practice in this area are designed to obtain the best environmental result. On the one hand, the priorities for waste prevention and management are as follows: prevention,

preparation for reuse, recycling, other uses including energy recovery and finally, elimination. On the other hand, the Group searches for the best options provided by our suppliers. All this while continuously encouraging good environmental practices via training and improving awareness. Investments in the environment are also made to include materials and waste reuse and recovery technologies.

The waste generation figures per business division are shown below.

NON-HAZARDOUS WASTE IN THE CONSTRUCTION AREA

	SPAIN		CHILE		PORTUGAL, ANGOLA, CAPE VERDE AND BRAZIL		TOTAL CONSTRUCTION		
WASTE TYPE	2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
HOUSEHOLD GARBAGE- SOLID URBAN WASTE (KG)	1,460,239	455,861	82,590	-	-	-	1,542,829	455,861	-70.45
PAPER AND CARTON (KG)	1,327,424	1,003,095	920	-	77,590	36,280	1,405,934	1,039,375	-26.07
INK AND TONER CARTRIDGES (KG)	405	2,295	141	-	-	-	546	2,295	320.33
PLASTIC CONTAINERS (KG)	278,001	229,491	-	-	-	-	278,001	229,491	-17.45
REMAINS FROM CLEARING, STUBS, TRIMMING (KG)	1,561,588	87,080	-	-	-	-	1,561,588	87,080	-94.42
TYRES (U)	567	220	200	0	-	-	767	220	-71.32
ELECTRIC AND ELECTRONIC DEVICE WASTE (KG)	388	461	8	-	-	-	396	461	16.41
SEPTIC TANK SLUDGE (M3)	2,501	1,340	-	119,6	-	-	2,501	1,460	-41.64
NON-HAZARDOUS WASTE (T)	-	-	-	-	680	208	680	208	-69.42

NON-HAZARDOUS WASTE IN THE SERVICES AREA

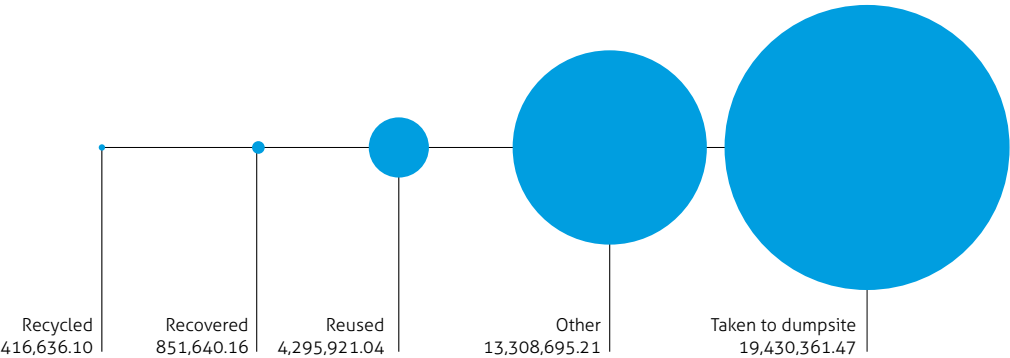
WASTE TYPE	MULTI-SERVICES (SPAIN)		ENVIRONMENT (SPAIN AND PORTUGAL)		WATER (SPAIN, PORTUGAL AND AUSTRALIA)		INDUSTRIAL (SPAIN)	TOTAL SERVICES	
	2011	2012	2011	2012	2011	2012	2012	2011	% VARIATION 2011/2012
Paper and carton (Kg)	6,491	3,709	10,537	5,631	550	31,746	-	17,578	133.74
Ink and toner cartridges (kg)	92	139	178	328	106	101	-	376	51.06
Plant waste (branches, trunks, etc.) (kg)	629,072	4,560,910	3,521,778	12,447,685	27,733	9,014	-	4,178,583	17,017,609
Wood (kg)	30	112	-	-	465	-	-	495	-77.37
Containers (kg)	25,204	27,349	819	19,580	4,874	1,550	-	30,897	48,479
Ferric waste (kg)	-	70	1,764	34,530	2740	135,470	10,662	4,504	180,732
Tyres (U)	22	5,682	456	1,387	-	-	-	478	7,069
Electric and electronic device waste (kg)	868	-	-	480	833	340	-	1,701	820
Water treatment plant sludge (kg)	-	-	-	-	26,183,451	40,741,080	-	26,183,451	40,741,080
Septic tank sludge (kg)	106,170	74,340	-	-	-	-	-	106,170	74,340
Treatment waste (kg)	-	-	118,355	28,340	2,360	5,820	-	120,715	34,160
Waste from WTP scraping, degritting and degreasing (kg)	-	-	-	-	1,145,000	634,700	-	1,145,000	634,700
Rejected refined compost and improper biomass (kg)	-	-	12,000	11,000	-	-	-	12,000	11,000
Air filters (kg)	5,560	16,198	30	302	-	-	-	5,590	16,500
Asphalt from pavement milling (T)	13,193	8,183	-	-	-	-	-	13,193	8,183
Edible oil and grease	-	1,025	-	-	-	-	-	0	1,025

In 2012, the Sacyr Group made an enormous effort to report the treatment methods applied to the waste it generated. The following table shows the treatment received by all non-hazardous waste generated in 2012.

WASTE GENERATED IN THE REAL ESTATE AND CONCESSIONS AREA

WASTE TYPE	REAL ESTATE		CONCESSIONS
	2011	2012	2012
HAZARDOUS WASTE			
Batteries (kg)	7	4	73
Film, cloth, paper, etc. soaked in hazardous substances (kg)	16	52	45
Fluorescent tubes (kg)	27	38.5	152
Contaminated containers ad packaging (kg)	13	46	4
Hydrocarbon sludge (kg)	--	--	6,960
Electric and electronic device waste (kg)	99	465	109
Large batteries / NI-Cd accumulators / Small batteries (kg)	--	--	5
Used oil (l)	17	1	--
Oil filters (kg)	--	--	--
Aerosoles containing hazardous substances (kg)	7	140	--
NON-HAZARDOUS WASTE			
Junk (kg)	--	--	1,500

AMOUNT OF NON-HAZARDOUS WASTE (Kg) ACCORDING TO TREATMENT



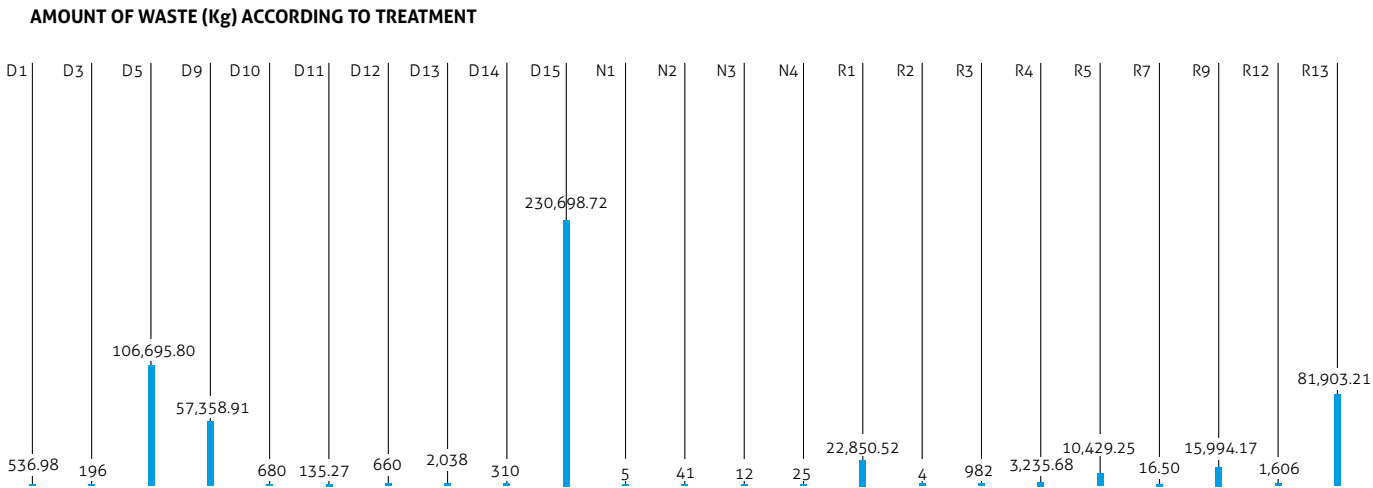
HAZARDOUS WASTE IN THE CONSTRUCTION AREA

WASTE TYPE	SPAIN		CHILE		PORTUGAL AND CAPE VERDE		CONSTRUCTION		
	2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
Batteries (kg)	957	4,933	2,420	-	-	-	3,377	4,933	46.08
Film, cloth, paper, etc. soaked in hazardous substances (kg)	10,142	12,314	12,300	-	-	-	22,442	12,314	-45.13
Aerosoles containing hazardous substances (kg)	5,993	4,852	-	-	-	-	5,993	4,852	-19.04
Fluorescent tubes (kg)	10	688	-	-	-	-	10	688	6,780.00
Used oil (litres)	30,691	23,072	21,710	1,000	-	-	52,401	24,072	-54.06
Oil filters (kg)	2,665	543	-	-	-	-	2,665	543	-79.62
Contaminated containers and packaging (kg)	26,960	122,954	3,070	-	-	-	30,030	122,954	309.44
Contaminated soil and rocks (m3)	125	12	15	208	-	-	140	220	57.14
Small batteries (kg)	694	414	-	-			694	414	-40.35
Hydrocarbon sludge (kg)	-	20,880	-	-	-	-	0	20,880	
Sludge and waste from washing machinery (kg)	70,589	14,196	3,150	-	-	-	73,739	14,196	-80.75
Solvents (kg)	828	48,295	-	-	-	-	828	48,295	5732.73
Fuel waste (kg)	13,062	28,371	-	-	-	-	13,062	28,371	117.20
Electric and electronic device waste (kg)	-	-	168	-	-	-	168	0	-100.00
Ink and toner cartridges (kg)	313	411	141	-	-	-	454	411	-9.47
Concrete releasing agent (kg)	10,048	623	-	-	-	-	10,048	623	-93.80
Curing liquids (kg)	5,420	-	-	-	-	-	5,420	0	-100.00
Leftover paint (kg)	-	4,925	-	-	-	-	0	4,925	
Asbestos (kg)	33,122	46,241	-	-	-	-	33,122	46,241	39.61
Remains of chemical products used frequently in laboratories (kg)	42	-	-	-	-	-	42	0	-100.00
hazardous waste (t)	-	-	-	-	146,46	58,02	146	58	-60.39

HAZARDOUS WASTE IN THE SERVICES AREA

WASTE TYPE	MULTI-SERVICES (SPAIN)		ENVIRONMENT (SPAIN AND PORTUGAL)		INDUSTRIAL (SPAIN)		WATER (SPAIN, PORTUGAL AND AUSTRALIA)		TOTAL SERVICES		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
Batteries (kg)	3,110	3,693	6,000	9,587	-	-	56	-	9,166	13,280	44.88
Film, cloth, paper, etc. soaked in hazardous substances (kg)	544	438	1,589	5,280	607	581	55	599	2,795	6,399	128.94
Fluorescent tubes (kg)	771	1,898	444	91	10	-	25,5	73	1,244	2,030	63.18
Used oil (kg)	4,665	1,832	33,873	35,725	18,750	26,367	1,514	1,814	57,388	65,424	14
Oil filters (kg)	20	50	8,037	3,538	808	1,064	-	-	8,865	4,652	-47.52
Contaminated containers ad packaging (kg)	2,237	7,660	2,566	4,264	1,948	1,411	972,5	5,832	6,824	13,846	102.9
Contaminated soil (kg)	32,400	9,936	-	-	-	-	-	5,000	32,400	9,936	-69.33
Small batteries (kg)	70	25	1,116	37	-	-	22	52	1,208	114	-90.56
Hydrocarbon sludge (kg)	-	-	46,627	71,214	-	-	-	-	46,627	71,214	52.73
Fuel waste (kg)	357	357	10	-	-	-	-	-	367	357	-2.72
Electric and electronic device waste (kg)	54	2,488	12,900	-	-	-	97	48	12,966	2,488	-80.81
Reagents and laboratory chemicals (kg)	-	-	-	-	-	-	844	875	844	875	3.67
Oily water (kg)	-	-	-	-	-	-	331	1,473	331	1,473	345.02
Solvents (kg)	3	4	760	1,490	-	-	-	-	763	1,494	95.81
Ink and toner cartridges (kg)	56	8	336	-	-	-	141	39	394	8	-97.97
Sludge from cleaning hydrocarbon storage tanks (kg)	-	-	600	-	-	-	-	-	600	-	-100
Large batteries / NI-Cd accumulators (kg)	-	512	847 ^(III)	4,405	-	-	-	-	847	4,917	480.52
Aerosoles containing hazardous substances (kg)	16	162	-	-	-	-	-	-	16	162	912.5
Paint waste (kg)	-	461	-	-	-	-	-	-	-	-	-

The following table shows the treatment received by all hazardous waste generated in 2012.



The treatment identification code (D1, D2, D3, etc.) is that used by current Spanish legislation.

When the Sacyr Group operates in countries where the environmental legislation is not as strict as that of other countries, or where it exists but is not implemented, the Group attempts to apply the guidelines established by the strictest standards. However, this is not always feasible due to external obstacles.

Recovery of inert waste

The Sacyr Group encourages reusing inert waste from ongoing and finished projects. This prevents having to dispose of this waste in the dumpsite, which commonly results in the purchase of new materials. It is therefore common company practice to reuse surplus project materials in restoration projects, in landfills, to level clearings and embankments, etc.

GENERATION AND MANAGEMENT OF CDW AND INERT MATERIAL WASTE IN THE CONSTRUCTION AREA

CLASSIFICATION	SPAIN		PORTUGAL AND CAPE VERDE		CONSTRUCTION		
	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
INERT MATERIAL WASTE							
Excavated (m³)	12,296,580	5,227,064	3,123,353	554,160	15,419,933	5,781,224	-62.51
Reused (m³)	8,729,955	4,284,614	1,771,734	431,369	10,501,689	4,715,983	-55.09
Recovery/recycling plant (CDW)	156,654	20,199	--	--	156,654	20,199	-87.11
Taken to dumpsite (m³)	3,409,971	922,251	1,351,619	122,791	4,761,590	1,045,042	-78.05
CONSTRUCTION AND DEMOLITION WASTE (CDW)							
Excavated (m³)	126,588	169,518	4,501	3,427	131,089	172,945	31.93
Reused (m³)	11,264	33,978	--	--	11,264	33,978	201.65
Recovery/recycling plant (CDW)	74,464	64,706	4,162	34,183	78,626	68,125	25.77
Taken to dumpsite (m³)	40,860	70,833	339	8	41,199	70,841	71.95

MULARROYA DAM TJV AN EXAMPLE OF SUSTAINABLE CONSTRUCTION

Use of dam ravine excavation material in embankment

The Standard Dam View shows Shade Areas within the crest walls. The work on the “shaded” areas was carried out using rock fragments from excavations in the ravine, containing siltstone and red clay siltstone with embedded red and whitish sandstone.

This also reduced the consumption of resources such as diesel fuel, since this material was stocked temporarily alongside the Dam, thus considerably reducing the transport distance for vehicles used for this purpose.

In other words, the Dam embankment was made from part of the material extracted during the excavation of the Dam foundations. This prevented having to excavate 285,546 m³ of adjacent terrain.

GENERATION AND MANAGEMENT OF CDW AND INERT WASTE IN THE SERVICES AREA

SPAIN	MULTISERVICES (Spain)		ENVIRONMENT (Spain)		WATER (SPAIN AND PORTUGAL)		SERVICES		
	2011	2012	2011	2012	2011	2012	2011	2012	% VARIATION 2011/2012
INERT WASTE									
Earth and leftover rocks (m³)	2,736	5,153	15,086	72,884	442	333	18.264	78.370	329.10
Reused (m³)	2,736	5,022	12,542	64,847	251.172	272.8	15.529	70.142	351.68
To dumpsite (m³)	--	125	2,544	8,037	19	14.5	2.563	8.177	219.02
Recovery (m³)	--	6	--	--	--	46	0	52	--
CONSTRUCTION AND DEMOLITION WASTE (CDW) (CDW indicated below refer only to Spain)									
Total (m³)	14	5	695	509.24	29	0.03	738	925.26	25.37
Recycled/Recovered (m³)	14	5	695	508.83	--	--	709	924.83	30.44
Reused (m³)	--	--	--	0.4	--	--	--	0.4	--
Dumpsite (m³)	--	--	--	--	25.76	0.03	25.76	0.03	-99.88

Efficient use of water

Efficient use of water is vitally important for sustainable development. The Sacyr Group is aware of the value of this resource and continues advancing toward increasingly efficient water management. It does so by searching for ways to optimise water consumption in all its activities, while making it a priority to reuse water and consume recycled water.

In the construction division, water is used primarily in temporary facilities such as concrete and crushing plants, earth-moving work, probes, cleaning, road watering and for human use in offices, changing rooms, etc. This consumption is shown below:

WATER CONSUMPTION IN THE CONSTRUCTION AREA (M³)

	SPAIN		CHILE		PORTUGAL, ANGOLA Y CAPE VERDE		CONSTRUCTION		
	2011	2012	2011	2012	2011	2012	2011	2012	% VAR. 2011/2012
Mains ⁽ⁱ⁾	202,353	71,027	11,370	78,016	89,975	87,503	303,698	236,546	-22.11
Reservoir or river	131,305	19,415	-	-	30,720	92,599	162,025	112,014	-30.87
Others (irrigation canals, etc.)	118,653	40,240	-	74,220 ⁽ⁱⁱ⁾	-	-	118,653	40,240	-66.09
Well / Gallery	11,402	22,494	-	-	14,546	12,000	25,948	34,494	32.94
Recycled internally and externally		821	186,579	-	186,579	-	373,158	821	-99.78
TOTAL	463,714	153,998	197,949	152,236	197,949	152,236	859,612	458,470	-46.67

⁽ⁱ⁾ Note: consumption marked as "Mains" refers to consumption from the mains network and water hydrants
⁽ⁱⁱ⁾ Note: this is sea water.

Each construction project is different, with its particular circumstances. This implies that the steps taken to reduce water consumption in each project are different. Among the most effective measures that can be taken are reusing water from tunnel work, water used to clean concrete tanks, rainwater that collects in basins throughout the project, surface water pools, etc. This water is used mainly to prevent dust during vehicle traffic by watering paths and access roads, compacting embankments and general cleaning of the worksite. Other possibilities are reusing water

in the concrete and crushing plants, and to water vegetation and build dividers.

Recycling or reusing all the water used over a year-long period in the construction activity of a company is a challenging proposal, made more difficult by project time periods and the variety of locations. Only on rare occasions are there water inventories available in this regard. However, this does not mean that all the possible steps are not taken to reduce water consumption and to prevent water from being wasted. The Group's estimations

for 2012 are that 149,534 m³ of water were reused in the construction projects carried out in Spain. Otherwise, and in the understanding that this may not even be the real volume involved, this water would have had to be obtained from other sources.

- Water: water supply for the population, for human consumption in offices;
- Multi-services: water for human consumption in offices and in the conservation centres, as well as to clean these.

Water consumption in the services division in Spain can be mainly broken down into the following items;

- Environment: water used mostly to flush streets and water parks and gardens;

WATER CONSUMPTION IN THE SERVICES AREA 2011 / 2012 (M³)

MULTI-SERVICES (SPAIN)			ENVIRONMENT (SPAIN AND PORTUGAL)		INDUSTRIAL (SPAIN)		WATER (SPAIN, PORTUGAL AND AUSTRALIA)		SERVICES		
											% VARIATION 2011/2012
SPAIN	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
Mains	11,582	16,971	979,814	1,484,288	31,619	8,145	61,826	101,053	1,084,841	1,610,457	48.45
Reservoir or river	--	--	8,060	1,277	53,210	46,704	--	--	61,270	47,981	-21.69
Other (irrigation canals, etc.)	--	--	32	--	85,209	91,288	556,847	2,240,774	642,088	2,332,062	263.20
Well / Gallery	2,447	3,085	19,695	18,620,1	38,415	37,792	13,611,762	14,029,004	13,672,319	14,088,501	3.04
Desalinator (supply)	--	--	--	--	--	--	5,475,204	6,405,309	5,475,204	6,405,309	16.99
Sea Water	--	--	--	--	--	--	14,869,768	15,250,800	14,869,768	15,250,800	2.56
Reclaimed water externally	--	--	20,490	15,189	--	--	--	--	20,490	15,189	-25.87
Reclaimed water internally	--	202	53,289	561,181	--	--	479,010	946,550	532,299	1,507,933	183.29
TOTAL	14,029	20,258	1,043,674	1,540,148	208,453	183,929	34,997,220	38,878,489	36,263,376	40,622,824	12.02

As in the Construction division, water-saving measures are studied and implemented in the Services division. In addition, priorities are set to reuse surplus water from internal processes and to consume recycled water

rather than using water from other sources. Significant progress was made in 2012 in the services division:

OUTSTANDING FIGURES for 2012

- Waste Water Treatment Plant (EDAR) Emmasa (Spain): 8,951,521 m³ of sewage water were treated by this plant, of which 8,218,804 m³ were used for agricultural purposes and 732,717 m³ were used to water parks and clean streets.
- In 2011, dry coolers were installed in the La Roda Energy Company (Valoriza Operación y Mantenimiento), which drastically reduced the operation of the cooling towers used to cool the low temperature circuit, thus drastically reducing water consumption in the system in 2012, as is shown in the corresponding water consumption table.
- Biomasas de Puente Genil, a company belonging to the Sedebisa Complex (Complejo Sedebisa) (Valoriza Operación y Mantenimiento Spain): reused approximately 1,755 m³ of water recovered by bleeding the boiler.
- Waste Water Treatment Plant (EDAR) La Reguera (Spain): Of a total of 7,723,115 m³ of treated water in 2012, 402,600 m³ were subjected to tertiary treatment for internal use. Specifically, the treatment consisted in filtration by using dyna-sand filters, prior chlorination and ultraviolet disinfection. This water was used internally for flushing, watering, equipment cleaning, preparing polyelectrolytes and in the deodourising and cooling towers of some of the equipment (turbocompressors and biogas compressors). More than 95% of the water consumed in this plant was recycled water.
- Waste Water Treatment Plant (EDAR) Torrejón de Ardoz (Spain): Of a total of 9,422,750 m³ of treated water in 2012, 543,950 m³ were subjected to treatment for internal use. Specifically, the water was subjected to filtration, chlorination and UV disinfection treatment (tertiary treatment) and then used in:

the preparation of reagents, gas scrubbing towers (deodourising) air turbocompressor cooling and biogas compressors, road cleaning, floats and general facilities. More than 95% of the water consumed in this plant was recycled water.

- Total water consumption in public restrooms and changing rooms in the Itemosa and Itepesa transport hubs was 15,597 m³.
- In the Agua España Division, 2.43% of consumed water was recycled water.
- Testa reduced water consumption by 5.91% versus the previous year, the current volume being 121,686 m³.

In environmental activities (Spain), 45,929 m³ of the water used was recycled and reused water, which represents 2.98% of all the water used in this activity. The recycled water comes from external sources, specifically from waste water treatment plants (EDAR) belonging to the Community of Madrid, and is used to clean streets and water gardens. The reused water comes from internal sources, leachate and outputs from waste treatment plant processes that are reinserted into the waste treatment processes either directly or after treatment by settling and physical-chemical and biological treatment, in order to reach the necessary moisture conditions.



Spills

Some of the activities performed by the Group generate liquid effluents that are always discharged according to applicable legal requirements and the conditions established by the pertinent authorities.

The wastewater generated by the construction division is water used for sanitary purposes and water used while performing the work. Its destination varies according to the location of the activity. The water is usually discharged at authorised points of the public water (waterways and underground) and sewage networks.

Sometimes, the water needs to be treated before discharging it into a collector. In these cases, the Group chooses the best techniques available to minimise the environmental impact of a direct spill.

This is the case of tunnel work, where the appearance of large amounts of water during excavation is common. The solution to this problem is always a priority for the project. It is a common practice to design and install water treatment systems prior to disposing of the water.

In some cases, Waste Water Treatment Plants (EDAR) are installed and in others, settling basins are installed.



Bemposta
Hydroelectric Power
Plant, Portugal.

PORTOCAMBA TJV

PORTOCAMBA TJV (SACYR-CAVOSA-MLN-RIOVALLE) is building the Portocamba tunnel, in the Campobecerro­s-Portocamba section of the North-Northwest High Speed Rail Corridor, on the Madrid-Galicia High Speed Rail Line, located in Ourense, according to the decision published in the Official State Journal (BOE) dated 15/03/2012.

The East tunnel mouth is accessed across a 22-metre high clearing along the left-hand track and 15-m high clearing along the right hand track, and a distance of 400 m.

A berm has been built at 10 metres from the initial level of the terrain to detour the Foxo Vello Stream, a small waterway pertaining to the Miño-Sil River Authority that runs almost parallel to the clearing area.

Surfacing of the ground water, filtrations from the Foxo Vello stream, the runoff from the water basins and the rain water made it impossible to work without emptying these water flows. In addition, the slope towards the entry to the tunnel favours water accumulation in the work area.

The intense vehicle and machine traffic contaminate the water, which is initially clean, with a high degree of solids in suspension that make it impossible to dump directly into the stream.

Therefore, and until the clearing level is reached, where the final settling basins have been built, a provisional system has been installed consisting of:

- A water collection well and pumping to the head of the treatment system. Excavation near the left hand tunnel mouth where all the water mentioned before is conducted. From there it is pumped to the first basin where treatment is started.
- Head basin. The pH meter, adjustment measures (CO2 and caustic soda) and the coagulation and flocculation equipment to start the settling process are placed here.
- Settling basins. A series of basins in a line, joined by a tube through which water flows from one to another until it reaches the last basin, where it exits. From here it is piped to the spill point. The solids settle during this process until values under 80 mg/l are obtained, when the water is apt for spilling into the stream.
- The basins are work debris containers. A single row was used at the start, but the occasional high water flow made it necessary to have two rows. The first row was formed by 6 containers measuring 7 m3 each and a second row of 4 containers measuring 7 m3. A primary basin-container with 9 m3 capacity was placed at the junction, where all the equipment was placed and distributed to both rows.

The activities associated with the services area that generates discharges are the integral water cycle (purification and desalination), waste water treatment plants, electricity generating plants and waste cleaning and collecting. As in the construction area, the medium receiving the liquid waste differs, depending on the process that generates the waste and the location of the facility. Common dumping areas are the sea, the sewage network and the authorised discharging sites in the public water network.

The processes performed by the environmental services division in its waste treatment facilities do not include spills. This is due to the design of the facility, where leachates are recirculated and evaporated without needing to discharge them outdoors.

Wastewater is analysed systematically and according to schedule to ensure that applicable requirements are fulfilled. These are both legal requirements and those established by the corresponding authorities to ensure the quality of the spill.

The quality of the drinking water is guaranteed by the direct analysis of certain parameters in company laboratories and specialised external laboratories. More than 21,235 samples of pre-drinking, drinking and treated water, spills and sewage are taken annually, apart from the controls carried out in the company's own facilities. There are 23,397 analyses performed each year that mainly determine parameters such as: BDO5, solids in suspension, DQO, NH\$, H-NO, total nitrogen and phosphorous.

The estimated volume of water discharged in 2012 was 32,922,804.08 m³. This calculation was made by taking into account the coefficient of return included in the Hydrologic Plan of the Tajo River (approved by Royal Decree 1664/1998, dated 24 July, which approved the Hydrologic Plans for waterways). The details are shown below:

WATER SPILLS BY BUSINESS AREA

AREA OF ACTIVITY		SPAIN	CHILE	PORTUGAL
Construction		244,987		153,682
Real Estate		97,358	N/A	N/A
Concessions		12,478	N/A	N/A
Services	Energy	41,581	N/A	N/A
	Water	31,102,791	N/A	13,630
	Environment	1,232,118	N/A	7,973
	Multi-Services	16,207	N/A	N/A

In 2012, total discharges in Waste Water Treatment Plants (EDARs) nationwide for water treatment were 16,431,706 m³.

EMMASA, the Joint Water Company of Santa Cruz de Tenerife, carried out a census of the main industries located in the municipality. The company developed a spill control procedure in 2009 to safeguard the conditions of the sewage system and the treatment plant. This procedure has been used since then to identify the most polluting industries and to follow up by characterising the spill so the client can implement the measures necessary to minimise the impact. A total of 183 analyses of wastewater spills in the network were carried out in 2012.

Brine is discharged into the sea and is immediately diluted in the sea water without causing the least harm to marine fauna or flora. In 2012, 8,846,000 m³ were discharged.



*Thermoelectric
Power Station,
Lebrija (Seville).*

Accidental spills prevention

The Sacyr Group has an information system that collects all the information regarding emergency situations that occur during its activities. These emergency situations include spills of hazardous substances, rupture of piping (collector drains, supply pipes, etc.), fires, etc.

This information system detected ten accidental spills in 2012 in the construction business division. Five of these were involuntary and occurred during fuel tank loading and unloading; another four were machine oil leaks due to a breakdown or improper machine operation; the last case was due to a missing retaining trough in fuel and emulsion tanks, which caused involuntary fuel spills resulting in soil surface contamination. The contaminated soil was swiftly collected in all these cases and taken to the hazardous waste storage area, where it was subsequently delivered to the authorised hazardous waste management companies. A missing retaining trough was also placed under the corresponding tank. Estimated spill volume was 177 litres of fuel and 22.5 litres of oil.

As in previous years, mechanical incidents, which are inevitable in a large fleet of vehicles, occurred during road cleaning and urban waste collection. The company recorded 32 accidental spills due to rupture of hoses and other hydraulic system elements, causing spills of 1,355 litres of oil. All these spills occurred on pavement in urban areas and were cleaned by the cleaning services or by the company itself and disposed of by authorised waste management companies according to the nature of the spill.

In 2012, approximately 5 litres of oil were spilled during the operation, maintenance and conservation of transport hub concessions; specifically caused by a bus breaking down. The oil was cleaned using sepiolite and taken to the hazardous waste storage area for delivery to the authorised waste managing company. In addition, the Transport Consortium was informed that the operating company had driven a bus in poor condition into the hub and the situation was not repeated.

These types of incidents occur very rarely and do not entail serious risk due to the implementation of preventive measures and the definition and application of adequate procedures in the event of spills.

The Sacyr Group has established preventive measures to prevent these incidents as well as specific measures to minimise the consequences of spills involving chemical substances, oil and fuel. Both company staff and collaborators are informed of these measures via the manual of good environmental practices and the environmental emergency plan provided in each work centre.

Significant spills were not reported for 2012 in the rest of the activities and countries that the Sacyr Group was involved in and that have been included in this report. These refer to Sacyr Chile and various activities by Valoriza España and Somague, both in construction and the environment.



7.12

Sustainable development and biodiversity

Our commitment in the fight against climate change

Climate change is the great environmental and socio-economic challenge of the 21st century. Its potential impact is enormous and confronting it requires a profound change in energy and production models and a global commitment at the highest level.

Sacyr has demonstrated its willingness to fight against this environmental problem for years through an Environmental Policy committed to saving energy and controlling emissions into the atmosphere, as well as a business strategy dedicated to developing alternative sources of energy.

Sacyr Industrial was founded in 2012 and now leads the development of Sacyr’s energy strategy. It is the result of combining several specialised corporate companies and divisions that are dedicated to engineering and industrial construction.

Sacyr Industrial is one of the leading renewable energy companies in Spain. It develops and operates its own plants using various types of technology. It is a national icon in biomass energy recovery and currently operates more than 150 MWs in 9 plants distributed throughout Andalusia. The corporation is promoting 5 new biomass plants in Spain with a capacity of 70 MWs.

The network of companies that make up the Sacyr Group design and implement certain specific measure within the framework of the basic principles that underlie its environmental policy. Some of these measures are oriented to encouraging energy savings and others to adopting energy-efficient measures, such as:

- A business strategy for the development of alternative energy sources that are more environmentally friendly.
- The calculation and recording of the organisation’s carbon footprint.
- The replacement of equipment (coolers, boilers and lifts, etc.) with modern units that are highly energy efficient.
- Changes in lighting, replacing fluorescent tubes with LED lamps.
- Optimising the use of industrial equipment and machinery.
- The installation of timers in lighting systems in all the centres where this is feasible, depending on the activity involved.
- Encouraging informative, training and awareness initiatives.

Transport and mobility in general are directly associated with climate change, contamination and energy dependency. Therefore, steps have been taken to reduce fuel consumption, optimise business trips, implement technologies that minimise travel, etc.

These steps reduce energy consumption and, as a result, emissions.

ENERGY PRODUCTION
(kWh)

INSTALLATION	ENERGY SOURCE	POWER (KW)	ENERGY GENERATED	2011	2012	
				ENERGY EXPORTED TO THE NETWORK	ENERGY GENERATED	ENERGY EXPORTED TO THE NETWORK
C.E. Puente del Obispo	Cogeneration with natural gas	24,990	190,174,000	184,738,122	203,530,070	197,906,775
C.E. La Roda	Cogeneration with natural gas	8,202	58,274,000	53,591,300	60,781,710	56,304,669
COMPLEJO SEDEBISA						
C.E. Pata de Mulo (CEPALO)	Cogeneration with natural gas l	17,260	118,551,482	105,618,892	119,119,901	108,148,661
Biomassas de Puente Genil (BIPUGE)	Biomass	9,820	70,138,910	67,208,064	77,615,550	74,330,840
OLEXTRA and EXTRAGOL COMPLEX						
Olextra	Cogeneration with natural gas	16,647	122,188,609	117,919,863	112,794,944	108,870,510
Extragol	Biomass	9,150	70,004,350	66,427,388	58,475,136	55,442,708
C.E. Las Villas	Cogeneration with natural gas	24,977	194,486,400	192,238,111	209,168,800	206,818,763
C.E. de Linares	Cogeneration with natural gas	24,990	206,158,496	199,613,985	212,087,996	205,398,555
Bioeléctrica de Linares, S.L.	Biomass	15,000	111,290,820	103,154,825	108,345,828	100,319,351

It is important to mention that, apart from renewable fuel, Valoriza Energía biomass facilities also use fuel sources from olive orchards (olive tree trimmings, trunks and stocks). These were traditionally burnt outdoors, emitting uncontrolled combustion particles and wasting energy.

Another type of biomass consumed in these facilities is forest biomass from thinning mountain forests, which reduces the risk of fires.

BIOMASS CONSUMPTION EVOLUTION IN VALORIZA ENERGÍA (2011-2012)

BIOMASS CONSUMPTION (kg)	BIPUGE		EXTRAGOL		BIOLINARES		GEOLIT	
	2011	2012	2011	2012	2011	2012	2011	2012
Orujillo	49,507,433	40,559,743	56,806,093	46,508,611	51,327,034	43,382,530	--	--
Energy Crops (poplar, eucalyptus, pine with a management plan approved for this use)	11,087,760	20,900,042	14,534,840	13,159,240	45,134,578	49,841,087	--	--
Agricultural waste	14,755,669	22,307,572	6,355,980	8,466,180	18,521,863	15,960,130	--	--
Forest planning	273,980	135,800	200,120	-	4,107,340	2,723,160	--	--
Other Biomass	7,929,191	5,877,848	113,300,00	-	1,557,645	6,320,640	628,235	413,947
TOTAL	83,554,033	89,781,005	78,010,333	68,134,031	120,648,460	118,227,547	628,235	413,947

Energy

Energy consumption is strictly associated with the various processes involved in Sacyr Group activities. In general, energy consumption is associated with operating industrial facilities, vehicle and machine fleets, lighting and climatising buildings and facilities. Consumption per business division is as follows:

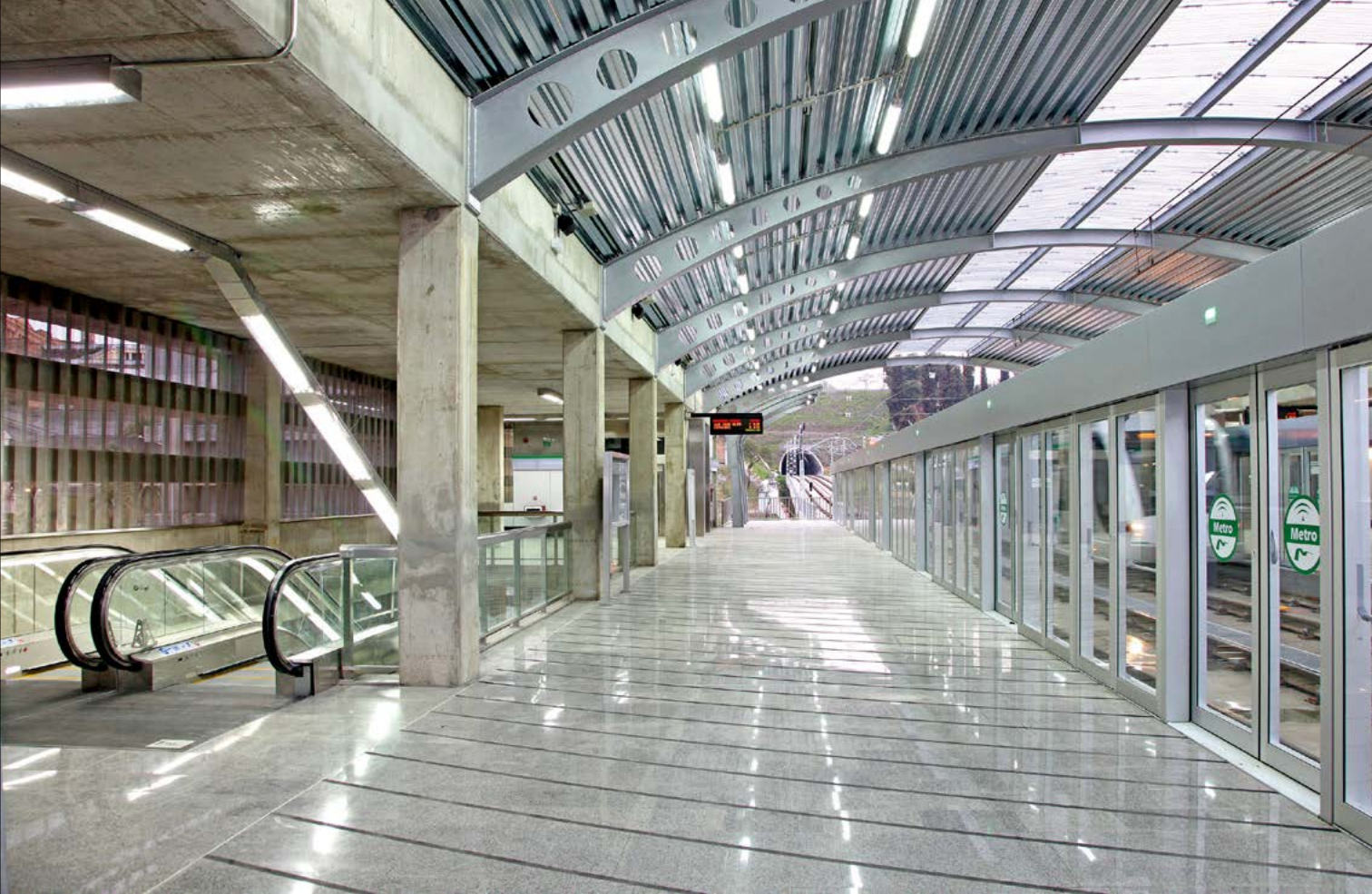
ENERGY CONSUMPTION IN THE CONSTRUCTION AREA

	SPAIN		CHILE		PORTUGAL, ANGOLA AND CAPE VERDE		CONSTRUCTION		% VAR 2011/ 2012
	2011	2012	2011	2012	2011	2012	2011	2012	
INDIRECT CONSUMPTION									
Electrical Power (kWh)	11,909,953	5,916,228	93,358	219,030	10,243,464	10,826,495	22,246,775	16,961,753	(23.76)
DIRECT CONSUMPTION									
Gas Oil (l)	7,413,523	9,551,146	--	--	6,859,305	6,440,604	14,272,828	15,991,750	12.04
Gasoline (l)	95,419	26,188	--	--	167,053	122,221	262,472	148,409	(43.46)
Gaseous Fuels (natural gas) (m³)	--	1,179	--	--	41,257	25,157	41,257	26,336	(36.17)
Fuel Oil (l)	1,247,380	1,592,552	--	--	--	--	1,247,380	1,592,552	27.67
Biodiesel (l)	17,968	154,917	--	--	--	--	17,968	154,917	762.18
Crude Oil (l)	--	--	4,285,539	432,928	--	--	4,285,539	432,928	(89.90)
Liquefied Petroleum Gas (kg)	--	--	7,050	225	--	--	7,050	225	(96.81)

ENERGY CONSUMPTION IN THE SERVICES AREA

	MULTI-SERVICES		ENVIRONMENT (SPAIN AND PORTUGAL)		ENERGY		WATER (SPAIN, PORTUGAL AND AUSTRALIA)	
	2011	2012	2011	2012	2011	2012	2011	2012
SPAIN								
INDIRECT CONSUMPTION								
Electrical Power (kWh)	469,740	699,700	5,737,129	13,127,484	49,104,240	49,027,353	78,081,886	263,281,374
DIRECT CONSUMPTION								
Gas Oil (l)	1,193,642	2,111,799	4,331,876	6,316,453	195,306	200,112	568,794	1,891,086
Gas Oil A (l)	1,143,813	2,066,369	3,542,087	5,394,437	6,975	1,183	199,965	241,998
Gas Oil B (l)	912	--	492,341	581,871	166,221	198,929	--	--
Gas Oil C (l)	48,917	45,430	21,500	62,613	22,110	--	5,599	14,739
Gasoline (l)	20,175	24,877	82,821	300,925	--	--	12,029	1,486,360
Gaseous Fuels (natural gas, butane gas, etc.) (m³)	3,702 (III)	3,292	44,915	11,535,939	207,988,206	236,232,357	--	--
Biogas (m³)	--	--	--	--	--	--	819,349	1,170,002

SPAIN	TOTAL SERVICES		
	2011	2012	% VAR. 2011/2012
INDIRECT CONSUMPTION			
Electrical Power (kWh)	133,392,995	326,135,911	144.49
CONSUMO DIRECTO			
Gas Oil (l)	6,289,618	10,519,450	67.25
Gas Oil A (l)	4,892,840	7,703,987	57.45
Gas Oil B (l)	659,474	780,800	18.40
Gas Oil C (l)	98,126	122,782	25.13
Gasoline (l)	115,025	1,812,162	1.475.45
Gaseous Fuels (natural gas, butane gas, etc.) (m³)	208,033,121	247,771,588	19.10
Biogas (m³)	819,349	1,170,002	42.80



Seville Metro.
Interior of station.

ENERGY CONSUMPTION IN THE REAL ESTATE AND CONCESSIONS AREAS

	REAL ESTATE		CONCESSIONS		DEVELOPMENT AND CONCESSIONS		
	2011	2012	2011	2012	2011	2012	% VAR. 2011/2012
SPAIN							
INDIRECT CONSUMPTION							
Electrical Power (kWh)	11,403,219	11,896,011	--	8,517,150	11,403,219	20,413,161	79.01
DIRECT CONSUMPTION							
Gas Oil (l)	43,518	60,005	--	11,566	43,518	71,571	64.46
Gasoline (l)	--	--	--	63		63	--
Gaseous Fuels (natural gas, etc.) (m³)	308,852	304,336	--	--	308,852	304,336	(1.46)

The Construction and Services sectors are mainly characterised by the dispersal of the work centres, the temporary nature of the work and the variable amount of industrial equipment used. These characteristics, along with the interruptions and the fluctuation of the activities performed during the contract period, make it difficult to calculate interannual variations.

TOTAL ENERGY CONSUMPTION IN 2012 SACYR GROUP

INDIRECT CONSUMPTION		(MWh)	(Gj)
Electrical Power (kWh)	363,510,825	363,510.82	1,308,638.97
DIRECT CONSUMPTION		(m³)	(Gj)
Gas Oil (l)	26,582,771	26,582.77	980,585.26
Gasoline (l)	7,852,459	7,852.46	226,402.10
Gaseous Fuels (natural gas, etc.) (m³)	248,102,260	248,102.260	9,678,469.16
Fuel Oil (l)	1,592,552	1,592.55	59,218.99
Biodiesel (l)	154,917	154.92	5,118.80
Petróleo (l)	432,928	432.93	15,969.85
Gas licuado (kg)	225	0.4	9.47
Biogás (m³)	1,170,002	1,170.002	28,360.85

PRIMARY ENERGY CONSUMED IN ORDER TO PRODUCE THE ELECTRICITY ACQUIRED BY NATIONAL ELECTRICAL SYSTEMS

Countries	Electricity acquired from the network	Units	Energy content of consumed fuel							TOTAL
			Units	Carbon	Fuel Oil	GAS	Biomass	Waste	Remaining (1)	
Spain	173,352,453	Kwh	GJ	222,364	134,280	760,635	15,099	8,620	267,761	1,408,758
			kWh	61,767,675	37,300,016	211,287,442	4,194,089	2,394,375	74,378,017	391,321,614
Chile	219,030	Kwh	GJ	545	526	170	148	0	331	1,720
			kWh	151,366	146,075	47,253	41,111	0	91,880	477,685
Portugal	22,350,460	Kwh	GJ	58,217	17,548	78,591	7,675	2,513	27,132	191,677
			kWh	16,171,446	4,874,570	21,830,951	2,132,049	698,021	7,536,664	53,243,701
Australia	166,000,000	Kwh	GJ	1,311,646	20,144	273,685	16,854	0	37,496	1,659,826
			kWh	364,346,105	5,595,651	76,023,671	4,681,772	0	10,415,671	461,062,871
Angola	1,385,425	Kwh	GJ	0	3,981	0	0	0	3,793	7,774
			kWh	0	1,105,816	0	0	0	1,053,680	2,159,496
Cape Verde	203,457	Kwh	GJ	815	306	716	2	0	136	1,975
			kWh	226,494	84,896	198,887	659	0	37,669	548,606

It is estimated that 32% of the energy consumed by Valoriza in 2012 was generated by the activity itself.

ENVIRONMENTAL OBJECTIVE COMPLETED:



Waste Water Treatment Plants managed in Spain have generated 1,170,002 m³ of biogas, of which 638,830 m³ have been consumed as boiler feed and the remaining 531,172 m³ are released as gas flare.

The Waste Water Treatment Plant (EDAR) at Santa Cruz de Tenerife has generated 74,614 kWh in the sludge digestion process, consumed by the plant itself, thus reducing the purchase of electricity by that amount.

At Valoriza Environmental Services, 29.73% of the energy consumed in 2012 was produced internally.

The Waste Water Treatment Plant (EDAR) thermal sludge drying plant at Reocín generated 51,459,448 kWh in 2012, of which 7.6% was consumed by the plant itself and the rest exported to the network.

The Waste Water Treatment Plant at La Rioja generated 10,245,111 kWh, the entirety of which has been exported to the network.

The Waste Water Treatment Plant at Bragança reduced the acquisition of 2,514 kWh due to internal power generation during the process of anaerobic sludge digestion.

The Waste Water Treatment Plants at Bragança and Font Salem generated a combined total of 534,333 m³, which have been used internally for both digester heating as well as for energy production.



*Príncipe de Vergara
187, building.
Madrid.*

Emissions

The main emissions of greenhouse gases derived from Sacyr Group activities are classified as follows:

- Direct emissions (Scope 1) caused by fuel combustion to obtain energy.
- Direct emissions (Scope 2) caused by consumption of fuel used to operate machinery, vehicles, auxiliary equipment such as generators and temporary facilities (concrete and crushing plants), diesel fuel and gas boilers, etc. The sources of these emissions are owned or controlled by the organisation.
- Indirect emissions (Scope 3) from generating electricity obtained and consumed by the organisation. These take place physically in the plant where the electricity is generated; i.e., the emissions do not occur during the performance of Sacyr Group activities.

Direct emissions caused by fuel combustion to obtain energy

Sacyr uses combustion facilities included in the scope of application of Directive 96/61/EC, dated 24 September 1996. This Directive refers to integrated pollution prevention and control (IPPC) requiring notification of data for the European Pollutant Release and Transfer Register (PRTR) as well as combustion facilities that are not included in this Directive, where emissions are calculated voluntarily by the organisation.

The emissions of all the Valoriza Energía facilities are based on the guidelines for the notification of emissions from power plants and other combustion facilities. Emissions from facilities included in the scope of application of the IPPC Directive are made public as specified in Community Regulations concerning the European Pollutant Release and Transfer System.



POLLUTANT	EMISSIONS OF THE PUENTE GENIL INDUSTRIAL COMPLEX			TOTAL EMISSIONS (KG/YEAR)							
	CEPALO	BIPUGE (PUENTE GENIL BIOMASS PLANT)		COMPAÑÍA ENERGÉTICA PUENTE DEL OBISPO	COMPAÑÍA ENERGÉTICA LAS VILLAS	COMPAÑÍA ENERGÉTICA DE LINARES	BIOELÉCTRICA DE LINARES, S.L	OLEXTRA	EXTRAGOL	COMPAÑÍA ENERGÉTICA LA RODA	
	(C.E. PATA DE MULO)										
	TOTAL EMISSIONS OF NATURAL GAS (KG/YEAR)	TOTAL EMISSIONS OF BIOFUEL (KG/YEAR)	TOTAL EMISSIONS (KG/YEAR)								
CO ₂	67,280,095.61	134,070,672.00	201,350,767.61								92,309,008.34
CO	42,050.06	2,055,053.99	2,097,104.05	670,888.69	13,393.78	701,219.93	2,659,198.77	38,327.82	1,627,332.74	8,035.34	
CH ₄	3,003.58	25,138.25	28,141.83	494.51	5,151.46	516.87	32,561.62	2,737.70	19,926.52	160.71	
N ₂ O	1,561.86	6,005.25	7,567.11	1,648.38	2,678.76	1,722.90	7,778.61	1,423.60	5,243.62	535.69	
NH ₃	8,904.98	28,281.02	37,186.00	12,217.73	15,273.00	12,770.10	37,241.68	8,116.72	21,462.22	0.46	
COVDM	1,201.43	139,656.95	140,858.38	75,825.26	206.06	79,253.36	180,897.88	1,095.08	110,708.09	107,137.93	
NOX	276,328.96	279,313.90	555,642.86	149,074.35	65,079.83	145,082.25	361,795.75	251,868.50	222,441.65	535,689.64	
Benceno	6,247.44	2,522.20	8,769.64	313.19	10.72	327.35	3,267.02	5.63	1,999.29	101.78	
SO ₂	--	--	0	--	--	--	--	--	--	--	
SOx	4,925.86	71,511.43	76,437.29	6,758.34	8,448.39	7,063.89	77,591.57	4,489.83	90,893.91	2,196.33	
PM ₁₀	1,081.29	9,775.99	10,857.27	18,132.13	1,854.52	18,951.89	12,662.85	985.57	35,203.52	5,892.59	
Cd	--	2.51	2.51	--	--	--	3.26	--	1.99	--	
Cr	--	12.57	12.57	--	--	--	16.28	--	9.96	--	
Hg	--	29.47	29.47	--	--	--	2.73	--	1.67	--	
Ni	--	2.11	2.11	--	--	--	25.33	--	15.5	--	
Pb	--	19.55	19.55	--	--	--	37.99	--	23.25	--	
Sb	--	29.33	29.33	--	--	--	6.15	--	3.76	--	
Co	--	4.75	4.75	--	--	--	5.07	--	3.1	--	
Mn	--	3.91	3.91	--	--	--	1,244.58	--	761.64	--	
Cu	--	29.47	29.47	--	--	--	38.17	--	23.36	--	
Zn	--	252.78	252.78	--	--	--	0.76	--	0.47	--	
As	--	--	--	--	--	--	17.19	--	10.52	--	
Va	--	--	--	--	--	--	327.43	--	200.37	--	
HAP	--	--	--	--	--	--	2.19	--	1.34	--	
Trichloroethylene	--	--	--	--	--	--	23.34	--	14.28	--	
Total particles	--	--	--	--	--	0	2,329.57	--	7,749.20	--	

As a result of the entry into effect of the Kyoto Protocol, the Spanish companies included in the National Emission Assignment Plan (PNA) are responsible for and required to ensure that their emissions are controlled efficiently and comply with the limits established in current legislation.

2012				
INSTALLATION	TONNAGE OF CO ₂ VERIFIED	ENERGY EXPORTED (KWH)	ENERGY GENERATED (KWH)	G CO ₂ / KWH GENERATION
Olextra	60,785	108,870,510	112,794,944	538.90
Extragol	343	55,442,708	58,475,136	5.87
Celvi	116,011	206,818,763	209,168,800	554.63
Cepuente	91,487	197,906,775	203,530,070	449.50
Cepalo	66,681	108,148,661	119,119,901	559.78
Bipuge	0	74,330,840	77,615,550	0.00
Celinares	95,623	205,398,555	212,087,996	450.87
Biolinares	0	100,319,351	108,345,828	0.00
TOTAL 2011	421,646	1,036,919,250	1,082,993,067	389.33
TOTAL 2012	430,930	1,057,236,163	1,101,138,225	391.34

The grams of CO₂/kwh generated in 2012 were very similar to those of 2011. The differences between the results of both years are considered insignificant.

The table below shows the Scope 1 and 2 emissions for Sacyr Group activities and Scope 3 emissions for the construction division in Portugal.

It should be noted that the Scope 1 greenhouse gas emissions for 2012 have been calculated by using the conversion factors published in the document “Final energy-primary conversion factors and CO₂-2011 emission factors for fuels” by the Instituto para la Diversificación y Ahorro de Energía (IDAE) (Institute for Energy

Diversification and Savings) in December 2012.

Scope 2 emissions were calculated using the annual data of equivalent emissions of CO₂, SO and NOx per kWh produced in the national electricity generation system provided by the Adena-WWF Electricity Observatory for 2012.

		EMISSIONS							
SCOPES	EMISSIONS	CONSTRUCTION			SERVICES			REAL ESTATE	CONCESSIONS
		SPAIN	CHILE	PORTUGAL, ANGOLA AND CABO VERDE	SPAIN	AUSTRALIA	PORTUGAL	SPAIN	SPAIN
SCOPES 1	CO ₂ (teq)	29,549.00	1133.06	17,712	52,422.00	6,969.00	1,460.00	940.00	30.00
SCOPES 2	CO ₂ (teq)	1,431.73	53.01	2,086	25,118.12	40,172.00	3,173.31	2,878.83	2,061.15
	SO ₂ (teq)	3.05	0.11	--	53.45	85.49	6.75	6.13	4.39
	NO _x (teq)	2.16	0.08	--	37.88	60.59	4.79	4.34	3.11
SCOPES 3	CO ₂ (teq)	--	--	464	--	--	--	--	--

As for emissions of gases that damage the ozone layer, the only ones generated by the Sacyr Group are those from possible leaks of air conditioning equipment, which are minimal given the proper maintenance performed on them.

Currently, Sacyr continues to use equipment containing R22 gas, but this is being gradually replaced by other equipment containing gas that does not damage the ozone layer and has a low greenhouse effect.

Steps for the protection of biodiversity

Respect for the environment is a key value for Sacyr. As such, the Group’s working strategy for biodiversity management is based on preventing damage to the environment. When this is not possible, the Group studies and implements the most adequate measures for each scenario, depending on the type of protection needed and the activity being performed, in order to minimise the impact of the activity being performed.

A list of the protected areas where the Sacyr Group carried out projects in 2012 is shown below:

- Natural Parks: 5
- Special Bird Protection Areas: 9
- Sites of Community Importance: 10
- Natura 2000 Network: 4
- Reserva Nacional: 7
- Biosphere Reserve: 2
- Ecological Protection Area: 2
- Natural Reserve: 1
- Other: 7

The measures implemented in 2012 to prevent, or at least minimise, the potential impact of Sacyr Group activities in the most important protected areas are those found below:

PROTECTED AREAS WHERE THE SACYR GROUP HAS CARRIED OUT ACTIVITIES DURING 2012

NAME OF THE PROTECTED AREA	PROTECTED AREA			AREA AFFECTED BY THE ACTIVITY (HA)	ACTIVITIES PERFORMED IN THESE AREAS	MEASURES IMPLEMENTED TO PREVENT OR MINIMISE THE IMPACT OF THE ACTIVITY ON THESE AREAS
	LOCATION	TYPE OF PROTECTED AREA	LOCATION			
CONSTRUCTION ACTIVITIES (SPAIN)						
Río Lézcz	Pontevedra	LIC	I	1.23	1.23	Construction of peninsulas for the piers of piles 1 and 2 on either side of the river. Precision filling of the peninsulas and marking off the margins.
						Excavation of piles and piers. Floating barriers to protect against spills of greasy or oily fluids and to retain solid waste.
Regatta Molinao	Guipúzcoa	Natural Park	A	1	0.1	Excavation and construction of retainer walls. Campaigns for periodic water retention in addition to daily water level control.
Jalón River gorges	Zaragoza	ZEPA	I	23,500	510	Earthworks Blasting. Monitoring by experts. Adaptation of the work plan. Silent blasting.
Sima del Árbol	Zaragoza	LIC	A	0.4	0.01	Blasting on the right-hand abutment of the dam (hundreds of metres from the LIC). Monitoring and inspection of the cave by experts. Seismometer in the cave. Adaptation of the work plan.
Natural Park of Sierra de Cazorla, Segura and Las Villas.	Jaén	LIC/ ZEPA	I	200,000	213.3	Restoring the dump sites of the project with autochthonous species Crop maintenance. Reforestation by students attending the local school. Release of first 150 mountain rabbits (Oryctolagus cuniculus). Dam construction work.

Bahía de Cádiz Natural Park	Cádiz	Parque Natural/ LIC/ ZEPA	I	10,522	3.5	Foundation work. Drainage work. Placing retaining barriers for solids. Extracting water quality control samples.
Sierra Morena	Ciudad Real	LIC/ ZEPA	A	134,308	0.1	Construction work in the pump station and water intake tower. The transit areas for machinery are marked off. The work is restricted to between July and January to prevent harming the reproduction cycle of the fauna. Sierra de Cabrera-Bédar.
Sierra de Cabrera-Bédar	Almería	LIC	I	33,568	83.98	Trimming and clearing, earth moving, building viaducts and drainage work. Temporarily transplanting and maintaining 84 olive trees (<i>Olea europaea</i>) for future use in restoration work Signing of the agreement with the University of Almeria to adapt, optimise and monitor the Restoration Plan with autochthonous species. Selection of areas containing deteriorated land, old dumps and quarries within the LIC affected by the location of new dumps of inert materials.
						Building a floodable ford for the construction of the viaduct over the Aguas river. Weekly and monthly sampling. Collection and transfer of 3 Mora turtles to a new habitat Replacement of fine retaining barriers using bales of straw on both banks of the Aguas River.
Parque Natural de Cumbre Vieja	Santa Cruz de Tenerife	Parque Natural	A	7,499.7	22.9	Earth moving and excavation work. Plant health measures to control and eliminate pests caused by harmful agents Transplanting and reusing all the specimens affected by the work. Transplanting two specimens of Drago, Palmera canaria, Palmera de abanico and Cardón to future garden areas.



Hermigua- La Gomera Crossing.

PROTECTED AREAS WHERE THE SACYR GROUP HAS CARRIED OUT ACTIVITIES DURING 2012

NAME OF THE PROTECTED AREA	PROTECTED AREA			AREA AFFECTED BY THE ACTIVITY (HA)	ACTIVITIES PERFORMED IN THESE AREAS	MEASURES IMPLEMENTED TO PREVENT OR MINIMISE THE IMPACT OF THE ACTIVITY ON THESE AREAS	
	LOCATION	TYPE OF PROTECTED AREA	LOCATION				SIZE OF THE TYPE OF PROTECTED AREA (HA)
CONSTRUCTION ACTIVITIES (SPAIN)							
Sierra Martés y el Ave	Valencia	LIC	I	35,242	0.1	Concrete manufacturing	Dust and noise are minimised by watering the roads and storage areas.
Sierra de Martés-Muela de Cortes		ZEPA	I	71,173	0.1		
Sierra de Malacara		ZEPA	A	15,066	0.01	Excavations, foundation, ditches, structures	Noise measurement.
SERVICE ACTIVITIES (MULTI-SERVICES, WATER AND ENVIRONMENT IN SPAIN AND AUSTRALIA)							
Parque Natural de la Albufera	Valencia	LIC/ ZEPA	A	21,120	6.25	Road cleaning.	The road is swept and waste is collected manually. Mechanical cleaning and chemicals are not used.
Valle del Tiétar	Ávila	LIC/ ZEPA	I	64,377.10	11	Waste treatment and disposal.	Waste control.
Parque Natural Sierra de Cazorla, Segura y Las Villas	Jaén	LIC/ V	I	200,000	30	Trimming vegetation on the sides of the A-319 road between Kp 23+000 and 53+000.	The use of herbicides is prohibited. Restricted scrub clearing on sides because this may affect endemism in danger of extinction (Viola Cazorlensis).
Humedal de Bunningup	Bunningup (Oeste de Australia)	(Conservation Category Wetland).	I	3.13	1.76	Berm (8 metres high)	Weed control and monitoring of native species.

Note: Location refers to the location of the activity with regard to the protected area (I: Interior, A: Adjacent)
(I) Note: This corresponds to Somague activity carried out in Portugal. In 2012, there were not any protected areas in Chile affected by the work carried out there. The protected areas affected by construction work carried out by Sacyr Concesiones are included in the previous table, in the construction area.



In 2012, projects were also carried out in areas of high biodiversity value. The measures taken to protect these habitats were the same as those taken in protected areas.

Projects and services performed in 2012 affected the habitats of vegetable and animal species that were endangered in some way. The number of species whose habitats were affected is listed below, according to the degree of danger:

- Vulnerable: 3
 - Endangered: 1
 - En peligro de extinción: 2
 - Of special interest: 13
 - Almost Endangered: 1

The activities carried out by the Sacyr Group in 2012 in habitats of endangered species are detailed below. These are included in national catalogues and in the red list of the UICN. In all cases, steps were taken to prevent and minimise the risks for these species.

However, there are other species, both fauna and flora, that are not included the red list of the UICN or in the various national catalogues. The steps taken to prevent these species from being affected were the same as those set out in the table titled “Main endangered species in whose habitats the Sacyr Group carried out activities in 2012” for species that were endangered to some degree or of special interest. In other words, measures were taken to prevent and when possible minimise the affects on these species.

PRIMARY ENDANGERED SPECIES IN HABITATS WHERE THE SACYR GROUP HAS CARRIED OUT ACTIVITIES DURING 2012					
LOCATION	SPECIES	DEGREE OF DANGER	LIST WHERE IT IS INCLUDED	ACTIVITIES CARRIED OUT IN THE HABITATS OF THESE SPECIES	ACTIONS IMPLEMENTED TO PREVENT AND MINIMISE DANGER TO THE SPECIES
CONSTRUCTION ACTIVITIES (SPAIN AND CHILE)					
Almería	Mora turtle (Testudo graeca)	Vulnerable	UICN Red List	Trimming and clearing.	Strict marking off of the route before clearing.
		Endangered	Red book of amphibians and reptiles in Spain.	Earth moving work.	Marking off the perimeter by buried fencing of the area covering the largest number of findings per m².
Málaga	Bonelli's Eagle (Hieraetetus fasciatus)	Vulnerable	UICN Red List	Construction of a highway in an area near its habitat.	Building nests for eagle breeding.
Atacama Region (Chile)	Tamarugo (Prosopis tamarugo)	Vulnerable	Red Book of Chilean Flora, CONAF.	Construction of Route 5 North link road.	Fencing in of nearby species.
SERVICE ACTIVITIES (MULTISERVICES, WATER AND ENVIRONMENT IN SPAIN)					
Valencia	Fartet (Aphanius iberus)	In danger of extinction	National Catalogue of Endangered Species UICN Red List Red List of Spanish Vertebrates.	Use of chemical products that can penetrate land and contaminate water in irrigation ditches and canals in Port de Catarroja.	The area is cleaned by hand, without machinery or chemical products.
	Samaruc (Valencia hispanica)	In danger of extinction	National Catalogue of Endangered Species UICN Red List Red List of Spanish Vertebrates.		

Habitat restoration measures

The duration of the work and the various periods during which restoration work was carried out on the land make an accurate appraisal of the surface restored over a specific period of time a complicated endeavour. However, an estimation can be made with the information available.

Approximately 94.5% of the surface area affected in Spain was restored. This percentage corresponds to 13 different locations, 3 of which have been verified by independent and eternal professionals.

08

Future perspectives

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8.1 Long-term view and strategy for the future

The steps taken in recent years, the good progress in the operative business activities of the Group and a renewed strategy have set the foundation for the future growth of the organisation:

- The consolidation as an international construction, real estate, infrastructure and services group;
- The firm belief that profitability should take priority over size, without rejecting the former a priori;
- Focusing on business that can contribute more to the market in terms of quality and added value due to the technical and executive excellence of our teams;
- containing structural costs; debt levels always understood as the support for an asset that justifies them and supports them in turn;
- high quality of assets in all of the Group's business divisions;

- a mixture of complementary activities with a high degree of synergy and the value of management and technical teams that are highly qualified and experts in complex situations.

These ideas place Sacyr in a new scenario that defines us as an innovative, global, responsible, customer-oriented and positive company.



2008

Debt	19,500
Corporate Debt	1,900
Implide Ebitda	11,000
Margin	11.3%
Backlog	36,000
International	27%

Sacyr

2013

2012

Debt	8,600
Corporate Debt	360
Implide Ebitda	16,000
Margin	14.0%
Backlog	40,000
International	55%

First Quality
assets+Solid Business
basis for growth.

New Scene.

Competitive
position
now for the
next future.

Focus on core business
with high technical
expertise
Strong develop of
industrial construction
area
Continuous
internationalization
process
Maximum care of
corporate structures
and profitability
Total corporate debt
reduction.

8.2 Value rationale

25 years
in the
market

throughout
the 5
continents

36
licensed
assets

The corporation
has grown
to over 200
Companies

1.5
million
square meters
in rent

40 Billion
euros of
business
portfolio

16 billion
euros
of implicit
Ebitda

Our renewed strategy has allowed us to stabilise the financial situation of the Group, both as regards financial debt and deadlines. At the same time the necessary capex is guaranteed in terms of equity for all the projects awarded.

We have also maintained adequate operational results, notably improving their profitability, which is near 14%:

At the same time, we have been capable of considerably increasing our international exposure.

The Sacyr corporation recently celebrated its first 25 years in the market. This makes us the youngest of the large construction and infrastructure companies in the country.

Despite this, we have become large enough to compete on equal terms in the domestic market and, especially abroad, where our awards and successes are noteworthy. Therefore, when we talk about the Group, we are talking about:

- An international group dedicated to construction, infrastructure and services, present in 20 countries and with activities that are clearly focused abroad (the external portfolio is currently the Group's major growth factor).
- Moreover, but not less important, the Group's technological capacity has been proven and recognised, which ensures its success when it takes on projects that are very large in scope and strategically significant.
- Thirdly, the Group's complementary activities and low operational costs provide adequate margins with a profitability that improves continuously.

The corporation has grown to over 200 companies of significant value. 36 licensed assets, 1.5 million square meters in rent or important construction and services contracts make its potential clear, backed by 40 billion euros in its business portfolio with the capacity to generate more than 16 billion euros of implicit Ebitda.

The Group is currently working in 20 countries throughout the 5 continents. These countries range from Australia to the United States and from Latin America to the European Union, with fledgling activity in Africa and Asia.

The Group has gone from carrying out small contracts in these foreign markets to taking on some of the largest engineering projects in the world: the largest desalination project in Perth or the third set of locks in the Panama Canal are two examples of the company's capabilities.

Despite the drop in global business due to the economic crisis, the company's Ebitda has been affected only slightly and remains stable. What is more important: profitability has increased substantially, the portfolio has grown with the subsequent implicit increase in Ebitda, international exposure has doubled and the company's net financial debt has fallen to a third of its previous level.

Sacyr has addressed a process of financial consolidation that has drastically reduced the debt to levels that are optimum for a company with 3 very capital-intensive activities.

At the same time, the debt has been restructured and adapted in time and form to the current situation. In addition, the two main items have been refinanced: the Group's participation in Repsol and its building development portfolio until 2015.

The company has also strengthened its resources by carrying out two capital increases and one bond issue to cover its investment needs in terms of equity for the immediate future.

As a result, the debt is adjusted and essentially linked to each of the Group's assets and to the Ebitda flows they generate.

Given the capital-intensive nature of its activities and how they are currently set up, it can be said that the current debt is appropriate for the company's type of business activities and their age.

75% of the debt is due in more than 4 years

Certain steps remain to be taken, such as divesting non-strategic assets and permanently adjusting costs to achieve, as is the case now, the most efficient corporate structure possible.

As regards deadlines, 75% of the debt is due in more than 4 years.

As regards the international expansion of the company, the markets that have been targeted are those with a consolidated financial structure and legal certainty. Moreover, the Group continues to detect valuable opportunities for controlled growth. Four years ago, its international portfolio was 9.7 billion euros; now it totals 22.2 billion.

Percentage wise, it represents 80% of the company's construction portfolio, 66% of the concessions portfolio and 33% of the services portfolio.

All these achievements have gone hand in hand with consistent work controlling costs and improving efficiency in all the business divisions and staff departments. The result is probably the lightest costs structure in the sector at this time.

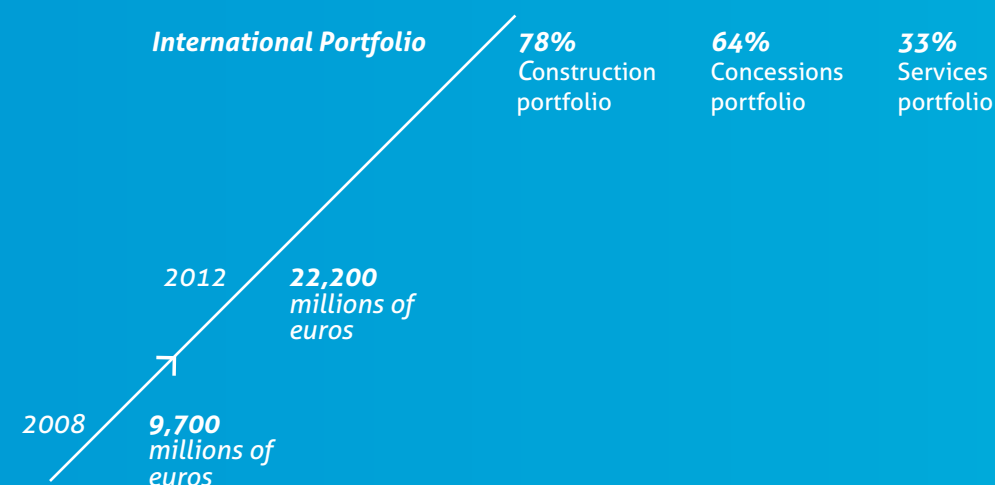
The firm belief that these times require profitability to have priority over volume has resulted in an increase in margins that has become the permanent philosophy of the Group.

While maintaining a notably stable Ebitda, the overall margin has increased from 11% to 14%.

By activities, the figures achieved have reached 87% for Real Estate, 59% for Concessions – even taking into account that most of these assets are in the launching stage-, 16% in services - with room for improvement - and around 5.8% in Construction.

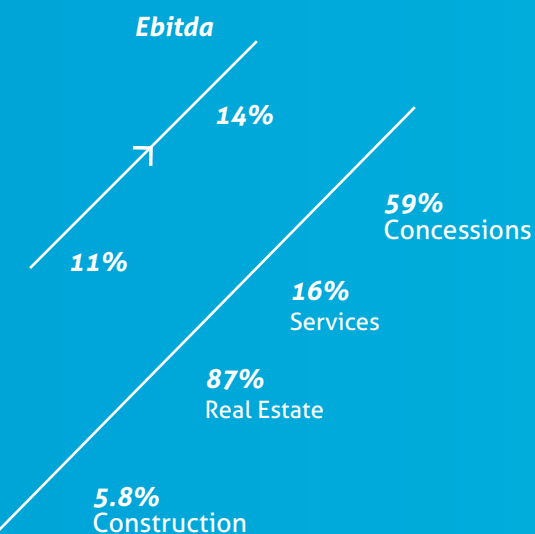
Operational profitability has improved while maintaining a stable and noteworthy Ebitda.

The company's various businesses are operating normally, demonstrating the value of the diversification strategy put into place by the Group since its beginnings: activities linked to the economic cycle alongside more recurrent activities, all with assets of optimal quality.



The Group effectively combines short and long term businesses. Thus, in Construction and Concessions, the Group controls and provides added value at all the stages. In the Services and Industry business, the company is oriented to satisfying the global needs of its clients. The company provides efficient and strict management in the Real Estate business to continue increasing business value.

All the above would not be possible without the capacity for leadership, service, innovation, endeavour and commitment demonstrated by the Group's teams to our clients and the market.



BUSINESS MODEL

reaction to changes in the surroundings

- From a company whose growth was based on leverage and corporate operations **search for size.**
- To a company focused on its primary businesses and its proven technical capacity. **Search for profitability and valuation of its qualitative strengths.**

FINANCIAL STABILITY

reaction versus the market crisis

- From 20 to 8.6 billion in financial debt.
- From 2 billion to 300 million in corporate debt.
- From a significant % of debt with recourse to the parent company to debt supported by assets.
- From a company with short-term debt to 75% of debt due after more than 3 years.
- Refinancing of Vallehermoso via “ring fencing” until 2015.
- Reduction in exposure to Repsol and refinancing until 2015.
- Capital reinforcement: in terms of equity, capex covered 100%.
- Standard divesting policy based on asset quality.
- Ordered balance sheet.
- Adjustment of asset assessment and necessary provisions.

PREDICTABILITY AND
TRANSPARENCY

reaction versus market demand

- Clear and defined strategy.
- Very high profile communications policy.
- High degree of quarterly financial information.

INTERNATIONALISATION

reaction versus domestic market situation

- From 27% of international portfolio to 56% of presence abroad:
 - 80% in Construction
 - 66% in Concessions
 - 33% in Services and Industry
- From negligible international invoicing to 41% of invoicing from abroad.
 - 51% in Construction
 - 64% in Concessions
 - 27% in Services and Industry

PORTFOLIO AND EBITDA

reaction versus loss of size

- From a portfolio worth 36 billion to a portfolio worth 41 billion.
- From 11 billion in Ebitda to 16 billion.
- From 600 million in annual Ebitda to more than 500 million (permanent sustained level).
- From 11% to 14% of operating margin.

OPERATIONAL BUSINESSES

adequate mix versus adverse cycles

- Stability of Testa.

- Profitable growth of Services and Industry.
- Potential of Sacyr Concesiones.

- International growth of construction.

- Elimination of Vallehermoso stock (from 12,000 to 700 units).

ASSET QUALITY

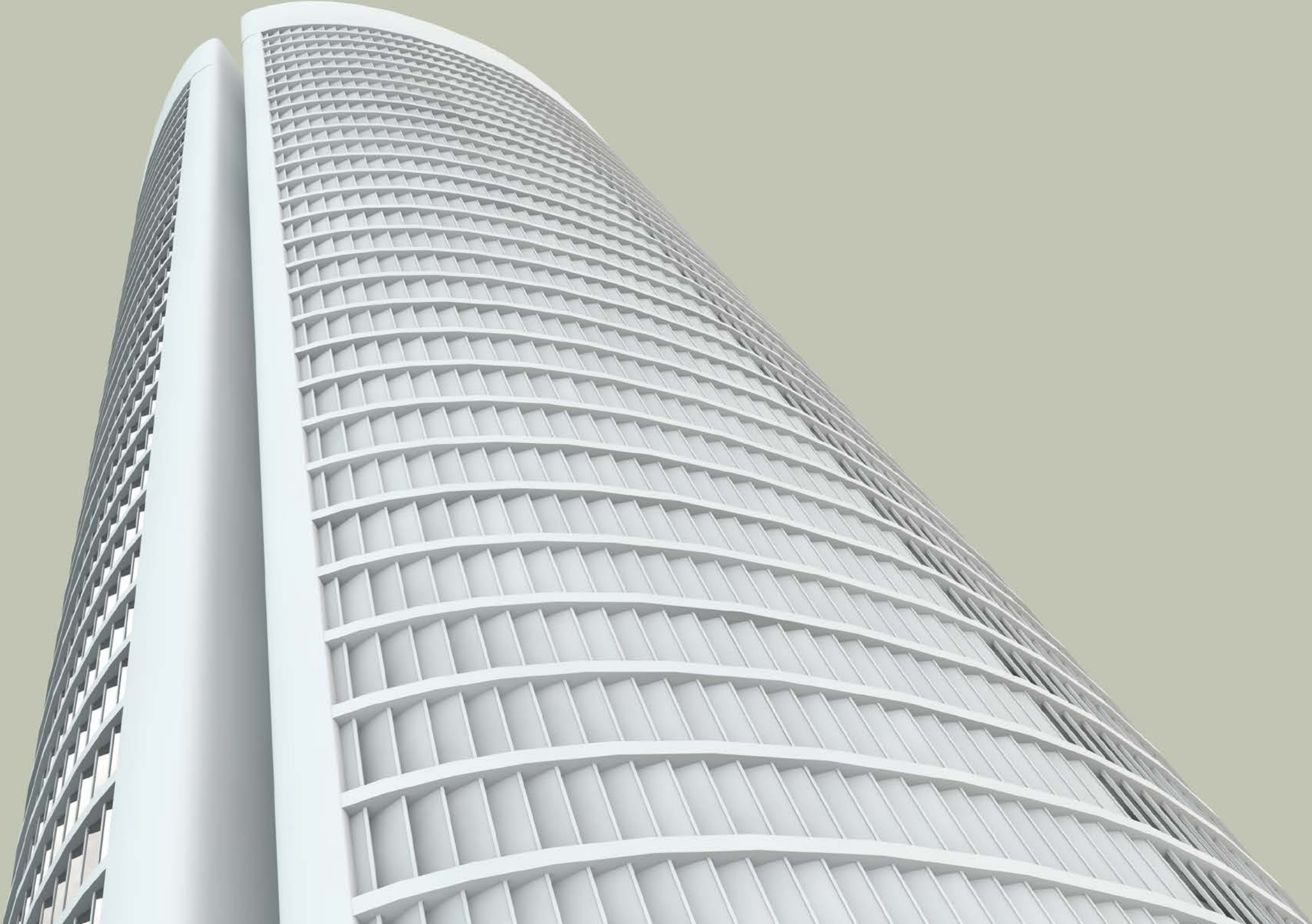
- Stable evaluation of Testa.
- Occupation of 97%.
- Value of Vallehermoso much higher than the debt.
- Remaining 28 years in Concessions. Financed 100%.
- 11.5 billion portfolio in Valoriza with 16% margin.
- Recognised technical capacity in construction work.

CONCLUSION

- Prepared to take advantage of a potential improvement in the macro setting.
- Free percentage in the stock exchange over 40% =less volatility.
- Very high stock potential.
- Company with a major number of PURCHASE recommendations.

09 Appendices

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1

GRI Table of Contents

1	STRATEGY AND ANALYSIS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
1.1	Statement from the most senior decision-maker of the organization.	15	Fully			
1.2	Description of key impacts, risks, and opportunities.	42, 67, 82, 86, 302-309	Fully			
2	ORGANIZATIONAL PROFILE	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
2.1	Name of the organization.	6, 7	Fully			
2.2	Primary brands, products, and/or services.	6, 7	Fully			
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6, 7	Fully			
2.4	Location of organization's headquarters.	346	Fully			
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	8, 9	Fully			
2.6	Nature of ownership and legal form.	6	Fully			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	6-7, 34	Fully			

2	ORGANIZATIONAL PROFILE	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
2.8	Scale of the reporting organization.	6, 12, 13, 102	Fully			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	28	Fully			
2.10	Awards received in the reporting period.	Don´t received awards in the reporting period	Fully			
3	REPORT PARAMETERS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	4	Fully			
3.2	Date of most recent previous report (if any).	4	Fully			
3.3	Reporting cycle (annual, biennial, etc.)	4	Fully			

3	REPORT PARAMETERS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
3.4	Contact point for questions regarding the report or its contents.	344	Fully			
3.5	Process for defining report content.	4, 5	Fully			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	4, 6 -9	Fully			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	4	Fully			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	6, 7, 8, 9	Fully			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	4	Fully			

3	REPORT PARAMETERS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	4	Fully			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	4, 36	Fully			
3.12	Table identifying the location of the Standard Disclosures in the report.	312-337	Fully			
3.13	Policy and current practice with regard to seeking external assurance for the report.	4	Fully			
4	GOVERNANCE, COMMIT- MENTS, AND ENGAGEMENT	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	52 - 56	Fully			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	53	Fully			

4	GOVERNANCE, COMMIT- MENTS, AND ENGAGEMENT	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	53	Fully			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	124, 131, 157-158, 162	Fully			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	64 - 65	Fully			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	54 -56	Fully			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	54 -56	Fully			
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.	20 - 22, 60 - 63, 76 - 79	Fully			

4	GOVERNANCE, COMMIT- MENTS, AND ENGAGEMENT	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	54 - 56	Fully			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	54 - 56	Fully			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	67 - 71	Fully			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	250 - 259, 261, 276, 280	Fully			
4.13	Memberships in associations (such as industry associations) and/ or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	98 - 100	Fully			

4	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
4.14	List of stakeholder groups engaged by the organization.	5	Fully			
4.15	Basis for identification and selection of stakeholders with whom to engage.	5	Fully			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	158 - 162	Fully			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	102, 257, 261, 276, 280	Fully			
EC	ECONOMIC	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
ECONOMIC PERFORMANCE		6-7	Fully			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6, 12, 13, 38, 40, 41, 152, 174, 182, 183, 257	Fully			
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	280-282	Partially	A quantitative estimate of the financial implications of climate change in the company has not been performed.	The tools necessary to report this information are not available at this time.	2014

EC	ECONOMIC	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
EC3	Coverage of the organization's defined benefit plan obligations.	The SyV Group has two pension plans for employees in Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (EMMASA) and in Empresa Mixta de Aguas de Las Palmas, S.A. (EMALSA)."	Fully			
EC4	Significant financial assistance received from government.	97	Fully			
MARKET PRESENCE		8, 9	FULLY			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Irrespective of the location of operation, SyV offers its employees remuneration that is equal to or greater than the local minimum wage in accordance with their professional category	Fully			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	The SyV Group does not have a global policy focusing on prioritisation of the use of local suppliers	Fully			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	The SyV Group does not have any specific procedures that give priority to hiring local labor.	Fully			
INDIRECT ECONOMIC IMPACTS		250-259	Fully			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	198-202, 209-2010, 219-220, 223-224, 226	Fully			

EC	ECONOMIC	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	257	Fully			
EN	ENVIRONMENTAL	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
MATERIALS		260 - 264	FULLY			
EN1	Materials used by weight or volume.	260 - 264	Fully			
EN2*	Percentage of materials used that are recycled input materials.	263	Partially	The scope of the data reported in the indicator refers only to Spain.	Currently, Sacyr does not have a reporting mechanism capable of gathering the information required by the indicator at an international level.	2014
ENERGY		281 - 287	Fully			
EN3*	Direct energy consumption by primary energy source.	283 - 286	Fully			
EN4*	Indirect energy consumption by primary source.	283 - 286	Fully			
EN5	Energy saved due to conservation and efficiency improvements.	283 - 286	Fully			
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	280 - 282	Fully			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	280 - 284	Fully			

EN	ENVIRONMENTAL	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
WATER		272 - 274	FULLY			
EN8	Total water withdrawal by source.	272, 273	Fully			
EN9	Water sources significantly affected by withdrawal of water.	No water sources significantly affected by withdrawal of water were detected in 2012	Fully			
EN10	Percentage and total volume of water recycled and reused.	272 - 274	Fully			
BIODIVERSITY		293 - 296	FULLY			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	293	Fully			
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	293 - 299	Fully			
EN13	Habitats protected or restored.	293 - 299	Fully			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	293 - 299	Fully			

EN	ENVIRONMENTAL	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	298	Fully			
EMISSIONS, EFFLUENTS AND WASTE		288 - 293, 264 - 271, 275 - 278	FULLY			
EN16*	Total direct and indirect greenhouse gas emissions by weight.	290 - 293	Fully			
EN17	Other relevant indirect greenhouse gas emissions by weight.	292 - 293	Fully			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	47, 95, 139, 143, 144, 280, 281, 288	Fully			
EN19	Emissions of ozone-depleting substances by weight.	290 – 293 The data are supplied in Kg/year rather than in metric tons	Fully			
EN20*	NOx, SOx, and other significant air emissions by type and weight.	290 - 293	Fully			
EN21	Total water discharge by quality and destination.	277	Fully			
EN22*	Total weight of waste by type and disposal method.	265 - 271	Fully			
EN23	Total number and volume of significant spills.	278	Fully			

EN	ENVIRONMENTAL	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
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 transported waste shipped internationally.	The SyV Group does not transport, import, export or treat hazardous waste, and hence this indicator is considered non-material	Fully			
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	In 2012 no episodes were observed in which liquid effluents generated by the organisation caused any significant damage to the environment	Fully			
PRODUCTS AND SERVICES		29	Fully			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	94 - 96, 98, 146, 150, 280–282, 294-299	Fully			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	In due consideration of the nature of the products and services sold by the SyV Group, this indicator was considered nonmaterial.	Fully			
COMPLIANCE		260	FULLY			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	152	Fully			

EN	ENVIRONMENTAL	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 MOTIVO DE LA OMISIÓN	4 EXPLANA- TION
TRANSPORT		324	FULLY			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Most transportation activity is carried out by subcontractors and suppliers, which receive a code of good practices based on the main environmental aspects in association with transportation that have been identified by SyV.	Fully			
OVERALL		260	Fully			
EN30	Total environmental protection expenditures and investments by type.	151 - 152	Fully			
LA	SOCIAL: LABOR PRACTICES AND DECENT WORK	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
EMPLOYMENT		118 - 119	FULLY			
LA1*	Total workforce by employment type, employment contract, and region, broken down by gender.	32, 102 - 111	Partially	Breakdown of contract types by gender. The scope of these data per work day refers only to Spain.	Currently, Sacyr does not have a reporting system capable of gathering the missing information.	2014
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	102, 108-109, 111-112	Fully			

LA	SOCIAL: LABOR PRACTICES AND DECENT WORK	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	128, 129	Fully			
LABOR/MANAGEMENT RELATIONS		102	FULLY			
LA4	Percentage of employees covered by collective bargaining agreements.	131	Fully			
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	131	Fully			
OCCUPATIONAL HEALTH AND SAFETY		133 - 135	FULLY			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	133	Fully			
LA7*	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	112 - 115	Partially	Breakdown by gender. The scope of the data reported in the indicator refers only to Spain.	The reporting system is not capable of breaking down the information by gender.	2014
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	133	Fully			

LA	SOCIAL: LABOR PRACTICES AND DECENT WORK	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
LA9	Health and safety topics covered in formal agreements with trade unions.	134 - 136	Fully			
TRAINING AND EDUCATION		120 - 128	FULLY			
LA10	Average hours of training per year per employee by gender, and by employee category.	121-122, 149	Fully	Breakdown by gender. The scope of the data reported in the indicator refers only to Spain.	The reporting system is not capable of breaking down the information by gender.	2014
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	123 - 128	Fully			
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	126	Fully			
DIVERSITY AND EQUAL OPPORTUNITY		128 - 129	FULLY			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	52, 56, 57	Fully			
EQUAL REMUNERATION FOR WOMEN AND MEN		129 - 130	Fully			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	129	Fully			
EMPLOYMENT		118 - 119	FULLY			
LA 15	Return to work and retention rates after parental leave, by gender.	113 - 115	Fully			

HR	SOCIAL: HUMAN RIGHTS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
INVESTMENT AND PROCUREMENT PRACTICES		130	FULLY			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	130, 154	Fully			
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	130, 154	Fully			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	130 Although there are no training programmes focusing on human rights, SyV guarantees that all its activities (including those of its suppliers) are carried out pursuant to protection of such rights.”	Fully			
NON-DISCRIMINATION		130	FULLY			
HR4	Total number of incidents of discrimination and corrective actions taken.	131	Fully			

HR	SOCIAL: HUMAN RIGHTS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
FREEDOM OF ASSOCIATION AND COLLEC- TIVE BARGAINING		131	FULLY			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	131	Fully			
CHILD LABOR		130	FULLY			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	130	Fully			
PREVENTION OF FORCED AND COMPULSORY LABOR		130	FULLY			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	130	Fully			
SECURITY PRACTICES		76 - 79	Fully			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	The SyV Group does not have its own security personnel, since it always subcontracts these services to specialist firms	Fully			
INDIGENOUS RIGHTS		129	FULLY			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No such incidents occurred in 2012	Fully			

HR	SOCIAL: HUMAN RIGHTS	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
ASSESSMENT		129	FULLY			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	130	Fully			
REMEDiation		129	Fully			
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	130	Fully			
SO		CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
LOCAL COMMUNITIES		152	FULLY			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	140, 257	Fully			
CORRUPTION		152	FULLY			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	67	Fully			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	76-77	Fully			
SO4	Actions taken in response to incidents of corruption.	71 No incidents of corruption occurred in 20112	Fully			

SO	SOCIAL: SOCIETY	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
PUBLIC POLICY		162	FULLY			
SO5	Public policy positions and participation in public policy development and lobbying.	160	Fully			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No contributions are made to political parties or associated institutions.	Fully			
ANTI-COMPETITIVE BEHAVIOR		67	FULLY			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Penalties have not been imposed for monopolistic competition or equivalent activities.	Fully			
COMPLIANCE		250	FULLY			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	152	Fully			
LOCAL COMMUNITIES		152	FULLY			
SO9	Operations with significant potential or actual negative impacts on local communities.	SyV does not carry out any operations with adverse effects on local communities	Fully			
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Since SyV does not carry out operations with adverse effects on the local communities where it operates, no courses of action are deployed to mitigate or prevent these impacts, with the exception of environmental action mentioned under "Commitment to the Environment	Fully			

PR	SOCIAL: PRODUCT RESPON- SIBILITY	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANA- TION
CUSTOMER HEALTH AND SAFETY		96	FULLY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	96	Fully			
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	96	Fully			
PRODUCT AND SERVICE LABELLING			FULLY			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	In due consideration of the professional business of the SyV Group, there is ordinarily no need for any labelling of products and services. SyV does, however, guarantee compliance with all its legal obligations to provide information to customers, particularly information concerning the qualities of the materials employed, instructions for maintenance, contact data for claims etc.	Fully			

PR	SOCIAL: PRODUCT RESPONSIBILITY	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANATION
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No such incidents occurred in 2012	Fully			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	140, 154-155	Fully			
MARKETING COMMUNICATIONS			FULLY			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	The SyV Group does not currently subscribe to voluntary codes or standards governing this issue. There is, however, a code of conduct that covers all areas of management.	Fully			

PR	SOCIAL: PRODUCT RESPONSIBILITY	CROSS-REFERENCE/ DIRECT ANSWER	1 FULLY	2 IF APPLICABLE, INDICATE THE PART NOT REPORTED	3 REASON FOR OMISSION	4 EXPLANATION
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	No such incidents occurred in 2012	Fully			
CUSTOMER PRIVACY		87	FULLY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	87 No such incidents occurred in 2012	Fully			
COMPLIANCE		96	FULLY			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	152	Fully			

* Performance indicators reviewed by PwC, with a limited assurance scope, based on standard ISAE 3000

2 Audit certificates and reports



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 (EN02, EN03, EN04, EN16, EN20 and EN22) and labor performance indicators (LA01 and LA07), included as part of Appendix I "GRI Table of Contents" of the Consolidated Annual Report 2012 of Sacyr S.A. and its subsidiary companies (hereafter Sacyr), for the year ending 31st December 2012, 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 I have not been subject to this review.

The Management of Sacyr is responsible for the preparation of the Consolidated Annual Report 2012, 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 14th February 2013.

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 participated in the preparation of the performance indicators subject to this review and included in the Consolidated Annual Report 2012, 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 in compiling and validating the indicators subject to this review and presented in the Consolidated Annual Report 2012.
- Analysis of whether the performance indicators subject to this review, and presented in the Consolidated Annual Report 2012, 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, set down in the Consolidated Annual Report 2012 and whether or not they have been properly compiled on the basis of the data provided by Sacyr's information sources.

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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

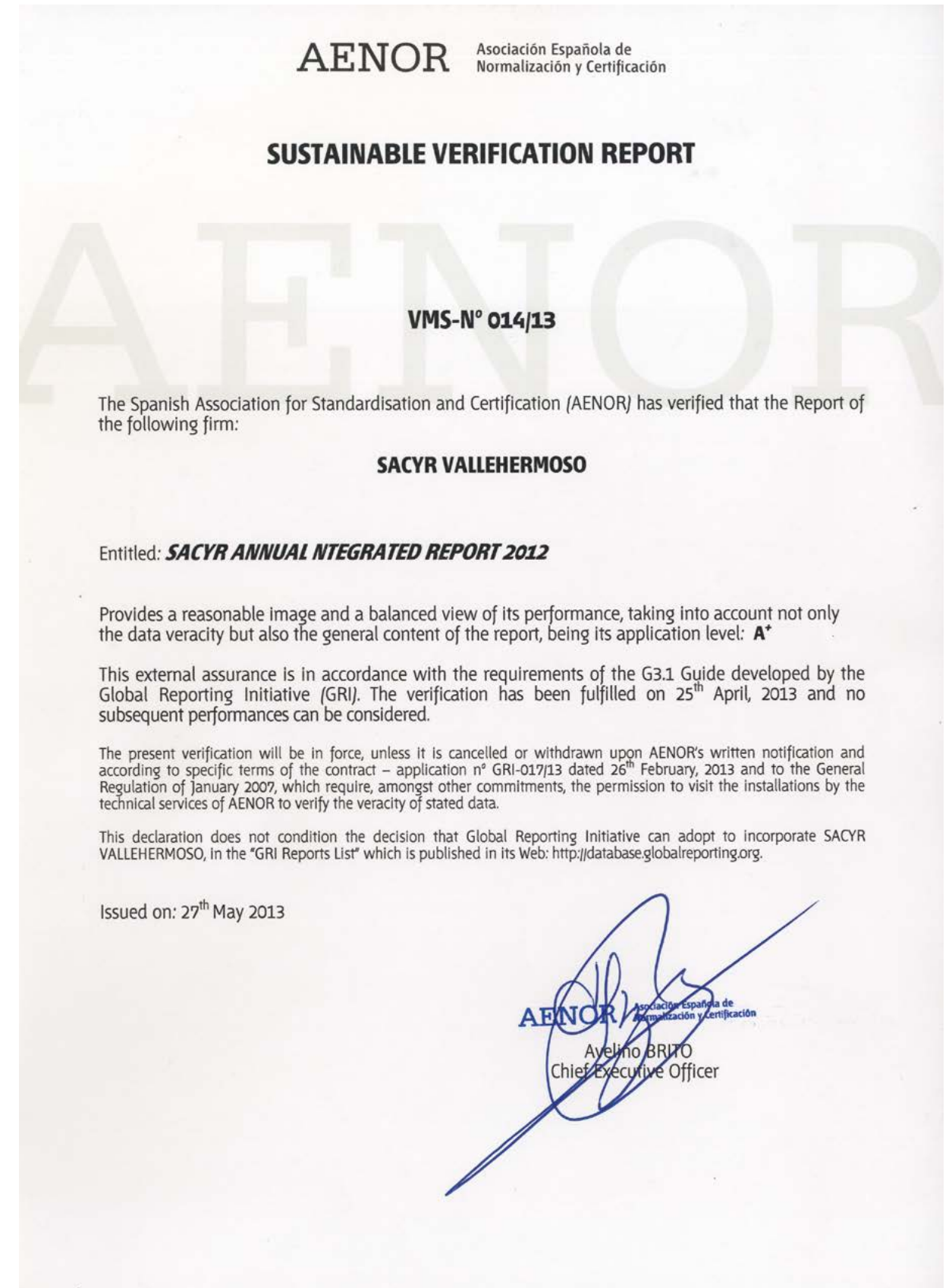
On the basis of the results of our review, nothing has come to our attention that causes us to believe that the environmental performance indicators (EN02, EN03, EN04, EN16, EN20 and EN22) and labor performance indicators (LA01 and LA07) subject to this review, included as part of Appendix I "GRI Table of Contents" of the Consolidated Annual Report 2012 of Sacyr, contains significant mistakes or has not been prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines GRI, version 3.1 (G3.1).

PricewaterhouseCoopers Auditores S.L.

Mª Luz Castilla
Directora
Madrid, 31st May 2013

3

Verification certificates and reports



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

m³ Cubic metre

MTAS Ministry of Labour and Social Affairs (currently Ministry of Labour and Immigration –MTIN–)

N/A Not available

OCIC Internal Control and Communications Body (Prevention of money laundering)

ILO International Labour Organisation

NGO Non-Governmental Organisation

UN United Nations

OPA Initial Public Offering

PEFC Programme for the Endorsement of Forest Certification schemes

ORP Occupational Risk Prevention

PTEC Spanish Technological Construction Platform

SME Small and Medium-sized Enterprises

CR Corporate Responsibility

CDW Construction and Demolition Waste

HR Human Resources

SUW Solid Urban Waste

EMS Environmental Management System

SyV Sacyr Vallehermoso Group

t tonne

U Units

TJV Temporary Joint Venture

SBPA Special Bird Protection Area

5 Your opinion is important

At Sacyr we hope that this report adequately satisfies your requirements for information concerning the organisation and helps to attain the fullest possible vision of the Group's current situation.

Should you wish to send any questions, comments or suggestions regarding the contents of this report or our responsible management practices, please contact the relevant departments in the **Organisation's Headquarters**.

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Your opinión is extremely useful to us and helps us improve both the quality of the information made public and our own management of the economic, social and environmental aspects associated with our activity.

At Sacyr we thank you for your cooperation in advance and trust that it will lead to better service on our part.

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