FERROVIAL, S.A. & SUBSIDIARIES

Results, January – March 2018

10 May 2018

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GENERAL OVERVIEW

In the results for 1Q 2018, **infrastructure assets continued to show strong operating performance (407 ETR, Managed Lanes and HAH), with solid growth in traffic volumes and greater contribution from dividends**.

Consolidated results posted lower revenues (-6.3%) impacted by the lower result recorded by Services (both due to less activity in the UK, as well as Australia, where the immigration contracts that ended in October 2017 contributed to the result in 1Q 2017) and the deconsolidation of the Portuguese toll roads that did contribute in 1Q 2017. In comparable terms, revenues remained virtually flat in the quarter (-0.8%).

Consolidated EBITDA was negatively affected by the -GBP208mn provision (-EUR237mn) registered for the Birmingham contract (BHM) in Services and amounted to a negative result of -EUR75mn. Excluding the impact of this provision, EBITDA would have amounted to EUR162mn (-29% compared to 1Q 2017).

In proportional terms, revenues in 1Q 2018 amounted to EUR2,985mn (-7.8% vs 1Q 2017) and EBITDA to EUR113mn. Excluding the impact of the BHM provision, total proportional EBITDA would've reached EUR350mn.

The combined Construction and Services order book of close to EUR31bn (including JVs), declined by -3.5% vs. December 2017, affected by the decline in the Services order book (-4.3%) and Construction (-2.0%).

The net cash position, excluding infrastructure projects, stood at EUR938mn at March 2018 (EUR1,341mn at year-end 2017). This figure includes the cash flow obtained from the hybrid subordinated bond issuance in 4Q 2017, treated as an equity instrument. Net project debt stood at EUR4,584mn (vs. EUR4,804mn in December 2017). Net consolidated debt reached EUR3,647mn (vs. EUR3,463mn in December 2017).

MAIN INFRASTRUCTURE ASSETS:

Robust operating growth: EBITDA grew in local currency: +13.8% at the 407 ETR toll road, +5.2% at Heathrow airport and +3.7% at the regional UK airports (AGS). All of these assets are accounted for by the equity method. There was also strong growth in Managed Lanes in the USA (Global consolidation) with EBITDA growth in local currency of +21.9% for NTE and +22.4% for LBJ.

Greater distribution of funds in the main assets:

- **407 ETR distributed dividends of CAD226mn** in 1Q 2018, +9% vs. 1Q 2017. The dividends distributed to Ferrovial amounted to EUR63mn.
- **Heathrow paid out GBP114mn compared to GBP94mn in 1Q 2017**. The dividends distributed to Ferrovial amounted to EUR34mn.
- **AGS paid out GBP12mn** compared to GBP94mn in 1Q 2017, including an extraordinary dividend which was distributed after the refinancing in 1Q 2017). Ferrovial received EUR7mn in 1Q 2018.

MAIN FINANCIAL EVENTS:

- In March, Ferrovial formally completed a Euro Commercial Paper programme for a maximum amount of EUR1bn, via which it can issue commercial paper notes with maturities between 1 and 364 days, thus enabling a higher diversification of its funding sources in the capital markets and a more efficient liquidity management.
- In April 2018, the 407 ETR announced an agreement to issue CAD500mn of 3.72% Senior Notes (due May 11, 2048).

RESULTS BY DIVISION

Toll roads: significant improvements in traffic on the main toll roads, helped by the economic recovery in the countries where the most important assets are located, due to calendar effect (Easter holidays in March) and despite the negative impact from the winter storms in February and March. 407 ETR, Ferrovial's most important asset, maintained its operating strength, with traffic growth of +2.5%, impacted by economic growth, partially offset by one less working day than the same period in 2017. The Managed Lanes in Texas continued to post strong EBITDA growth (NTE +21.9% and LBJ +22.4% in local currency) on the back of robust traffic and toll rate growth.

Airports: in 1Q 2018, the number of passengers at Heathrow airport reached 17.7 million, +3.1% vs. 1Q 2017, in what has been a record start to the year. AGS traffic declined by -3.1% (Glasgow -5.1%, Southampton -2.7%, Aberdeen +2.4%) affected by adverse weather conditions in February and March, which lead to cancellations, delays and temporary closures. The airports posted EBITDA growth of +5.2% (HAH) and +3.7% (AGS).

Construction: revenue growth (+10.1% LfL), with positive performance in all areas and an 81% contribution from international projects. However, profitability declined compared to 1Q 2017 (EBIT margin 1.1% vs. 5.0%), primarily in the Ferrovial Agroman Division, due to large projects in their preliminary stages and a lower proportion of toll road concession contracts in the portfolio of projects currently in progress, as well as in Budimex due to increased costs for labour and materials, although with profitability remaining above that of the sector. The order book amounted to EUR10,918mn (89% international) equating to a reduction of -2% (-0.6% LfL). Contract awards exceeding EUR1,300mn are not included, notable among which are the Budimex contracts, as well as the construction of a Toll Road in Colombia (Bucaramanga-Barrancabermeja-Yondó) and another in Chile (Rutas del Loa).

Services: reported revenues (-13.6%) were affected by the reduced activity in the UK, due to withdrawing from non-profitable contracts and the selective tender policy adopted by Amey in the past few years, and in Australia, due to the ending of the contract with the Government of Australia's Immigration Department. The division's profitability was affected by the -EU237mn provision registered in the UK for the Birmingham contract, leading to a negative EBITDA of -EUR162mn. Excluding this effect, the gross margin in the UK stood at 2.1%, in line with expectations.

KEY FIGURES

P&L (EUR mn)	MAR-18	MAR-17
REVENUES	**2,704**	**2,885**
EBITDA	**-75**	**227**
Period depreciation	77	96
Disposals & impairments	-10	-11
EBIT*	**-161**	**120**
FINANCIAL RESULTS	**-73**	**-70**
Equity-accounted affiliates	79	48
EBT	**-155**	**98**
Corporate income tax	3	-20
CONSOLIDATED NET INCOME	**-153**	**78**
Minorities	-8	-6
NET INCOME ATTRIBUTED	**-161**	**72**

*EBIT after impairments and disposals of fixed assets

MAIN FIGURES EXCLUDING THE BIRMINGHAM PROVISION

P&L Ex-BHM (EUR mn)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues ex-BMH	**2,706**	**2,867**	**-5.6%**	**0.0%**
EBITDA ex-BMH	**162**	**229**	**-29.1%**	**-19.9%**
EBITDA margin ex-BMH	6.0%	8.0%		
EBIT ex-BMH	**76**	**122**	**-38.3%**	**-24.1%**
EBIT margin ex-BMH	2.8%	4.3%		

MAIN REPORTED FIGURES

REVENUES (EUR mn)	MAR-18	VAR.
Toll Roads	95	-9.9%
Airports	3	62.0%
Construction	1,012	4.8%
Services	1,560	-13.6%
Others	35	n.a.
Total	**2,704**	**-6.3%**

EBITDA (EUR mn)	MAR-18	VAR.
Toll Roads	62	-19.7%
Airports	-4	10.4%
Construction	20	-64.4%
Services	-162	-270.1%
Others	10	n.a.
Total	**-75**	**-132.9%**

OPERATING FIGURES	MAR-18	VAR.
ETR 407 (VKT´ 000)	578,300	2.5%
NTE (ADT)	33,150	6.5%
LBJ (ADT)	34,762	6.6%
Ausol I (ADT)	13,809	10.3%
Ausol II (ADT)	15,809	3.6%
Heathrow (million pax.)	17.7	3.1%
AGS (million pax.)	2.9	-3.1%
Construction order book*	10,918	-2.0%
Services order book (incl JVs)*	20,016	-4.3%

*Order book compared with December 2017

FINANCIAL POSITION (EUR mn)	MAR-18	MAR-17
NCP ex-infrastructures projects	**938**	**1,341**
Toll roads	-4,194	-4,274
Others	-391	-530
NCP infrastructures projects	**-4,584**	**-4,804**
Total Net Cash /(Debt) Position	**-3,647**	**-3,463**

NCP: Net Cash Position. ND: Net Debt

PROPORTIONAL RESULTS

Ferrovial's main infrastructure assets are equity-accounted. In order to provide a more realistic picture of the Company's results, the following tables include the proportional results, adjusted for the equity-accounted assets and minorities of the globally consolidated assets.

P&L MAR-18 (EURmn)	REPORTED	PROPORTIONAL
Revenues	**2,704**	**2,985**
% var	-6.3%	-7.8%
EBITDA	**-75**	**113**
% var	-132.9%	-72.4%
EBIT	**-151**	**-24**
% var	-215.9%	-109.6%

PROPORTIONAL EBITDA

Reached EUR113mn (vs -EUR75mn of reported EBITDA), equating to a decline of -72.4% (-70.5% LfL).

Excluding the BHM provision, total proportional EBITDA would have reached EUR350mn & Infrastructure would have accounted for 70%.

(EURmn)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Toll Roads	126	130	-3.4%	9.6%
Airports	119	116	2.5%	5.8%
Construction	14	47	-69.9%	-69.9%
Birmingham	-237	-2	n.s.	n.s.
Services (Ex-BHM)	85	116	-27.1%	-23.6%
Other	7	1	n.s.	n.s.
Total EBITDA	**113**	**408**	**-72.4%**	**-70.6%**
Total EBITDA ex-BHM	**350**	**410**	**-14.7%**	**-9.4%**

PROPORTIONAL REVENUES

Reached EUR2,985mn compared with EUR2,704mn reported, equating to a decline of -7.8% (-2.8% LfL).

(EURmn)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Toll Roads	183	178	2.6%	14.4%
Airports	221	218	1.2%	4.2%
Construction	866	865	0.1%	5.7%
Birmingham	-2	18	-112.8%	-113.2%
Services (Ex-BHM)	1,714	1,963	-12.7%	-8.2%
Other	4	-6	169.8%	172.4%
Total Revenues	**2,985**	**3,237**	**-7.8%**	**-2.7%**
Total Revenues ex-BHM	**2,988**	**3,219**	**-7.2%**	**-2.1%**

BHM is Birmingham contract

TOLL ROADS

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	95	105	-9.9%	17.2%
EBITDA	62	77	-19.7%	9.7%
EBITDA margin	65.2%	73.2%		
EBIT	44	60	-26.0%	8.9%
EBIT margin	46.9%	57.2%		

Revenues at the division grew +17.2% in like for like terms in 1Q 2018, bolstered by the higher contribution from the Managed Lanes toll roads in the USA and by traffic growth at the majority of assets. **In comparable terms, the division posted EBITDA growth of +9.7% in 1Q 2018**.

The USA accounted for 46.6% of revenues and 57.4% of EBITDA in 1Q 2018.

The like for like figures stripped out the FX effect and the changes to the consolidation perimeter in 2017. More specifically due to the sale of Norte Litoral and Algarve agreed in June 2016 with the Dutch fund DIF, to sell a 51% stake in the Norte Litoral toll road and a 49% stake in the Algarve toll road.

- **Norte Litoral**: the sale of the stake was completed in April 2017 (approx. four month contribution in 2017) for EUR104mn. After the sale, Norte Litoral began to be consolidated using the equity method.
- **Algarve**: the sale of the stake was completed in September 2017 (nine month contribution in 2017) for EUR58mn. After the sale, Algarve began to be consolidated using the equity method.

Assets in operation

Traffic performance during 1Q 2018 was very positive on Ferrovial's main toll roads, both from light and heavy traffic.

Canada: traffic on the 407 ETR increased by +2.5% in the period (light traffic +2.0% and heavy traffic +9.3%), bolstered by economic growth, partially offset by one less working day than in the same period in 2017.

USA: traffic growth was driven by the positive performance of the Managed Lanes toll roads (NTE +6.5% and LBJ +6.6%), which are currently in the ramp up phase.

Spain: traffic trended upwards, boosted by the country's economic growth. However, traffic in the first quarter was negatively affected by the rain and snow storms in February and March. Traffic at Ausol I grew +10.3% in 1Q 2018 and Ausol II +3.6%, although traffic had an upside bias due to the Easter holidays, which in 2017 were in April and were primarily in March in 2018.

Portugal: performed positively in the period, aided by the economic recovery and despite weather conditions not being favourable for traffic. Algarve traffic grew by +16.4%, helped by the construction work and change in configuration of its main competitor toll road, there was also an upside bias due to the Easter holidays. On the Azores toll road (+4%), traffic continues to be supported by the increase in tourism, following the liberalisation of the airline market.

Ireland: positive performance thanks to employment recovery. Growth in the first quarter was affected by the snow storms in the country from the end of February to the start of March. Traffic in the first 4 days of March was 80% lower than usual, which affected the monthly and quarterly result. Traffic at M4 grew by +3%, and close to +4% at M3.

Greece: less ADT following the opening of new segments for both concessions in 2017 (-27.3% Nea Odos and -39.4% Central Greece), which therefore distorted the ADT calculation. Excluding this impact, the variation in ADT would have been +20.5% at Nea Odos and +24.2% at Central Greece.

Globally Consolidated Toll Roads

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Global consolidation	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**MAR-18**	**SHARE**
NTE	33,150	31,126	6.5%	20	19	2.7%	16	15	5.8%	83.3%	80.9%	-833	63.0%
LBJ	34,762	32,625	6.6%	22	21	7.3%	18	17	6.3%	81.3%	82.0%	-1,187	54.6%
NTE 35W*	19,312			2	0	n.a.	1	0	n.s.	62.6%		-596	53.7%
I-77 *						n.a.	0	0	n.a.			-212	50.1%
TOTAL USA				**44**	**40**	**10.6%**	**35**	**32**	**9.5%**			**-2,828**	
Ausol I	13,809	12,519	10.3%	11	10	17.4%	9	7	18.9%	76.8%	75.9%	-464	80.0%
Ausol II	15,809	15,256	3.6%										
Autema	19,302	18,810	2.6%	27	24	10.1%	25	22	11.2%	93.4%	92.5%	-603	76.3%
TOTAL SPAIN				**38**	**34**	**12.2%**	**33**	**30**	**13.1%**			**-1,067**	
Azores	9,407	9,045	4.0%	7	6	7.9%	6	5	11.2%	86.1%	83.5%	-303	89.2%
Algarve**	10,313	8,861	16.4%		9	n.a		8	n.a	n.s.	89.8%		48.0%
Norte Litoral**	23,518	22,943	2.6%		10	n.a		9	n.a	n.s.	89.3%		49.0%
Via Livre				4	3	4.3%	0	0	0.4%	13.1%	13.6%	3	84.0%
TOTAL PORTUGAL				**10**	**29**	**-65.2%**	**6**	**23**	**-73.5%**			**-299**	
TOTAL HEADQUARTERS				**3**	**3**	**1.5%**	**-13**	**-8**	**-67.1%**				
TOTAL TOLL ROADS				**95**	**105**	**-9.9%**	**62**	**77**	**-19.7%**			**-4,194**	

* Assets under construction. ** Algarve contribution to 26/09/2017 and Norte Litoral to 21/04/2017, when they then began to be consolidated by the equity method.

Toll roads consolidated using the equity method

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Equity accounted	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**VAR.**	**MAR-18**	**MAR-17**	**MAR-18**	**SHARE**
407 ETR (VKT'000)	578,300	564,175	2.5%	185	185	0.2%	161	156	3.0%	87.0%	84.6%	-4,516	43.2%
M4	30,122	29,224	3.1%	7	6	3.1%	4	4	-4.5%	61.3%	66.3%	-93	20.0%
M3	36,437	35,152	3.7%	5	6	-16.5%	4	4	-5.0%	73.1%	64.3%	-149	20.0%
A-66 Benavente Zamora				6	6	-6.8%	5	6	-7.1%	92.3%	92.6%	-161	25.0%
Central Greece	6,233	10,290	-39.4%	2	2	42.6%	1	1	9.1%	34.0%	44.4%	-331	21.4%
Ionian Roads	16,438	22,606	-27.3%	17	11	58.6%	12	7	70.8%	70.5%	65.5%	-74	21.4%
Serrano Park				1	1	2.9%	1	1	-3.0%	61.1%	64.8%	-43	50.0%
Algarve	10,313	8,861	16.4%	9		n.s.	8		n.s.	89.9%	n.a.	-115	48.0%
Norte Litoral	23,518	22,943	2.6%	10		n.s.	9		n.s.	90.6%	n.a.	-145	49.0%

407 ETR

Profit and loss account

CAD million	MAR-18	MAR-17	VAR.
Revenues	289	261	10.7%
EBITDA	251	220	13.8%
EBITDA margin	87.0%	84.6%	
EBIT	225	196	14.9%
EBIT margin	78.1%	75.2%	
Financial results	-94	-77	-21.1%
EBT	132	119	10.9%
Corporate income tax	-35	-31	-10.9%
Net Income	**97**	**87**	**10.9%**
Contribution to Ferrovial	**24**	**23**	**1.6%**

Note: following Ferrovial's disposal of 10% in 2010, the toll road began to be accounted for by the equity method, in line with the percentage stake controlled by Ferrovial (43.23%).

Revenues at 407 ETR increased by +10.7% in local currency in 1Q 2018:

- **Toll revenues** (93% of the total): rose by +10.9% to CAD267mn, mainly due to the toll rate increases applied since February 2018 and the improvement in traffic.
- **Fee revenues** (7% of the total): reached CAD21mn (+15.3%), aided by the increase in late payment charges, coupled with an increase in the number of transponders.

  Average revenues per journey rose +9.5% (CAD10.24 vs. CAD9.35 in 1Q 2017).

The toll road also recorded an **increase in EBITDA of +13.8%** in 1Q 2018, with an EBITDA margin of 87% vs. 84.6% in 1Q 2017. In 1Q 2018, EBITDA reflects an extraordinary positive impact of some CAD6mn, mainly due to a one-time recovery certain indirect taxes related to prior years.

Financial result: -CAD94mn, 16mn in increased expenses vs. 1Q 2017 (-21.1%). Main components:

- **Interest expenses: -CAD93mn**. CAD6mn higher than in the same period in 2017, largely due to the increase in debt, after the recent issuance of senior bonds in 2017.
- **Non-cash financial expenses linked to inflation: -CAD6mn** vs. CAD6mn income in 1Q 2017 (i.e. CAD12mn of additional expenses), due mainly to the negative impact of increasing inflation in 2018, partially offset by the positive impact resulting from the increase in the discount rate.
- **Other financial income: CAD5mn** (vs. CAD3mn in 2017) due to greater returns on investment and higher average cash balance.

407 ETR contributed EUR24mn to Ferrovial's equity-accounted results (+1.6% vs. 1Q 2017), after the annual amortisation of the goodwill following the sale of 10% in 2010, which is being written down over the life of the asset on the basis of the traffic forecast.

407 ETR Dividends

During 1Q 2018, 407 ETR distributed dividends of CAD226mn, +9.0% vs. 1Q 2017, from which EUR63mn correspond to Ferrovial, in line with 1Q 2017 (EUR63mn). However, once the Fx hedges in place for the EUR/CAD exposure are applied, this value would reach EUR65mn, offsetting the -10% depreciation of the CAD.

(CAD million)	2018	2017	2016	2015	2014	2013
1Q	226.3	207.5	187.5	188	175	100
2Q	226.3	207.5	187.5	188	175	130
3Q		215	207.5	188	175	200
4Q		215	207.5	188	205	250
Total		**845**	**790**	**750**	**730**	**680**

407 ETR traffic

Traffic (kilometres travelled) rose +2.5%, with an increase in the number of journeys (+1.5%) and an increase in the average distance travelled (+1.0%). Traffic has been aided by economic growth, partially offset by one less working day than in the same period in 2017.

407 ETR net debt

The net debt figure for 407 ETR at 31 March 2018 was CAD6,575mn (average cost of 4.43%). 56% of the debt matures in more than 15 years' time. The next maturity dates are CAD14mn in 2018, CAD15mn in 2019 and CAD738mn in 2020.

In April 2018, the 407 ETR announced an agreement to issue CAD500mn of 3.72% Senior Notes (due May 11, 2048).

407 ETR credit rating

- **S&P:** on 31 May 2017, the company remained at a rating of "A" (Senior Debt), "A-" (Junior Debt) and "BBB" (Subordinated Debt), with a Stable outlook.
- **DBRS:** on 17 November 2017, the company remained at a rating of "A" (Senior Debt), "A low" (Junior Debt) and "BBB" (Subordinated Debt), with a Stable outlook.

407 ETR toll rates

On February 1st 2018, the toll rates were increased, and a new toll rate structure was announced, including variations depending on the direction of travel (as well as by area, day and time of travel which was already being done). This new structure will extend the Zones from 3 in 2017 (Zone 1 West, Zone 2 Centre and Zone 3 East) to 4 in 2018 after the former Zone 2 Centre is divided in 2. Toll rates applied from 1 February 2018 for light vehicles (expressed in CAD cents/km):

(Canadian dollar cents/km)	ZONE 1	ZONE 2	ZONE 3	ZONE 4
EAST BOUND				
AM Peak Period: *M-F: 6-7am, 9-10am*	39.33	39.57	39.21	36.38
AM Peak Hours: *M-F: 7am-9am*	47.09	46.66	46.24	41.39
PM Peak Period: *M-F 2:30-3:30pm, 6-7pm*	38.11	41.05	42.17	40.68
PM Peak Hours: *M-F 3:30-6pm*	43.30	49.21	50.55	48.76
WEST BOUND				
AM Peak Period: *M-F: 6-7am, 9-10am*	37.08	38.49	39.21	39.21
AM Peak Hours: *M-F: 7am-9am*	42.18	43.78	44.6	46.24
PM Peak Period: *M-F 2:30-3:30pm, 6-7pm*	42.55	42.55	42.17	37.75
PM Peak Hours: *M-F 3:30-6pm*	51.00	48.34	47.91	42.89
Midday Rate				
Weekdays 10am-2:30pm	33.81	33.81	33.81	33.81
Weekends and holidays 11am-7pm	30.83	30.83	30.83	30.83
Off Peak Rate				
Weekdays 7pm-6am, weekends and holidays	23.38	23.38	23.38	23.38

For more information on the 407 ETR toll road results, please click **here** to see the 407 ETR MD&A report.

NTE

(USD million)	MAR-18	MAR-17	VAR.
Revenues	**24**	20	18.2%
EBITDA	**20**	**17**	**21.9%**
EBITDA margin	83.3%	80.9%	
EBIT	**15**	**12**	**23.9%**
EBIT margin	62.5%	60.9%	
Financial results	-15	-15	-1.2%
Net Income	0	-3	88.3%

During 1Q 2018, revenues rose by +18.2% compared to the same period in 2017, on the back of traffic growth and higher toll rates.

EBITDA reached USD20mn (+21.9% vs. 1Q 2017), with an EBITDA margin that stood at 83.3% (+249 basis points vs. 1Q 2017).

Toll road traffic continued to increase its market share in terms of traffic on the corridor. During 1Q 2018, construction works on the junction area between NTE1-2 and NTE3 for the opening of Segment 3A of NTE3 led to various temporary configuration changes, which negatively impacted traffic. Once the construction works and the junction are in their final configuration, traffic on NTE1-2 should improve due to the recovery of traffic on the I35W corridor (NTE3). In the first few months of 2018, there was much more rain and it was colder than normal, which negatively affected traffic. Finally, the connectivity improvements implemented at Segment 2 of NTE since 2Q 2017, continued to have a positive effect on growth.

Quarterly traffic and EBITDA

In terms of traffic: in 1Q 2018, NTE recorded 6.6 million transactions, +9.1% more than in 1Q 2017 (6.0 million transactions).

Quarterly results	1Q'18	1Q'17	VAR.
Transactions (millions)	**6.6**	**6.0**	9.1%
EBITDA (USD mn)	20.2	16.6	21.9%

Very positive EBITDA performance, with growth of +21.9% compared with 1Q 2017, as a result of good revenue performance and operating expense management.

The average toll rate per transaction in 1Q 2018 at NTE reached USD3.7 vs. USD3.3 in 1Q 2017 (+10.2%).

NTE net debt

As of 31 March 2018, net debt for the NTE toll road amounted to USD1,027mn (USD1,028mn in December 2017), at an average cost of 5.28%

NTE credit rating

	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

LBJ

(USD million)	MAR-18	MAR-17	VAR.
Revenues	27	22	23.5%
EBITDA	**22**	**18**	**22.4%**
EBITDA margin	81.3%	82.0%	
EBIT	**16**	**13**	**28.3%**
EBIT margin	59.3%	57.1%	
Financial results	-22	-21	-1.7%
Net Income	-5	-8	38.0%

In 2017 Ferrovial increased its stake in LBJ by +3.6% reaching 54.6%.

During the first quarter of 2018, the toll road generated revenues of USD27mn (up +23.5% compared with the same period in 2017) as a result of both continued growth in traffic during the ramp-up phase and higher toll rates.

EBITDA reached USD22mn (+22.4% vs. 2017) aided by a strong surge in traffic. The EBITDA margin reached 81.3%, aided by the significant growth in revenues.

Toll road traffic continued to register robust growth, as did the corridor, which continues to be in its growth phase, exceeding the existing volumes prior to construction of the project. Segment 1, that runs along the length of the I35E corridor, registered particularly strong growth in 1Q 2018 compared to 1Q 2017, aided by the recovery in traffic after the opening of the new Managed Lanes on this corridor, which are operated by the State. The average toll rate per transaction increased significantly compared to 2017. All of the above has contributed to a significant growth on the toll road revenues, despite the fact that weather conditions in 1Q 2018 were less favourable than normal (more rain and colder than in 2017), which negatively affected traffic.

Quarterly traffic and EBITDA

In terms of traffic, a total of 10.3 million transactions took place during the first quarter of 2018, +8.5% in comparison with 1Q 2017 (9.5 million transactions).

Quarterly results	1Q'18	1Q'17	VAR.
Transactions (millions)	**10.3**	**9.5**	8.5%
EBITDA (USD mn)	22.2	18.2	22.4%

EBITDA in 1Q 2018 reached USD22.2mn, a significant increase compared to 1Q 2017 (+22.4%).

The average toll rate per transaction at LBJ reached USD2.6 in 1Q 2018 vs. USD2.3 in 1Q 2017 (+15.3%).

LBJ net debt

As of 31 March 2018, net debt for the toll road amounted to USD1,464 (USD1,463mn in December 2017), at an average debt cost of 5.38%.

LBJ credit rating

	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

FINANCIAL ASSETS

Under the terms of IFRIC 12, concession contracts are classified as intangible and financial assets. **Intangible assets** (where the operator assumes the traffic risk) are those for which remuneration is earned from charging the corresponding rates depending on level of use. **Financial assets** (no traffic risk for the concession holder) in which payment consists of an unconditional contractual right to receive cash or other financial assets, either because the body awarding the concession guarantees the payment of specific sums, or because it guarantees the recovery of any shortfall between the sums received from users of the public service and the aforementioned specific sums.

The financial assets in operation are Autema, 407 East Ext Phase I, M8, Algarve, A66, Norte Litoral and Eurolink M3 (except for Autema, all of them are equity-accounted).

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	SHARE
Global Consolidation				
Intangible Assets	**-173**	**123**	**-808**	
NTE 35W	-172	18	-596	54%
I-77	-1	105	-212	50%
Equity Consolidated				
Intangible Assets		**618**	**-701**	
I-66		618	-701	50%
Financial Assets	-58	69	-534	
407-East Extension II		9	-208	50%
Ruta del Cacao	-47		61	40%
Toowoomba	-11		-156	40%
Bratislava		30	-194	35%
OSARs		29	-38	50%

NTE 35W: On 5 April there was a planned opening of 4 miles (total length of the segment is 6.2 miles). The whole project is scheduled to open at the end of the summer.

I-77: construction works which began in November 2015 have reached 59% completion, and the toll road is expected to open at the end of 2018.

407 East Extension Phase II: in January 2018 Phase 2A segment was opened, in line with the expected time schedule. The construction works were 69% complete and the objective is to complete Phase 2B in December 2019.

I-66: Cintra won the "Transform I-66 Project" (Virginia, USA), for which commercial negotiations were completed on 8 December 2016. Financial close was completed in November 2017 with the issue of PAB bonds for an amount of USD800mn. The project includes the construction of 35 km on the I-66 corridor between Route 29, close to Gainesville, and the Washington DC ring road, I-495, in Fairfax County. The term allocated for construction of the project runs until 2022, while the concession is granted for 50 years from the completion of the commercial agreement.

In Australia, in October 2017, Cintra Melbourne was awarded the **"Western Roads Upgrade" (OSARs)** project. An availability payment project with a concession term of 22 and a half years, which consists of the improvement and maintenance of the Melbourne toll road and inter-city motorway network. The commercial agreement was completed on 11 December and the financial agreement on 19 December 2017.

Toowoomba: In March 2018 the design and construction works were 87% complete, and the toll road is expected to open at the end of 2018.

Ruta del Cacao: the financial agreement of the project is expected to be completed in 1H 2018.

TENDERS PENDING

In the **USA**, we continue to pay close attention to private initiatives.

- In September, the **Maryland Department of Transport (MDOT),** issued a request for information (RFI) for the I-495/I-95 (Capital Beltway) and I-270 Congestion Relief Improvements projects. The MDOT is considering a design, construction, financing, operation and/or maintenance project for both projects, which would take the form of Managed Lanes. These projects fit perfectly with the Cintra strategy, as they are High Complexity Concessions, which Cintra has been extremely competitive on in the past.

- The offer for the **"I-10 Mobile River Bridge"** in Alabama, will be presented in April 2019. This is a design, construction, financing, operation and maintenance contract with traffic risk for the construction and operation of a cable-stayed bridge over the Mobile River, with an approximate investment of USD1,600 million.

- The current economic and political climate in the USA favours infrastructure development and we are following various projects of interest in States such as Maryland, Illinois, Virginia and Texas, various of which are Managed Lanes structures.

In **Australia**, on 26 February 2017, Cintra presented the non-binding offer for the privatisation process of the "**Westconnex**" project in Sydney, commissioned by the Government of New South Wales.

In **other markets**, Cintra has been pre-qualified for the "**Silvertown Tunnel**" project in London (United Kingdom), with an estimated investment of EUR1,235mn and the offer will be presented on 11 September 2018.

PROJECT DIVESTMENTS

Norte Litoral & Algarve Toll Roads

In 2017, Ferrovial reached an agreement to sell 51% of Norte Litoral toll road in April, for which it received EUR104mn, and 49% of Algarve toll road in September, for which it obtained EUR58mn. After this transaction, Ferrovial holds 49% of Norte Litoral and 48% of Algarve, as well as its position as the principal industrial partner in both assets. Following the closure of these transactions, both assets were equity consolidated.

OTHER EVENTS

Autema

In July 2015, the Official Journal of the Regional Government of Catalonia (*Diario Oficial de la Generalitat de Cataluña*) published the Decree 161/2015, which unilaterally approved changes to the administrative concession for the Tarrasa-Manresa Toll Road. The new toll rates (discounts) included in this Decree were first applied in January 2016. In October 2015, the concession holder *Autopista Tarrasa-Manresa* filed a legal challenge to this Decree with the Catalan High Court (TSJC).

A further Decree was published in the official journal of the regional government of Catalonia on 30 December 2016 (337/2016). This was once again unilateral, and it basically amended and extended the discounts contained in the earlier Decree. The concession holder, *Autopista Tarrasa-Manresa*, also filed a legal challenge to this decree on 20 July 2017.

Both of these legal actions have been adjoined in one single action by the Catalonian High Court (TSJC). The co-defendants (The Regional Government of Catalonia and the Bagés Regional Council) have now presented their written responses to the lawsuits. The ratification of the expert-witness reports has been confirmed and the legal actions continue their course.

AIRPORTS

The Airports division contributed EUR49mn to Ferrovial's equity-accounted results during 1Q 2018 (as compared with EUR14mn in 1Q 2017).

- **HAH:** EUR52mn in 1Q 2018 (EUR20mn in 1Q 2017), due mainly to the positive mark to market performance of the hedging instruments, as a result of lower expected inflation figure and the increase in interest rates.

- **AGS**: Contributed -EUR3mn to Ferrovial's 1Q 2018 equity-accounted results (vs. -EUR6mn in 1Q 2017).

In terms of distributions to shareholders:

- **Heathrow paid out GBP114mn (100%)**, compared to GBP94mn in 1Q 2017. Ferrovial received EUR34mn for its stake.

- **AGS paid out GBP12mn (100%)** compared to GBP94mn in 1Q 2017, which included an extraordinary dividend after the refinancing in 1Q 2017. Ferrovial received EUR7mn in 1Q 2018.

HEATHROW

Heathrow traffic

In 1Q 2018, traffic at Heathrow registered a record start to the year with 17.7 million passengers (+3.1%), primarily due to an increase in the number of flights (+0.8%) based on the plan launched in 4Q 2017, the increase in load factors and early Easter holidays. The 30th March coincided with the start of the Easter holidays and "Half Term", led to the airport having its busiest departures day ever, with over 136,000 departing passengers travelling. The average number of seats per aircraft increased +0.7% to 213.9 (1Q 2017: 212.4).

In March, Heathrow became the first European airport to carry out a direct flight to Australia, via the airline Qantas to Perth. Beijing Capital Airlines also began to operate two direct flights per week to Qingdao, including additional direct flights to other major Chinese cities, which will run over the course of the year.

Million passengers	MAR-18	MAR-17	VAR.
UK	1.1	1.1	2.7%
Europe	7.2	6.9	2.5%
Intercontinental	9.4	9.2	2.3%
Total	**17.7**	**17.2**	**3.1%**

Intercontinental traffic (+2.3%) has headed up growth in traffic. Additional flights to Mumbai, Tokyo and Guangzhou drove Asia Pacific traffic (+3.9%). Traffic to the Middle East grew by +3.6%, notably the routes to Saudi Arabia and Israel.

European traffic increased by +2.5% thanks to higher occupancy levels, coupled with larger aircraft, particularly on the routes to Madrid, Barcelona and Istanbul. **Domestic traffic** increased by +2.7%, demonstrating the benefits of the Heathrow discount on domestic flights, as well as the additional Flybe services to Scotland.

Heathrow cargo volumes registered another quarter of robust growth (+4.3%) reaching 417,000 tonnes, driven by increased trade with the USA, Spain and China.

Heathrow SP Revenue and EBITDA

Revenue growth increased by +3.8%, aided by robust traffic growth, coupled with strong retail revenues.

(GBP million)	MAR-18	MAR-17	VAR.
Aeronautic	401	389	3.1%
Retail	156	148	5.4%
Others	123	118	4.2%
TOTAL	**680**	**655**	**3.9%**

Aeronautical revenues increased by +3.1%, driven by strong traffic growth. **Average aeronautical revenue per passenger** remained flat at GBP22.67 (GBP22.67 in 1Q 2017).

Retail revenue grew by +5.4%, particularly aided by growth in retail and restaurant concessions, which reflect the robust traffic growth and the increase in passengers willing to carry out in-terminal purchases. Restaurant revenues, also benefitted from refurbishments of restaurants in T5. Net retail revenues per passenger grew by +2.3%, reaching GBP8.82, compared to GBP8.62 in 1Q 2017.

Heathrow SP EBITDA grew by +5.2% in 1Q 2018, reaching GBP402mn, due to traffic growth, cost control and the robust performance of retail revenues.

User satisfaction

In 1Q 2018, Heathrow achieved its highest ever passenger satisfaction, with the airport achieving a scoring of 4.20 out of 5. According to Airport Service Quality (ASQ), 84% of the passengers surveyed classified their experience in the airport as "excellent" or "very good".

In 2018, Heathrow Terminal 2 was nominated "World's Best Terminal" for the first time by Skytrax World Airport Awards. As well as this award, which was voted for by passengers all around the world, Heathrow was also recognised as the "Best Airport in Western Europe" for the fourth year running and "Best Airport in the world for Shopping " for the ninth consecutive year.

Regulatory aspects

Regulatory Asset Base (RAB): At 31 March 2018, the RAB reached GBP15,773mn (GBP15,786mn in December 2017).

Regulatory period: in December 2016, the Civil Aviation Authority (CAA) confirmed the extension of the current regulatory period (Q6) until 31 December 2019, maintaining the annual maximum tariff increase per passenger: RPI -1.5%.

The CAA continues to develop the framework for the next regulatory period and expansion On 30 April 2018, the regulator published a new consultation report entitled "Economic regulation of capacity expansion at Heathrow: policy update and consultation". Responses to this new consultation report must be sent back before 29 June 2018.

Expansion: in October 2016 the British Government selected a third runway at Heathrow to increase airport capacity in the South East of England. The expansion requires parliamentary approval of the NPS (National Policy Statement) and the DCO (Development Consent Order) by the Secretary of State, both respectively expected between 1H 2018 and 2021.

In March 2018, the Transport Select Committee accepted the strategic case to expand Heathrow following a period of comprehensive scrutiny including public evidence sessions. The Committee endorsed the Government's plan to expand the airport and made several recommendations for the Government to consider before the NPS is put to a vote in Parliament this summer.

While it is for the Government to consider the Committee's recommendations, Heathrow will continue to work with stakeholders to improve our plans and ensure that expansion is delivered in a way that is sustainable, affordable and financeable and maintains Britain's position as a global trading powerhouse.

Expanding Heathrow remains widely supported, particularly in Parliament, with the latest polling showing that 75% of MPs back the project.

Heathrow Airports Holding (HAH) profit and loss account

GBP million	MAR-18	MAR-17	VAR.
Revenues	**680**	**655**	**3.9%**
EBITDA	**402**	**382**	**5.2%**
EBITDA margin %	59.1%	58.3%	
Depreciation	190	179	-5.9%
EBIT	**212**	**203**	**4.7%**
EBIT margin %	31.2%	31.0%	
Financial results	13	-111	111.6%
EBT	225	92	145.0%
Corporate income tax	-42	-23	-86.8%
Net income	183	69	163.9%
Contribution to Ferrovial equity accounted result (EUR mn)	**52**	**20**	**156.5%**

HAH net debt

At 31 March 2018, the average cost of Heathrow's external debt was 5.48%, including all the interest-rate, exchange-rate and inflation hedges in place (5.62% in December 2017).

(GBP million)	MAR-18	MAR-17	VAR.
Loan Facility (ADI Finance 2)	75	0	n.a.
Subordinated	1,306	1,325	-1.5%
Securitized Group	12,154	12,234	-0.7%
Cash & adjustments	-52	-40	29.3%
Total	**13,483**	**13,519**	**-0.3%**

The net debt figure relates to FGP Topco, HAH's parent company.

For further information, please see the **note on HAH's results**.

UK REGIONAL AIRPORTS (AGS)

AGS RESULTS

(GBP million)	MAR-18	MAR-17	VAR.
Glasgow	24	23	2.5%
Aberdeen	13	13	4.6%
Southampton	7	7	-0.3%
Total Revenues AGS	**44**	**42**	**2.7%**
Glasgow	8	8	-2.7%
Aberdeen	5	4	18.2%
Southampton	2	2	0.0%
Total EBITDA AGS	**14**	**14**	**3.7%**
Glasgow	32.5%	34.2%	-173.0
Aberdeen	34.9%	30.9%	401.9
Southampton	25.9%	25.8%	8.1
Total EBITDA margin	**32.2%**	**31.9%**	**32.1**

AGS Traffic

(Million Passengers)	MAR-18	MAR-17	VAR.
Glasgow	1.8	1.9	-5.1%
Aberdeen	0.7	0.7	2.4%
Southampton	0.4	0.4	-2.7%
Total AGS	**2.9**	**3.0**	**-3.1%**

The number of passengers at regional airports declined by -3.1% to 2.9 million in 1Q 2018 due to adverse weather conditions in February and March, which led to cancellations, delays and temporary closures, although partially offset by the beginning of Easter holidays.

Glasgow: 1.8 million passengers (-5.1%) Domestic traffic declined by -8.4%, due to the less routes to London Stansted, together with the bad weather conditions in UK in February and March, which led to the temporary closure of the airport. International traffic declined (-1.4%) due to the cancellation of United routes to New York during winter and that of Wizz to Warsaw, Gdansk and Poznan. These impacts were partially offset by new Ryanair routes (Lisbon, Palanga, Valencia, Frankfurt, Madrid & Cracow) and new Lufthansa (Munich and Frankfurt).

Aberdeen: 0.7 million passengers (+2.4%) +2.4% against last year despite the bad weather, growing to 0.7 million. Domestic traffic increased (+1.4%), mainly driven by Flybe's London Heathrow route which started Q2 2017. International traffic increased (+4.7%), due to the growth in leisure routes including full year of Ryanair's routes to Alicante, Malaga, Faro and the new Malta route. International hubs are also up (+6.1%) driven by additional rotations on Air France Paris and KLM Amsterdam, partly offset by the loss of Lufthansa end of March 2018.

Southampton: 0.4 million passengers (-2.7%). Domestic traffic increased (+0.9%), driven by higher load factors on Flybe's Manchester, Belfast and Leeds services, coupled with favourable load factors to the Channel Islands. International traffic decreased (-8.3%) due to Flybe's cancelled Lyon, Malaga and Paris Orly services partly offset by EasyJet's new service to Geneva and increased load factor on KLM's Amsterdam route.

AGS Revenue and EBITDA

In 1Q 2018, EBITDA grew by +3.7%, primarily due to an increase in revenues of +2.7%, coupled with operating cost efficiencies, which partially offset the loss of income and greater operating costs, due to adverse weather conditions.

AGS net bank debt

At 31 March 2018, the regional airports' net bank debt stood at GBP672mn.*

CONSTRUCTION

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	1,012	965	4.8%	10.1%
EBITDA	20	56	-64.4%	-63.7%
EBITDA margin	2.0%	5.8%		
EBIT	11	48	-76.6%	-76.4%
EBIT margin	1.1%	5.0%		
Order book*	10,918	11,145	-2.0%	-0.6%

*Order book compared with December 2017

Revenues increased by +10.1% in comparable terms, with positive performance in all areas. International revenues accounted for 81% of the Division's revenues, very much focused on the company's traditional strategic markets: Poland (28%) and North America (31%).

Profitability declined vs. 2017 (EBIT margin 1.1% vs. 5.0%), primarily in the Ferrovial Agroman Division, due to large projects in their preliminary stages and a lower proportion of toll road concession contracts in the portfolio of projects currently in progress, as well as in Budimex due to increased costs for labour and materials, although with profitability remaining higher than that of the sector.

BUDIMEX

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	285	238	19.5%	16.5%
EBITDA	16	25	-34.0%	-35.7%
EBITDA margin	5.8%	10.4%		
EBIT	14	23	-40.1%	-41.8%
EBIT margin	4.8%	9.7%		
Order book*	2,463	2,467	-0.1%	0.8%

*Order book compared with December 2017

Revenues in comparable terms increased by +16.5%, with growth in all business segments, with the faster completion of Industrial projects and Residential and Non-Residential Construction being particularly notable, as well as being driven by contracting levels achieved in 2017. By contrast, there was a decline in profitability (-35.7% in LfL EBITDA), primarily due to pressure on subcontractor prices, materials and salaries, that are higher than the final payments on the infrastructure projects that have been completed.

The order book continues to be at a record high, up by +0.8% LfL on December 2017. In March 2018, contracts reached more than EUR300mn, of which approximately 40% relate to Civil Works contracts awarded in large part due to the 2014-2020 New Highway Plan and 26% to Non-Residential Construction projects. Budimex also has contracts that are currently pending signing or have been signed since 31 March 2018, worth a total of more than +EUR800mn.

WEBBER

	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	180	195	-7.4%	15.3%
EBITDA	5	8	-35.0%	-32.8%
EBITDA margin	2.8%	3.9%		
EBIT	3	5	-44.2%	-44.8%
EBIT margin	1.6%	2.7%		
Order book*	1,058	1,171	-9.7%	-7.4%

*Order book compared with December 2017

Revenues grew by +15.3% primarily due to the acceleration of Civil Works projects. The fall in the EBIT margin to 1.6%, was due to the lower proportion of toll road concession contracts in the portfolio of projects currently in course.

The order book declined by -7.4% in comparable terms, although the most important periods relating to tenders will be 2Q and 3Q 2018.

FERROVIAL AGROMAN

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	547	532	2.7%	5.4%
EBITDA	-1	24	-106.2%	-106.6%
EBITDA margin	-0.3%	4.4%		
EBIT	-6	20	-128.5%	-130.4%
EBIT margin	-1.0%	3.7%		
Order book*	7,397	7,507	-1.5%	-0.1%

*Order book compared with December 2017

Revenues grew by +5.4% LfL, primarily in the domestic market, particularly notable was both Residential and Non-Residential Construction. Profitability declined in March 2018 (EBIT margin -1.0%) primarily due to several projects being executed in only the initial stages, with lesser levels of complexity.

ORDER BOOK

(EUR million)	MAR-18	MAR-17	VAR.
Civil work	8,439	8,635	-2.3%
Residential work	366	382	-4.2%
Non-residential work	1,379	1,347	2.4%
Industrial	735	782	-6.0%
Total	**10,918**	**11,145**	**-2.0%**

*Order book compared with December 2017

The order book decreased by -0.6% LfL compared to December 2017. The civil works segment remains the largest segment (at 77%), and very selective criteria are being maintained when participating in tenders. The international order book amounted to EUR9,678mn, far more than the domestic order book (EUR1,241mn), and represented 89% of the total.

The order book figure at March 2018 does not include pre-awarded contracts or contracts for which commercial or financial agreement has not been finalised. These amount to over EUR1,300mn, notable among which are the aforementioned Budimex contracts, as well as the construction of a Toll road in Colombia (Bucaramanga-Barrancabermeja-Yondó) and another in Chile (Rutas del Loa).

SERVICES

(EUR million)	MAR-18	MAR-18 Ex-BHM	MAR-17	VAR.	LIKE FOR LIKE Ex-BHM
Revenues	1,560	1,563	1,807	-13.6%	-8.0%
EBITDA	-162	75	95	-270.1%	-20.0%
EBITDA margin	-10.4%	4.8%	5.3%		
EBIT	-212	25	26	n.s.	-9.1%
EBIT margin	-13.6%	1.6%	1.4%		
Order book*	18,565		19,329	-4.0%	-3.6%
JVs order book*	1,451		1,589		
Global order book+JVs*	20,016		20,918	-4.3%	-4.0%

BHM is Birmingham Contract. *Order book compared with December 2017

In 1Q 2018, Services revenues reached EUR1,560mn, falling by -13.6% compared to 1Q 2017. In comparable terms, excluding the FX impact and Birmingham contract, revenues fell by -8.0% vs. 1Q 2017. This was primarily due to reduced activity in the UK, due to withdrawing from non-profitable contracts and the selective tendering policy adopted by Amey in the past few years, and in Australia, due to the ending of the contract with the Government of Australia's Immigration Department.

Spain grew by +3.9%, driven by strong performance from treatment and industrial maintenance activities. International increased revenues by +11.8% LfL, thanks to business growth in all markets (primarily North America, Chile, Poland and Portugal).

EBITDA stands at -EUR162mn, EUR257mn less than in 1Q 2017 as a result of the impact from the Birmingham contract in the UK. With regard to this contract, a -EUR237mn provision was made in 1Q 2018 as a consequence of the new accounting criteria associated with a change to the phased scheduling of investments and to cover any penalties, in line with the stance adopted by Birmingham City Council during the early months of the year. Excluding this effect, the Services EBITDA stood at EUR75mn (4.8% margin), -20.0% LfL compared to 2017, primarily due to the ending of the immigration contract in Australia.

In March 2018, the order book amounted to EUR20,016mn, -4.3% down on December 2017 (-4% excluding the FX impact). This decline was primarily focused on the UK (-4.5% LfL) due to the ending of non-profitable contracts and a more prudent strategy when assessing opportunities, and Australia, with a decline of -6%, due to the restructuring undertaken in June 2017.

SPAIN

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	474	456	3.9%	3.9%
EBITDA	46	44	4.8%	4.8%
EBITDA margin	9.7%	9.6%		
EBIT	24	21	12.4%	12.4%
EBIT margin	5.0%	4.6%		
Order book*	4,957	4,992	-0.7%	-0.7%
JVs order book*	280	268	4.8%	4.8%
Global order book+JVs*	5,237	5,260	-0.4%	-0.4%

*Order book compared with December 2017

Revenues in Spain grew by +3.9% vs March 2017, largely driven by greater volumes in treatment from contracts obtained in 1Q 2018. This revenue growth is carried through in percentage terms to the gross operational result, which also grew by +4,8%.

At March 2018, the order book volume stood at EUR5,237mn (-0.4% compared with December 2017). The performance of the order book is directly linked to the slowdown in public tenders, whose impact on revenues has been offset by the subsequent grant of extensions. Notable among the contract awards in the first quarter were the renewal of the Line 010 Madrid Public Information Service, (EUR42mn, 4 years), the concession contract for the Torrejón de Ardoz sports centre (EUR46.8mn, 40 years), the Aena service contract for persons with reduced mobility at the Malaga, Seville and Jerez airports (EUR31.4mn, 4 years) and the renewal of the cleaning contract at the Madrid Metro stations on Lines 1 and 7 (EUR24.6mn, 4 years).

UK

(EUR million)	MAR-18	MAR-18 Ex-BHM	MAR-17	VAR.	LIKE FOR LIKE Ex-BHM
Revenues	565	567	675	-16.4%	-11.2%
EBITDA	-225	12	13	n.s.	-23.5%
EBITDA margin	-39.9%	2.1%	2.0%		
EBIT	-232	5.0	4	n.s.	-24.0%
EBIT margin	-41.1%	0.9%	0.6%		
Order book*	8,676		8,895	-2.5%	-3.6%
JVs order book*	870		983	-11.5%	-12.6%
Global order book+JVs*	9,546		9,878	-3.4%	-4.5%

BHM is Birmingham Contract. *Order book compared with December 2017

In the UK, revenues fell by -16.4% compared with the first quarter of 2017 (-14% in comparable terms, excluding exchange rate impacts). As previously mentioned, the drop-in activity was primarily due to withdrawing from non-profitable contracts, the end of the construction phase of various projects, as well as the implementation of a selective tendering policy by Amey. This reduction has been partly offset by the incorporation of Carillion's Rail contracts, which contributed revenues of EUR27mn in March.

Margin performance was significantly affected by the provision registered for the Birmingham contract. Excluding this effect, EBITDA margin would have stood at 2.1%, in line with expectations. The Company continues to focus on improving contracts with low rates of return, and on withdrawing from non-profitable contracts. Also of note was the completion of the Liverpool contract in 2018, following on from the other withdrawals at year-end 2017 of ASC 6&8 in Highways and Affinity Water. The company has also begun an asset divestment plan, focusing on PFIs and joint ventures in non-strategic sectors.

Focusing on the Birmingham contract, on 22 February 2018, the UK Court of Appeals found in favour of Birmingham City Council, overturning the judgement in which the High Court found in favour of Amey in September 2016. Following this judgement, and in view of the communications received from the Council, it has become clear that the project's investment profile needs to be changed, making it necessary to undertake these investments during the initial capex phase. Given that the income corresponding to this stage had been exhausted, a provision had to be registered for the amount of the investment. In addition, the Company has reassessed its forecasts regarding the level of penalties and deductions, given the stance that the Council has been seen to adopt during recent months, when it has applied penalties and deductions in extremely high amounts. All of this has led the Company to set aside additional provisions in the amount of -EUR237mn as an onerous contract. This provision is in addition to the one set aside in December 2017 in the amount of EUR84mn, of which EUR41mn was charged to reserves as a consequence of the application of IFRS 15.

In March, the order book stood at EUR9,546mn (-4.5% LfL compared with December 2017). Among the most significant entries to the order book are the EUR180mn relating to the purchase of Carillion contracts for the electrification of the Midland and North-East railway lines (2 years), as well as the new contract award for the design and construction of electrical substations in the South of the UK (EUR71mn, 5 years).

AUSTRALIA SERVICES

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	397	553	-28.1%	-19.4%
EBITDA	12	35	-66.1%	-61.8%
EBITDA margin	3.0%	6.3%		
EBIT	-4	1	n.s.	n.s.
EBIT margin	-1.0%	0.2%		
Order book*	3,595	3,981	-9.7%	-5.9%
JVs order book*	235	265	-11.3%	-7.6%
Global order book+JVs*	3,830	4,246	-9.8%	-6.0%

*Order book compared with December 2017

In 1Q 2018, Australia Services revenues reached EUR397mn, falling by -19.4% LfL compared to 1Q 2017. As already foreseen, a key factor in this decline was the ending of the immigration contract in October 2017 (revenue contribution in 1Q 2017 stood at EUR110mn). Not including this contract and LfL, the year-on-year variation is positive (+1%). We would highlight the growth in Government, the main business line in terms of revenues, which has grown by +3% thanks to the renewal of the main contracts, excluding immigration contracts. Also notable was the growth in transport (+5%), which was offset by urban infrastructure (-8%).

This year, Australia Services has contributed an EBITDA of EUR12mn (3% of revenues), in line with forecasts for the year. The Australia Services account includes an expense of EUR5mn relating to the amortisation of the intangible fixed asset created by the acquisition. Net intangible assets amount to EUR88mn, and this figure will be gradually written down over the coming 8 years.

The order book at March 2018 stands at EUR3,830mn, a -6% LfL decline, compared to December 2017. Notable among the contracts awarded in 1Q 2018 is the construction of a waste water treatment plant in Queensland (EUR24mn, 2 years). Also of note are the opportunities identified in the country, which amount to approximately EUR20bn in the Company's main business lines: transport, natural resources and defence.

INTERNATIONAL SERVICES

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Revenues	125	123	1.4%	11.8%
EBITDA	5	4	45.1%	53.9%
EBITDA margin	4.4%	3.1%		
EBIT	0	-1	135.1%	136.9%
EBIT margin	0.3%	-0.8%		
Order book*	1,337	1,460	-8.5%	-6.9%
JVs order book*	66	73	-9.4%	-6.6%
Global order book+JVs*	1,402	1,533	-8.5%	-6.9%

*Order book compared with December 2017

Revenues from the International business amounted to EUR125mn for the first quarter of 2018, up by +11.8% LfL. There has also been a general improvement across all geographies (North America, Chile, Poland and Portugal).

EBITDA was also positive, reaching EUR5mn. As was the case with revenues, all countries have contributed to this improvement.

The order book amounted to EUR1,402mn, -6.9% LfL vs. December 2017. Particularly notable among the contracts awarded this year is the highway maintenance contract in Duval, Florida (USA), amounting to EUR72mn (10 years).

BALANCE SHEET

	MAR-18	DIC-17		MAR-18	DIC-17
FIXED AND OTHER NON-CURRENT ASSETS	**14,857**	**14,927**	**EQUITY**	**5,942**	**6,234**
Consolidation goodwill	**2,056**	**2,062**	Capital & reserves attrib to the Company´s equity holders	5,211	5,503
Intangible assets	**417**	**431**	Minority interest	731	731
Investments in infrastructure projects	**6,900**	**6,917**	**Deferred Income**	**1,066**	**1,037**
Property	**6**	**6**			
Plant and Equipment	**662**	**694**	**NON-CURRENT LIABILITIES**	**9,917**	**9,871**
Equity-consolidated companies	**2,628**	**2,687**	**Pension provisions**	**63**	**66**
Non-current financial assets	**826**	**769**	**Other non current provisions**	**739**	**808**
Long term investments with associated companies	344	312	**Financial borrowings**	**7,618**	**7,511**
Restricted Cash and other non-current assets	313	285	Financial borrowings on infrastructure projects	5,290	5,363
Other receivables	169	172	Financial borrowings other companies	2,327	2,149
Deferred taxes	**1,035**	**1,035**	**Other borrowings**	**200**	**198**
Derivative financial instruments at fair value	**328**	**326**	**Deferred taxes**	**904**	**900**
			Derivative financial instruments at fair value	**393**	**387**
CURRENT ASSETS	**7,545**	**8,063**			
Assets classified as held for sale	**0**	**0**	**CURRENT LIABILITIES**	**5,477**	**5,848**
Inventories	**646**	**629**	**Liabilities classified as held for sale**	**0**	**0**
Trade & other receivables	**2,625**	**2,635**	**Financial borrowings**	**393**	**839**
Trade receivable for sales and services	2,136	2,032	Financial borrowings on infrastructure projects	110	207
Other receivables	489	603	Financial borrowings other companies	283	631
Taxes assets on current profits	**156**	**143**	**Derivative financial instruments at fair value**	**75**	**65**
Cash and other temporary financial investments	**3,998**	**4,601**	**Trade and other payables**	**4,038**	**4,221**
Infrastructure project companies	491	463	Trades and payables	2,147	2,283
Restricted Cash	72	58	Other non comercial liabilities	1,890	1,938
Other cash and equivalents	419	405	**Liabilities from corporate tax**	**97**	**94**
Other companies	3,506	4,137	**Trade provisions**	**874**	**629**
Derivative financial instruments at fair value	**121**	**55**			
TOTAL ASSETS	**22,402**	**22,990**	**TOTAL LIABILITIES & EQUITY**	**22,402**	**22,990**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(EUR million)	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUSTMENT	MAR-18	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUSTMENT	MAR-17
Revenues	2,704		**2,704**	2,885		**2,885**
Other income	1		1	1		1
Total income	2,705		2,705	2,886		2,886
COGS	2,780		2,780	2,660		2,660
EBITDA	-75		**-75**	227		**227**
EBITDA margin	-2.8%		-2.8%	7.9%		7.9%
Period depreciation	77		77	96		96
EBIT (ex disposals & impairments)	-151		**-151**	131		**131**
EBIT (ex disposals & impairments) margin	-5.6%		-5.6%	4.5%		4.5%
Disposals & impairments	0	-10	-10	0	-11	-11
EBIT	-151	-10	**-161**	131	-11	**120**
EBIT margin	-5.6%		-6.0%	4.5%		4.2%
FINANCIAL RESULTS	-60	-13	**-73**	-87	17	**-70**
Financial result from financings of infrastructures projects	-57		-57	-67		-67
Derivatives, other fair value adjustments & other financial result from infrastructure projects	-2	0	-2	-2		-2
Financial result from ex infra projects	-1		-1	-13		-13
Derivatives, other fair value adjustments & other ex infra projects	-1	-13	-13	-6	17	12
Equity-accounted affiliates	36	43	79	28	19	48
EBT	-176	20	**-155**	72	26	**98**
Corporate income tax	-3	6	3	-18	-2	-20
NET INCOME FROM CONTINUED OPERATIONS	-179	26	**-153**	53	24	**78**
Net income from discontinued operations						
CONSOLIDATED NET INCOME	-179	26	**-153**	53	24	**78**
Minorities	-8	0	-8	-6	0	-6
NET INCOME ATTRIBUTED	-187	26	**-161**	47	24	**72**

REVENUES

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Toll Roads	95	105	-9.9%	17.2%
Airports	3	2	62.0%	84.4%
Construction	1,012	965	4.8%	10.1%
Services	1,560	1,807	-13.6%	-9.1%
Others	35	6	n.a.	n.a.
Total	**2,704**	**2,885**	**-6.3%**	**-0.8%**

EBITDA

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Toll Roads	62	77	-19.7%	9.7%
Airports	-4	-4	10.4%	13.9%
Construction	20	56	-64.4%	-63.7%
Services	-162	95	-270.1%	-278.6%
Others	10	2	n.a.	n.a.
Total	**-75**	**227**	**-132.9%**	**-137.2%**

DEPRECIATION

Depreciation fell -20.1% year-on-year in 1Q 2018 (-14.7% LfL), to EUR77mn.

EBIT

(Before impairments and disposals of fixed assets)

(EUR million)	MAR-18	MAR-17	VAR.	LIKE FOR LIKE
Toll Roads	44	60	-26.0%	8.9%
Airports	-4	-5	9.5%	11.3%
Construction	11	48	-76.6%	-76.4%
Services	-212	26	n.s.	n.s.
Others	9	2	n.a.	n.a.
Total	**-151**	**131**	**-215.9%**	**-237.1%**

IMPAIRMENTS & DISPOSALS

Impairments and disposals of fixed assets amounted to -EUR10mn at 31 March 2018, including the additional impairment applied to Autema (-EUR10mn). In 1Q 2017, this figure rose to -EUR11mn.

FINANCIAL RESULT

(EUR million)	MAR-18	MAR-17	VAR.
Infrastructure projects	-57	-67	14.5%
Ex infra projects	-1	-13	95.7%
Net financial result (financing)	**-58**	**-80**	**27.4%**
Infrastructure projects	-2	-2	17.8%
Ex infra projects	-13	12	-214.7%
Derivatives, other fair value adj & other financial result	**-15**	**10**	**-254.2%**
Financial Result	**-73**	**-70**	**-3.7%**

Financial expenses in 1Q 2018 were up EUR3mn compared to the corresponding period in 2017, as a combination of the following impacts:

- **Financing result:** EUR22mn drop in expenses to -EUR58mn. The change compared with 1Q 2017 was primarily due to the following impacts:

  In the infrastructure area, expenses fell by EUR10mn, primarily due to the deconsolidation of assets in 2017:

  - Norte Litoral: (four months' global consolidation in 2017, generating EUR2mn in financial expenses).
  - Algarve (nine months' global consolidation in 2017, generating EUR3mn in financial expenses).

  In the ex-projects area, expenses fell by EUR12mn, primarily due to improved conditions following the restructuring of Services Australia, along with the fall in corporate debt after the depreciation of the bond issued in 2013, for EUR500mn.

- **Result from derivatives and others:** EUR25mn more financial expenses to -EUR15mn in 1Q 2018, vs. EUR10mn of financial income in 1Q 2017, mainly due to the hedges provided by equity swaps linked to payment plans, with no cash impact. These hedges led to expenses of -EUR5mn at the close of 1Q 2018, due to the negative performance of the share price as compared with its positive performance in 1Q 2017, as shown in the following table:

DATE	CLOSING PRICE (€)
31-Dec-16	17.00
31-Mar-17	**18.76**
31-Dec-17	18.93
31-Mar-18	**16.97**

EQUITY-ACCOUNTED RESULTS

At net profit level, equity-accounted consolidated assets contributed EUR79mn after tax (against EUR48mn in 1Q 2017).

(EUR million)	MAR-18	MAR-17	VAR.
Toll Roads	29	25	17.6%
Airports	49	14	240.7%
Construction	0	0	119.4%
Services	1	9	-90.8%
Total	**79**	**48**	**65.4%**

This improvement was due to the improvement of Heathrow's contribution (+EUR52mn in 1Q 2018), primarily due to the positive mark to market hedge performance and the positive performance of the Toll Roads (net profit at 407 ETR rose by +10.9%).

TAXES

Company tax for the first quarter rose to +EUR3mn compared with -EUR20mn at the close of 1Q 2017 (the latter having been impacted primarily by the capital gains obtained from the divestment of the Portuguese toll roads.

The tax rate stood at 2% (1% excluding the equity method). Applying prudent criteria, this tax rate, does not take into consideration the tax credit associated with the provision for the Birmingham City Council managed by a subsidiary of Amey Plc, which amounted to +EUR40mn. Taking account of this tax credit, the Corporate Income Tax for 1Q 2018 stood at +EUR43mn, which puts the tax rate at 28%.

NET PROFIT

Net profit stood at -EUR161mn in 1Q 2018 (EUR72mn in 1Q 2017). This result includes a series of impacts, notable among which were:

- Impact from the Birmingham City Council contract provision in Services: -EUR237mn.
- Fair value adjustments for derivatives: +EUR43mn (EUR19mn in 1Q 2017), primarily impacted by derivatives from HAH, as previously mentioned.
- Impairment at Autema: -EUR7mn (-EUR8mn in 1Q 2017).

NET DEBT AND CORPORATE CREDIT RATING

NET DEBT

The net cash position, excluding infrastructure projects, stood at EUR938mn at 31 March 2018 vs. EUR1,341mn in December 2017.

The main drivers of this change in the net cash position ex-infrastructure projects included the following:

- **Dividends received from projects** (+EUR108mn): this is -EUR46mn less than compared to the EUR154mn in 1Q 2017, which included the AGS extraordinary dividend following its refinancing.
- **Working capital evolution stood at -EUR405mn** in 1Q 2018, compared to -EUR501mn in 1Q 2017.
- **Shareholder remuneration stood at -EUR61mn** due to the purchase of treasury stock in 1Q 2018, whilst in the same period in 2017, treasury stock was not acquired.
- **Investment fell -EUR73mn** in 1Q 2018 (EUR58mn in Services).

Net project debt stood at EUR4,584mn (EUR4,804mn in December 2017). This net debt includes EUR808mn that relates to toll roads under construction (NTE 35W and I-77).

The Group's **consolidated net group debt** at 31 March 2018 stood at EUR3,647mn (compared with EUR3,463mn in December 2017).

(EUR million)	MAR-18	MAR-17
NCP ex-infrastructures projects	**938**	**1,341**
Toll roads	-4,194	-4,274
Others	-391	-530
NCP infrastructures projects	**-4,584**	**-4,804**
Total Net Cash /(Debt) Position	**-3,647**	**-3,463**

(EUR million)	MAR-18	MAR-17
Gross financial debt	**-8,033**	**-8,367**
Gross debt ex-infrastructure	-2,633	-2,797
Gross debt infrastructure	-5,400	-5,570
Gross Cash	**4,387**	**4,904**
Gross cash ex-infrastructure	3,582	4,156
Gross cash infrastructure	804	748
Total net financial position	**-3,647**	**-3,463**

CORPORATE CREDIT RATING

AGENCY	RATING	OUTLOOK
S&P	BBB	Stable
Fitch Ratings	BBB	Stable

EX-INFRASTRUCTURE DEBT MATURITIES

YEAR	CORPORATE DEBT MATURITIES
2018	203
2019	79
2020	5
2021 – 2031	2.284
2031 – 2041	0
>2041	6

SHAREHOLDER REMUNERATION

The company held its AGM on 5 April 2018. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration system known as the "Ferrovial Scrip Dividend", which the company introduced in 2014 to replace the traditional complementary dividend payment for 2017 and the 2018 interim dividend.

The purpose of this programme is to offer Ferrovial's shareholders the option, at their choice, of receiving free new shares in Ferrovial, though without altering cash payments to its shareholders, as they can alternatively opt to receive a cash payment by means of selling the free rights that they receive against the shares they already own to Ferrovial (or selling them in the market).

At the Board Meeting held on 10 May 2018, the terms of the **first scrip issue were fixed** (equivalent to the 2017 complementary dividend). The amount and the date of the first scrip issue were decided by the Board of Directors:

- Fixed guaranteed price to purchase the allocation rights set by Ferrovial: EUR 0.314
- Number of free of charge allocation rights required to be allocated a new share: 56 rights.
- Record date: 18 May 2018.
- Rights negotiation period: 17 - 31 May 2018
- Period to request cash remuneration from Ferrovial: 17 - 28 May 2018.

SHARE BUY-BACK AND CANCELLATION

The AGM held on 5 April also approved a share capital reduction through the acquisition and subsequent cancellation of the company's own shares. The aim of the programme was to contribute to the company's shareholder remuneration policy by means of increasing earnings per share. The above-mentioned share buy-back programme has a ceiling of EUR275mn, or 19 million shares.

In addition to the above plan to buy back the company's own shares, at end-March 2018, Ferrovial held 5,112,627 shares, out of which 1,439,148 shares were acquired in 2017, and these are due to be amortised over the course of 2018.

Ferrovial's share capital figure as of 31 March 2018 amounted to EUR146,453,094.40, all fully subscribed and paid up. The share capital comprises 732,265,472 ordinary shares of one single class, each with a par value of twenty-euro cents (EUR0.20).

SHAREHOLDER STRUCTURE

Significant holdings in the share capital of Ferrovial S.A., as detailed by the Spanish Stock Market Commission (CNMV):

- **Rijn Capital BV,** (a company controlled by Rafael del Pino y Calvo-Sotelo): 20.3%
- **Menosmares, S.L.U.,** (a company controlled by María del Pino y Calvo-Sotelo): 8.2%
- **Siemprelara S.L.U.,** (a company controlled by Leopoldo del Pino y Calvo-Sotelo): 5.0%
- **Blackrock** held 3.021% at the end-March 2018.

In addition to this, on 13 February 2018, **Fidelity International Limited** informed the CNMV that it held a stake of 1.001% in Ferrovial.

APPENDIX I: EXCHANGE-RATE MOVEMENTS

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	EXCHANGE RATE LAST (BALANCE SHEET)	CHANGE 17/16	EXCHANGE RATE MEAN (P&L)	CHANGE 17/16
GBP	0.8782	2.96%	0.8797	2.88%
US Dollar	1.2327	15.24%	1.2317	15.15%
Canadian Dollar	1.5887	11.64%	1.5607	10.49%
Polish Zloty	4.2158	-0.35%	4.1812	-2.49%
Australian Dollar	1.6039	14.64%	1.5708	12.07%

APPENDIX II: SUBSEQUENT EVENTS AFTER 31 MARCH 2018

- **On 26 April 2018, Ferrovial issued a Significant Event notice to the CNMV in which it notified of an** additional provision of GBP208mn (EUR237mn), relating to the contract managed by Amey for the refurbishment and subsequent maintenance and repositioning of certain infrastructure in the city of Birmingham.

APPENDIX III: ADDITIONAL EVENTS

On March 1st 2018, SH-130 Concession Company, LLC filed a complaint presented before the United States Bankruptcy Court Western District of Texas a lawsuit against Cintra Infrastructures SE, Ferrovial Agroman, S.A., Ferrovial, S.A. and other subsidiaries of the Ferrovial group divisions, as well as the partner in the project relating to the SH-130 toll road.

Until 28 June 2017, when it emerged from a voluntary petition for relief under Chapter 11 (submitted on the 2 March 2016) and transferred to its current owners, SH-130 Concession Company, LLC was 65 % owned by Cintra TX 56 LLC. SH-130 Concession Company, LLC was participated in 65% by Cintra TX 56, LLC until June 28th 2017, when the ownership of its share capital was transferred to its current partners, as a consequence of the closure of the voluntary Chapter 11 process, presented on March 2nd 2016.

In the plaintiff's view opinion of the applicant, part of the payments made by the concession company to the construction company in 2011 and 2012, during the design and construction phase of the toll road, were made in the creditor's fraud. The complaint lawsuit also accuses several Ferrovial group companies of benefiting from those allegedly fraudulent payments being aware of that situation, knowing that they were; and of having caused SH-130 Concession Company, LLC to make such transfers do so. The complaint applicant claims the return of these payments, which amount to USD329mn.