THE EUROPEAN CONTRARIAN

December 15, 2016

Obrascón Huarte Lain S.A.

(BUY)

Price:€2.86
52-Week Range: €1.73 – €6.79
Shares Outstanding: 290.4 million
Market Capitalization: €830.7 million ($872.9 million)[1]

Ticker[2]: OHL SM
Dividend: €0.05
Yield: 1.6%

Data as of December 14, 2016

[1]One euro (€) is equivalent to $1.0508, as of December 14, 2016.
[2]The common shares of OHL SM trade on the Bolsa de Madrid.

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Investment Thesis

Obrascón Huarte Lain S.A. (OHL SM), based in Spain, operates a portfolio of concessions for tollways, ports, airports and railways, as well as an engineering and construction business. The latter has been struggling in recent years, which led to concerns regarding company's debt burden. Obrascón Huarte Lain S.A ("OHL") has since sold non-core assets and issued equity to raise capital, and has managed to reduce its net debt from €5.9 billion at the end of 2014 to €3.8 billion currently. Of this, only €973 million is recourse to the company, a figure that is manageable, even with the current, depressed earnings. OHL's equity valuation, however, still reflects uncertainty, with the shares trading at only 30% of book value and 5.3x earnings attributable to shareholders. This discount should close as the company's survivability and future earnings potential becomes more apparent, thus leading to share price appreciation of approximately 200%. Shareholders would also benefit from continued growth in the concessions business and an eventual rebound in the engineering and construction business, which, combined, could bring total returns of 400% or more. Given this upside potential, shares of OHL are recommended to investors willing to assume the remaining, though greatly reduced, balance sheet risk.

OHL's construction business posted significant operating losses during 2014 and 2015, and through the first nine months of 2016, operating earnings have totaled only €5.9 million. This compares to EBIT of nearly €200 million during better years. Interestingly, the revenues for this segment have not changed significantly over this period; only the profitability has deteriorated, with EBIT margins currently running at 0.3% versus 6%-7% during healthier environments. This should improve with time and, when it does, net income could increase by €100-€120 million; a substantial improvement relative to the €155 million currently forecast for 2016. It is also interesting to note that approximately one-third of the contracts earned this year are in the US market, making OHL a means of gaining exposure to any increased infrastructure spending in this country.

The concessions operations have provided a solid foundation for the consolidated company, generating attractive returns with minimal volatility. Approximately two-thirds of the EBITDA generated by this segment (and for the consolidated company) are earned through Guaranteed IRR clauses in its concessions contracts, which ensure a real rate of return. The average life of its portfolio is just over 28 years, and the portfolio is growing, with four concessions currently under construction. A business with such a risk profile would surely garner a significantly higher earnings multiple if it were a separate business.

Lastly, it should be noted that the company owns publicly-traded equity interests with current market valuations totaling €1.1 billion. Of this, €790 million is attributable to OHL Mexico, the subsidiary that owns and operates its concessions in Mexico, which generate the majority of the operating earnings for the company. Although a sale of these equities would lead to a significant diminution in earnings, the availability of these liquid assets provides shareholders with an added degree of balance sheet security.

Company Description

Obrascón Huarte Lain S.A., based in Madrid, Spain, operates a portfolio of infrastructure concessions, an engineering and construction business that services both public- and private-sector clients, and a development business that focuses primarily on high-quality hotel real estate projects. The company is 50.4%-owned by Inmobiliaria Espacio, S.A., a subsidiary of Grupo Villar Mir, S.A.U., which is a holding company involved in a wide range of industries including construction, energy, metallurgy, fertilizer and real estate development. Mr. Juan Villar-Mir de Fuentes has served as the company's Chairman since 1996, while Silvia Villar-Mir de Fuentes has served has Vice Chairman since 2008. Mr. and Mrs. Villar-Mir de Fuentes are the son and daughter of Juan-Miguel Villar Mir, Chairman and founder of Grupo Villar Mir. Mr. Tomás García Madrid has served on the board of OHL since 1996 and as its Chief Executive Officer since June 2016.

The concessions business accounts for the majority of OHL's earnings, representing 78% of consolidated EBITDA through the first nine months of 2016 and, due to losses in some of the smaller divisions, 102.5% of consolidated EBIT. An analysis of revenues obscures this fact, as OHL does not record revenues from concession contracts that guarantee a rate of return. Instead, these earnings are a separate operating line on the income statement. The revenue, EBITDA and EBIT contributions for each of OHL's businesses is shown in Exhibit 1. It should be noted that the Industrial, Services and Development segments were combined in the Other segment prior to 2013.

This exhibit also highlights one aspect of the investment thesis for OHL; the fact that the construction segment has the potential to contribute significantly to operating earnings during periods of more of robust infrastructure spending. This business generated nearly €200 million of EBIT in 2011, relative to losses in each of the last two years and a modest gain of €6 million through the first nine months of this year.

Exhibit 1 OHL S.A.: Financial Contribution by Segment; 2011-Present
(€ in millions)

	2011	2012	2013	2014	2015	9M 2015	9M 2016
Concessions							
Revenue	478.5	642.5	513.8	369.3	444.9	321.9	407.5
EBITDA	470.7	749.0	951.5	828.3	819.8	540.8	514.4
EBITDA Margin	*98.4%*	*116.6%*	*185.2%*	*224.3%*	*184.3%*	*168.0%*	*126.2%*
EBIT	441.1	616.2	877.4	785.7	775.0	506.0	452.2
EBIT Margin	*92.2%*	*95.9%*	*170.8%*	*212.7%*	*174.2%*	*157.2%*	*111.0%*
Construction							
Revenue	2,866.2	2,738.3	2,669.9	2,788.0	3,248.2	2,238.2	2,288.5
EBITDA	288.0	252.4	251.4	206.3	150.0	158.9	70.0
EBITDA Margin	*10.0%*	*9.2%*	*9.4%*	*7.4%*	*4.6%*	*7.1%*	*3.1%*
EBIT	199.1	30.0	155.7	(159.9)	(55.4)	16.4	5.9
EBIT Margin	*6.9%*	*1.1%*	*5.8%*	*-5.7%*	*-1.7%*	*0.7%*	*0.3%*
Industrial							
Revenue				234.2	352.1	254.1	187.4
EBITDA				(19.7)	(20.9)	(27.4)	(34.1)
EBITDA Margin				*-8.4%*	*-5.9%*	*-10.8%*	*-18.2%*
EBIT				(23.5)	(39.0)	(34.6)	(37.5)
EBIT Margin				*-10.0%*	*-11.1%*	*-13.6%*	*-20.0%*
Services							
Revenue				144.7	199.2	148.8	139.3
EBITDA				11.5	10.3	9.0	2.3
EBITDA Margin				*7.9%*	*5.2%*	*6.0%*	*1.7%*
EBIT				9.1	7.6	6.3	1.6
EBIT Margin				*6.3%*	*3.8%*	*4.2%*	*1.1%*
Development							
Revenue				97.9	124.5	91.7	94.2
EBITDA				13.9	7.7	8.2	18.6
EBITDA Margin				*14.2%*	*6.2%*	*8.9%*	*19.7%*
EBIT				2.7	(3.5)	(0.5)	10.9
EBIT Margin				*2.8%*	*-2.8%*	*-0.5%*	*11.6%*
Other							
Revenue	357.3	648.8	500.5				
EBITDA	3.6	51.5	12.2				
EBITDA Margin	*1.0%*	*7.9%*	*2.4%*				
EBIT	(17.7)	14.0	(1.7)				
EBIT Margin	*-5.0%*	*2.2%*	*-0.3%*				

Source: Company reports.

Concessions

The concessions segment operates a portfolio of twenty concessions throughout Spain and Latin America, comprising 15 tollways, 3 ports, 1 railway and 1 airport. Three of the tollway concessions (two in Chile and one in Mexico) are under construction, while another tollway concession in Peru was only recently awarded. These new concessions will add approximately 10% to the total length of the motorways being managed, bringing the total to 1,088 km (see Exhibit 2).

Exhibit 2 OHL S.A: Current Concession Portfolio

Toll Roads (km)	1,088
Ports (hectares)	70
Railways (km)	22
Airports (number)	1

Source: Company reports.

These concessions are won by tendering to build infrastructure in exchange for being granted the right to operate the asset for a specified period of time, sometimes with returns to OHL that are guaranteed by the government. Concessions with a Guaranteed IRR clause are reported in Other Operating Revenues and the EBITDA is broken out separately, as shown in Exhibit 3. It is worth noting that these returns are guaranteed on a real basis and changes in inflation (relative to expectations) can add some volatility to OHL's results. For example, Mexico's inflation rate declined significantly during 2015, thus leading to a reduced contribution from OHL Mexico last year. All concessions are financed on a non-recourse basis to the company and OHL seeks to earn a minimum yield of 15% (in euros) on these projects.

Exhibit 3 OHL S.A: Current Concession Portfolio
(€ in millions)

	2014	**2015**	**9 Months 2015**	**9 Months 2016**
Concessions				
EBITDA from Tolls	213.4	285.1	209.7	184.2
EBITDA from Guaranteed IRR	614.9	534.7	331.1	330.2
Total EBITDA	828.3	819.8	540.8	514.4

Source: Company reports.

As shown in Exhibit 3, the concessions located in Mexico are the biggest contributors to this segment, accounting for 90% of segment EBITDA through September 30, 2016. This segment is operated by OHL Mexico, a publicly-traded subsidiary in which OHL owns a 56.45% equity stake. It should be noted that a number of the tollway concessions, while counted separately in reaching the portfolio total of 20 concessions cited earlier, are consolidated into a single line item in Exhibit 4.

Exhibit 4 OHL S.A.: Concession Sales and EBITDA; 9M 2015- 9M 2016
(€ in millions)

	Sales			EBITDA		
	9M 2015	9M 2016	% Change	9M 2015	9M 2016	% Change
Mexico	**196.7**	**191.5**	**-2.6%**	**468.7**	**465.8**	**-0.6%**
Amozoc-Perote	23.1	21.8	-5.6%	15.3	12.7	-17.0%
Concesionaria Mexiquense	122.5	120.1	-2.0%	266.6	262.1	-1.7%
Viaducto Bicentenario	28.2	25.8	-8.5%	72.8	75.4	3.6%
Autopista Urbana Norte	22.9	23.8	3.9%	114.0	115.6	1.4%
Spain	**49.4**	**54.9**	**11.1%**	**88.6**	**79.2**	**-10.6%**
Euroglosa M-45	11.2	11.4	1.8%	9.7	9.3	-4.1%
Autovía de Aragón	21.8	24.0	10.1%	16.7	25.8	54.5%
Metro Ligero Oeste	0.0	0.0	n.a.	59.5	39.7	-33.3%
Puerto de Alicante (T.M.S.)	10.1	12.2	20.8%	1.6	3.0	87.5%
Terminal de Contenedores de Tenerife	6.3	7.3	15.9%	1.1	1.4	27.3%
Chile	**21.7**	**15.5**	**-28.6%**	**8.3**	**4.5**	**-45.8%**
Terminal Cerros de Valparaiso	21.7	15.5	-28.6%	8.3	4.5	-45.8%
Peru	**20.8**	**22.9**	**10.1%**	**10.6**	**14.1**	**33.0%**
Autopista del Norte	20.8	22.9	10.1%	10.6	14.1	33.0%
Total Concessions	**288.6**	**284.8**	**-1.3%**	**576.2**	**563.6**	**-2.2%**
Headquarters and Other	33.3	122.7	268.5%	(35.4)	(49.2)	39.0%
Total	**321.9**	**407.5**	**26.6%**	**540.8**	**514.4**	**-4.9%**

Source: Company reports.

It should further be noted that EBITDA for Metro Ligero Oeste, a railway concession in Spain, declined due to the sale of a 28% stake in the company during 2016. The company retains a 23.3% equity stake in this concession.

As of June 30, 2016, the average remaining life of this portfolio was greater than 28 years, with only three concessions having a life of less than 20 years. Two of these concessions are located in Spain; the Euroglosa M-45 and the Autovia de Aragón, with 11 and 12 years until expiration, respectively. The third is the Autopista Urbana Norte, with 18 years until expiration.

Construction and Engineering

This segment comprises the Construction, Industrial and Services segments reported in Exhibit 1 and represents the construction and service activities related to civil works and industrial plants. As noted earlier, this segment has underperformed in recent years. There are reasons to be optimistic, however, as the division turned cash flow positive in 2015. This segment's struggles may continue over the near term, however, as its order book (Construction and Engineering represent 100% of the short-term order book) is down approximately 10% relative to the end of last year (see Exhibit 5). The long-term order book has increased 31% over this period, although this is due entirely to extensions of concession periods and an updating to the changes to toll rates, which accounted for €25.6 billion of the increase. The long-term order book was also impacted by a €5.9 billion loss related to the devaluation of the Mexican peso relative to the euro and a €2.3

billion decline related to Metro Ligero Oeste, as this concession is now accounted for via the equity method.

Exhibit 5 OHL S.A.: Order Book; 2012- Present
(€ in millions)

	2012	2013	2014	2015	9M 2016
Short-Term	**8,040.0**	**6,237.7**	**7,984.2**	**7,151.6**	**6,411.6**
Construction			7,302.7	6,586.5	5,866.5
Industrial			487.2	224.3	221.0
Services			194.3	340.8	324.1
Long-Term	**45,372.6**	**51,244.9**	**58,781.8**	**57,818.6**	**75,602.0**
Concessions			58,445.9	57,509.8	75,379.8
Construction			335.9	308.8	222.2
Total	**53,412.6**	**57,482.6**	**66,766.0**	**64,970.2**	**82,013.6**
Concessions	44,932.8	51,013.5			
Construction	8,106.7	6,027.8			
Other	373.1	441.3			

Source: Company reports.

The construction business is not tied exclusively to the outlook of Spain's economy, as this country represented only 18% of OHL's short-term order book (See Exhibit 6). It is also interesting to note that 34% of the new construction contracts obtained thus far in 2016 are located in the US, which arguably makes OHL a compelling means of investing in this country's potential rebound in infrastructure spending and increasing use of public-private partnerships.

Exhibit 6 OHL S.A.: Short-Term Construction Order Book by Geography; 9M 2016

Home Markets	**82.3%**
Pacific Alliance	30.7%
USA & Canada	30.0%
Spain	17.8%
Czech Rep. and Catchment Area	3.8%
Other	**17.7%**

Source: Company reports.

Balance Sheet

The deteriorating performance of the company's construction segment has led to a string of debt downgrades in recent months, with Moody's currently giving the group's senior unsecured debt instruments a B3 rating with a negative outlook. OHL has undertaken a number of asset sales in recent periods and appears to now be on more stable footing, although its capital structure can be difficult to analyze.

It is important to understand that the majority of OHL's debt is tied directly to a specific project or concession. The company had total net debt of €3.84 billion as of September 30, 2016, of which only €972.8 million is recourse to the parent company (see Exhibit 7). There is also non-recourse debt that is secured by OHL's holdings in publicly-traded securities; namely €539.2 million backed by a 6.925% stake in Abertis and €400 million backed by a 16.99% stake in OHL Mexico (of a total stake of 56.45%). In October 2016, OHL sold a 4.425% stake in Abertis for total proceeds of €212.1 million, leaving a residual 2.5% equity interest.

Exhibit 7 OHL S.A.: Gross and Net Debt; September 30, 2016
(€ in millions)

	Gross	Net
Total Main Concessions	1,967.4	1,617.0
Non-Recourse Financing Backed by 6.925% Stake in Abertis	539.2	539.2
Non-Recourse Financing Backed by 17% Stake in OHL Mexico	400.0	400.0
Others	209.7	158.6
Total OHL Concessions	**3,116.3**	**2,714.8**
OHL Engineering & Construction	**33.9**	**33.4**
OHL Developments	**155.8**	**117.5**
Total Non-Recourse	**3,306.0**	**2,865.7**
Total Recourse	**1,451.8**	**972.8**
Total Debt	**4,757.8**	**3,838.5**

Source: Company reports.

OHL's net recourse debt of €972.8 million is equal to 3.2x 2015 recourse EBITDA of €303.3 million, which is not egregious. More importantly, the value of the equity interests in OHL Mexico (56.45%) and Abertis (2.5%), currently stands at €1,108 million (see Exhibit 8), while the debt that is backed by these equities totals only €673 million. These securities could ultimately be sold to pay off a large portion of OHL's net recourse debt. Given these factors, there is little risk to OHL as a going concern, although there is some uncertainty regarding the company's future earnings potential should it begin to relinquish concessions or sell equity holdings to retire debt.

Exhibit 8 OHL S.A.: Value of Publicly-Traded Investments
(€ in millions)

Abertis (ABE SM)	
Share Price (12/7/2016)	€ 12.84
Shares Owned by OHL (millions)	24.8
Value of OHL's Stake in Abertis	**€ 317.8**
OHL Mexico SAB de CV (OHLMEX MM)	
Share Price (12/7/2016)	MXN 17.65
Shares Owned by OHL (millions)	977.8
Value of OHL's Stake in OHL Mexico	**MXN 17,257.6**
EUR/MXN FX Rate (12/7/2016)	0.0458
Value of OHL's Stake in OHL Mexico	**€ 790.4**

Source: Company reports.

Valuation Analysis

OHL shares traded for €34 per share as recently as June 2014, yet today trade for €2.92 as the company's construction business continues to struggle and concerns related to its capital structure weigh on the share price. There has also been significant equity dilution, with the number of outstanding shares increasing approximately 200% since 2015 as the company raised money to pay down debt. It is also reasonable to assume that because OHL's market capitalization is significantly smaller than it once was, it is no longer a viable constituent for many indexes. This perhaps explains the discounted valuation relative to other, larger construction companies.

OHL's corporate structure is certainly complex, yet one need only look at a few key metrics to understand just how cheap its shares have become. For example, Exhibit 9 shows the consensus forecast for earnings attributable to shareholders to be €155.4 million for 2016, which means the shares are trading at only 5.3x this year's earnings estimate. It should also be noted that earnings attributable to shareholders through the first nine months of 2016 has been €134.3 million, implying that the consensus estimate may be conservative. In addition, OHL recorded equity attributable to shareholders of €2,845.3 million for the period ending September 30, 2016. Based on this figure, shares are currently trading at only 30% of book value less minority interests. It should be noted that OHL Mexico trades at a comparable multiple of earnings (5.4x) to that of the parent company.

Exhibit 9 OHL S.A.: Current Valuation

(€ in millions)

Share Price (12/14/2016)	€ 2.86		
Shares Outstanding (millions)	290.4		
Market Capitalization	**€ 830.7**		
Net Debt	3,838.5		
Enterprise Value	**€ 4,669.2**		
Consensus 2016 Earnings Estimate	**155.4**	**Consensus 2016 EBITDA Estimate**	**917.2**
Price/2016E Earnings	5.3x	EV/2016E EBITDA	5.1x
Consensus 2017 Earnings Estimate	**147.6**	**Consensus 2017 EBITDA Estimate**	**979.8**
Price/2017E Earnings	5.6x	EV/2017E EBITDA	4.8x
Current Equity Attibutable to Shareholders	**2,845.3**		
Price/Book Value	.29x		

Source: Company reports, Bloomberg.

Comparable construction companies are trading, on average, at 17x this year's earnings estimate, implying that OHL's share price could increase 200% if it were to earn an average multiple on just run rate earnings (or if it were to trade on par with book value). This does not assume any rebound in the company's construction business, which, as outlined in Exhibit 1, has shown the potential to generate nearly €200 million in operating earnings during better years. Such a rebound could enhance earnings by approximately €100-€120 million, and further growth would be possible should OHL continue to gain market share in relatively underserved markets such as the US. If OHL were to experience an increase in earnings stemming from a rebound in the construction business, while earning a peer-average multiple of 17x earnings, its shares would appreciate by 400% or more. It is clear that with the shares currently trading at only 5.3x current earnings, investors are paying nothing for this upside optionality.

The company's debt appears manageable at this point, especially when one considers that OHL still has the ability to divest non-core assets and, if necessary, its publicly-traded equity holdings. Cash flow from operations totaled €283 million in 2015 and, although negative through the first nine months of 2016 due largely to seasonal changes in working capital, should be sufficient to support the current debt burden. If conditions were to become dire, it is reasonable to believe that OHL would also have the financial backing of its majority shareholder, Grupo Villar Mir.

OHL has also signaled that it is comfortable with its balance sheet by initiating a share repurchase program on August 2, 2016, for a maximum of either 3% of its outstanding shares or €45 million. The company has been aggressively buying back stock since that time, repurchasing 4,554,876 shares, or 1.52% of its capital (half of the authorization) through September 30, 2016. Some may dismiss this repurchase program as it represents an authorization of "only" €45 million. That said, it would be difficult to justify this expenditure unless OHL truly believed the worst was behind it.

The market will eventually become comfortable with OHL's balance sheet and, as it does, the valuation discount relative to peers will gradually close. To reiterate, this could lead to share price appreciation of as much as 200%. In addition, it is reasonable to expect the company's construction business to rebound over time. Shareholders are paying little for this optionality, which could boost earnings by €100-€120 million, implying total upside potential of approximately 400%. Even if these scenarios were to take ten years to materialize, this would imply an annualized rate of return of 15%.

Conclusion

OHL's construction business has struggled in recent years, which has prompted concerns regarding the company's capital structure. A series of asset sales have made this debt burden far more manageable, and the company is now in a position to continue the expansion of its concessions business while, simultaneously, waiting for a meaningful rebound in the construction segment.

OHL's share price does not reflect any of the latent earnings potential in the construction business, nor the growth prospects of the concessions division. In fact, if the company were to simply be valued on par with its book value attributable to shareholders, or on a peer group-average multiple of earnings, its shares would appreciate by 200%. If there were to be meaningful improvement in the construction business, OHL's share price could increase by as much as 400%.

The concessions business is profitable and stable, which significantly mitigates the risk of this investment. It is particularly compelling when one considers the price paid for, and the upside potential of, OHL's shares. The prospect of returns of this magnitude arguably warrants the assumption of any remaining balance sheet risk and, given this, shares of OHL are recommended for purchase.

Exhibit 10 OHL S.A.: Consolidated Balance Sheet
(€ in millions)

	9M 2016	FY 2015
Intangible Fixed Assets	296.1	316.3
Tangible Fixed Assets in Concessions	6,185.1	6,515.6
Tangible Fixed Assets	623.8	636.0
Real Estate Investments	77.3	61.9
Equity-Accounted Investments	1,193.3	1,668.2
Non-Current Financial Assets	355.2	411.5
Deferred-Tax Assets	630.2	624.1
Total Non-Current Assets	**9,361.0**	**10,233.6**
Non-Current Assets Held for Sale	0.0	833.3
Stocks	235.5	270.4
Trade Debtors and Other Accts. Receivable	2,724.0	2,462.3
Other Current Financial Assets	336.2	334.6
Other Curretn Assets	60.2	56.8
Cash and Cash Equivalents	583.1	1,097.9
Total Current Assets	**3,939.0**	**5,055.3**
Total Assets	**13,300.0**	**15,288.9**
Equity Attributable to Shareholders	2,845.3	3,047.0
Non-Controlling Interests	1,547.2	1,764.7
Total Equity	**4,392.5**	**4,811.7**
Subsidies	52.3	52.7
Non-Current Provisions	192.5	168.8
Non-Current Financial Debt	4,115.2	4,723.2
Other Non-Current Financial Liabilities	84.9	88.6
Deferred-Tax Liabilities	1,185.5	1,211.4
Other Non-Current Liabilities	167.9	338.8
Non-Current Liabilities	**5,798.3**	**6,583.5**
Non-Current Liabilities Held for Sale	0.0	567.2
Current Provisions	330.4	289.3
Current Financial Debt	642.6	716.3
Other Current Financial Liabilities	8.8	44.9
Trade Creditors and Other Accounts Payable	1,728.4	1,921.4
Other Current Liabilities	399.0	354.6
Total Current Liabilities	**3,109.2**	**3,893.7**
Total Liabilities	**8,907.5**	**10,477.2**
Total Equity and Liabilities	**13,300.0**	**15,288.9**

Source: Company reports.

Exhibit 11 OHL S.A.: Consolidated Income Statement

(€ in millions)

	2015	2014		9M 2016	9M 2015
Turnover	**4,368.9**	**3,634.1**	**Turnover**	**3,116.9**	**3,054.7**
Other Operating Revenues	849.5	902.0	Other Operating Revenues	494.2	550.5
Total Operating Revenues	**5,218.3**	**4,536.1**	**Total Operating Revenues**	**3,611.1**	**3,605.2**
Procurements	(2,552.6)	(2,049.6)	Operating Expenses	(2,353.6)	(2,261.5)
Staff Costs	(891.4)	(720.3)	Personnel Expenses	(686.3)	(654.2)
Other Operating Expenses	(807.3)	(726.0)	**EBITDA**	**571.2**	**689.5**
Depreciation and Amortisation	(165.8)	(144.5)	Amortisation	(95.8)	(120.0)
Changes in Provisions and Allowances	(116.5)	(281.6)	Changes in Provisions and Allowances	(42.3)	(75.9)
Profit (Loss) from Operations	**684.8**	**614.1**	**Profit (Loss) from Operations**	**433.1**	**493.6**
Financial Income	46.1	68.5	Financial Income	35.3	33.7
Financial Expenses	(494.9)	(552.7)	Financial Expenses	(304.7)	(367.8)
Net Exchange Differences	0.6	(7.6)	Net Exchange Differences	(107.0)	1.1
Net Losses on Remeasurement of Financial Instruments at Fair Value	(14.1)	(15.6)	Net Losses on Remeasurement of Financial Instruments at Fair Value	(21.8)	(20.7)
Result of Companies Accounted for Using Equity Method	227.0	98.1	Result of Companies Accounted for Using Equity Method	8.9	164.5
Impairment and Gains and Losses on Disposals of Financial Instruments	(15.4)	204.2	Impairment and Gains and Losses on Disposals of Financial Instruments	228.4	0.0
Pre-Tax Income	**434.0**	**409.1**	**Pre-Tax Income**	**272.2**	**304.4**
Income Tax	(175.5)	(223.7)	Income Tax	(134.0)	(99.2)
Profit for the Year	**258.6**	**185.4**	**Profit for the Year**	**138.2**	**205.2**
Attributable to the Parent	55.6	23.2	Attributable to the Parent	134.3	135.1
Attributable to Non-Controlling Interests	202.9	162.1	Attributable to Non-Controlling Interests	3.9	70.1

Source: Company reports.