

GENERAL SHAREHOLDERS' MEETING 2017



1. ECONOMIC ENVIRONMENT

- 2. Global Group
- 3. Year 2016 in GSJ
- 4. Business Lines
- 5. Economic & Financial Information
- 6. Corporate Social Responsibility



Macroeconomic Data

During 2016, world economy grew at a moderate rate (3.1%).

Year 2016 has been characterised by:

- **Low growth gives way to inflationary fears.**
- **The axis of growth shifts from monetary stimuli of Central Banks to tax policies of governments.**
- **Strong dollar and rising interest rates.**
- **In Spain, political instability, until achieving the government formation, marked the economic slowdown.**

Macroeconomic Data

Factors influencing macroeconomic data for the biennium 2017-2018 are based on the following:

- A) Improvement of global demand, mainly in some emerging countries, what will lead to acceleration in exports.
- B) A broad increase in general inflation rates is expected in both, advanced and emerging market economies.
- C) Brexit - UK negotiations with the EU, for its definitive abandonment of the Treaty on European Union.
- D) Protectionist policies and geopolitical tensions.

For 2017-2018, global growth is expected to improve slightly compared to 2016 (3.5% and 3.6%, respectively).

Macroeconomic Data

According to the latest WEO economic report published by the IMF, GDP growth (%) in 2016, together with the estimate for 2017 and 2018, in those countries where Grupo SANJOSE is currently active, is as follows:

Countries	2016	2017 ^E	2018 ^E
 Spain	3.2	2.6	2.1
 Portugal	1.4	1.7	1.5
 Malta	5.0	4.1	3.5
 United Arab Emirates	2.7	1.5	4.4
 India	6.8	7.2	7.7
 Mexico	2.3	1.7	2.0
 Perú	3.9	3.5	3.7
 Chile	1.6	1.7	2.3
 Argentina	-2.3	2.2	2.3
 Paraguay	4.1	3.3	3.7
 Cape Verde	4.0	4.0	4.1

Source IFM

Macroeconomic Data - Spain

Macroeconomic forecasts for spanish economy			
(%) annual	2016	2017	2018
Real GDP	3.2	2.8	2.4
Final Consumption	2.6	2.3	1.9
Household	3.2	2.8	2.4
Public Sector	0.8	0.7	0.6
Investment	3.1	3.2	2.7
Capital goods	5.0	4.4	3.7
Construction	1.9	2.6	2.2
Housing	3.7	3.8	3.6
Other Construction	0.4	1.5	1.1
Domestic demand (I)	2.8	2.4	2.1
Exports	4.4	4.6	3.2
Imports	3.3	3.8	2.4
External demand (I)	0.4	0.4	0.3
CPI (annual average)	-0.2	2.2	1.8
Employment	2.9	2.5	2.1
Unemployment rate	19.6	17.1	15.6
EDP Public balance (% GDP)	-4.3	-3.3	-2.4
EDP Public debt (% GDP)	99.4	99.4	99.3
Current account (% GDP)	2.0	1.9	1.8
(I) Contributi en to GDP growth			

- GDP will grow by 2.8% in 2017 and by 2.4% in 2018.
- The unemployment rate (Labour Force Survey) will be 17.1% in 2017 and 15.6% in 2018.
- Slowdown in private consumption.
- Public deficit will be adjusted to stability objectives required by the European Commission.

1. Economic Environment

2. GLOBAL GROUP

3. Year 2016 in GSJ

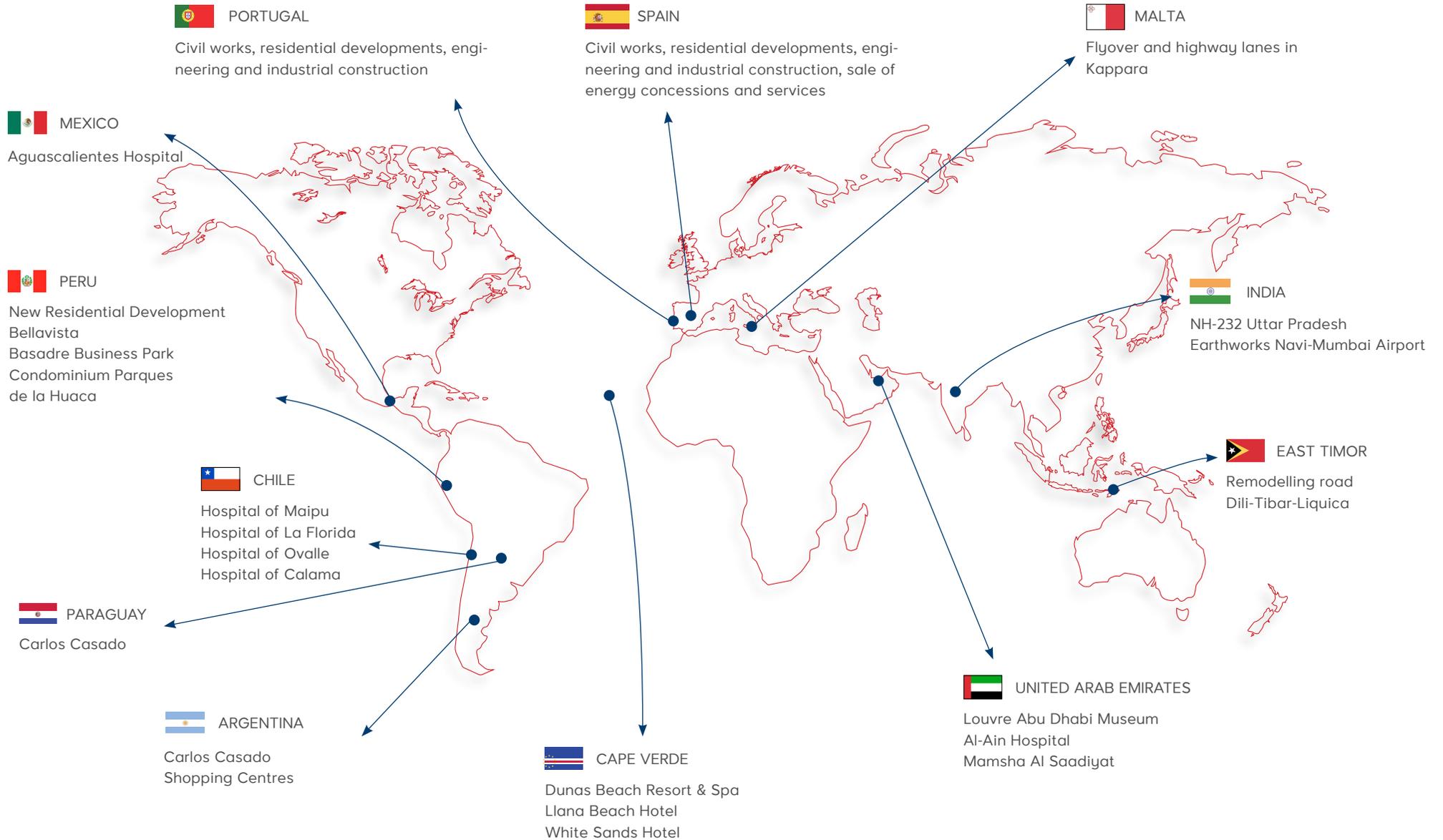
4. Business Lines

5. Economic & Financial Information

6. Corporate Social Responsibility

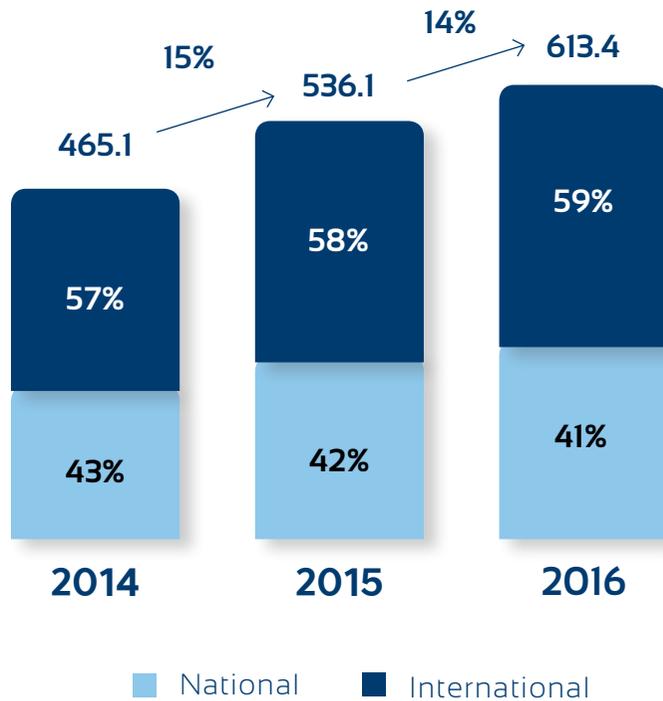


Countries with on going projects

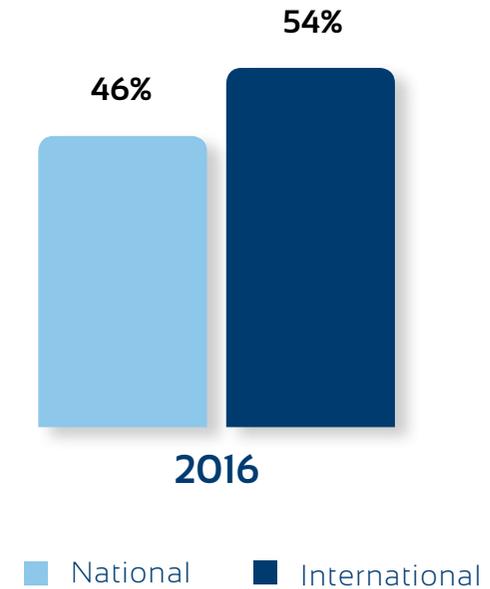


Business Development

REVENUE (MILLION €)



BACKLOG



- The internationalisation strategy carried out in recent years has resulted in the closing of December 2016 with an international portfolio of € 1,017 million, 54% total portfolio (€ 1,889 million).
- Mix of diversified and flexible backlog and income.

Business Development by Country

Thousand of euros		2015	2016	Variación
		INCEN	INCEN	
	United Arab Emirates	107,107	111,931	4.5%
	Portugal	58,954	64,424	9.3%
	Cape Verde	25,836	54,538	111.1%
	Chile	26,774	48,925	82.7%
	Peru	44,395	32,835	-26.0%
	India	19,436	27,614	42.1%
	Mexico	0	5,888	n.a.
	Resto	30,641	15,176	-50.5%
TOTAL INTERNATIONAL		313,143	361,330	15,4%
	Spain	222,956	252,063	13.1%
TOTAL GROUP		536,099	613,394	14.4%

■ In 2016 48% total income come from non-Euro countries.

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Main figures:

Sales 613.4 Million€

(14.4%)

Cashflow from Operations

47.7 Million€

EARNINGS BEFORE INTERESTS, TAXES,
DEPRECIATIONS AND AMORTIZATION

EBITDA 45.9 Million€

(4.8%)

Total Cashflow

20.0 Million€

EARNINGS BEFORE INTEREST AND TAXES

EBIT 19.7 Million€

(85.1%)

Backlog

1,889 Million€

NET FINANCIAL DEBT

DFN 97.1 Million€

(-41.9%)

International Backlog

1,017 Million€

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Building
Civil works
Engineering and Industrial Construction

Energy Efficiency
Renewable Energy

Hospitals
Buildings and Facilities
Energy power plants
Conservation of Parks and Gardens
Infrastructure

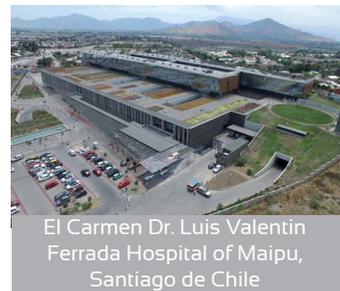
Architecture
Civil Engineering / Infrastructure
Real Estate Management
Technology / R&D&I
Sustainable Development



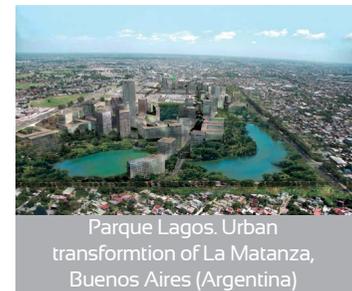
Hospital of Ovalle (Chile)



Heat & cold polygeneration Plant ST-4 Cerdanyola del Vallés, Barcelona



El Carmen Dr. Luis Valentin Ferrada Hospital of Maipu, Santiago de Chile



Parque Lagos. Urban transformation of La Matanza, Buenos Aires (Argentina)



Stretch Raebarely - National Highway NH-232 (India)



PV solar farm in Alcaudete, Jaén (5,4 MW)

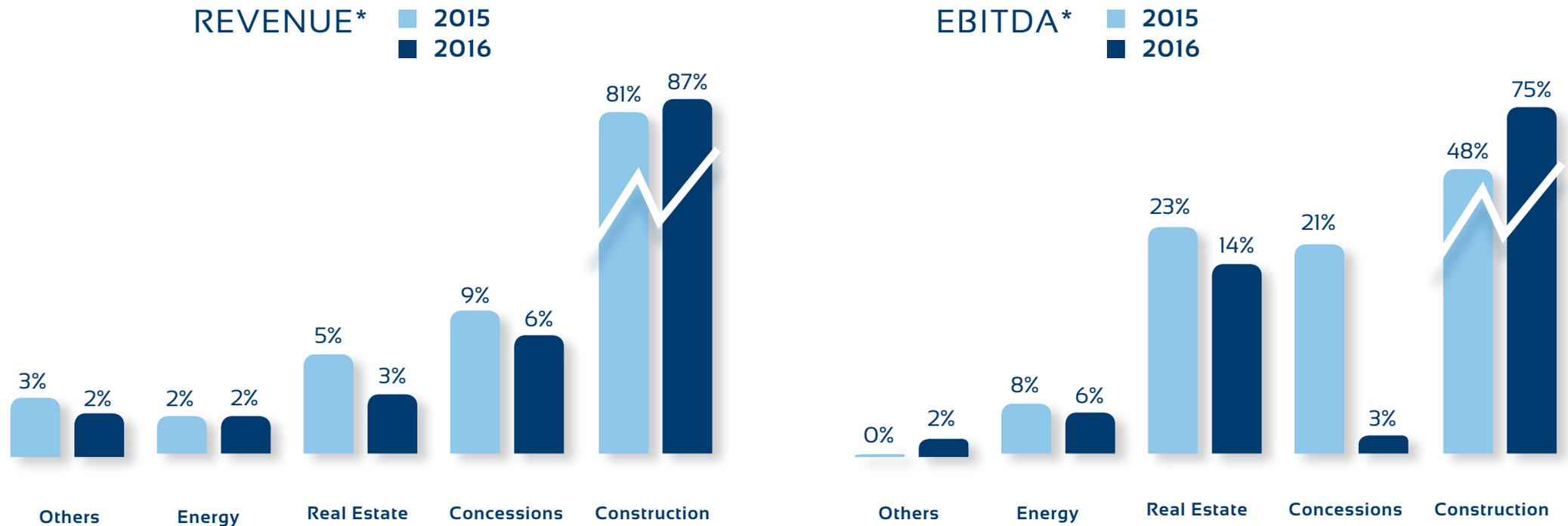


Property Real Madrid



Flyover at link EA15, Kappara (Malta)

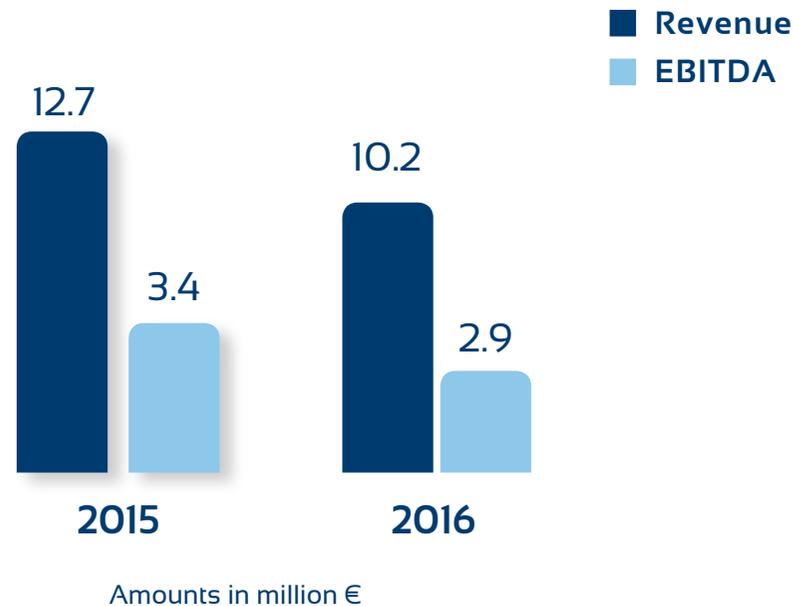
Contribution by Business Line



- The income contribution by line of activity remains relatively stable compared to last year.
- Construction remains as the Group’s main business line, accounting for 87% of total turnover.
- 75% of the Group’s EBITDA comes from the Construction business line.

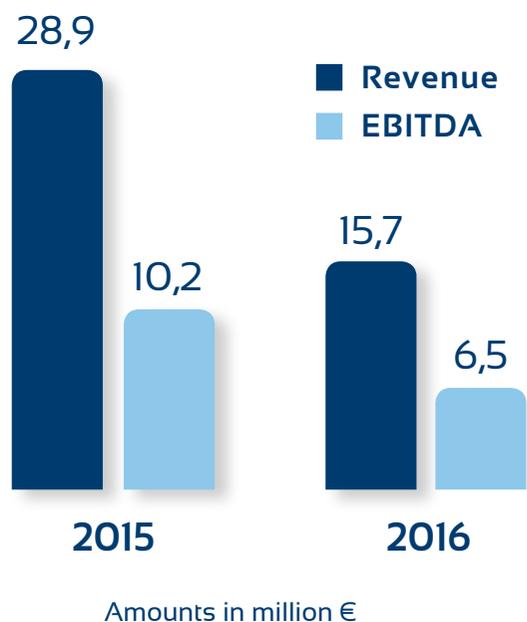
*Adjusted according to sale by segments.

Energy



- Recurrent and stable line of activity, maintaining both revenue and EBITDA with respect to the previous year.
- The EBITDA margin stood at 28.3% (26.9% in 2015).
- Contracted backlog at the end of the year amounts to € 507 million.

Real Estate



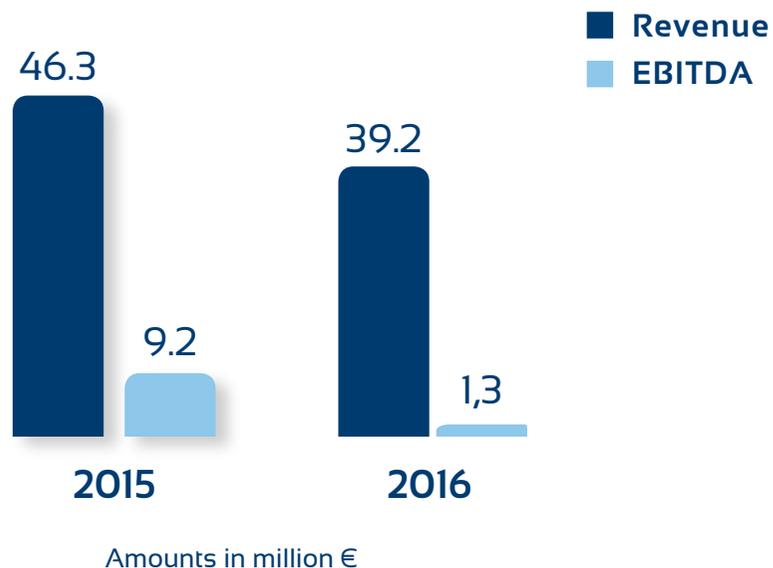
Thousand of Euros

GAV GESJ assets (*)	Dic. 15		Dic.16		Change (%)
Lands	126,414	48.5%	142,898	53.7%	13.0%
Buildings under construction	13,644	5.2%	2,681	1.0%	-80.4%
Buildings	32,178	12.3%	27,455	10.3%	-14.7%
Real Estate investments	70,674	27.0%	74,655	28.0%	5.6%
Property, plant and equipment	18,363	7.0%	18,700	7.0%	1.8%
TOTAL	261,272		266,390		2.0%

(*) It includes real estate assets of associatesm according to ownership percentage.

- Decrease in income due to lower delivery of housing units in 2016 in Peru, country that generates almost all income within this area (Parque de la Huaca stage IX).
- EBITDA stood at € 6.5 million, representing 41.7% of sales (6.4 pp higher than in 2015).

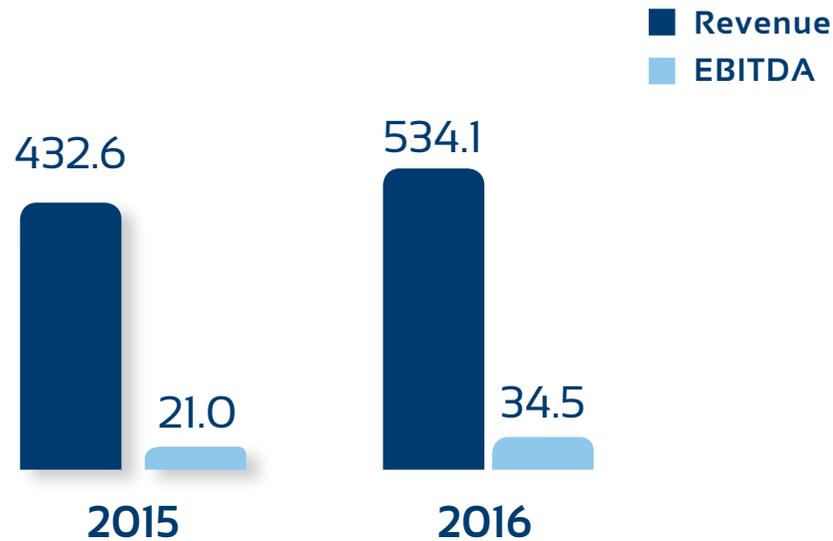
Concessions & Services



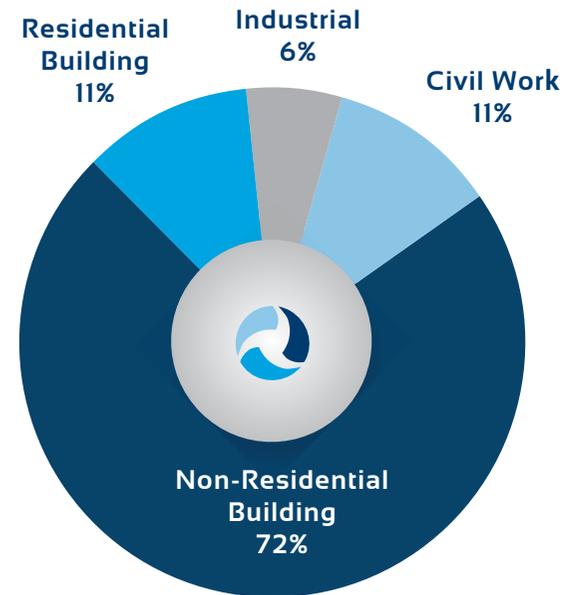
- The milestone occurred in 1Q-2015, involving the commissioning, delivery, implementation and operation of the Hospitals of Maipu and La Florida, resulted in a one-off increase in sales and EBITDA.
- EBIT for 2016 for this line of activity stood at € 9.1 million.
- Stable and recurrent business line, both in sales and EBITDA.

BUSINESS LINES

Construction



Amounts in million €



Revenue by type of works

- Revenue has experience and increase in both, international and domestic markets (23.5% and 18.5%, respectively).
- Non-residential activity is predominant, providing 72% of the business.
- Operation cost control policy and the good performance of international business highlight as key factors for the EBITDA increase.

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Consolidated Income Statement

	2015		2016		Change
	Million€	%	Million€	%	
Revenue	536.1	100.0%	613.4	100.0%	14.4%
Other operating income	7.9	1.5%	9.8	1.6%	23.0%
Other operating expenses	-500.2	-93.3%	-577.2	-94.1%	15.4%
EBITDA	43.8	8.2%	45.9	7.5%	4.8%
Amortisation charge	-5.7	-1.1%	-5.8	-0.9%	2.7%
Imparmenton inventories	0.1	0.0%	0.9	0.1%	577.0%
Changes in trade provisions and other imparment	-7.5	-1.4%	-15.9	-2.6	110.5%
EBIT	30.8	5.7%	25.1	4.1%	-18.5%
Ordinary financial results	-0.1	0.0%	-6.2	-1.0%	n.a.
Changes in fair calue for financial instruments	-20.3	-3.8%	0.0	0.0%	n.a.
Foreign exchangue results and others	1.1	0.2%	-0.1	0.0%	n.a.
Results on equity method	-0.8%	-0.2%	1.0	0.2%	n.a.
PROFIT BEFORE TAX	10.7	2.0%	19.7	3.2%	85.0%
Income tax	-3.4	-0.6%	-11.6	-1.9%	245.9%
CONSOLIDATED PROFIT	7.3	1.4%	8.1	1.3%	10.8%

Consolidated Income Statement



EBITDA
45.9 Million€
(+4.8%)



Margin on
sales 7.5%



EBIT
19.7 Million€ (+85%)



Consolidated profit
8.1 Million € (+10.8%)



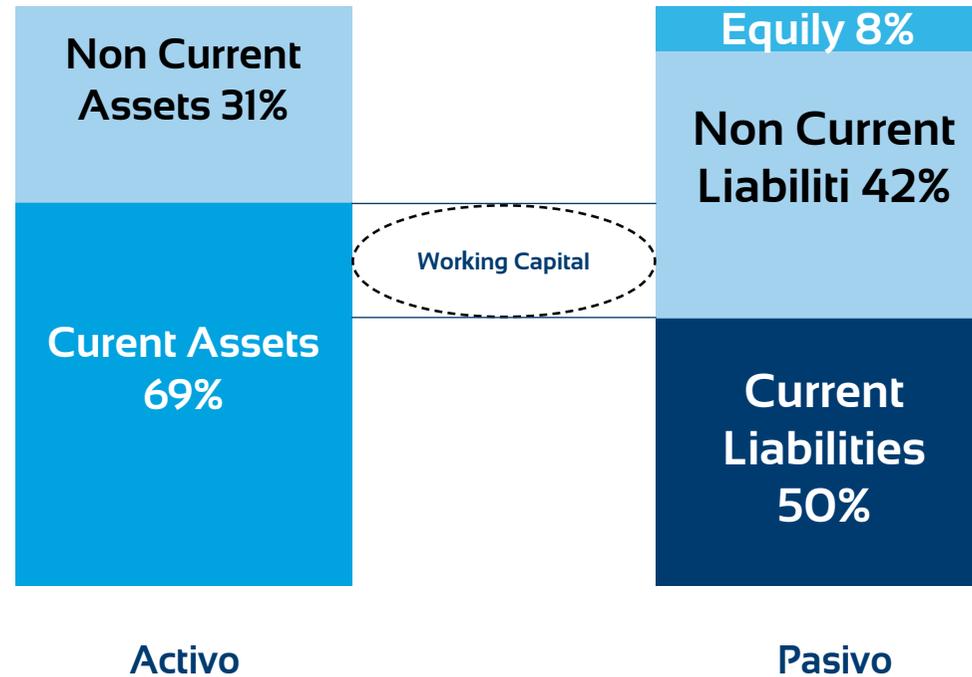
Management Consolidated Balance Sheet

ASSETS	2015		2016		Change
	Million€	%	Million€	%	
Intangible assets	18.9	1.9%	20.6	2.0%	9.0%
Property, plant and equipment	45.9	4.7%	45.9	4.5%	0.0%
Real estate investment	5.7	0.6%	4.7	0.5%	-16.8%
Others non-current assets (Related inv. Accruals, others)	257.0	26.1%	246.9	24.1%	-4.0%
TOTAL NON-CURRENT ASSETS	327.5	33.3%	318.1	31.1%	-2.9%
Non current assets held for sale	0.0	0.0%	4.2	0.4%	n.a.
Inventories	92.2	9.4%	104.1	10.2%	13.0%
Trade receivables	266.0	27.0%	237.3	23.2%	-10.8%
Shorts-term deferrals	5.4	0.5%	5.3	0.5%	-1.9%
Cash and other equivalents	293.8	29.8%	353.7	34.6%	20.4%
TOTAL CURRENT ASSETS	657.4	66.7%	704.5	68.9%	7.2%
TOTAL ASSETS	984.8	100.0%	1,022.6	100.0%	3.8%
LIABILITIES					
TOTAL EQUITY (*)	68.0	6.9%	82.0	8.0%	20.6%
Long term financial liabilities	405.9	41.2%	380.1	37.2%	-6.4%
Long term derivative financial contracts	1.2	0.1%	0.9	0.1%	-24.3%
Other non-current liabilities (pro., accruals, other)	38.9	3.9%	48.9	4.8%	25.9%
TOTAL NON CURRENT LIABILITES	446.0	45.3%	429.9	42.0%	-3.6%
Short term financial liabilities	47.8	4.9%	63.7	6.2%	33.3%
Trade payables	378.5	38.4%	395.7	38.7%	4.6%
Other current liabilities (prov., associated and other)	39.2	4.0%	45.0	4.4%	14.7%
Short-term deferrals	5.3	0.5%	6.2	0.6%	17.0%
TOTAL CURRENT LIABILITIES	470.8	47.8%	510.6	49.9%	8.5%
TOTAL EQUILY & LIABILITIES	984.8	100.0%	1,022.6	100.0%	3.8%

(*) Net Equity records € 104.7 million as participated loan of Grupo Empresarial San José, S.A.

Balanced Balance Sheet

Balance Sheet 2016



- Positive working capital amounting to € 193.9 million compared to € 186.6 million at 2015-year end.
- 20.36% increase in net equity, standing at € 82 million.

Net Financial Debt

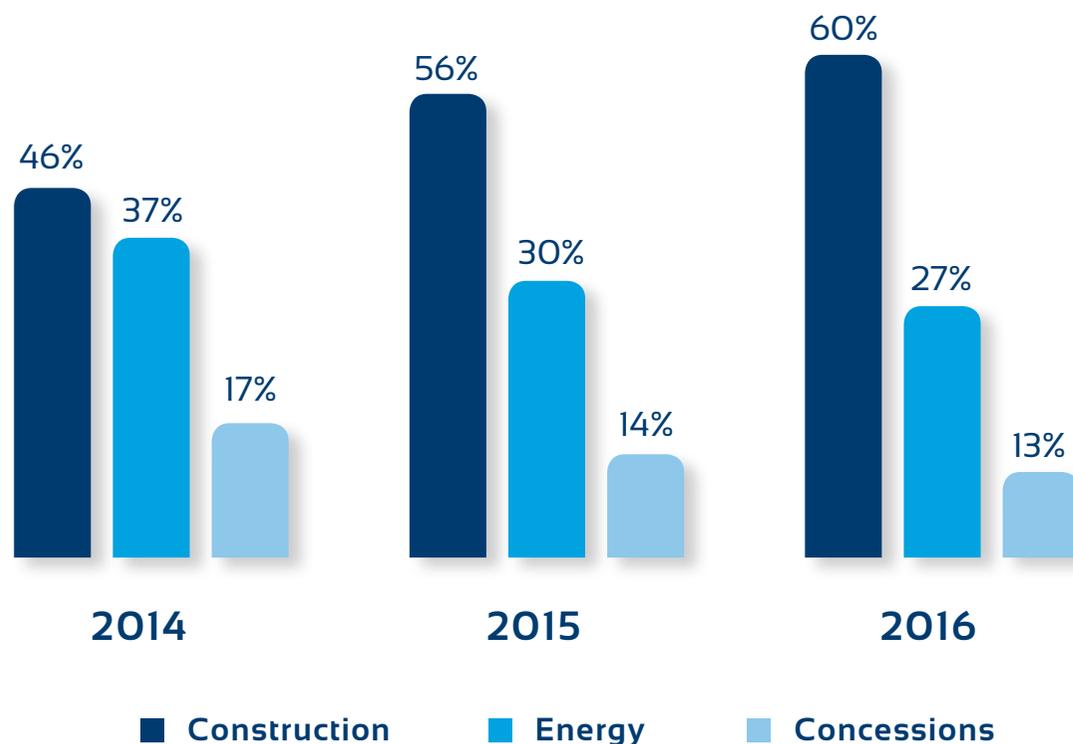
	2015		2016		Change
	Million€	%	Million€	%	
Cash, cash equivalents and other short term financial inv.	293.8	100.0%	353.7	100.0%	20.4%
Total Cash	293.8	100.0%	353.7	100.0%	20.4%
Long term financial liabilities (*)	410.2	89.0%	383.6	85.1%	-6.5%
Long term derivative financial al contracts	1.2	0.3%	0.9	0.2%	-24.3%
Short term financial liabilities	49.6	10.7	66.3	14.7%	33.8%
Total Debt	460.9	100.0%	450.8	100.0%	-2.2%
NET CASH POSITION	167.2		97.1		-41.9%

- At 2016-year end the Net Financial debt stood at 97.1 million, representing a 41.9% decrease with regards to 2015- year end.

Recurring Cash Flow

CASH FLOW	2015	2016
	Million€	Million€
Cash flow from operating activities	39,218	47,678
Working capital	8,508	39,041
Others adjustment	-4,384	-10,896
Operating cash flow	43,342	75,823
Divestments / (Investments)	5,890	-10,219
Others adjustments	33,988	6,324
Investment cash flow	39,878	-3,895
Free cash flow	83,220	71,928
Capital flow & Minorities	-1,553	-801
Increase / (Decrease) in borrowings	-25,187	-44,060
Net interest	-17,624	-4,666
Others adjustments	-10,282	-2,396
Financing cash flow	-54,646	-51,923
Total cash flow	28,574	20,005

Backlog



Backlog by segment	2016	
	Million€	%
Construction	1,134	60%
Civil Works	212	11%
Non residential building	720	38%
Residential building	195	10%
Industrial	7	1%
Concessions and services	248	13%
Maintenance	22	1%
Concessions	226	12%
Energy	507	27%
Total Backlog	1,889	100%
National	872	46%
International	1,017	54%
Public Client	1,215	64%
Private Client	674	36%

- International backlog accounts for more than half of the Group’s backlog.
- With regards to the previous year, total backlog of the Grupo SANJOSE increases 2.9%.
- Contruction backlog, main business activity of the Group (60%), increases up to 11.2%.

Main figures:



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GENERAL SHAREHOLDERS' MEETING 2017



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