



— **SUMMARY REPORT** —
1ST QUARTER 2016 —



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1. MAIN ACCOMPLISHMENTS

- **“Latin America Social Infrastructure Deal of the Year 2015” Award for the Hospitals of Chile at the IJGlobal Awards.**

Granted at the ceremony held last 16 March at the Mandarin Oriental Hotel in NYC by the American magazine “IJGlobal” (Euromoney) to Grupo SANJOSE for the issuance of bonds in Chile for the financing of El Carmen Dr. Luis Valentín Ferrada Hospital of Maipu and the Metropolitan Hospital La Florida Dr. Eloísa Díaz Insunza of Chile. This issuance of bonds is a pioneering transaction in Chile for a hospital concession and the first one in the last 8 years for the financing of infrastructure.

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

- **The works of the new hospital of Ovalle reach 4%.**

SANJOSE Constructora is involved in the construction of this new healthcare infrastructure in Chile (EUR 85.88 million), which shall include 340 beds arranged into a total built surface amounting to 40,000 m².

The Hospital which shall provide healthcare services to the provinces of Limarí and Choapa by 2018 has been designed to provide energy savings and provide patients with an avant-garde centre.

During an official tour, the Regional Manager of Healthcare of Coquimbo, Ernesto Jorquera, started: *“we are satisfied with the progress of the works since we are meeting the schedule”*.

- **SANJOSE Constructora will execute in Cape Verde the 5* White Sands Hotel&Spa**

SANJOSE will build a new resort in Cape Verde, at the Island of Boavista. The 5* White Sands Hotel & Spa will cover a total built surface of 70,606 m² in a plot of land of 130,500 m².

The complex will include a 5* hotel with 188 rooms and 4 apartments, 15 villas, 632 housing units, theatre with 250 seats, 5 restaurants, 6 lounge bars, 14 swimming-pools, 76 car park spaces, playground, gym and spa.

SANJOSE Constructora is currently executing other two important 5* hotels in the country: Llana Beach Resort & Spa in Salt Island and the enlargement of the Riu Touareg in the island of Boavista.

- **SANJOSE will be responsible for the conservation and improvement works of the green spaces of San Sebastian de los Reyes for 55 months for EUR 15.87 million.**

The City Hall of San Sebastian de los Reyes has awarded the JV formed by SANJOSE Constructora and El Ejidillo Viveros Integrales the conservation and improvement of the green spaces, trees, bushes and urban furniture of the city. Total affected surface amounts to 2,600,000 m²

Grupo SANJOSE relies on important clients, such as National Heritage, Canal de Isabel II, IFEMA and the City Halls of Madrid, Valladolid and Ferrol.

- **Former French Chairman Nicolas Sarkozy tours the Louvre Abu Dhabi Museum.**

The Chairman of TDIC, his Excellency Ali Majed Al Mansoori, and the President of Tourism and Culture of Abu Dhabi, Mr. Mohammed Khalifa Al Mubarak received the former French Chairman and visited the construction works of the Louvre de Abu Dhabi Museum, designed by the Pritzker Award Architect Jean Nouvell.

After the tour, the Chairman of TDIC stated that *"the construction works are on the good path and we expect it to be commissioned by the half 2016"*.

SANJOSE Constructora, in joint venture with Arabtect and Oger Abu Dhabi LLC, is executing this remarkable project for EUR 24 billion of Dirhams (nearly usd 661.4 million).

- **The 4* Vincci The Mint Hotels opens its doors at the Gran Vía of Madrid.**

The building located at 10, Gran Vía St. in Madrid (dated 1916 - 1919) has been renewed and remodelled as hotel preserving the former façade of great value and traditional appearance, seeking the contract with its modern inside by Jaime Beriestain.

The new hotel has a total surface of 5,686 m² and 88 rooms.

- **SANJOSE Engineering and Industrial Construction shall execute the electrical mechanical works of the new plant of Campofrío in Burgos.**

Campofrío has awarded SANJOSE Constructora, through its Engineering and Industrial division, which counts on a wide record experience in this type of activities, the electrical and mechanical works of its new plant in Burgos.

The new factory will involve an important technology step with regards to the previous one and intends to be an European reference within the sector, and shall be a sustainable factory at all levels, seeking to optimise the consumption of water and energy and minimise CO₂ emissions..

The factory shall cover 97,000 m², and is expected to be operative at the end of 2016.

- **Enlargement of the Winery Marqués de Murrieta in La Rioja.**

Mr. Luciano Murrieta produced the first vines of La Rioja in 1852 and was a pioneer in their exportation abroad.

The current owners, who have successfully managed tradition and modernism, have entrusted SANJOSE Constructora the enlargement works of their most ancient and well-known facilities in Finca Igay.

- **Enlargement of the hangar of Globalia in Palma de Mallorca.**

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

- **20 luxury villas at La Finca in Marbella.**

The Company "Finca de Marbella Rio Real, S.L." has awarded SANJOSE Constructora the execution of 20 modern villas arranged into separate plots of land of 800 m² each. Total built surface shall amount to 4,000 m².

2. MAIN CONSOLIDATED FIGURES

Main consolidated figures of Grupo SANJOSE for the first term of 2016 (1Q-2016), having recorded a EUR 2.2 million profit versus the EUR 8.7 million loss in the same period of previous year, are as follows.

Thousands of euros			
	Grupo SANJOSE		
	Mar. 16	Mar.15	Var.(%)
Revenue	132,552	135,014	-1.8%
Operating cash flow (EBITDA)	10,412	14,445	-27.9%
	EBITDA margin	7.9%	10.7%
Ordinary operating profit (EBIT)	9,132	13,475	-32.2%
	EBIT margin	6.9%	10.0%
Earnings before tax	5,345	-7,648	--
Income tax	-3,114	1,692	--
Profit after tax from continued operations	2,231	-5,957	--
Profit after tax from non-continued operations	0	-2,711	--
Profit/(Loss) for the period	2,231	-8,667	--
Backlog (millions of euros)	1,876	1,971	-4.8%

To be highlighted:

- **EUR 5.3 million profit before tax, versus EUR 7.6 million loss in the same period of the previous year**
- **EUR 2.2 million profit**
- **Fourth straight quarter of profits**

Revenue:

Net Revenue of Grupo SANJOSE for the first quarter of 2016 stands at EUR 132.6 million, experiencing a slight 1.8% decrease compared to the same period of the previous year.

Construction is the main business activity of the Group, representing 81% total revenue and 87% contract backlog of the Group at 31 March 2016.

Construction turnover for 1Q-2016 stands at EUR 107.7 million, recording a 0.9% increase compared to sales in the same period of the previous year.

The real estate division, records a 37.5% increase due to the commissioning of stage IX of the residential development Parques de la Huaca in Lima (Peru).

Concessions and Services decreases 40.4% as a consequence of the implementation and operation stage of the Hospitals of Chile under concession regime, 2015 recorded a non-recurrent increase in sales EUR 8.9 million for this line of activity.

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

Thousands of euros

Revenues by activity	Grupo SANJOSE				
	Mar. 16		Mar. 15		Var.(%)
Construction	107,742	81.2%	106,809	79.1%	0.9%
Real estate and property development	8,204	6.2%	5,965	4.4%	37.5%
Energy	2,607	2.0%	3,121	2.3%	-16.5%
Concessions and services	10,612	8.0%	17,796	13.2%	-40.4%
Adjustment and other	3,387	2.6%	1,323	1.0%	
TOTAL	132,552		135,014		-1.8%

Once again, the good performance of international markets is clear representing 60% total revenue of Grupo SANJOSE.

In the domestic market, turnover records a 14.3% increase, representing 40% of the Group's total revenue. A 10.4% decrease is recorded in the international market due to the aforementioned changes in the Concessions and Services line of activity.

Thousands of euros

Revenues by geography	Grupo SANJOSE				
	Mar. 16		Mar. 15		Var.(%)
National	53,348	40%	46,660	35%	14.3%
International	79,204	60%	88,354	65%	-10.4%
TOTAL	132,552		135,014		-1.8%

Profit:

EBITDA of Grupo SANJOSE for 1Q-2016 amounts to EUR 10.4 million, representing 7.9% on annual revenues.

EBITDA margins are improved as a consequence of the activities within the Construction and Real Estate and Urbanisation Developments. EBITDA decrease for Concessions and Services is due to the operation stage of the hospitals of Chile.

The breakdown of EBITDA for 1Q-2016 by sector is as follows:

:

Thousands of euros

EBITDA by activity	Grupo SANJOSE		
	Mar. 16	Mar.15	Var.(%)
Construction	4,585	1,920	138.8%
Real estate and property development	2,850	1,967	44.9%
Energy	673	760	-11.4%
Concessions and services	2,093	9,933	-78.9%
Adjustment and other	211	-135	-0.9%
TOTAL	10,412	14,445	-27.9%

EBIT of Grupo SANJOSE for 1Q-2016 amounts to EUR 9.1 million, and resulted in a 6.9% margin on annual revenues.

Profit after tax for Grupo SANJOSE for 1Q-2016 stands at EUR 2.2 million.

3. ANALYSIS BY SECTOR

3.1 Construction:

This line of activity has generated revenues for EUR 107.7 million during 1Q-2016, representing a 0.9% increase compared to the same period of the previous year.

EBITDA for the period stands at EUR 4.6 million versus the EUR 1.9 million recorded for the same period of the previous year, what represents a considerable increase and 4.3% on total sales.

The outcome before tax for 1Q-2016 is negatively affected by the financial result, mainly due to exchange rate differences, varying from EUR +1.5 to EUR -0.3 million in the first quarter of 2015 and 2016, respectively.

At the end of the year, project backlog for this line of activity amounts to EUR 1,064 million, recording a 16.9% increase regarding the previous year.

Thousands of euros

CONSTRUCTION	Grupo SANJOSE		
	Mar. 16	Mar.15	Var.(%)
Revenue	107,742	106,809	0.9%
Earnings before interest, taxes, D&A (EBITDA)	4,585	1,920	138.8%
EBITDA margin	4.3%	1.8%	
Earnings before interest and taxes (EBIT)	3,388	2,444	38.6%
EBIT margin	3.1%	2.3%	
Earnings before tax of continued operations	550	1,801	-69.5%
Backlog (millions of euros)	1,064	911	16.9%

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

Thousands of euros

DETAIL OF CONSTRUCTION REVENUES	National		Internac.		Total	
Civil works	6,425	5.3%	7,699	11.7%	14,124	13.1%
Non residential building	30,264	72.2%	52,994	80.5%	83,258	77.3%
Residential building	2,992	7.1%	5,101	7.8%	8,092	7.5%
Industrial	2,268	5.4%	0	0.0%	2,268	2.1%
TOTAL	41,948	39%	65,794	61%	107,742	

Construction revenue at international level for 1Q-2016 stands at EUR 65.8 million, recording a 1.9% decrease compared to the same period of the previous year, and representing 61% of the total revenue of this line of activity

Sales at domestic level have increased up to EUR 41.9 million compared to EUR 39.7 million in the same period of 2015. Domestic sales represent 39% total sales of this line of activity.

The international strategy is expected to be strengthened in the coming months due to the international character of the contract backlog and the significant amount of international tenders SANJOSE Constructora is participating in through its branch offices and subsidiaries in more than twenty countries and at the end of the year 2015 and 1Q-2016, new project in Malta and Mexico have been implemented.

3.2 Real Estate:

Revenue for 1Q-2016 for the real estate and urban development activity (mainly in Peru) of Grupo SANJOSE stands at EUR 8.2 million.

A 37.5% increase on sales is recorded due to the commissioning of stage IX of the residential development Parques de la Huaca in Peru.

EBITDA rises up to EUR 2.8 million, recording 44.9% increase compared to the same period of the previous year.

Said EBITDA represents 34.7% on sales (33% in the previous year).

Thousands of euros			
REAL ESTATE AND PROPERTY DEVELOPMENT	Grupo SANJOSE		
	Mar. 16	Mar. 15	Var.(%)
Revenue	8,204	5,965	37.5%
Earnings before interest, taxes, D&A (EBITDA)	2,850	1,967	44.9%
EBITDA margin	34.7%	33.0%	
Earnings before interest and taxes (EBIT)	3,334	2,735	21.9%
EBIT margin	40.6%	45.9%	
Earnings before tax of continued operations	4,082	3,338	22.3%

3.3 Energy:

Net revenue for 1Q-2016 stands at EUR 2.6 million.

Despite the decrease in sales, the EBITDA percentage over total sales for this line of activity for 1Q-2016 stands at 25.8%, improving that for the same period of the previous year, what represents stability and recurrence.

Profit before tax amounts to EUR 35 thousand, versus the loss recorded for the same period of the previous year.

Thousands of euros			
ENERGY	Grupo SANJOSE		
	Mar. 16	Mar. 15	Var.(%)
Revenue	2,607	3,121	-16.5%
Earnings before interest, taxes, D&A (EBITDA)	673	760	-11.4%
EBITDA margin	25.8%	24.4%	
Earnings before interest and taxes (EBIT)	247	212	16.4%
EBIT margin	9.5%	6.8%	
Earnings before tax of continued operations	35	-149	
Backlog (millions of euros)	550	720	-23.6%

Grupo SANJOSE has for this line of activity contracted revenues amounting to EUR 550 million, which are materialised as higher activity of the group in a period of approximately 20 years.

Reductions during 4Q-2015 are due to the enforcement of contracts of Grupo SANJOSE and regularizations consequence of periodic revisions performed by the Group of the main business lines of activity, taking into account recent amendments of standards and occupation levels.

3.4 Concessions and Services:

Net revenue for 1Q-2016 stands at EUR 10.6 million, recording a 40.4% decrease. EBITDA amounted to EUR 2.1 million, experiencing a 79% reduction. Both reductions are due to the implementation and start of the operation stage of the hospitals of Chile in 2015, what involved a non-recurrent increase of sales and EBITDA for a total of EUR 8.9 million.

North withstanding the aforementioned, profit before tax for 1Q-2016 stands at EUR 4.1 million versus the loss of the same period of 2015, for EUR -11.3 million.

Loss for 1Q-2015 is due to the settlements of derivatives associated to the emission of bonds devoted to finance the hospitals of Chile under concession regime as for the operation stage. As it has already been explained, this loss will be offset throughout the concession term due to the finance savings of the new financing structure with bonds.

At the end of 1Q--2016, contracted backlog of the Group for this line of activity amounts to EUR 262 million.

<small>Thousands of euros</small>			
CONCESSIONS AND SERVICES	Grupo SANJOSE		
	Mar. 16	Mar. 15	Var.(%)
Revenue	10,612	17,796	-40.4%
Earnings before interest, taxes, D&A (EBITDA)	2,093	9,933	-78.9%
EBITDA margin	19.7%	55.8%	
Earnings before interest and taxes (EBIT)	1,979	7,502	-73.6%
EBIT margin	18.7%	42.2%	
Earnings before tax of continued operations	4,068	-11,337	
Backlog (millions of euros)	262	341	-23.1%

4. FINANCIAL STATEMENTS

Consolidated Income Statement

Thousands of euros

	Grupo SANJOSE				
	Mar. 16		Mar.15		Variac.
	Amount	%	Amount	%	
Revenue	132,552	100.0%	135,015	100.0%	-1.8%
Other operating income	1,456	1.1%	4,706	3.5%	-69.1%
Change in inventories	-4,706	-3.6%	-480	-0.4%	879.9%
Procurements	-77,814	-58.7%	-87,760	-65.0%	-11.3%
Staff costs	-21,382	-16.1%	-19,602	-14.5%	9.1%
Other operating expenses	-19,693	-14.9%	-17,434	-12.9%	13.0%
EBITDA	10,412	7.9%	14,445	10.7%	-27.9%
Amortisation charge	-1,364	-1.0%	-1,066	-0.8%	28.0%
Impairment on inventories	412	0.3%	1,493	1.1%	-72.4%
Changes in trade provisions and other impairment	-328	-0.2%	-1,397	-1.0%	-76.5%
EBIT	9,131	6.9%	13,475	10.0%	-32.2%
Ordinary financial results	-2,512	-1.9%	-5,403	-4.0%	-53.5%
Changes in fair value for financial instruments	0	0.0%	-24,473	-18.1%	--
Foreign exchange results and others	-1,113	-0.8%	8,310	6.2%	--
NET FINANCIAL RESULT	-3,625	-2.7%	-21,566	-16.0%	-83.2%
Results on equity method	-162	-0.1%	442	0.3%	--
PROFIT BEFORE TAX	5,344	4.0%	-7,649	-5.7%	--
Income tax	-3,114	-2.3%	1,692	1.3%	--
PROFIT AFTER TAX CONTINUED OPERATIONS	2,230	1.7%	-5,957	-4.4%	--
Profit for the year from non-continued operations (net)	0	0.0%	-2,711	-2.0%	--
CONSOLIDATED PROFIT	2,230	1.7%	-8,668	-6.4%	--

- **Financial result:** a considerable improvement is recorded due to the decrease of finance result in 83.2% with regards to the same period of the previous year 2015, due to the costs incurred into in 1Q-2016 due to the financing restructuring in Chile (issuance of bonds), mainly due to the early settlement of derivatives associated to the amortization of bank financing.
- **Profit before tax:** EUR 5.3 million versus the EUR 7.6 million loss of the same period of the previous year.
- **Profit for the period:** profit for 1Q-2016 amounts to EUR 2.2 million compared to the EUR 8.7 million loss in 1Q- 2015.

Consolidated Balance Sheet

Thousands of euros

	Mar. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Intangible assets	18,524	2.0%	18,856	1.9%	-1.8%
Property, plant and equipment	46,678	5.0%	45,917	4.7%	1.7%
Real state investments	4,926	0.5%	5,664	0.6%	-13.0%
Investments accounted	60,259	6.5%	57,247	5.8%	5.3%
Long term financial investments	140,016	15.0%	154,331	15.7%	-9.3%
Deferred taxes assets	35,313	3.8%	35,484	3.6%	-0.5%
Goodwill on consolidation	9,984	1.1%	9,984	1.0%	0.0%
TOTAL NON-CURRENT ASSETS	315,700	33.9%	327,483	33.3%	-3.6%
Inventories	86,493	9.3%	92,176	9.4%	-6.2%
Trade and other receivables	207,544	22.3%	271,415	27.6%	-23.5%
Other short term financial investments	64,767	7.0%	61,941	6.3%	4.6%
Cash and cash equivalents	256,549	27.6%	231,834	23.5%	10.7%
TOTAL CURRENT ASSETS	615,353	66.1%	657,366	66.7%	-6.4%
TOTAL ASSETS	931,053	100.0%	984,849	100.0%	-5.5%

Thousands of euros

	Mar. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Equity attributable to shareholders of the parent	45,336	4.9%	46,368	4.7%	-2.2%
Minority interest	20,760	2.2%	21,680	2.2%	-4.2%
TOTAL EQUITY	66,096	7.1%	68,048	6.9%	-2.9%
Long term provisions	19,037	2.0%	19,223	2.0%	-1.0%
Long term financial liabilities	410,701	44.1%	405,944	41.2%	1.2%
Long term derivative financial contracts	1,276	0.1%	1,196	0.1%	6.7%
Deferred taxes liabilities	15,364	1.7%	14,460	1.5%	6.3%
Other long term liabilities	5,153	0.6%	5,178	0.5%	-0.5%
TOTAL NON CURRENT LIABILITIES	451,531	48.5%	446,001	45.3%	1.2%
Short term provisions	38,976	4.2%	37,471	3.8%	4.0%
Short term financial liabilities	48,414	5.2%	46,996	4.8%	3.0%
Payables to related companies	1,778	0.2%	1,748	0.2%	1.7%
Trade accounts and other current payables	324,258	34.8%	384,585	39.1%	-15.7%
TOTAL CURRENT LIABILITIES	413,426	44.4%	470,800	47.8%	-12.2%
TOTAL EQUITY & LIABILITIES	931,053	100.0%	984,849	100.0%	-5.5%

- **Net Equity:** The EUR 102.9 million shareholder loan of Grupo Empresarial San José, S.A. has been recorded under this item

Net Cash Position

Thousands of euros

NET CASH POSITION	Mar. 16		Dic. 15		Var.
	Amount	%	Amount	%	
Other short term financial investments	64,767	20.2%	61,941	21.1%	4.6%
Cash and cash equivalents	256,549	79.8%	231,834	78.9%	10.7%
Total cash	321,316	100%	293,775	100%	9.4%
Long term financial liabilities	410,701	88.8%	405,944	89.0%	1.2%
Long term derivative financial contracts	1,276	0.3%	1,196	0.3%	6.7%
Short term financial liabilities	50,191	10.9%	48,743	10.7%	3.0%
Total debt	462,169	100%	455,883	100%	1.4%
TOTAL NCP	140,853		162,107		-13.1%

Net cash position at 1Q-2016 amounts to EUR 140.9 million compared to EUR 162.1 million at 31 December 2015, what means a 13.1% reduction.

Assets increase by 9.4% due to the collection in 1Q-2016 of annual royalties for the operation and construction of the hospitals of Chile under concession regime.

Current net cash position increase (3%) and non-current net cash position increase (1.2%) is due to the recoding in Euros of the bonds issued to finance the two hospitals of Chile..

Net cash position at 31 March 2016 includes the funding of other non-recourse projects of Grupo SANJOSE for EUR 193.1 million.

5. PROJECT BACKLOG

Thousands of euros

BACKLOG by segment	Grupo SANJOSE				
	Mar. 16		Dic. 15		Var.(%)
Construction	1,064	57%	1,020	56%	4.4%
Civil works	217	12%	230	13%	-5.7%
Non residential building	774	41%	731	40%	5.8%
Residential building	57	3%	53	3%	7.4%
Industrial	16	1%	5	0%	197.5%
Energy	550	29%	553	30%	-0.4%
Concessions and services	262	14%	263	14%	-0.3%
Maintenance	39	2%	40	2%	-4.1%
Concessions	223	12%	223	12%	-0.1%
TOTAL BACKLOG	1,876	100%	1,835	100%	2.2%

Thousands of euros

BACKLOG by geography	Grupo SANJOSE				
	Mar. 16		Dic. 15		Var.(%)
National	918	49%	892	49%	2.9%
International	958	51%	943	51%	1.6%
TOTAL BACKLOG	1,876		1,835		2.2%

Thousands of euros

BACKLOG by client	Grupo SANJOSE				
	Mar. 16		Dic. 15		Var.(%)
Public client	1,130	60%	1,180	64%	-4.2%
Private client	746	40%	656	36%	13.7%
TOTAL BACKLOG	1,876		1,835		2.2%

Project backlog is stable both in volume and distribution by type of activity, geographic area and type of customer, experiencing a 2.2% increase.

The construction backlog, main business activity of the Group, has improved by 4.4%

Both, the energy and concessions and services backlog have experienced slight reductions due to the ordinary performance of contracts during 1Q-2016.

6. LEGAL DISCLAIMER

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