



— SUMMARY REPORT  
YEAR 2014 —



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## 1. MAIN ACCOMPLISHMENTS

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### ▪ Contracts awarded during the year

The main awards obtained by the Group during the financial year 2014 have been the following:

- **Design and rehabilitation of a section of the highway NH-232 in India:** The public entity "National Highways Authority of India", authorised manager of the India National Highway network, has awarded SANJOSE Constructora the design and rehabilitation of the section of Raebarely – a stretch of the national highway NH-232 in the State of Uttar Pradesh, with a total budget amounting to USD 70 million, and an estimated contract term of 30 months.
- **Construction of the largest private laboratory dedicated to fisheries research in Europe:** The National Association of Fish and Shellfish Manufacturers (Anfaco for its designation in Spanish - *Asociación Nacional de Fabricantes de Pescado y Marisco*) and the National Centre for the Conservation of Fishery Products (Cecopesca for its designation in Spanish - *Centro Nacional Técnico de Conservación de Productos de la Pesca*) has awarded SANJOSE Constructora the contract to build its new technology working centre at the university campus in Vigo.
- **Norvento, S.L. has awarded SANJOSE Constructora the construction of its new headquarters in Lugo:** The contract has been awarded to SANJOSE Constructora, has a completion term of 14 months and includes the most advanced energy efficiency technology.

### ▪ Awards and recognitions

- **El Carmen Dr. Luis Valentin Ferrada Hospital in Maipu (Chile) - International Award for the best hospital:** The El Carmen Dr. Luis Valentin Ferrada Hospital in Maipu (Chile) has been awarded the first prize for architectural quality in new healthcare buildings of more than 5,000 m<sup>2</sup> at the 23<sup>rd</sup> International Congress of Hospitals of the IFHE (International Federation of Hospital Engineering) held recently in Buenos Aires. This recognition joins that awarded by the Argentinean Association of Hospital Architecture and Engineering (ADAIH) for its contribution in the field of environmental, social and economic sustainability within the health care sector.
- **Refurbishment of the Land Title Registry Office of Vigo:** The project, designed by Jesús Irisarri and Guadalupe Piñera and executed by SANJOSE Constructora, has been awarded one of the "Gran de Area Awards 2014 for its contribution to Architecture" granted annually by the Official Professional Association of Architects of Galicia. The members of the jury appraised "its interpretation of heritage and the respect for the scale of the pre-existence, the contemporary architecture adapted to the resolution of a complex programme".
- **SANJOSE, once again among the most international construction companies according to the American publication ENR:** Grupo SANJOSE stands at position 164 within the "ENR Top 250 International Contractors" ranking, drafted annually by the specialised publication "Engineering News-Record" (ENR) which includes the most internationalised engineering and construction groups worldwide. These classifications are a worldwide reference within the construction sector and are the only ones accepted by governmental authorities of several countries. Further, they often represent a *sine qua non* condition to shortlist.

- **Other accomplishments**

- **Opening of the extension of the terminal building of the Vigo Airport (Spain):** On April 8<sup>th</sup> the new terminal building at the Vigo airport came into operation, designed by the architect César Portela and executed by SANJOSE Constructora. The works have included the remodelling and modernisation of 8,713 square meters of surface of the original infrastructure and an expansion up to the current 21,500 square meters.
- **Grupo SANJOSE accompanies His Majesty the King Juan Carlos on his visit to UAE:** In one of his last official visits abroad as King of Spain, His Majesty the King Juan Carlos visited the Emirates of Abu Dhabi and Kuwait accompanied by executives from major Spanish companies from April 13 to April 16. Among the business representation which accompanied King Juan Carlos on his visit was the President of SANJOSE Constructora, a company that boasts major works in Abu Dhabi, such as the Louvre Museum in Abu Dhabi and the Hospital of Al Ain. Both projects are valued at more than 1.5 billion dollars (USD).
- **SANJOSE starts the works of the Al Ain Hospital (UAE):** The consortium formed by SANJOSE Constructora and Arabtec Constructions LLC has begun the works at the new Hospital of Al Ain in the United Arab Emirates, awarded by the Abu Dhabi General Services, Musanada, for 900 million dollars (USD). The new health centre will be under construction over the next four years and will feature a built area of 315,000 m<sup>2</sup> that will accommodate, among other facilities, 719 beds (26 for Royal Suites and Vip patients), 67 units of intensive care, a high technology cardiology unit, the Regional Centre of excellence in rehabilitation medicine, a Centre for research and training of health professionals, the first dedicated stroke unit in the UAE, a power plant of 60 MW, a Mosque and 1,500 parking spaces.
- **The Central Hospital of Asturias (HUCA) opens its doors:** on 14 June the new HUCA, in whose construction SANJOSE Constructora participated, began its full operations with the opening of the Emergency Department. With a total surface of almost 300,000 m<sup>2</sup> the HUCA, one of the largest hospitals in Spain, includes an inpatient stay area, technical areas, outpatient area, emergency, rehabilitation, the National Institute of Silicosis, research centre, teaching areas, etc. Among its main figures, special emphasis should be given to its 1,039 beds, 121 intensive care units, 33 operating rooms, 200 outpatient consultation rooms, 120 rooms of exploration, 68 lifts or 2,045 parking spaces.
- **Beginning of the works on Highway NH-232 in the Indian State of Uttar Pradesh:** SANJOSE has completed the design and has begun the rehabilitation and maintenance works of the 133 km long stretch of Raebarely – a stretch of the national highway NH-232 in Uttar Pradesh, the most populous state of India with more than 200 million people. The design and the execution of the works on this road were recently awarded to SANJOSE by the public entity "National Highways Authority of India", Manager of the national highway network in India, with a total contract amount of 70 million dollars (USD) and an estimated completion term of 30 months.

- **Completion of the dome structure at the Louvre Museum in Abu Dhabi:** the Joint-venture formed by Arabtec Llc.- SANJOSE Abu Dhabi - Oger Abu Dhabi has completed the milestone of the installation of the dome structure at the Louvre Museum in Abu Dhabi, consisting of 85 steel elements, whose total weight amounts to approximately 7,000 tons. Designed by architect Jean Nouvel, 2008 winner of the Pritzker Prize, it will be the first venue of the Louvre Museum outside of France and will cover a total built area of 64,000 m<sup>2</sup>, including 30 buildings and 9,200 m<sup>2</sup> devoted to house exhibition galleries.
  
- **The Prime Minister of Cape Verde inaugurated the country's largest resort:** The Prime Minister of Cape Verde, Mr. José Maria Neves, has inaugurated the Meliá Dunes Beach Resort & Spa built by SANJOSE in the island of Sal. It is a five-star resort, with 107,067 m<sup>2</sup> of constructed area, which features, among other facilities, 1,143 suites distributed in different buildings, 14 bars, 5 restaurants, a spa, a gym, 5 outdoor swimming pools for adults, 2 children's pools and an amphitheatre of more than 1,000 m<sup>2</sup> for the celebration of sundry events. SANJOSE has also built the 5\* Tortuga Beach Resort & Spa of 46,715 m<sup>2</sup> in on Island of Sal, which opened in 2011. Also under construction by SANJOSE on the same island is a new resort of 46,065 m<sup>2</sup> which will bear the name of Llana Beach Hotel.
  
- **Grupo SANJOSE has successfully completed its debt restructuring process with its pool of lenders:** Grupo SANJOSE successfully completed the negotiation process with a group of funding entities, pursuant to the provisions of the novation of the financing agreement signed on 19 July 2013, allowing the group to define a proper financial structure, which allows future business development and the maintenance and creation of value for all parties involved. This financial restructuring, separating three perimeters within the Group's debt (construction, holding and real estate), strengthens the Group's financial ability and accommodates its debt maturities to the generation of cash flows in the context of the markets' situation in which it operates.
  
- **Relevant events subsequent to the reporting period**

  - **Operación Chamartín:** On January 30<sup>th</sup> 2015, the Minister of Development, Ana Pastor; the President of the Autonomous Community of Madrid, Ignacio González; the Mayor of Madrid, Ana Botella, and the President of BBVA, Francisco González, presented the "District Castellana Norte" project, which involves the urbanisation of more than three million square meters at the North of the capital city. Further, on February 19<sup>th</sup>, The City Council of Madrid approved the revision of the Partial Internal Reform Plan of this urban development. These milestones represent the implementation of the project known as Operación Chamartín or Extension of La Castellana, which involves the transformation of the area currently occupied by the Chamartin railway station, the network of roads and any surrounding areas. The project in which Grupo SANJOSE is involved is expected to be developed in the following 20 years and will create more than 120,000 jobs.
  
  - **Operation of the Hospitals in Chile:** On February 13<sup>th</sup> 2015, the Ministry of Public Works of Chile issued the resolution which involves the commissioning and operation of the Hospitals El Carmen Dr. Luis Valentín Ferrada Hospital of Maipu and The Metropolitan Clinical Hospital Dra. Eloísa Díaz Insunza of La Florida, both designed and executed by Constructora San José Chile, inaugurated in December 2013, and currently in operation.

## 2. MAIN CONSOLIDATED FIGURES

As a result of the debt restructuring agreements of Grupo SANJOSE signed on December 30<sup>th</sup> 2014, control of San José Desarrollos Inmobiliarios is expected to be transferred to the Group's lenders during year 2015.

For said reason, the assets and liabilities of this sub-group have been classified in the Group's balance sheet as "**Non-current assets held for sale**" and "**Liabilities related to non-current assets held for sale**" while the net contribution of the sub-group to the income statement is recorded under "**Profit/(Loss) from discontinued operations**".

For the purposes of comparing financial information, items of the income statement for year 2013 have been re-expressed so that all financial information is homogeneous and comparable.

Main figures of Grupo SANJOSE for year 2014 are shown below:

Thousands of Euros	Grupo SANJOSE		
	Dic. 14	Dic. 13	Var.(%)
Revenue	465,082	525,964	-11.6%
Operating profit (EBITDA)	33,828	32,934	2.7%
	EBITDA margin	7.3%	6.3%
Ordinary operating profit (EBIT)	11,422	24,888	-54.1%
	EBIT margin	2.5%	4.7%
Earnings before tax	7,123	10,544	-32.4%
Income tax	-49,603	-5,527	--
Profit/(Loss) from continued operations	-42,480	5,017	--
Profit/(Loss) from discontinued operations	-80,202	-163,599	51.0%
Profit/(Loss) for the year	-122,682	-158,582	22.6%
<b>Backlog (millions of euros)</b>	<b>1,918</b>	<b>3,164</b>	<b>-39.4%</b>

### Revenue:

Net Revenue of Grupo SANJOSE for year 2014 stands at EUR 465.1 million, experiencing an 11.6% decrease compared to that of the same period in year 2013, due, mainly, to the reduction in concession activity in Chile which increased revenue in year 2013.

Thousands of Euros

Revenues by activity	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
Construction	381,671	82%	427,126	81%	-10.6%
Real estate and property development	32,229	7%	44,255	8%	-27.2%
Energy	11,321	2%	11,586	2%	-2.3%
Concessions and services	41,468	9%	108,284	21%	-61.7%
Adjustment and other	-1,607	0%	-65,287	-12%	
<b>TOTAL</b>	<b>465,082</b>		<b>525,964</b>		<b>-11.6%</b>

By geographical area, and as a consequence of the external growth strategy defined by the group, figures for year 2014 confirm once again the smooth running of the international market with an increase of 3.1% vs. year 2013, increasing its importance within total revenue of the group up to 57% compared to 49% in 2013.

This positive international growth trend in recent periods reduces the impact of the slowdown in public tenders in Spain, where sales have dropped 25.4% during the period.

Thousands of Euros

Revenues by region	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
National	201,987	43%	270,776	51%	-25.4%
International	263,095	57%	255,188	49%	3.1%
<b>TOTAL</b>	<b>465,082</b>		<b>525,964</b>		<b>-11.6%</b>

## Profit:

**EBITDA** of Grupo SANJOSE for year 2014 amounts to EUR 33.8 million and represented 7.3% of annual revenues.

Despite the revenue reduction, SANJOSE shows a 2.7% improvement in profitability with respect to the previous year, which is particularly important within the construction activity where the recorded increase in EBITDA amounts to 64.2% and is explained by an improvement in the margins of the construction activity due to the Group's cost control policies.

The breakdown of EBITDA by sector is as follows:

Thousands of Euros

EBITDA by activity	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
Construction	18,123	54%	11,034	34%	64.2%
Real estate and property development	10,485	31%	13,335	40%	-21.4%
Energy	2,816	8%	2,630	8%	7.1%
Concessions and services	3,684	11%	8,368	25%	-56.0%
Adjustment and other	-1,280	-4%	-2,433	-7%	
<b>TOTAL</b>	<b>33,828</b>		<b>32,934</b>		<b>2.7%</b>

**EBIT** of Grupo SANJOSE for year 2014 amounts to EUR 11.4 million, and resulted in a 2.5% on annual revenues.

This figure is affected by the EUR 16.9 million recorded as provisions and write-downs that Grupo SANJOSE applies through the criteria of maximum prudence regardless of their final outcome. Such provisions have not had any effect on the group's cash flows.

Profit/(Loss) before taxes from continuing operations without considering such provisions of Grupo SANJOSE would have shown a profit of EUR 24.1 million.

Grupo SANJOSE registered a EUR49.6 million "Corporate Income tax" expense in 2014. This one-time impact has not affected the cash position for the period and has been incurred as a result of the new corporate tax law passed at the end of the year. Therefore, it involved an update of reported tax credits and the adjustment of deferred tax balances.

**Profit/(Loss) after taxes from continuing activities** of Grupo SANJOSE for year 2014 amounts to EUR - 42.5 million.



### 3. ANALYSIS BY ACTIVITY

#### 3.1 Construction:

This line of activity has generated revenues for EUR 381.7 million during year 2014, representing a 10.6% reduction compared to the same period of the previous year. This reduction focuses on the domestic market, while the construction activity of the group within international markets continues to grow.

EBITDA for year 2014 stands at EUR 18.1 million, notably improving the figure for year 2013, which represents a 64.2% improvement in the profitability of this line of activity, trend that the Group considers sustainable in the coming periods.

Thousands of Euros			
CONSTRUCTION	Grupo SANJOSE		
	Dic. 14	Dic. 13	Var.(%)
Revenue	381,671	427,126	-10.6%
Earnings before interest, taxes, D&A (EBITDA)	18,123	11,034	64.2%
EBITDA margin	4.7%	7.1%	
Earnings before interest and taxes (EBIT)	8,448	876	864.7%
EBIT margin	2.2%	5.6%	
Earnings before tax of continued operations	1,887	2,827	-33.3%
<b>Backlog (millions of euros)</b>	<b>878</b>	<b>1,167</b>	<b>-24.7%</b>

The revenue composition of Grupo SANJOSE's construction operations, classified by main project type and geographic area, is as follows:

Thousands of Euros						
DETAIL OF CONSTRUCTION REVENUES	National		Internac.		Total	
Civil works	23,846	15%	9,279	4%	33,125	9%
Non residential building	118,431	76%	213,793	95%	332,223	87%
Residential building	3,983	3%	3,096	1%	7,079	2%
Industrial	9,243	6%	0	0%	9,243	2%
<b>TOTAL</b>	<b>155,503</b>	<b>41%</b>	<b>226,168</b>	<b>59%</b>	<b>381,671</b>	

Construction revenues from international operations stand for year 2014 at EUR 226.2 million, with an increase of 8.8% compared to the same period in 2013, and represents 59% of the total of this line of activity (in year 2013 it amounted to 49%).

This trend will continue in the coming years due to the international character of the contract backlog and the significant amount of international tenders which SANJOSE Constructora is participating in through its branches and subsidiaries in more than 20 countries.

The amount relating to the concession agreement "Rutas del Loa" amounting to EUR 172 has been deducted from the total contract backlog for the construction activity. Despite this being an existing award to SANJOSE Group, the company understands that, based on the application of criteria of maximum prudence, the final figures of this agreement should not be included until the effective start of the project.

### **3.2 Real Estate:**

Figures included in this line of activity relate to the real estate business controlled by Grupo SANJOSE, not including the sub-group San José Desarrollos Inmobiliarios.

As mentioned at the beginning of this report, on December 30<sup>th</sup> 2014 Grupo SANJOSE reached an agreement with a pool of funding entities whereby San José Desarrollos Inmobiliarios control will be taken over throughout year 2015. For this reason, said sub-group has been recorded as *"Non-current assets held for sale"*

For said reason, the assets and liabilities of this sub-group have been classified under the balance sheet as **"Non-current assets held for sale"** and **"Liabilities related to non-current assets held for sale"** while the net contribution of the sub-group to the income statement is recorded under **"Profit/(Loss) from discontinued operations"**

Revenue for year 2014 stood at EUR 32.2 million, which represents a decrease of 27.2% compared to year 2013.

EBITDA amounted to EUR 10.5 million and involves a 21.4% reduction compared to that obtained in the same period of the previous year.

<small>Thousands of Euros</small>			
<b>REAL ESTATE AND PROPERTY DEVELOPMENT</b>	<b>Grupo SANJOSE</b>		
	<b>Dic. 14</b>	<b>Dic. 13</b>	<b>Var.(%)</b>
Revenue	32,229	44,255	-27.2%
Earnings before interest, taxes, D&A (EBITDA)	10,485	13,335	-21.4%
EBITDA margin	32.5%	30.1%	
Earnings before interest and taxes (EBIT)	10,748	18,911	-43.2%
EBIT margin	33.3%	42.7%	
Earnings before tax of continued operations	12,656	20,573	-38.5%

Grupo SANJOSE has performed a new valuation of its real estate assets at the end of the semester, through the analysis by an independent expert.

Gross Assets Value (GAV) arising from said analysis shows EUR 251.9 million, with the following breakdown by asset type:

<small>Thousands of Euros</small>					
<b>GAV adjust at %participation</b>	<b>Dic. 14</b>		<b>Dic. 13</b>		<b>Var.(%)</b>
Lands	98,550	39%	102,712	42%	-4.1%
Buildings under construction	21,319	8%	11,248	5%	89.5%
Buildings	32,252	13%	38,270	16%	-15.7%
Real state investments	81,589	32%	74,021	30%	10.2%
Property, plant and equipment	18,179	7%	18,222	7%	-0.2%
<b>TOTAL</b>	<b>251,889</b>		<b>244,473</b>		<b>3.0%</b>

(\*) It doesn't include the value of the investee DUCH (Operac. Chamartin)

### **3.3 Energy:**

Net revenue for year 2014 amounts to EUR 11.3 million.

The EBITDA margin of this business activity for year 2014 stands at 24.9%, improving the one obtained in the same period of year 2013, which represents stability and recurrence.

The result is affected by the provisions accrued in connection with amortization of capitalized expenses in awarded projects in this line of activity which are not yet generating revenues.

Grupo SANJOSE has energy contracts awarded representing future revenues of EUR 718 million, which will materialise during a period of approximately 20 years.

Thousands of Euros			
ENERGY	Grupo SANJOSE		
	Dic. 14	Dic. 13	Var.(%)
Revenue	11,321	11,586	-2.3%
Earnings before interest, taxes, D&A (EBITDA)	2,816	2,630	7.1%
EBITDA margin	24.9%	20.1%	
Earnings before interest and taxes (EBIT)	-665	1,100	-160.5%
EBIT margin	-5.9%	11.4%	
Earnings before tax of continued operations	-1,475	179	-924.7%
<b>Backlog (millions of euros)</b>	<b>718</b>	<b>803</b>	<b>-10.6%</b>

### **3.4 Concessions and Services:**

Net revenue for year 2014 stands at EUR 41.5 million, which represent a decrease of 61.7% compared to the same period in 2013.

EBITDA amounts to EUR 3.7 million, with a margin of 8.9% versus 7.7% in the previous year. The decrease in revenues compared to year 2013 is justified by the completion of El Carmen Dr. Luis Valentin Ferrada Hospital in Maipu and the Metropolitan Clinical Hospital Dr. Eloisa Diaz Insunza in La Florida, both in Chile.

Thousands of Euros			
CONCESSIONS AND SERVICES	Grupo SANJOSE		
	Dic. 14	Dic. 13	Var.(%)
Revenue	41,468	108,284	-61.7%
Earnings before interest, taxes, D&A (EBITDA)	3,684	8,368	-56.0%
EBITDA margin	8.9%	27.3%	
Earnings before interest and taxes (EBIT)	-3,272	6,856	-147.7%
EBIT margin	-7.9%	26.8%	
Earnings before tax of continued operations	-387	-12,885	-97.0%
<b>Backlog (millions of euros)</b>	<b>322</b>	<b>1,194</b>	<b>-73.1%</b>

At 2014- year end, the contract backlog of the group in this line of activity amounts to EUR 322 million.

An amount of EUR 855 million related to the "Rutas del Loa" concession agreement has been deducted from the total contract backlog of concession activity. Despite being an awarded contract to SANJOSE Group, the company understands that, based on the application of criteria of maximum prudence, the final figures of this agreement shall not be disclosed until the effective start of the project.

## 4. FINANCIAL STATEMENTS

### Consolidated Income Statement

Thousands of Euros

	Grupo SANJOSE				
	Dic. 14		Dic. 13		Variac.
	Amount	%	Amount	%	
<b>Revenue</b>	<b>465.082</b>	<b>100,0%</b>	<b>525.964</b>	<b>100,0%</b>	<b>-11,6%</b>
Profit of investment property sale	0	0,0%	0	0,0%	-
Other operating income	9.869	2,1%	14.219	2,7%	-30,6%
Change in inventories	-1.793	-0,4%	-15.306	-2,9%	-88,3%
Procurements	-283.357	-60,9%	-334.231	-63,5%	-15,2%
Staff costs	-81.411	-17,5%	-86.488	-16,4%	-5,9%
Other operating expenses	-74.562	-16,0%	-71.224	-13,5%	4,7%
<b>OPERATING PROFIT (EBITDA)</b>	<b>33.828</b>	<b>7,3%</b>	<b>32.934</b>	<b>6,3%</b>	<b>2,7%</b>
Amortization charges	-6.374	-1,4%	-4.778	-0,9%	33,4%
Impairment on inventories	955	0,2%	-1.106	-0,2%	-186,3%
Changes in trade provisions and other impairment	-16.987	-3,7%	-2.162	-0,4%	685,9%
<b>PROFIT FROM OPERATIONS</b>	<b>11.422</b>	<b>2,5%</b>	<b>24.888</b>	<b>4,7%</b>	<b>-54,1%</b>
Ordinary financial results	3.924	0,8%	-15.721	-3,0%	--
Changes in fair value for financial instruments	0	0,0%	0	0,0%	--
Foreign exchange differences and other expenses	-7.358	-1,6%	390	0,1%	--
<b>NET FINANCIAL EXPENSES</b>	<b>-3.435</b>	<b>-0,7%</b>	<b>-15.331</b>	<b>-2,9%</b>	<b>-77,6%</b>
Profit/(Loss) of companies accounted for using the equity method	-864	-0,2%	987	0,2%	--
<b>PROFIT / (LOSS) BEFORE TAXES</b>	<b>7.124</b>	<b>1,5%</b>	<b>10.544</b>	<b>2,0%</b>	<b>-32,4%</b>
Income taxes	-49.603	-10,7%	-5.527	-1,1%	--
<b>PROFIT / (LOSS) AFTER TAXES FROM CONT.OPERAT.</b>	<b>-42.479</b>	<b>-9,1%</b>	<b>5.017</b>	<b>1,0%</b>	<b>--</b>
Profit / (Loss) after taxes from discontinued operations (net)	-80.202	-17,2%	-163.599	-31,1%	--
<b>CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR</b>	<b>-122.681</b>	<b>-26,4%</b>	<b>-158.582</b>	<b>-30,2%</b>	<b>22,6%</b>

## Consolidated Balance Sheet

Thousands of Euros

	Dic. 14		Dic. 13		Var.
	Amount	%	Amount	%	
Intangible assets	20.311	0,8%	18.564	0,8%	9,4%
Property, plant and equipment	51.955	2,2%	54.848	2,2%	-5,3%
Real Estate investments	3.882	0,2%	487.349	19,8%	-99,2%
Investments in related companies	59.552	2,5%	106.403	4,3%	-44,0%
Long term financial investments	171.441	7,1%	181.636	7,4%	-5,6%
Deferred tax assets	50.539	2,1%	199.003	8,1%	-74,6%
Goodwill on consolidation	9.984	0,4%	13.207	0,5%	-24,4%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>367.664</b>	<b>15,3%</b>	<b>1.061.010</b>	<b>43,0%</b>	<b>-65,3%</b>
Non-current assets held for sale	1.432.728	59,6%	0	0,0%	
Inventories	77.402	3,2%	864.224	35,1%	-91,0%
Trade and other receivables	241.311	10,0%	311.672	12,6%	-22,6%
Other short term financial investments	82.883	3,4%	68.758	2,8%	20,5%
Cash and cash equivalents	203.260	8,5%	159.581	6,5%	27,4%
<b>TOTAL CURRENT ASSETS</b>	<b>2.037.584</b>	<b>84,7%</b>	<b>1.404.235</b>	<b>57,0%</b>	<b>45,1%</b>
<b>TOTAL ASSETS</b>	<b>2.405.248</b>	<b>100,0%</b>	<b>2.465.245</b>	<b>100,0%</b>	<b>-2,4%</b>

Thousands of Euros

	Dic. 14		Dic. 13		Var.
	Amount	%	Amount	%	
Equity attributable to shareholders of the parent	18.243	0,8%	50.880	2,1%	-64,1%
Minority interest	24.302	1,0%	15.299	0,6%	58,8%
<b>TOTAL EQUITY</b>	<b>42.545</b>	<b>1,8%</b>	<b>66.179</b>	<b>2,7%</b>	<b>-35,7%</b>
Long term provisions	20.799	0,9%	58.787	2,4%	-64,6%
Long term financial liabilities	373.386	15,5%	222.320	9,0%	67,9%
Long term derivative financial contracts	31.697	1,3%	30.137	1,2%	5,2%
Deferred tax liabilities	28.982	1,2%	52.686	2,1%	-45,0%
Other long term liabilities	4.313	0,2%	8.211	0,3%	-47,5%
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>459.177</b>	<b>19,1%</b>	<b>372.141</b>	<b>15,1%</b>	<b>23,4%</b>
Liabilities related to non-current assets held for sale	1.432.728	59,6%	0	0,0%	
Short term provisions	42.925	1,8%	37.696	1,5%	13,9%
Short term financial liabilities	76.364	3,2%	1.592.321	64,6%	-95,2%
Payables to related companies	1.766	0,1%	9.892	0,4%	-82,1%
Trade accounts and other current payables	349.743	14,5%	387.016	15,7%	-9,6%
<b>TOTAL CURRENT LIABILITIES</b>	<b>1.903.526</b>	<b>79,1%</b>	<b>2.026.925</b>	<b>82,2%</b>	<b>-6,1%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2.405.248</b>	<b>100,0%</b>	<b>2.465.245</b>	<b>100,0%</b>	<b>-2,4%</b>

- **Total Equity:** The EUR 100 million shareholder loan of Grupo Empresarial San José, S.A. has been recorded under this item, being this classification the only difference between this consolidated balance sheet and the summarised consolidated balance sheet of Grupo SANJOSE (see Net Financial Debt).

## Net Financial Debt

Thousands of Euros

NET FINANCIAL DEBT	Dic. 14		Dic. 13		Var.
	Amount	%	Amount	%	
Other short term financial investments	82.883	29%	68.758	30%	20,5%
Cash and cash equivalents	203.260	71%	159.581	70%	27,4%
<b>Total cash</b>	<b>286.143</b>	<b>100%</b>	<b>228.339</b>	<b>100%</b>	<b>25,3%</b>
Long term financial liabilities (**)	473.386	81%	222.320	12%	112,9%
Long term derivative financial contracts	31.697	5%	30.137	2%	5,2%
Short term financial liabilities (*) (**)	78.130	13%	1.602.138	86%	-95,1%
Short term derivative financial contracts	0	0%	75	0%	-100,0%
<b>Total debt</b>	<b>583.213</b>	<b>100%</b>	<b>1.854.670</b>	<b>100%</b>	<b>-68,6%</b>
<b>TOTAL NFD</b>	<b>297.070</b>		<b>1.626.331</b>		<b>-81,7%</b>

(\*)Regardless of their effective date of amortization, financial liabilities are classified as "current" for accounting purposes if they are used to finance assets classified as "current" in the Balance Sheet.

Net financial debt amounts at 2014-year end to EUR 297.1 million compared to EUR 1,626.3 million at 2013-year end.

At December 31<sup>st</sup> 2014, Non-current financial debt includes EUR 100 million of shareholder loan and EUR 139.1 million in non-recourse projects financing to Grupo SANJOSE. EUR129.54 million correspond to the financing of the hospitals already commissioned in Chile, currently in operation. The Group has obtained upon closure of the financial year 2014, the resolution of the Ministry of Public Works of Chile that grants the final commissioning of El Carmen Dr. Luis Valentin Ferrada Hospital in Maipu and the Metropolitan Clinical Hospital Dr. Eloisa Diaz Insunza in La Florida, which shall allow the consideration of this debt as non-recourse debt to Grupo SANJOSE in future reports.

Further, Grupo San José and its main subsidiaries have formalised as of December 30<sup>th</sup> 2014 the financial restructuring agreements with most of its creditor institutions, representing over 75% of its financial liabilities and 80% of the value of real collaterals affected by such agreements.

These financial restructuring agreements are based on a viability plan which has been favourably reported by both the financial advisor of the creditor institutions and the independent expert appointed by the trade registrar of companies and involve the novation of the syndicated credit facilities granted in April 2009 and a set of bilateral financing agreements.

Financial restructuring agreements have been formalised by signing a Framework Agreement which defines the terms and conditions of the finance restructuring and three independent financial agreements which regulate the three perimeters by which the group's financial debt has been divided into and which may be summarised as follows:

### a) Constructora San José Agreement

Stretch A for a total amount of EUR 250 million and having a maturity of five years, renewable for another year provided certain terms are satisfied, with a progressive payment schedule adapted to the business plan of the company and a 28-month grace period; and A set of working capital credit facilities, including discounts, confirming and guarantees, available to Constructora San José, S.A and companies within its scope of consolidation. The total working capital amounts to EUR 425 million and provides GRUPO SANJOSE with sufficient credit facilities to finance contracts and transactions to continue developing its international expansion.

b) Grupo Empresarial San José Agreement.

The second syndicated credit facility in the nature of a shareholder loan, for a total amount of EUR 100 million and having a 10-year bullet maturity which sets out the interest capitalisation.

The early principal repayment of this loan provided certain discounts for Grupo SANJOSE depending on the timing of such prepayment.

The unpaid balance of this loan's principal at maturity would be converted into shares of Grupo San José up to a maximum of 35% of total capital stock of the company. This conversion would be instrumented by means of warrants which the Board of Directors of Grupo San José shall submit to the Shareholders General Meeting for final approval.

c) San José Desarrollos Inmobiliarios, S.A. Agreement

The third syndicated credit facility for a total amount of EUR 270 million, having a 5-year maturity and progressive amortization adapted to the business plan of the Company, has a 22-month grace period.

The remaining debt under the financing agreement signed in 2009 which is not included in any of the three agreements described above (i.e. approximately EUR 743 million), will be cancelled by capitalising such debt in San José Desarrollos Inmobiliarios, S.A.

Prior to the capitalization, Grupo San José shall transmit to the lenders of San José Desarrollos Inmobiliarios, S.A. all the shares it holds in San José Desarrollos Inmobiliarios, S.A.

These two transactions will result in creditors of San José Desarrollos Inmobiliarios, S.A. becoming holders of 100% of its share capital.

Duly signed finance restructuring agreements have been submitted to the Trade Courts of Pontevedra for their subsequent approval.

## Cash Flow Statement

Thousands of Euros

CASH FLOW	Grupo SANJOSE	
	Dic. 14	Dic. 13
Cash flow from operating activities	33,828	29,015
Changes in working capital	28,893	42,010
Other adjustments	-5,687	-941
<b>Operating cash flow</b>	<b>57,034</b>	<b>70,084</b>
Divestments / (Investments)	-5,783	-82,250
Other adjustments	47,819	104,814
<b>Investment cash flow</b>	<b>42,036</b>	<b>22,564</b>
<b>Free cash flow</b>	<b>99,070</b>	<b>92,648</b>
Capital flow & Minorities	-2,902	-455
Increase / (Decrease) in borrowings	-33,748	-91,666
Net interest	-11,412	-17,328
Other adjustments	-7,329	-19,010
<b>Financing cash flow</b>	<b>-55,391</b>	<b>-128,459</b>
<b>Total cash flow</b>	<b>43,679</b>	<b>-35,811</b>



## 5. CONTRACT BACKLOG

Millions of Euros

BACKLOG by segment	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
<b>Construction</b>	<b>878</b>	<b>46%</b>	<b>1.167</b>	<b>37%</b>	<b>-24,7%</b>
Civil works	203	11%	369	12%	-45,1%
Non residential building	638	32%	746	24%	-14,4%
Residential building	31	2%	39	1%	-19,8%
Industrial	6	0%	13	0%	-55,4%
<b>Energy</b>	<b>718</b>	<b>37%</b>	<b>803</b>	<b>25%</b>	<b>-10,6%</b>
<b>Concessions and services</b>	<b>322</b>	<b>17%</b>	<b>1.194</b>	<b>38%</b>	<b>-73,1%</b>
Maintenance	33	2%	30	1%	8,8%
Concessions	289	15%	1.164	37%	-75,2%
<b>TOTAL BACKLOG</b>	<b>1.918</b>	<b>100%</b>	<b>3.164</b>	<b>100%</b>	<b>-39,4%</b>

Millions of Euros

BACKLOG by region	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
<b>National</b>	<b>904</b>	<b>47%</b>	<b>909</b>	<b>29%</b>	<b>-0,6%</b>
<b>International</b>	<b>1.014</b>	<b>53%</b>	<b>2.255</b>	<b>71%</b>	<b>-55,0%</b>
<b>TOTAL BACKLOG</b>	<b>1.918</b>		<b>3.164</b>		<b>-39,4%</b>

Millions of Euros

BACKLOG by client	Grupo SANJOSE				
	Dic. 14		Dic. 13		Var.(%)
<b>Public client</b>	<b>1.232</b>	<b>64%</b>	<b>1.975</b>	<b>62%</b>	<b>-37,6%</b>
<b>Private client</b>	<b>686</b>	<b>36%</b>	<b>1.189</b>	<b>38%</b>	<b>-42,4%</b>
<b>TOTAL BACKLOG</b>	<b>1.918</b>		<b>3.164</b>		<b>-39,4%</b>

The amount related to the concession agreement "Rutas del Loa" amounting to EUR 172 has been deducted from the total contract backlog for the construction activity. Despite being an existing award to SANJOSE Group, the company understands that the criteria of maximum prudence requires that this contract is not included in Backlog figures until the effective start of the project.

The amount related to the concession agreement "Rutas del Loa" amounting to EUR 855 has been deducted from the total contract backlog for the concession activity. Despite being an existing award to SANJOSE Group, the company understands that the criteria of maximum prudence requires that this contract is not included in Backlog figures until the effective start of the project.

## 6. LEGAL DISCLAIMER

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## 7. CONTACT INFORMATION

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