

## Letter from the Chairman



To our shareholders,

A year ago, I came to you to invoke the urgent need for our country to form a government; a government that could take the helm of the ship and, in spite of powerful headwinds, navigate it to a safe harbour, where it could find shelter, protection, and a strong base for it to bring in a bountiful haul once more. However, during 2016, new general elections were announced. This marked the constituent meeting of Parliament, representing the 12<sup>th</sup> Legislature on 19<sup>th</sup> July, until the inauguration of the President of the Government was finally granted in October. Of course, we first had to undergo unprecedented transformations to the Spanish political scene. All the same, let us hope for a productive legislature that brings economic growth to our country.

Despite everything that has changed in the political realm, we must maintain our hope for the future. We hope that both the political and economic spheres are inextricably linked; that they are destined to transform the public sector into a true driving force for growth by pronouncing laws, regulations, guidelines, and procedures that will encourage the private sector to invest, grow, and compete. In short, to produce, produce, and produce; and, of course, to create profits.

As we anticipated, the 2016 financial year was a fairly limited one for us in terms of production. Nevertheless, political events did nothing but aggravate the problem, namely decreasing public investment at an alarming rate. Even so, when the world of finance was still reticent, we managed to finalise and implement the Autovía da Costa da Morte under a public contract, providing an important piece of infrastructure to the province of A Coruña. Since July, after an investment of 165 million euros from AUCOM, a company whose majority shareholder is COPASA, it has offered the public 28 km of safe and modern motorway under a shadow toll system. Similarly, we have finalised and implemented sewage treatment plants in Burgos and Ourense. On another note, I am pleased to announce that construction work on the high-speed rail line between Mecca and Medina in Saudi Arabia will soon be finalised, having been carried out by a Spanish-Saudi syndicate in which we play a prominent role.

Altogether, the 2016 financial year has seen revenues of 376.69 million euros, 56% of which was revenue generated outside of Spain. In spite of everything, the measures taken in cost control have resulted in a significant increase in profits, boosting them to 14.49 million euros and simultaneously driving an increase in our own resources to 129.57 million euros. Of our 1,342.93 billion euro order book, 842.42 million euros (constituting 62.73% of all orders) came from outside of Spain. These projects always involve an enormous effort for us all, at both the managerial and staff levels. Our international presence has also increased, thanks to

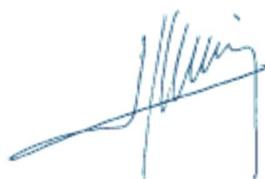
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the arrival of two new countries on our personal world map. The Republic of Uruguay and the Sultanate of Oman bring our global presence up to a total of sixteen countries.

Allow me to finish with a quote from Paulo Coelho: *“Life is not what you desire, but what you make of it”*. So let us make something of it! May this be, as it has always been, the maxim that drives us to work every day, every month, every year.

I would also like to welcome the new members on the Board of Directors: a professional, well-structured Board with the necessary experience to guide this Company in the pursuit of our most ambitious goals.

Thank you very much.

A handwritten signature in blue ink, consisting of a series of vertical lines and a horizontal line, possibly representing the name 'M. M. M.' or similar.