

LETTER FROM THE CHAIRMAN



Juan Villar-Mir de Fuentes

Chairman of the Board of Directors

Ladies and gentlemen,

I am writing to all of you to inform about the progress of OHL throughout 2018, a tremendously unique year marked by the reorganization, transformation and resizing of the company.

This year was marked by the sale and transmission of 100% of the capital of OHL Concesiones S.A.U. to IFM Investor, an operation that was executed on April 12th and, consequently, marked the beginning of a new stage.

This operation, for which OHL has received a net amount of 1.991 billion euro, has had a very positive impact from the point of view of the reduction and simplification of debt, while it has substantially improved the company's liquidity, which amounted to 1.033 billion euro at the close of 2018.

As important milestones derived from this operation, I would like to highlight:

- ▶ The reduction of the company's gross debt by 55%, eliminating practically all of the bank debt, and maintaining a comfortable profile of long-term debt amounting to 666 million euro in bonds maturing in 2020, 2022 and 2023.
- ▶ The distribution of an interim dividend for the year 2018 in the amount of close to 100 million euro (0.348981 euro per share) on June 6th.
- ▶ A negative net debt position at the close of the year.

In addition and focusing on the people who are part of our organization, I want to say that, unfortunately and for the second consecutive year, we have been forced to adopt a series of internal restructuring and redundancy measures, in order to ensure the viability of the company, reducing structural costs. The collective dismissal procedure carried out in the parent company OHL S. A. stands out among all of them.

In the framework of the transformation and the commitment to the best practices of Good Governance, I must highlight the changes that we have made in the composition of the Board of Directors of the company. We have reduced its size from twelve to ten members, we have opted for its technification, incorporating leading professionals in the construction and infrastructure industries.

Also outstanding in the year is the appointment of Mr. José Antonio Fernández Gallar as CEO of the company and Mr. Manuel Álvarez as General Manager.

We fully trust that their work, together with that of the OHL employees as a whole, will return the company to the path of growth after a year of poor results, of hard structural adjustments and reinforcements in the control and supervision mechanisms in 2018, which will allow us to face 2019 with maximum guarantees. Our starting point is favorable. We have backlog that amounts approximately to 5.9 billion euro and we will focus on the recovery of profitability and cash generation.

OHL is committed to sustainability as the cross-cutting focus of its activities, being aware of the role that, as a company, OHL plays in the economic and sustainable progress of society. We understand the importance of operating with a framework of responsible action, in social, environmental and governance terms, that allows us to know and respond to the changes, needs and expectations of our stakeholders.

This road map materializes, among other initiatives, with the adhesion to the main international frameworks, such as the Ten Principles of the United Nations Global Compact and the fulfillment of the Sustainable Development Goals. In relation to the commitment to sustainability and the fight against climate change, I am pleased to inform you that the company has been recognized with the A- rating in CDP Climate Change 2018.

Our goal is to continue developing a corporate culture based on integrity, ethical behavior, environmental protection and the economic and social development of the communities where we operate, favoring transformative projects that generate shared value.

And, in terms of RDI, I would like to highlight that OHL was the only Spanish construction company present in two large European RDI consortiums: Built2Spec (*Built To Specifications*) and AZEB (*Affordable Zero Energy Buildings*), both within the framework of the improvement of energy efficiency of buildings.

Within our continued commitment to the communities in which we are present, OHL maintains an active participation with them, favoring the revitalization of the economy and social progress, with special emphasis on the employability of groups at risk or exclusion. Specifically, in this latter area, I would like to thank OHL Volunteers who, with their actions, contribute among other aspects to the integration of these groups and that have earned us the achievement of important awards and recognition.

I would like to end these reflections by highlighting our firm commitment to Good Governance, prioritizing transparency and compliance with recommendations in this area as factors for generating value, improving economic efficiency and strengthening investor confidence.

Likewise, I must also highlight the work performed by all the people that make up this company. Employees are the pillar of OHL's present and future growth. To all of them, together with our stakeholders and shareholders, I want to convey, on behalf of the Board of Directors that I am honored to preside, our gratitude for the trust they place in this company.

The Chairman of the Board of Directors
Juan Villar-Mir de Fuentes

THIS YEAR WAS MARKED BY THE SALE AND TRANSMISSION OF 100% OF THE CAPITAL OF OHL CONCESIONES S.A.U. TO FM INVESTOR