FERROVIAL, S.A. & SUBSIDIARIES

January – September 2018 Results

30 October 2018

PHOTO: NTE

GENERAL OVERVIEW

MAIN INFRASTRUCTURE ASSETS

In the results for the first nine months of 2018 (9M 2018), **infrastructure assets continued to show strong operating performance (407 ETR, Managed Lanes and HAH), with solid growth in traffic volumes and dividends**.

Strong operating growth: Managed Lanes in the USA (global consolidation) increased EBITDA in local currency by +23.8% for NTE and +27.0% for LBJ. The Infrastructure assets that are accounted by the equity method continue to show strong EBITDA growth in local currency: +10.8% at the 407 ETR toll road, +5.8% at the regional UK airports (AGS) and +2.1% at Heathrow airport.

EUR429mn of dividends from projects (EUR366mn in 9M17):

- **407 ETR distributed dividends of CAD686mn** in the first nine months of 2018, +8.9% vs. 9M 2017. The dividends distributed to Ferrovial amounted to EUR202mn.
- **Heathrow paid out GBP341mn**, up +21.3% compared to GBP281mn in 9M 2017. The dividends distributed to Ferrovial amounted to EUR99mn.
- **AGS paid out GBP38mn** compared to GBP112mn in 9M 2017, which included an extraordinary dividend after the refinancing in 1Q 2017. Ferrovial received EUR21mn in 9M 2018.
- **Ferrovial Services contributed EUR87mn from dividend projects**, primarily from projects in Services in Spain (+EUR71mn).

On 19 July, Ferrovial opened the NTE35W managed lane, three months ahead of the scheduled opening date in the contract. This asset forms part of the remodelling and expansion project of one of the most important corridors in the Dallas/Fort Worth area, one of the fastest growing areas in the country. Ferrovial has a 53.67% stake in this asset, which has a length of 16.4 km and expires in 2061.

CONSOLIDATED RESULTS

Consolidated results posted lower revenues (-0.9%) impacted by the lower contribution 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 9M 2017) and the deconsolidation of the Portuguese toll roads that contributed in 2017.

Consolidated EBITDA reached EUR344mn in 9M 2018 (EUR711mn in 9M 2017). Excluding the impact of the -EUR237mn (-GBP208mn) provision registered in 1Q 2018 for the Birmingham (BHM) contract in Services, EBITDA would have totalled EUR580mn. In comparable terms and excluding the BHM provision, EBITDA would have reduced -12.8% vs. 9M 2017.

The net cash position, excluding infrastructure projects, stood at EUR906mn at September 2018 (EUR1,341mn at year-end 2017). Net project debt stood at EUR4,782mn (vs. EUR4,804mn in December 2017). Net consolidated debt reached EUR3,875mn (vs. EUR3,463mn in December 2017).

PROPORTIONAL RESULTS

In proportional terms, revenues in 9M 2018 amounted to EUR9,785mn and EBITDA of EUR1,022mn. Excluding the impact of the Birmingham provision, total proportional EBITDA would have reached EUR1,257mn, with Infrastructure assets accounting for 70%.

MAIN FINANCIAL EVENTS

- In March, Ferrovial formally completed a **Euro Commercial Paper** programme for a maximum amount of **EUR1,000mn**, via which it can issue commercial paper notes with maturities between 1 and 364 days, allowing for higher capital markets finance sourcing diversification and more efficiency when managing available liquidity.
- In May, **407 ETR agreed to issue CAD500mn in senior bonds**, at 3.72%, maturing in May 2048.
- In August, Ferrovial approved a **liquidity facility that includes sustainability criteria**. This **EUR900mn** facility replaces the current EUR1.250mn facility and provides improved financial costs (reduces the previous facility margin by 15bps, down from 35bp under the previous arrangement) and extends the maturity (to 2023, with the option to extend to 2025).

RESULTS BY DIVISION

Toll roads: traffic on the main toll roads has performed very well, helped by the economic recovery in the countries where the most important assets are located, and despite the negative impact from adverse weather conditions. Ferrovial's main asset, 407 ETR, continued to post strong operating figures, with traffic growth of +1.8%, on the back of economic growth in Ontario, higher levels of disposable income and the works on alternative roads. The Managed Lanes in Texas continued to post strong EBITDA growth above +20% in 9M 2018, on the back of robust traffic and toll rate growth. The NTE35W Toll Road, open to traffic since 19 July, contributed EUR13mn to the division's EBITDA.

Airports: traffic at Heathrow reached an all-time record high of 60.5 million passengers (+2.5% compared to 9M 2017) with growth in all markets, equating to EBITDA growth of +2.1%. Regional airports (AGS) posted EBITDA growth of +5.8%, although AGS traffic declined by -1.4%, mainly affected by adverse weather conditions in 1Q 2018, which lead to temporary cancellations, delays and closures of the airports.

Construction: revenue growth (+15.9% LfL), with positive performance in all areas and an 84% contribution from international projects. However, profitability declined vs. 2017 (EBIT margin 2.1% vs. 4.0%), primarily in the Ferrovial Agroman Division, due to lower margins in projects currently in progress, as well as in Budimex, due to increased costs for labour and materials. The order book stood at EUR11,485mn (90% international), equating to an increase of +3.0% (+2.1% LfL) compared with December 2017. Contract awards exceeding EUR800mn are not included yet, notable among which are Budimex contracts, as well as the construction of a Toll Road in Colombia (Bucaramanga-Barrancabermeja-Yondó).

Services: reported revenues (-10.1%) 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 -EUR237mn provision registered in the UK for the Birmingham contract, leading to an EBITDA of EUR6mn (EUR242mn excluding the impact of the provision).

KEY FIGURES

P&L (EUR mn)	SEP-18	SEP-17
REVENUES	**9,114**	**9,194**
EBITDA	**344**	**711**
Period depreciation	249	295
Disposals & impairments	7	54
EBIT*	**102**	**470**
FINANCIAL RESULTS	**-191**	**-228**
Equity-accounted affiliates	221	222
EBT	**133**	**464**
Corporate income tax	-36	-42
CONSOLIDATED NET INCOME	**97**	**422**
Minorities	-38	-35
NET INCOME ATTRIBUTED	**59**	**387**

*EBIT after impairments and disposals of fixed assets

KEY DATA EXCLUDING THE BIRMINGHAM PROVISION

P&L Ex-BHM (EUR mn)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues ex-BHM	**9,142**	**9,152**	-0.1%	3.3%
EBITDA ex-BHM	580	716	-19.0%	-12.8%
EBITDA margin ex-BHM	6.3%	7.8%		
EBIT ex-BHM *	**338**	**475**	-28.8%	-13.1%
EBIT margin ex-BHM	**3.7%**	**5.2%**		

*EBIT after impairments and disposals of fixed assets BHM (Birmingham Contract)

KEY FIGURES REPORTED

REVENUES (EUR mn)	SEP-18	VAR.
Toll Roads	339	0.1%
Airports	10	74.1%
Construction	3,837	13.0%
Services	4,884	-10.1%
Others	44	n.a.
Total	**9,114**	**-0.9%**

EBITDA (EUR mn)	SEP-18	VAR.
Toll Roads	229	-4.2%
Airports	-11	-5.5%
Construction	109	-33.7%
Services	6	-98.1%
Others	12	n.a.
Total	**344**	**-51.6%**

OPERATING FIGURES	SEP-18	VAR.
407 ETR (VKT´ 000)	2,055,753	1.8%
NTE **	21	8.0%
LBJ **	33	6.8%
Ausol I (ADT)	18,031	7.8%
Ausol II (ADT)	19,180	4.9%
Heathrow (million pax.)	60.5	2.5%
AGS (million pax.)	11.5	-1.4%
Construction order book*	11,485	3.0%
Services order book*	19,298	-0.2%

*Order book compared with December 2017 ** Traffic in millions of transactions

FINANCIAL POSITION (EUR mn)	SEP-18	SEP-17
NCP ex-infrastructures projects	**906**	**1,341**
Toll roads	-4,327	-4,274
Others	-454	-530
NCP infrastructures projects	**-4,782**	**-4,804**
Total Net Cash /(Debt) Position	**-3,875**	**-3,463**

NCP: Net Cash Position.

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 SEP-18 (EURmn)	REPORTED	PROPORTIONAL
Revenues	**9,114**	**9,785**
% var vs 9M 2017	-0.9%	-2.3%
EBITDA	**344**	**1,022**
% var vs 9M 2017	-51.6%	-23.8%
EBIT	**95**	**583**
% var vs 9M 2017	-77.1%	-33.0%

PROPORTIONAL EBITDA

In 9M 2018, proportional EBITDA reached EUR1,022mn (vs. EUR344mn of reported EBITDA), equating to a decline of -23.8% (-21.0% LfL).

Excluding the impact of the BHM provision, proportional EBITDA would have reached EUR1,257mn, and Infrastructure assets would have accounted for close to 70%.

(EURmn)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Toll Roads	452	439	3.0%	10.0%
Airports	420	416	0.9%	2.3%
Construction	88	131	-33.0%	-33.0%
Birmingham	-236	-5	n.s.	n.s.
Services (Ex-BHM)	293	358	-18.1%	-15.7%
Other	4	1	n.s.	n.s.
Total EBITDA	**1,022**	**1,341**	**-23.8%**	**-21.0%**
Total EBITDA ex-BHM	**1,257**	**1,346**	**-6.6%**	**-3.1%**

BHM (Birmingham Contract)

PROPORTIONAL REVENUES

Proportional revenues reached EUR9,785mn compared with EUR9,114mn reported, equating to a decline of -2.3% (+0.8% LfL).

(EURmn)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Toll Roads	657	617	6.5%	12.8%
Airports	726	716	1.5%	2.9%
Construction	3,089	2,856	8.2%	11.3%
Birmingham	-28	42	-166.2%	-167.1%
Services (Ex-BHM)	5,287	5,739	-7.9%	-4.9%
Other	55	50	10.3%	16.6%
Total Revenues	**9,785**	**10,019**	**-2.3%**	**0.8%**
Total Revenues ex-BHM	**9,813**	**9,976**	**-1.6%**	**1.5%**

BHM (Birmingham Contract)

TOLL ROADS

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	339	339	0.1%	16.6%
EBITDA	229	239	-4.2%	16.0%
EBITDA margin	67.6%	70.6%		
EBIT	170	184	-8.0%	17.4%
EBIT margin	50.0%	54.5%		

Revenues at the division grew +16.6% in comparable terms in 9M 2018, bolstered by the higher contribution from the Managed Lanes toll roads in USA and by traffic growth at the majority of assets. **In comparable terms, the division posted EBITDA growth of +16.0% in 9M 2018.**

The following table details the contributions from toll road revenue and EBITDA by country excluding headquarters to September 2018:

Contribution by country ex-headquarters	REVENUES	EBITDA
USA	50%	48%
SPAIN	41%	44%
PORTUGAL	10%	8%
TOTAL EX-HEADQUARTERS	330	274

The comparable 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 2017 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 9M 2018 was very positive on Ferrovial's main toll roads, both from light and heavy traffic.

Canada: traffic on the 407 ETR increased by +1.8% in the period (light traffic +1.8% and heavy traffic +8.5%), bolstered by economic growth in Ontario, higher levels of disposable income and the works on alternative roads, although it was negatively impacted by adverse weather conditions in August and the increase in oil prices.

USA: solid traffic performance on the Manaed Lanes (NTE +8.0 and LBJ +6.8%, in terms of transactions), supported by the continued economic growth in the area, improvements to the regional network, and growing market share's over highway volumes. NTE and LBJ were also negatively affected by construction works carried out near the projects.

Spain: traffic trended upwards, boosted by the country's economic growth. To September, Ausol recorded growth in the region of +7.8% for Ausol I and +4.9% for Ausol II, despite unfavourable weather conditions.

Portugal: performed positively in the period, aided by t the country's economic growth. Algarve traffic grew by +5.8%, helped by the change in configuration of its main competitor toll road. On the Azores toll road (+4.5%), traffic continues to be supported by the increase in tourism, following the liberalisation of the airlines market.

Ireland: positive performance thanks to employment recovery. Traffic growth in 9M 2018 at M4 (+4.6%) and M3 (+6.7%), despite unfavourable weather conditions between end of February and beginning of March.

Global Consolidation Toll Roads

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Global consolidation	SEP-18	SEP-17	VAR.	SEP-18	SEP-17	VAR.	SEP-18	SEP-17	VAR.	SEP-18	SEP-17	SEP-18	SHARE
NTE*	21	20	8.0%	70	61	14.0%	58	50	16.7%	83.8%	81.9%	-867	63.0%
LBJ*	33	31	6.8%	77	65	17.5%	63	52	19.7%	81.9%	80.4%	-1,254	54.6%
NTE 35W*	12	1	n.a.	18	1	n.a.	13	0	n.s.	72.9%		-647	53.7%
I-77 **				0		n.a.	-1	0	n.a.			-227	50.1%
TOTAL USA				**164**	**127**	**29.1%**	**133**	**103**	**29.6%**			**-2,995**	
Ausol I	18,031	16,730	7.8%	54	50	7.3%	46	43	7.5%	85.8%	85.7%	-441	80.0%
Ausol II	19,180	18,283	4.9%										
Autema	18,392	17,770	3.5%	81	74	9.1%	75	67	10.5%	92.4%	91.2%	-590	76.3%
TOTAL SPAIN				**134**	**124**	**8.4%**	**121**	**110**	**9.3%**			**-1,031**	
Azores	10,430	9,979	4.5%	22	20	7.4%	19	17	11.1%	89.2%	86.3%	-304	89.2%
Algarve***	16,503	15,591	5.8%		27	n.a		24	n.a	n.s.	89.0%		48.0%
Norte Litoral***	26,173	25,518	2.6%		14	n.a		12	n.a	n.s.	89.2%		49.0%
Via Livre				10	10	-0.1%	1	1	-2.4%	13.4%	13.7%	3	84.0%
TOTAL PORTUGAL				**32**	**72**	**-55.5%**	**21**	**56**	**-62.9%**			**-301**	
TOTAL HEADQUARTERS				**9**	**16**	**-45.0%**	**-45**	**-29**	**-54.3%**				
TOTAL TOLL ROADS				**339**	**339**	**0.1%**	**229**	**239**	**-4.2%**			**-4,328**	

* Traffic in millions of transactions ** 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.

407 ETR

Operating results

	SEP-18	SEP-17	Var.
Avg trip length (km)	21.75	21.58	0.8%
Traffic/trips (mn)	94,525	93,612	1.0%
VKTs (mn)	2,056	2,020	1.8%
Avg revenue per trip (CAD)	10.86	9.92	9.5%

VKT (Vehicle kilometres travelled)

Traffic (km travelled) rose +1.8%, with an increase in the number of journeys (+1.0%) and an increase in the average distance travelled (+0.8%). Traffic has increased on the back of longer journeys due to economic growth, the catchment of the eastern sections and the works on alternative roads.

Profit and Loss Account

(CAD million)	SEP-18	SEP-17	VAR.
Revenues	**1,034**	**940**	**9.9%**
EBITDA	**908**	**819**	**10.8%**
EBITDA margin	87.8%	87.1%	
EBIT	**828**	**741**	**11.7%**
EBIT margin	80.1%	78.8%	
Financial results	-307	-257	-19.2%
EBT	521	484	7.8%
Corporate income tax	-138	-128	-7.4%
Net Income	**383**	**355**	7.9%
Contribution to Ferrovial equity accounted result (EUR mn)	**98**	**95**	3.3%

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

Revenues at 407 ETR increased by +9.9% in local currency in 9M 2018:

- **Toll revenues** (94% of the total): rose by +10.5% to CAD967mn, mainly due to the toll rate increases applied since February 2018 and the improvement in traffic.

- **Fee revenues** (6% of the total): reached CAD67mn (+11.5%), primarily aided by a better collection rate of late payment interest charges and higher revenues, due to an increase in the number of transponders in place.

Average revenues per journey rose by +9.5% (CAD10.86 vs. CAD9.92 in 9M 2017).

EBITDA grew by +10.8% in 9M 2018, with an EBITDA margin of 87.8% vs. 87.1% in 9M 2017.

Financial result: -CAD307mn, 50mn in increased spending vs. 9M 2017 (-19.2%). Main components:

- **Interest expenses:** -CAD285mn. +CAD16mn higher than in the same period in 2017, largely due to the increase in debt, after the recent issuance of senior bonds in 2017 and May 2018.

- **Non-cash financial expenses linked to inflation:** -CAD37mn vs. CAD2mn income in 9M 2017, 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:** CAD14mn (vs. CAD10mn in 9M 2017) due to higher returns on investment.

407 ETR contributed EUR98mn to Ferrovial's equity-accounted results (+3.3% vs. 9M 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

In 9M 2018, 407 ETR distributed dividends of CAD686mn, **+8.9% vs. 9M 2017**. In 9M 2018, the dividends distributed to Ferrovial amounted to EUR202mn. At the October Board Meeting, the 4Q 2018 dividend payment was approved in the amount of CAD233.8mn (+8.7% vs. 4Q 2017).

(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	233,8	215,0	207,5	188	175	200
4Q	233,8	215,0	207,5	188	205	250
TOTAL	**920**	**845**	**790**	**750**	**730**	**680**

407 ETR net debt

The net debt figure for 407 ETR at the end of September 2018 was CAD7,398mn (average cost of 4.52%). 62% of the debt matures in more than 15 years' time. The next maturity dates are CAD9mn in 2018, CAD15mn in 2019 and CAD316mn in 2020.

In May 2018, 407 ETR issued CAD500mn in senior bonds at 3.72%, maturing in May 2048.

407 ETR credit rating

- **S&P:** on 31 May 2018, 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

Toll rates applied from 1 February 2018 for light vehicles (expressed in CAD cents/km):

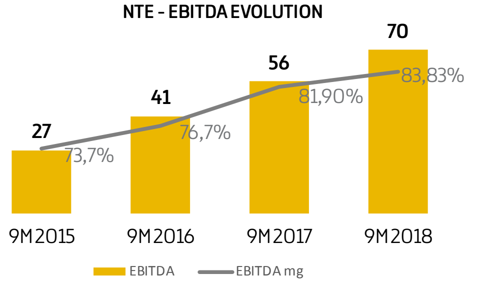
(Canadian dollar cents/km)	ZONE 1	ZONE 2	ZONE 3	ZONE 4
EAST BOUND				
AM Peak Period: *M-F: 6-7am, 9-10am*	39.33	39.57	39.21	36.38
AM Peak Hours: *M-F: 7am-9am*	47.09	46.66	46.24	41.39
PM Peak Period: *M-F 2:30-3:30pm, 6-7pm*	38.11	41.05	42.17	40.68
PM Peak Hours: *M-F 3:30-6pm*	43.30	49.21	50.55	48.76
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 7pm-11am	23.38	23.38	23.38	23.38

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

NTE

(USD million)	SEP-18	SEP-17	VAR.
Revenues	83	69	21.0%
EBITDA	**70**	**56**	**23.8%**
EBITDA margin	83.8%	81.9%	
EBIT	**54**	**42**	**26.6%**
EBIT margin	64.6%	61.8%	
Financial results	-46	-46	0.0%
Net Income	**7**	**-4**	282.5%
Contribution to Ferrovial consolidated result - 62.97% stake (EUR mn)	**4**	**-2**	291.1%

During 9M 2018, revenue rose by +21.0% compared to the same period in 2017, on the back of traffic growth and higher toll rates.



EBITDA reached USD70mn (+23.8% vs. 9M 2017), with an EBITDA margin of 83.8% (+193 basis points vs. 9M 2017).

In 9M 2018, NTE traffic (+8.0%) continued to increase its market share in terms of traffic on the corridor. NTE's growth benefitted from full opening of NTE35W's Segments 3B (4Q 2017) and 3A (3Q 2018), both have contributed very positively to NTE traffic performance. The total volume of vehicles on the corridor and share of traffic on the managed lanes have experienced a sharp increase as connected trips between both corridors are an important driver to NTE's traffic. These factors have compensated the negative impact to traffic caused by construction works in the SH183 corridor that will connect NTE with LBJ, expected to finish in 4Q 2018.

Quarterly Traffic and EBITDA

In terms of traffic: in 3Q 2018, NTE recorded 7.6 million transactions, +12.0% more than in 3Q 2017 (6.8 million transactions), driven by the opening of NTE35W in July. Although, the traffic was negatively impacted by adverse weather conditions in September.

Very positive EBITDA performance, with growth of +31.4% compared with 3Q 2017, as a result of good revenue performance and operating expense management.

Quarterly results	3Q18	3Q17	VAR.
Transactions (millions)	7.6	6.8	12.0%
EBITDA (USD mn)	25.7	19.6	31.4%

The **average toll rate** per transaction in 3Q 2018 at NTE reached USD3.9 vs. USD3.4 in 3Q 2017 (+13.2%). The maximum toll rate stood at USD1.06 per mile, 20% above the cap. NTE reached the mandatory mode (toll rates above the fixed cap) twice during 3Q 2018.

NTE net debt

As of 30 September 2018, net debt for NTE amounted to USD1,007mn (USD1,028mn in December 2017), at an average cost of 5.30%.

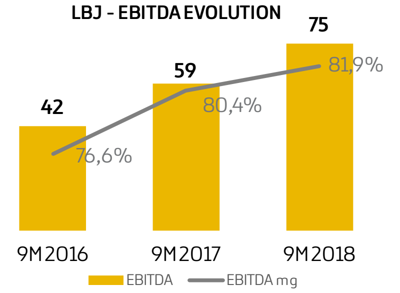
NTE credit rating

	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

LBJ

(USD million)	SEP-18	SEP-17	VAR.
Revenues	**91**	73	24.7%
EBITDA	**75**	**59**	**27.0%**
EBITDA margin	81.9%	80.4%	
EBIT	**56**	**41**	**36.7%**
EBIT margin	61.5%	56.1%	
Financial results	-65	-64	-0.2%
Net Income	**-8**	**-23**	64.1%
Contribution to Ferrovial consolidated result - 54.6% stake (EUR mn)	**-4**	**-11**	63.8%

During 9M 2018, LBJ generated revenues of USD91mn (+24.7% vs 9M 2017) as a result of both continued growth in traffic and higher toll rates.



EBITDA reached USD75mn (+27.0% vs. 9M 2017) aided by a strong surge in traffic. The EBITDA margin rose to 81.9%, up by +147 basis points on 9M 2017.

In 9M 2018 LBJ registered solid growth (+6.8%) compared to 9M 2017, supported by the rapid growth in traffic of Segment 1, which benefited from the opening of the I35E Managed Lanes project (May 2017), and the strong growth in capture rates in Segment 3, resulting from the increase in congestion on the corridor. Although, this growth was negatively impacted by the construction works in the corridor in this period: the works to the Managed Lanes SH183 "Midtown Express" which are expected to be completed in 4Q 2018, and the works at US75 and PGBT interchange, which have caused a reduction in traffic volumes at US75 (one of LBJ's main feeders).

Quarterly Traffic and EBITDA

In terms of traffic, a total of 11.0 million transactions were registered during 3Q 2018, +3.4% in comparison with 3Q 2017 (10.7 million transactions), despite the adverse weather conditions in September.

EBITDA in 3Q 2018 reached USD26.5mn, a significant increase compared to 3Q 2017 (+29.9%):

Quarterly results	3Q18	3Q17	VAR.
Transactions (millions)	11.0	10.7	3.4%
EBITDA (USD mn)	26.5	20.4	29.9%

The **average toll rate** per transaction at LBJ reached USD2.9 in 3Q 2018 vs. USD2.4 in 3Q 2017 (+16.5%).

LBJ net debt

As of 30 September 2018, net debt for LBJ amounted to USD1,456mn (USD1,463mn in December 2017), at an average cost of 5.39%.

LBJ credit rating

	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

NTE 35W

FER stake **53.67%**

Maturity in **2061** (43 years remaining)

Capital invested by Ferrovial **EUR231mn**

16.4 km long

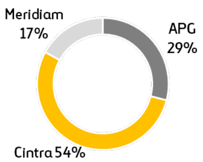
On 19 July Ferrovial opened the NTE35W toll road, three months ahead of the scheduled opening date in the contract. This asset also operates under the Managed Lane format, i.e., dynamic toll roads constructed as part of an urban highway, and forms part of the **remodelling and expansion project of one of the most important corridors in the Dallas/Fort Worth area**, the fifth largest metropolitan area in the USA and one of the fastest growing in the country.

As is the case with the NTE and LBJ toll roads, this asset has a **dynamic tolling** system, i.e. it allows flexibility in the determination of the toll rate depending on the level of congestion. **Speed is guaranteed at a minimum of 50mph** (around 80km/h). Toll rates can be modified every 5 minutes.

The project has used four **sources of financing**:

- Issue of Private Activity Bonds (PABs): USD274mn.
- Long-term TIFIA Credit of USD531mn, granted by the US Transport Department.
- Shareholder contributions (USD430mn) and the Texas Transport Department (USD109mn).

Shareholder structure: along with Cintra, the asset's leading operator with 53.67% of share capital, the consortium also consists of the APG infrastructure fund (29%) and Meridiam (17%).



Corridor Map

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%	CINTRA SHARE
Global Consolidation				
Intangible Assets	**-41**	**72**	**-227**	
I-77	-41	72	-227	50%
Equity Consolidated				
Intangible Assets		**656**	**-888**	
I-66		656	-888	50%
Financial Assets	**-60**	**75**	**-681**	
407-East Extension II		9	-269	50%
Ruta del Cacao	-49	6	58	40%
Toowoomba	-11		-168	40%
Bratislava		30	-230	35%
OSARs		29	-71	50%

I-77: the construction works began in 2015 and are now 85% complete; the toll road is expected to be partially open at the end of 2018.

407 East Extension Phase II: Phase 2A was opened in January 2018, in line with the expected time schedule. The construction works are 79% 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. The design and construction works are 15% complete.

Western Roads Upgrade (OSARs) in Melbourne: Cintra was awarded the OSARs project in Australia in October 2017. 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 2017 and the financial agreement on 19 December 2017. The design and construction works are 17% complete.

Toowoomba: The design and construction works are 95% complete.

Ruta del Cacao: On October 25, 2018, Ferrovial reached the financial close of these project with a total consideration of EUR465mn. The concession includes the construction of 80.84 km of new highway, the improvement of 108.2 km of existing highway, the construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 5.95 km. The concession lasts for 25 years.

TENDERS PENDING

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

- In 2017, 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 the first semester 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 USD2,000 million.
- The current economic and political climate in the USA favours infrastructure development and we are following various projects of interest in the States such as Maryland, Illinois, Virginia and Texas, various of which are tolled managed lanes structures.

In **Australia**, Cintra is analysing the highway projects "**Roads Upgrade (South East and North Packages)**", which is currently in the pre-classification phase and the bidding phase is expected to start at the end of 2018 - start of 2019. With an approximate total investment of AUD1,200mn, both projects consist of the improvement and maintenance of the toll-road and inter-city motorway network in several parts of the outskirts of Melbourne.

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 30 January 2019.

AIRPORTS

The Airports division contributed EUR84mn to Ferrovial's equity-accounted results during 9M 2018 (as compared with EUR98mn in 9M 2017).

- **HAH:** EUR78mn in 9M 2018 (EUR96mn in 9M 2017), due mainly to the lower positive mark to market performance of the hedging instruments, as a result of the higher inflation expectations, partially offset by cost of debt.

- **AGS:** contributed EUR6mn to the 9M 2018 equity-accounted results (vs. EUR1mn in 9M 2017).

In terms of distributions to shareholders:

- **Heathrow paid out GBP341mn (100%)**, compared to GBP281mn in 9M 2017. Ferrovial received EUR99mn for its stake.

- **AGS paid out GBP38mn (100%),** compared to GBP112mn in 9M 2017, which included an extraordinary dividend after the refinancing in 1Q 2017. Ferrovial received EUR21mn in 9M 2018.

HEATHROW

Heathrow Traffic

In 9M 2018 traffic at Heathrow reached an all-time record high of 60.5 million passengers (+2.5%) with growth in all markets. Load factors reached 79.8% in 9M 2018 (78.5% in 2017). The average number of seats per aircraft increased +0.7% to 213.4 (9M 2017: 212.0), due to airlines using higher capacity aircraft.

Intercontinental traffic growth (+2.9%) and short-distance traffic growth (+2%) in 9M 2018 demonstrate the success of the pricing strategy, which was aimed at driving domestic connectivity, with a 50% additional discount on airport fees for domestic flights.

Million passengers	SEP-18	SEP-17	VAR.
UK	3.6	3.6	1.1%
Europe	25.3	24.7	2.2%
Intercontinental	31.6	30.7	2.9%
Total	**60.5**	**59.1**	**2.5%**

Intercontinental traffic (+2.9%) was primarily driven by routes to North America (+3.7%) due to a higher frequency of flights and aircraft size to various destinations, including Phoenix, Miami, New York and San Francisco. Also, Asia Pacific (+2.6%) and Africa (+4.4%) posted a strong growth.

Short-haul traffic (+2%) performed well, both in terms of **domestic traffic (+1.1%)**, as well as **European traffic (+2.2%)**.

In August, Heathrow launched a new direct service to Chongqing, the tenth direct connection to China from Heathrow. At the same time, British Airways announced new direct routes to Pittsburg and American Airways announced a new route to Phoenix, both routes will start to operate in April 2019.

The new long-haul routes have increased global commerce flowing through Heathrow, demonstrating solid growth in freight transport volumes (+1.5%) achieving a record high of 1.3 million tonnes in 2018.

Heathrow SP Revenue and EBITDA

Revenue growth increased by +2.3%, aided by robust traffic growth, coupled with strong retail revenues.

(GBP million)	SEP-18	SEP-17	VAR.
Aeronautic	1,307	1,288	1.5%
Retail	520	492	5.7%
Others	384	381	0.8%
TOTAL	**2,211**	**2,161**	**2.3%**

Aeronautical revenue increased by +1.5%, driven by strong traffic and nominal tariff growth offset by some recoverable yield dilution as airlines respond strongly to Heathrow's tariff structure by employing cleaner and quieter aircraft. **Average aeronautical revenue per passenger** declined slightly (-1%) to GBP21.59 (GBP21.81 in 9M 2017).

Retail revenue grew by +5.7%, particularly aided by retail concessions and catering, reflecting the strong traffic performance and longer dwell in the departure lounge due to the call to gate initiative. Retail concessions were boosted by the roll out of new digital capability on Heathrow boutique, allowing customers to reserve and collect their shopping. Catering benefited from refurbishments in T3 and T5, in addition to "Grab & Go" offerings for passengers to take food on flights. Net retail revenues per passenger grew by +3.1%, reaching GBP8.59, compared to GBP8.33 in 9M 2017.

Heathrow SP EBITDA grew +1.9% in 9M 2018, reaching GBP1,372mn, with an EBITDA margin of 62.1%.

Passenger satisfaction

In 9M 2018, Heathrow continued to remain ahead of the main European competitors in terms of passenger satisfaction achieving a scoring of 4.12 out of 5, according to Airport Service Quality (ASQ), and 82% of the passengers surveyed classified their experience in the airport as "excellent" or "very good".

In 2018, Heathrow Terminal 2 was named "Best Terminal in the World" 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 Shopping Airport" for the ninth consecutive year.

Regulatory aspects

Regulatory Asset Base (RAB): At 30 September 2018, the RAB reached GBP16,108mn (GBP15,786mn in December 2017).

Expansion: Heathrow continues to make significant progress in expanding the air-port following June's overwhelming vote in Parliament in favour of the Airport's National Policy Statement ('NPS').

In January 2019 a consultation on airspace and future runway operations will be carried out, followed by an expansion plan consultation in June 2019. After reviewing and evaluating the feedback from the consultations, Heathrow will prepare a final version of the expansion plan and will present its DCO (Development Consent Order) in 2020, initiating an approval process expected to last 18 months. If Heathrow obtains approval of the DCO, the new runway is expected to open in 2026.

Heathrow Airports Holding (HAH) profit and loss account

GBP million	SEP-18	SEP-17	VAR.
Revenues	**2,211**	**2,161**	**2.3%**
EBITDA	**1,376**	**1,348**	**2.1%**
EBITDA margin %	62.2%	62.4%	
Depreciation	569	527	-8.0%
EBIT	**807**	**821**	**-1.7%**
EBIT margin %	36.5%	38.0%	
Financial results	-448	-390	-14.8%
EBT	358	431	-16.8%
Corporate income tax	-83	-95	12.6%
Net income	**275**	**336**	**-18.0%**
Contribution to Ferrovial equity accounted result (EUR mn)	**78**	**96**	**-19.0%**

HAH net debt

At 30 September 2018, the average cost of Heathrow's external debt was 5.37%, including all the interest-rate, exchange-rate and inflation hedges in place (5.62% in December 2017).

(GBP million)	SEP-18	SEP-17	VAR.
Loan Facility (ADI Finance 2)	75	0	n.a.
Subordinated	1,107	1,325	-16.5%
Securitized Group	12,437	12,234	1.7%
Cash & adjustments	-62	-40	52.5%
Total	**13,557**	**13,519**	**0.3%**

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

For further information, please see the notes on HAH's results here.

UK REGIONAL AIRPORTS (AGS)

AGS Results

In 9M 2018, EBITDA increased +5.8% despite the reduction in passenger volume. Revenues increased +2.9% driven by favourable retail yield. Costs were 0.5% higher, as a consequence of increased winter operation costs partly offset by operating expense efficiencies.

(GBP million)	SEP-18	SEP-17	VAR.
Total Revenues AGS	**164**	**159**	**2.9%**
Glasgow	98	93	5.1%
Aberdeen	43	42	2.0%
Southampton	23	24	-4.1%
Total EBITDA AGS	**76**	**71**	**5.8%**
Glasgow	50	45	10.2%
Aberdeen	17	17	3.0%
Southampton	8	9	-10.2%
Total EBITDA margin	**46.2%**	**44.9%**	**128.4**
Glasgow	51.2%	48.9%	235.2
Aberdeen	40.3%	39.9%	38.9
Southampton	36.2%	38.7%	-246.2

AGS net bank debt

At 30 September 2018, the regional airports' net bank debt stood at GBP665mn.

AGS Traffic

In 9M 2018, the number of passengers at AGS reached 11 million, down -1.4% on 9M 2017, mainly due to adverse weather conditions during 1Q 2018, which lead to temporary cancellations, delays and closures, along with routes cancellations during the period. Excluding the weather conditions, traffic fell by -0.6% in 9M 2018.

(Million Passengers)	SEP-18	SEP-17	VAR.
Glasgow	7.6	7.7	-1.1%
Aberdeen	2.4	2.4	-0.5%
Southampton	1.5	1.6	-3.9%
Total AGS	**11.5**	**11.6**	**-1.4%**

Glasgow: 7.6 million passengers (-1.1%). Domestic traffic fell by -0.8% due to both the drop in the number of rotations at London Stansted, and the adverse weather conditions during 1Q 2018, which forced temporary airport closures. International traffic fell (-1.4%) owing to the suspension of the United service to New York during the winter months, along with some routes cancellations. These reductions in traffic were partially offset by new Ryanair routes (Lisbon, Valencia, Frankfurt, Madrid and Krakow) and new Lufthansa services (Munich and Frankfurt).

Aberdeen: 2.4 million passengers (-0.5%). Domestic traffic increased +1.0%, driven by the Flybe route to London Heathrow. International traffic declined by -3.8% due to the loss of the Lufthansa Frankfurt and Wizz Warsaw services in 1Q 2018, partially offset by growth in leisure routes.

Southampton: 1.5 million passengers (-3.9%). Domestic traffic fell -2.0% due to the lower number of rotations on the Flybe services from Newcastle, Glasgow and Edinburgh, factors that were partially offset by favourable load factors to the Channel Islands. International traffic declined (-6.4%) due to the cancellation of certain services.

In September, Southampton Airport launched a public consultation of its future expansion plan. The plan aims to detail the airport growth process over the coming 20 years, including forecasts on passenger and infrastructure requirements to manage growing aeronautical demand in the region. This plan will also include the extension of the runway.

GREAT HALL PARTNERS (DENVER INTERNATIONAL AIRPORT)

On 12 July, Denver International Airport (DEN) and Great Hall Partners began construction works on the renovation of the Jeppesen Terminal. This remodelling will provide more than 63,000 sq ft of space and room for 50 additional stores, thereby offering passengers an all-round experience. DEN is the fifth busiest airport in the US. The accumulated number of passengers in July is 36.9m, an increase of +4.3% vs 2017.

In August, Great Hall Partners announced the first six concessions selected for the Great Hall. The group selected is a perfect combination of strong performing dining options and innovative retail brands. These concessions will open once the first phase of construction has been completed.

CONSTRUCTION

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	3,837	3,394	13.0%	15.9%
EBITDA	109	164	-33.7%	-33.6%
EBITDA margin	2.8%	4.8%		
EBIT	79	135	-41.1%	-41.4%
EBIT margin	2.1%	4.0%		
Order book*	11,485	11,145	3.0%	2.1%

*Order book compared with December 2017

Revenues increased by +15.9% in comparable terms, with positive performance in all areas. International revenue accounted for 84% of the Division's revenues, very much focused on the company's traditional strategic markets: Poland (32%) and North America (28%).

Profitability declined vs. 2017 (EBIT margin 2.1% vs. 4.0%), primarily in the Ferrovial Agroman Division, due to lower margins in projects currently in execution, as well as in Budimex, due to increased costs for labour and materials.

BUDIMEX

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	1,218	1,035	17.7%	17.8%
EBITDA	58	93	-37.0%	-37.0%
EBITDA margin	4.8%	8.9%		
EBIT	50	87	-42.3%	-42.3%
EBIT margin	4.1%	8.4%		
Order book*	2,578	2,467	4.5%	7.2%

*Order book compared with December 2017

Revenues in comparable terms increased by +17.8%, with growth in all business segments, with the faster completion of Civil Works and industrial projects being particularly notable, as well as being driven by contracting levels achieved in 2017. By contrast, there was a decline in profitability (-37.0% in comparable EBITDA), primarily due to higher subcontractor costs, materials and salaries, that are higher than the effect of the profits obtained from final payments on the infrastructure projects that have been completed.

The order book remained at a record high, up by +7.2% LfL on December 2017. In September 2018, contracts reached more than EUR1,360mn, of which approximately 51% relate to Civil Works contracts awarded in large part due to the 2014-2020 New Highway Plan and 32% to Non-Residential Construction projects. Budimex also has contracts that are currently pending signing or have been signed since 30 September 2018, worth a total of more than EUR490mn.

WEBBER

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	579	586	-1.2%	4.8%
EBITDA	25	25	1.3%	8.7%
EBITDA margin	4.3%	4.2%		
EBIT	18	18	4.5%	12.5%
EBIT margin	3.2%	3.0%		
Order book*	1,547	1,171	32.0%	27.6%

*Order book compared with December 2017

Revenues grew by +4.8% LfL, primarily due to the acceleration of Civil Works projects, accompanied by a moderate increase in Non-Residential Construction and Water Treatment Plants. The EBIT margin stood at 3.2%, very similar to 2017.

In comparable terms, the order book increased by +27.6%, thanks to strong contracting in the last two quarters, which has meant that EUR869mn has been reached in 9M 2018.

FERROVIAL AGROMAN

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	2,039	1,773	15.0%	18.4%
EBITDA	26	47	-45.6%	-47.2%
EBITDA margin	1.3%	2.6%		
EBIT	11	30	-64.2%	-66.3%
EBIT margin	0.5%	1.7%		
Order book*	7,360	7,507	-2.0%	-3.5%

*Order book compared with December 2017

Revenues grew +18.4% LfL, primarily in the US, following the start of preliminary and design works at Grand Parkway in Houston, the I-66 in Virginia and Denver Airport. Profitability declined in September 2018 (EBIT margin 0.5%) compared to 2017, primarily due to lower levels of complexity, tighter margins in the operational projects and provisions for higher expected costs.

ORDER BOOK

(EUR million)	SEP-18	SEP-17	VAR.
Civil work	8,950	8,635	3.6%
Residential work	359	382	-5.8%
Non-residential work	1,555	1,347	15.5%
Industrial	620	782	-20.6%
Total	**11,485**	**11,145**	**3.0%**

*Order book compared with December 2017

The order book increased by +3.0% compared to December 2017 (+2.1% LfL). The civil works segment remains the largest segment (78%), and highly selective criteria are maintained when participating in tenders. The international order book amounted to EUR10,303mn, far more than the domestic order book (EUR1,182mn), and represented 90% of the total.

Cintra's stake in the construction order book, excluding Webber and Budimex, equated to 38.9% of the order book at September 2018, compared to 42.9% in December 2017.

The order book figure at September 2018 does not include pre-awarded contracts or contracts for which commercial or financial agreement has not been finalised. These amount to over EUR800mn, notable among which are the aforementioned Budimex contracts, as well as the construction of a Toll road in Colombia (Bucaramanga-Barrancabermeja-Yondó).

SERVICES

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	4,884	5,430	-10.1%	-7.1%
EBITDA	6	309	-98.1%	-98.1%
EBITDA Ex-BHM	242	314	-22.9%	-20.7%
EBITDA margin	0.1%	5.7%		
EBITDA margin Ex-BHM	4.9%	5.8%		
EBIT	-151	102	-248.5%	-249.2%
EBIT Ex-BHM	85	106	-20.1%	-19.7%
EBIT margin	-3.1%	1.9%		
EBIT margin Ex-BHM	1.7%	2.0%		
Order book*	19,298	19,329	-0.2%	2.1%

BHM (Birmingham Contract) *Order book compared with December 2017

In 9M 2018, Services revenue reached EUR4,884mn, falling by -10.1% compared to 9M 2017. This variation reflects the end of the capex phase in projects that have become operational, and the selective tendering policy adopted by the company with relation to Amey, which involves withdrawing from non-profitable contracts, moving towards more profitable sectors (Consulting & Rail). Australia also contributed to the decline, due to the ending of the contract with the Australian Government Department of Immigration.

Revenue in Spain grew by +3.2%, driven by strong performance from treatment and industrial maintenance activities. International revenue increased by +13.1% LfL, thanks to positive business growth performance in North America, Poland and Portugal.

EBITDA stood at EUR6mn, EUR303mn less than in 9M 2017, as a result of the impact from the Birmingham contract in the UK. Excluding this effect and in comparable terms, the Services EBITDA stood at EUR242mn (4.9% EBITDA margin), down -20.7% LfL compared to 9M 2017, primarily due to the aforementioned reduction in volumes.

Ferrovial Services is making its non-strategic asset sales plan. To date there has been a cash inflow of EUR108mn.

The order book remains stable (-0.2%) compared to EUR19,298mn at December 2017.

SPAIN

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	1,455	1,410	3.2%	3.2%
EBITDA	149	143	3.5%	3.5%
EBITDA margin	10.2%	10.2%		
EBIT	81	75	7.5%	7.5%
EBIT margin	5.6%	5.3%		
Order book*	4,781	4,992	-4.2%	-4.2%

*Order book compared with December 2017

Revenues in Spain grew by +3.2% as compared with September 2017, largely driven by higher volumes in treatment and industrial maintenance. This revenue growth is carried through in percentage terms to EBITDA, which grew by +3.5% compared to 9M 2017.

At September 2018, the order book volume stood at EUR4,781mn (-4.2% 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. In this regard, during 9M 2018 contracts to the overall value of EUR237mn were extended. If this had been secured via contract awards, it would have resulted in an order book increase of EUR1,136mn (+23% on the order book at year-end 2017).

The contract awards at September 2018 notably include the new contract for a bicycle rental service in Barcelona (EUR121mn, 10 years). In the renovations and extensions section, notable was the renewal of the Line 010 Madrid Public Information Service, (EUR42mn, 4 years). In September 2018, there were contracts in the preferred bidder phase in the amount of EUR376mn.

UK

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	1,786	1,949	-8.4%	-7.2%
EBITDA	-200	50	n.s.	n.s.
EBITDA Ex-BHM	36	55	-35.3%	-34.4%
EBITDA margin	-11.2%	2.6%		
EBITDA margin Ex-BHM	2.0%	2.9%		
EBIT	-228	24	n.s.	-249.2%
EBIT Ex-BHM	8	29	-71.6%	-71.2%
EBIT margin	-12.7%	1.2%		
EBIT margin Ex-BHM	0.4%	1.5%		
Order book*	9,547	8,895	7.3%	7.5%

BHM (Birmingham Contract) *Order book compared with December 2017

In the UK, revenues fell by -8.4% compared with 9M 2017 (-7.2% LfL). As previously mentioned, the drop-in activity is affected by the completion of the Capex phase in the major toll road and environment contracts, and the withdrawal from non-profitable contracts, which are partially offset with a higher volume in Consulting & Rail. In September, also of note is the incorporation of facility management contracts with Defence, after acquiring the percentage that Carillion had in those.

Margin performance was significantly affected by the Birmingham contract. Excluding this effect, the EBITDA margin would stand at 2%, in line with expectations for this period. In 3Q 2018, Milton Keynes contributed EUR7mn of losses associated with the cost of making the plant operational, which is expected to reach normal operating performance over the coming months. In September, Carillion's stake in the defence contracts were incorporated, contributing EUR55mn in the month, the revenue at the end of the year will be approximately EUR200mn. Also affecting performance is the delay on agreeing the exit of some loss-making contracts. During 3Q 2018 a large section of the disposals plan was launched, focusing on PFIs and Joint Ventures in non-strategic sectors, with a total value of EUR75mn, and notably including the disposal of stakes in the North York and Sheffield SPVs. This disposal does not include the operating side of the contract which is still carried out by Ferrovial Services.

On 22 February 2018, the UK Court of Appeals found in favour of Birmingham City Council, agreeing the execution of the additional works that were deemed necessary by the client. This overturned the judgement in which the High Court previously ruled in favour of Amey in September 2016. In talks with the Council regarding the execution of the ruling it has been stated that said investments must be made during the initial phase of the investment (Capex) and not during the lifecycle as was thought to date. As the related income for this phase of Capex has been fully utilised, a provision has been set aside for the pending costs required to effectively comply with the ruling. In addition, the company has reassessed its forecasts regarding the level of penalties and extraordinary 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 GBP208mn, classifying this as an onerous contract in 1Q 2018. At present, Amey continues to provide the service set out in the contract, while negotiations for its redirection continue. The parties are working for a agreed implementation of the judicial resolution.

In September, the order book stood at EUR9,547mn (+7.3% compared with December 2017). In the increase, of particular note is the recent contract with the Welsh Department of Transport, which includes the operation of the train service for 15 years, the design and transformation of the current rail network for 5 years and the infrastructure management (15 years). This contract, which will be operated in consortium with Keolis, brings an order book of EUR472mn for the design and infrastructure management. Furthermore, also of note is the extension of the maintenance contract for the highways in Area 7 for EUR368mn (12 years), the EUR180mn relating to the purchase of Carillion contracts for the electrification of the Midland and North-East railway lines (2 years), the incorporation of Carillion's stake in the facility management contracts with the defence contract (EUR391mn, 3 years). Amey is the preferred bidder for the road maintenance contract in Area 10, a contract that will contribute an estimated disposals volume of EUR368mn over 15 years.

AUSTRALIA SERVICES

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	1,274	1,732	-26.4%	-20.3%
EBITDA	37	103	-64.0%	-61.1%
EBITDA margin	2.9%	6.0%		
EBIT	-10	5	-280.9%	-295.9%
EBIT margin	-0.7%	0.3%		
Order book*	3,635	3,981	-8.7%	-4.8%

*Order book compared with December 2017

In 9M 2018, Australia Services revenue reached EUR1,274mn, falling by -26.4% compared to 9M 2017 (-20.3% LfL). This reduction was due to two factors: the ending of the immigration contract, which contributed EUR291mn in 9M 2017 and the strategy of ending non-profitable contracts such as East NOC (highway maintenance) and University of Newcastle (facility management). Also of note is the disposal completed in June 2018 of the light city bus transport service contract in Adelaide.

In 9M 2018, Australia Services has contributed an EBITDA of EUR37mn (2.9% of EBITDA margin), in line with forecasts for the year. The Australia Services account includes an expense of EUR14.7mn relating to the amortisation of the intangible fixed asset created by the acquisition. Net intangible assets amount to EUR78mn, and this figure will be gradually written down over the coming 8 years.

The order book at September 2018 saw an improvement on the amount recorded in 1H 2018 (EUR3,635mn compared to EUR3,505mn in June), equating to a -8.7% decrease on December 2017 (-4.8% LfL, compared to -9.6% in June). This decline is largely due to the administration's delay with the large contract awards that the company has placed a tender for and for which the results are expected in the coming months. This delay is being offset by contract extensions, such as the facility management services contract for New South Wales schools for EUR50mn, that would have resulted in an order book increase of circa EUR375mn (+10%) if it had been renewed. Finally, of particular note is that the company is the preferred bidder in contracts such as the maintenance of Parklea penitentiary centres in the amount of EUR240mn (7 years).

Among the contract awards for 9M 2018, of note are the granting of the maintenance contract for Shell natural gas plants (EUR411mn, 5 years).

INTERNATIONAL SERVICES

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Revenues	369	339	8.9%	13.1%
EBITDA	20	12	72.0%	73.8%
EBITDA margin	5.5%	3.5%		
EBIT	6	-3	n.s.	n.s.
EBIT margin	1.5%	-0.8%		
Order book*	1,335	1,460	-8.6%	9.3%

*Order book compared with December 2017

Revenues from the International business amounted to EUR369mn in 9M 2018, up by +8.9% (+13.1% LfL). There has been a general improvement across the main regions, particularly in North America, Poland and Portugal, offsetting the decline of EUR3.4mn LfL in Chile.

EBITDA also grew to EUR20mn, signalling a considerable improvement on the EUR12mn figure recorded in 9M 2017. As was the case with revenue, all countries have contributed to this improvement except for Chile, which fell by EUR2mn LfL, as a result of a decline in contracting in the country.

The order book stood at EUR1,335mn in 9M 2018. Particularly notable among the contracts awarded this year is the highway maintenance contract in Duval, Florida (USA), amounting to EUR72mn (10 years), the new highway maintenance contract from Peel Halton for EUR60mn (7 years) and the operations and maintenance of the hydrometallurgical plant in the Salvador (Chile) Division for EUR24mn (5 years).

BALANCE

(EUR million)	SEP-18	DIC-17
FIXED AND OTHER NON-CURRENT ASSETS	**15,633**	**14,927**
Consolidation goodwill	**2,052**	**2,062**
Intangible assets	**550**	**431**
Investments in infrastructure projects	**7,454**	**6,917**
Property	**9**	**6**
Plant and Equipment	**648**	**694**
Equity-consolidated companies	**2,649**	**2,687**
Non-current financial assets	**906**	**769**
Long term investments with associated companies	322	312
Restricted Cash and other non-current assets	442	285
Other receivables	142	172
Deferred taxes	**1,065**	**1,035**
Derivative financial instruments at fair value	**301**	**326**
CURRENT ASSETS	**8,462**	**8,063**
Assets classified as held for sale	**0**	**0**
Inventories	**661**	**629**
Trade & other receivables	**2,981**	**2,635**
Trade receivable for sales and services	2,516	2,032
Other receivables	465	603
Taxes assets on current profits	**105**	**143**
Cash and other temporary financial investments	**4,677**	**4,601**
Infrastructure project companies	431	463
Restricted Cash	44	58
Other cash and equivalents	387	405
Other companies	4,246	4,137
Derivative financial instruments at fair value	**38**	**55**
TOTAL ASSETS	**24,095**	**22,990**

	SEP-18	DIC-17
EQUITY	**6,128**	**6,234**
Capital & reserves attrib to the Company´s equity holders	5,350	5,503
Minority interest	778	731
Deferred Income	**1,183**	**1,037**
NON-CURRENT LIABILITIES	**10,353**	**9,871**
Pension provisions	**23**	**66**
Other non current provisions	**762**	**808**
Financial borrowings	**7,953**	**7,511**
Financial borrowings on infrastructure projects	5,562	5,363
Financial borrowings other companies	2,392	2,149
Other borrowings	**312**	**198**
Deferred taxes	**952**	**900**
Derivative financial instruments at fair value	**352**	**387**
CURRENT LIABILITIES	**6,430**	**5,848**
Liabilities classified as held for sale	**0**	**0**
Financial borrowings	**1,014**	**839**
Financial borrowings on infrastructure projects	123	207
Financial borrowings other companies	891	631
Derivative financial instruments at fair value	**93**	**65**
Trade and other payables	**4,391**	**4,221**
Trades and payables	2,428	2,283
Other non comercial liabilities	1,963	1,938
Liabilities from corporate tax	**91**	**94**
Trade provisions	**841**	**629**
TOTAL LIABILITIES & EQUITY	**24,095**	**22,990**

PROFIT AND LOSS

(EUR million)	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUESTMENT	SEP-18	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUESTMENT	SEP-17
Revenues	9,114		**9,114**	9,194		**9,194**
Other income	4		4	4		4
Total income	9,118		9,118	9,198		9,198
COGS	8,773		8,773	8,487		8,487
EBITDA	344		**344**	711		**711**
EBITDA margin	3.8%		3.8%	7.7%		7.7%
Period depreciation	249		249	295		295
EBIT (ex disposals & impairments)	95		**95**	416		**416**
EBIT (ex disposals & impairments) margin	1.0%		1.0%	4.5%		4.5%
Disposals & impairments	42	-35	7	47	7	54
EBIT	137	-35	**102**	462	7	**470**
EBIT margin	1.5%		1.1%	5.0%		5.1%
FINANCIAL RESULTS	-193	2	**-191**	-264	36	**-228**
Financial result from financings of infrastructures projects	-185		-185	-194		-194
Derivatives, other fair value adjustments & other financial result from infrastructure projects	-5	0	-6	-5		-5
Financial result from ex infra projects	6		6	-24		-24
Derivatives, other fair value adjustments & other ex infra projects	-8	2	-6	-41	36	-5
Equity-accounted affiliates	193	28	221	167	55	222
EBT	137	-4	**133**	365	98	**464**
Corporate income tax	-44	8	-36	-45	3	-42
NET INCOME FROM CONTINUED OPERATIONS	93	4	**97**	320	102	**422**
Net income from discontinued operations						
CONSOLIDATED NET INCOME	93	4	**97**	320	102	**422**
Minorities	-38	0	-38	-35	1	-35
NET INCOME ATTRIBUTED	55	4	**59**	285	102	**387**

REVENUES

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Toll Roads	339	339	0.1%	16.6%
Airports	10	6	74.1%	83.0%
Construction	3,837	3,394	13.0%	15.9%
Services	4,884	5,430	-10.1%	-7.1%
Others	44	26	n.a.	n.a.
Total	**9,114**	**9,194**	**-0.9%**	**2.5%**

EBITDA

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Toll Roads	229	239	-4.2%	16.0%
Airports	-11	-11	-5.5%	-3.4%
Construction	109	164	-33.7%	-33.6%
Services	6	309	-98.1%	-98.1%
Others	12	10	n.a.	n.a.
Total	**344**	**711**	**-51.6%**	**-47.9%**

DEPRECIATION

Depreciation fell -15.6% year-on-year in 9M 2018 (-12.4% LfL), to EUR249mn.

EBIT

(Before impairments and disposals of fixed assets)

(EUR million)	SEP-18	SEP-17	VAR.	LIKE FOR LIKE
Toll Roads	170	184	-8.0%	17.4%
Airports	-13	-12	-5.0%	-3.8%
Construction	79	135	-41.1%	-41.4%
Services	-151	102	-248.5%	-249.2%
Others	10	7	n.a.	n.a.
Total	**95**	**416**	**-77.1%**	**-74.7%**

IMPAIRMENTS & DISPOSALS

Impairments and disposals of fixed assets amounted to EUR7mn at 30 September 2018, accounted for the additional impairment applied to Autema (-EUR27mn) due to the legal dispute with the regional government of Catalonia, and the capital gains from disposals in Services (EUR28mn). In 9M 2017, this figure rose to EUR54mn.

FINANCIAL RESULT

(EUR million)	SEP-18	SEP-17	VAR.
Infrastructure projects	-185	-194	4.6%
Ex infra projects	6	-24	125.2%
Net financial result (financing)	**-179**	**-218**	**17.9%**
Infrastructure projects	-6	-5	-8.6%
Ex infra projects	-6	-5	-27.5%
Derivatives, other fair value adj & other financial result	**-12**	**-10**	**-17.6%**
Financial Result	**-191**	**-228**	**16.4%**

Financial expenses in 9M 2018 were less than compared to the corresponding period in 2017, as a combination of the following impacts:

- **Financing result:** EUR39mn drop in expenses to -EUR179mn. The change compared with 9M 2017 was primarily due to the following:

In the **ex-projects area**, EUR6mn in financial income compared to EUR24mn of expenses in 9M 2017, primarily due to improved conditions following the restructuring of Australia Services, higher interest rates with positive impact on the gross cash position, along with the repayment of the bond issued in 2013, for EUR500mn.

In the **infrastructure area**, expenses fell by EUR9mn, primarily due lower average debt position from the deconsolidation of assets in 2017:

- Norte Litoral: (4 months' global consolidation in 2017, generating EUR3mn in financial expenses).
- Algarve (9 months' global consolidation in 2017, generating EUR6mn in financial expenses).

- **Result from derivatives and others:** EUR2mn increase in financial expenses to -EUR12mn in 9M 2018, vs. -EUR10mn in financial expenses in 9M 2017, mainly due to the hedges provided by equity swaps linked to payment plans, with no impact on cash flow. These hedges led to expenses of -EUR3mn at the close of 9M 2018, due to the negative performance of the share price, as compared with its positive performance in 9M 2017, as shown in the following table:

DATE	CLOSING PRICE (€)
31-dec-16	17.00
30-sep-17	**18.63**
31-dec-17	18.93
30-sep-18	**17.87**

EQUITY-ACCOUNTED RESULTS

At net profit level, equity-accounted consolidated assets contributed EUR221mn after tax (against EUR222mn in 9M 2017).

(EUR million)	SEP-18	SEP-17	VAR.
Toll Roads	**122**	**106**	**15.0%**
407 ETR	98	95	3.3%
M4	0	0	15.7%
M3	1	1	3.7%
A-66 Benavente Zamora	2	2	0.3%
Toowoomba	1	1	31.3%
Ruta del Cacao	4	-1	n.s.
Serrano Park	0	0	-20.0%
Algarve	5	0	n.s.
Norte Litoral	6	4	79.7%
Others	5	4	18.1%
Airports	**84**	**98**	**-14.2%**
HAH	78	96	-19.0%
AGS	6	1	n.s.
Construction	**0**	**-1**	**108.1%**
Services	**15**	**19**	**-20.6%**
Total	**221**	**222**	**-0.4%**

TAXES

Corporate Income Tax amounted to -EUR36mn in 9M 2018 compared with -EUR42mn in 9M 2017, the latter having been impacted principally by the capital gains obtained from the disposal of the Portuguese toll roads.

There is also a series of impacts to consider when calculating the effective corporate income tax rate, the most notable of which are:

- The results of companies accounted for using the equity method (EUR221mn) which, in accordance with accounting standards, are presented net of the related tax effect.
- The setting aside of a -EUR237mn provision with no tax impact in relation to the Birmingham contract in the services business.
- Losses that are generated in construction and services contracts performed outside Spain and that do not generate a tax credit, in the value of -EUR23mn.

Excluding these three elements, the tax result would amount to EUR172mn, which compared with the corporate income tax expense would imply an effective corporate income tax rate of 21%.

NET PROFIT

Net profit stood at EUR59mn in 9M 2018 (EUR387mn in 9M 2017). This result includes a series of impacts, notable among which were:

- Impact of the provision set aside for the Birmingham contract in Services: -EUR237mn.
- Fair value adjustments for derivatives: +EUR30mn (EUR75mn in 9M 2017), primarily impacted by derivatives from HAH and Toll Roads options in Canadian Dollars.
- Impairment at Autema: -EUR21mn (-EUR20mn in 9M 2017).

NET DEBT AND CORPORATE CREDIT

NET DEBT

(EUR million)	SEP-18	SEP-17
NCP ex-infrastructures projects	**906**	**1.341**
Toll roads	-4.327	-4.274
Others	-454	-530
NCP infrastructures projects	**-4.782**	**-4.804**
Total Net Cash /(Debt) Position	**-3.875**	**-3.463**

The net cash position, excluding infrastructure projects, stood at EUR906mn at 30 September 2018 vs. EUR1,341mn in December 2017.

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

- **Working capital** stood at -EUR595mn in 9M 2018.
- **Dividends received from projects and capital reimbursements (+EUR429mn).** There was a notable contribution from 407 ETR (EUR202mn) and Airports (EUR128mn). The contribution of dividends from Services reached EUR87mn, primarily from projects in Services in Spain (+EUR71mn).
- **Investments** that amounted to -EUR217mn in 9M 2018.
- **Disposals** amounting to +EUR141mn in 9M 2018, notably including EUR108mn from Services, following the disposal of PFI in the UK and a stake in Ratch (a wind energy firm in Australia).
- **Shareholder remuneration in the amount of -EUR302mn.**

Net project debt stood at EUR4,782mn (EUR4,804mn in December 2017).

The Group's **consolidated net group debt** at 30 September 2018 stood at EUR3,875mn (compared with EUR3,463mn in December 2017).

(EUR million)	SEP-18	SEP-17
Gross financial debt	**-8,977**	**-8,367**
Gross debt ex-infrastructure	-3,291	-2,797
Gross debt infrastructure	-5,685	-5,570
Gross Cash	**5,101**	**4,904**
Gross cash ex-infrastructure	4,229	4,156
Gross cash infrastructure	872	748
Total net financial position	**-3,875**	**-3,463**

Gross debt SEP-18	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	**3.291**	**5.685**	**8.977**
% fixed	82,0%	97,7%	91,9%
% variable	18,0%	2,3%	8,1%
Average rate	**1,05%**	**5,03%**	**3,58%**
Average maturity (years)	**3**	**20**	**14**

CORPORATE CREDIT RATING

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

EX-INFRASTRUCTURE DEBT MATURITIES

YEAR	CORPORATE DEBT MATURITIES
2018*	813
2019	16
2020	4
2021 – 2031	2.413
>2031	0

(*) In 2018, the ex-infrastructure debt includes ECPs (Euro Commercial Paper) amounting EUR813mn, with average cost -0.23%.

SHAREHOLDER REMUNERATION

The company held its AGM on 5 April 2018. The AGM approved two share 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.

The **first scrip issue** (equivalent to the 2017 complementary dividend) was made in May 2018, with the following result:

Scrip Dividend details	MAY-18
Guaranteed set price to purchase rights	0,314
Rights per share	56
% shareholders chose shares as dividends	53,91%
% shareholders chose cash as dividends	46,09%
Number of new shares issued	7.049.868
Number of rights purchase	337.472.827

At the Board Meeting held on 30 October 2018, the terms of the **second scrip issue were set** (equivalent to the 2018 interim dividend). Subsequently, Ferrovial has sent a communication to the Spanish Securities Market Commission (CNMV) regarding the number of free rights required to receive one new share (43), the fixed price at which it guarantees to buy the rights (EUR0.407 per right) and the timetable for the transaction.

SHARE BUY-BACK AND CANCELLATION

The AGM 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 shareholder remuneration policy by means of increasing earnings per share.

This share buy-back programme has a ceiling of EUR275mn, or 19 million shares, and a 5-year term from 5 June 2018 to 27 November 2018. In addition to the plan to buy back the company's own shares, at end-September 2018, Ferrovial held 12,764,185 shares, of which 1,439,148 shares were acquired in 2017 and are due to be amortised over the course of 2018.

At 30 September 2018, Ferrovial's share capital stood at EUR147,863,068, comprising 739,315,340 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): 20.1%
- **Menosmares, S.L.U.,** (a company controlled by María del Pino y Calvo-Sotelo): 8.1%.
- **Siemprelara S.L.U.,** (a company controlled by Leopoldo del Pino y Calvo-Sotelo): 5.0%.
- **Blackrock** held 3.184% at the end of September 2018.
- **Fidelity International Limited** held 1.001% at the end of September 2018.

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 18/17	EXCHANGE RATE MEAN (P&L)	CHANGE 18/17
GBP	0.8905	0.18%	0.8842	2.43%
US Dollar	1.1614	-3.39%	1.1924	8.99%
Canadian Dollar	1.5027	-0.21%	1.5356	5.58%
Polish Zloty	4.2829	2.57%	4.2593	0.21%
Australian Dollar	1.6053	4.32%	1.5812	9.55%

APPENDIX II: SIGNIFICANT EVENT NOTICES.

- **On 5 April, Ferrovial communicated the resolutions of the 2018 AGM.**

- **On 26 April, Ferrovial 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.

- **On 11 May, Ferrovial agreed a scrip issue charged to reserves as a means of implementing the Ferrovial Flexible Dividend system of shareholder remuneration.** At the same time, Ferrovial agreed to carry out a buy-back programme to reduce the company's capital by means of the cancellation of treasury stock, with the purpose of supporting the company's shareholder remuneration policy by means of increasing earnings per share.

- **On 5 June, Ferrovial announced the closure of the period for trading the free rights assigned corresponding to the scrip issue for the purposes of implementing the Ferrovial Flexible Dividend shareholder remuneration system.** At the end of this period on 31 May 2018, the holders of 53.91% of the rights (a total of 394,792,608 rights) opted to receive new Ferrovial shares. The definitive number of ordinary shares with a nominal value of EUR0.20/share issued in the capital increase thus amounts to 7,049,868. The holders of 46.09% of the rights have sold their rights to Ferrovial, which acquired a total of 337,472,827 rights (EUR105,966,467.68). The capital increase was closed on 5 June 2018.

APPENDIX III: SUBSEQUENT EVENTS AFTER 30 SEPTEMBER 2018

On 16 October 2018, Ferrovial issued a Significant Event notice to the CNMV, explaining that it had employed an external consultant to assess the potential disposal of all or part of the assets within the Services division that Ferrovial directly or indirectly owns.

APPENDIX IV: ALTERNATIVE PERFORMANCE MEASURES (APM)

The company presents its results in accordance with generally accepted accounting practices (IFRS). In addition, Management provides in the Financial Report released in September other financial measures non-IFRS regulated, called APMs (Alternative Performance Measures) according to the Directives of European Securities and Markets Authority (ESMA). Management uses those APMs in decision-taking and to evaluate the performance of the company. Below there are details of disclosures required by ESMA on definition, reconciliation, explanation of use, comparisons and coherence of each APM. It is provided more detailed information on the corporate web page: http://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/. Additionally, in the appendix of this document the reconciliation of the Comparable “like for like growth”, order book and proportional results are provided.

EBITDA = GROSS OPERATING PROFIT

- **Definition:** operating result before charges for fixed asset depreciation and amortisation.
- **Reconciliation:** the Company presents the calculation of EBITDA in the Consolidated P&L (see Consolidated P&L in the Financial Report) as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets depreciation and amortisation which are reported in a separate line).
- **Explanation of use:** EBITDA provides an analysis of the operating results, excluding depreciation and amortisation, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. Therefore, we use EBITDA as a starting point to calculate cash flow, adding the variation in working capital. Finally, it is an APM indicator which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, by comparing EBITDA with net debt.
- **Comparisons:** the Company presents comparative figures for previous years.
- **Coherence:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARISON ("LIKE FOR LIKE GROWTH")

- **Definition:** relative year-on-year variation in comparable terms of revenues, EBITDA, EBIT and proportional results. The comparison is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the current period rate.
  - Elimination from the both periods EBIT of the fixed asset impairments impact and the results from company disposals (corresponds with the figure reported in the line “Impairments and disposals of fixed assets”).
  - In the case of company disposals and loss of control, the homogenisation of the operating result is undertaken by eliminating the operating results of the sold company, when the impact occurred in the previous year or, if it occurred in the year under analysis, considering the same amount of months in both periods.
  - Elimination of the restructuring costs, in both periods.
  - In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent ≥5% of the reporting unit’s revenues before the acquisition).
  - Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company’s underlying results.
  - Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.
- **Reconciliation:** the comparable growth is presented in separate columns on Business Performance in section Business Performance of the Financial Report.
- **Explanation of use:** Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non- recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.
- **Comparisons:** the comparable breakdown is only shown for the current period compared with the previous period.
- **Coherence:** the criteria used to calculate Like-for-like is the same as the previous year.

FAIR VALUE ADJUSTMENTS

- **Definition:** the adjustments to the consolidated P&L relative to previous results derived from: changes in the fair value of derivatives and other financial assets and liabilities, asset impairment and the impact of the two above elements in the ‘equity-accounted results’

- **Reconciliation:** a detailed breakdown of the fair value adjustments is included in the Consolidated P&L (Financial Report).
- **Explanation of use:** the fair value adjustments can be useful for investors and financial analysts when evaluating the underlying profitability of the company, as they can exclude elements that do not generate cash and which can vary substantially from one year to another due to the accounting methodology used to calculate the fair value.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate the fair value adjustments is the same as previous year.

CONSOLIDATED NET DEBT

- **Definition:** this is the net balance of Cash and cash equivalents (including short and long-term restricted cash), minus short and long-term financial debt (bank debt and bonds), including the balance related to exchange-rate derivatives that cover both the issue of debt in currency other than the currency used by the issuing company and cash positions that are exposed to exchange rate risk.
- **Reconciliation:** the detailed reconciliation is shown in the Business Performance section of the Financial Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:
  - Net debt of infrastructure projects. This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued This is the debt corresponding to infrastructure project companies.
  - Net debt ex-projects. This is the net debt of Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criterion used to calculate the net debt figure has changed with regard to the previous year, due to the inclusion in its calculation of the effect of exchange rate derivatives related to cash positions.

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under Key figures under Services and Construction sections of the Financial Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Appendix to this document. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanation of use:** The Management believes that the orderbook is a useful indicator with respect to the future income of the Company, due to the orderbook for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate order book is the same as the previous year.

PROPORTIONAL RESULTS

- **Definition:** this is the contribution to the consolidated results in the proportion of Ferrovial's ownership in the group subsidiaries, regardless to the applied consolidation method. This information is prepared to revenues, EBITDA and EBIT.
- **Reconciliation:** a reconciliation between total and proportional figures is provided in Appendix to this document.
- **Explanation of use:** the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of

  Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity method present.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate proportional results is the same as the previous year.