



2008 First Half Results

BAA Update

Permanent financing

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- **2008 First Half Results**

- BAA Update

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Annexes

Traffic Data

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1H 2008 Results

Main highlights

Euro appreciation versus GBP (15%) & USD (16%) hits accounting results

Accounting impact (non-cash) of financial instruments valuations

Lower amount of net one-off results (€213 vs €705)

BAA – T5 Higher Opex, depreciation & financial charges

Slowdown of domestic construction (-13%) vs international growth (+15%)

Tariff increases to offset lower traffic, in both toll roads and airports

H1 2008 - Key figures

Profit & Loss		Jun-08	Jun-07	D%	L-f-L *
Revenues		6,735	7,100	-5%	4%
EBITDA		1,284	1,467	-13%	-4%
Depreciation		593	550	8%	21%
EBIT		691	917	-25%	-20%
Financial result		-1,102	-903	-22%	1%
Derivatives		-212	102		
Financing costs		-889	-1,005		
Net "one-off" results		213	705		
NET PROFIT		59	756	-92%	n.s.
Balance Sheet		Jun - 08	Dec - 07		
Net consolidated debt		28,703	30,264	-5%	
Backlog		Jun - 08	Jun - 07		
Construction		9,218	8,728	6%	
Services		9,908	9,256	7%	

Non-cash
impact

T5
depreciation

* L-f-L P&L excluding disposals, forex exchange impact and hedge instruments. All business divisions presented under like-for-like (l-f-l) comparison

Net debt position June 2008

“Recourse debt”
€ 2.2 Bn
8% of total debt

	Jun-08	Dec-07
Construction	-1,739	-1,911
Services	1,465	1,413
Holding - others	747	477
NDP Group ex-infrastructures (a)	473	-22
Ferrovial Infraestructuras	2,081	2,182
Cintra S.A.	-353	-173
NDP Infrastructure holdings (b)	1,728	2,009
NDP ex infrastructure projects c = (a+b)	2,201	1,987
BAA	16,232	17,808
Tubelines & other Amey's concessions	1,619	1,664
Toll roads	8,587	8,743
Others	64	62
NDP infrastructure projects (d)	26,502	28,276
Net debt position (c+d)	28,703	30,264

“Non - recourse debt”
(Project finance)
€ 26.5 Bn
92% of total debt

NDP: Net debt position

Consolidated cash flow - June 08

	Total	Ex- Infra Projects	Infra Projects	Adjustment
EBITDA	1,284	330	954	0
Dividends	0	340	0	-340
Tax payment	-12	-8	-4	0
Working capital	-251	-279	28	0
Operating cash flow	1,022	384	978	-340
Investment	-1,554	-452	-1,152	49
Divestment	776	3	772	0
Net investment cash flow	-778	-448	-379	49
Interest flow	-930	-76	-854	0
Capital flow & Dividends	-141	-127	-305	291
Forex	2,038	116	1,922	0
Other (no cash)	352	-61	412	0
Net debt variation	1,561	-214	1,775	0
Net debt initial position	-30,264	-1,987	-28,276	0
Net debt final position	-28,703	-2,201	-26,502	0

€1bn Operating Cash Flow

to finance **growth** capex

Business divisions

BAA - T5: Higher Opex, depreciation & financial charges

- New capital structure** - GIC capitalized PIK debt + annual interest since 2006

	Current	Previous
FER	55.87%	61.06%
CDQP	26.48%	28.94%
GIC	17.65%	10.00%

- T5**

- Operating costs (+29%)
- Depreciation (+31%)

**2008 - 2013 tariffs
to offset higher costs
over Q5 period**

- Slight total traffic decline** (-0.4%). Long haul traffic growth (+1.5%) with higher profitability

L-f-L	Jun-08
Sales	+10%
EBITDA	-13%
Depreciation	+31%

Security queue performance (LHR-June)	99% < 5 minutes 100% < 10 minutes
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<10'	June '08	June '07
LHR	100%	93%
LGW	99%	90%

* L-f-L P&L excluding disposals, forex exchange impact and hedge instruments

CINTRA - Tariff increases to offset lower traffic

- **Double digit organic growth (Sales & EBITDA)**
- **EBITDA growth vs Weak traffic**

<i>Jun-08/07</i>	EBITDA*	<i>Traffic</i>
<i>ETR-407</i>	10.3%	+2.5%
<i>Indiana</i>	5.6%	-8.2%
<i>Skyway</i>	14.9%	-12.0%

(*) – Local currency

L-f-L	Jun-08
Sales	+10%
EBITDA	+12%

Organic growth

€2Bn raised to finance Toll road Projects

ETR 407	CAD	550Mn
Greece	Euro	401Mn
Texas (SH130)	USD	1,358Mn
Autema	Euro	618Mn

* L-f-L P&L excluding disposals, forex exchange impact and hedge instruments

Services - Organic growth

- *Sales +11%, EBITDA +9%, excluding Tube Lines*
- *Profitability improvement at Swissport*
- *Order book high single digit growth*

Organic growth

L-f-L	Sales	EBITDA
Tube Lines	-1%	-22%
R. of Amey	+17%	+5%
Swissport	+8%	+34%
R. of Services	+9%	+7%
TOTAL	+9%	+3%
Order book	+7%	

* L-f-L P&L excluding disposals, forex exchange impact and hedge instruments

Construction - domestic slowdown (-13%) vs International growth (+15%)

- **Double digit international growth**
(Sales / EBITDA / Backlog)
- Domestic activity stable at c. -10%
- Budimex EBIT reach 3% vs. 0.4%
- Webber Backlog +27%

L-f-L	Domestic	International	Total
Sales	-13%	+15%	-5%
EBITDA	-12%	+27%	-5%
EBITDA Margin	7.5% (+10bp)	4.1% (+40bp)	6.3%
Backlog	-3%	+24%	+6%

Organic growth

* L-f-L P&L excluding disposals, forex exchange impact and hedge instruments

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- **BAA Update**

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Annexes

Traffic Data

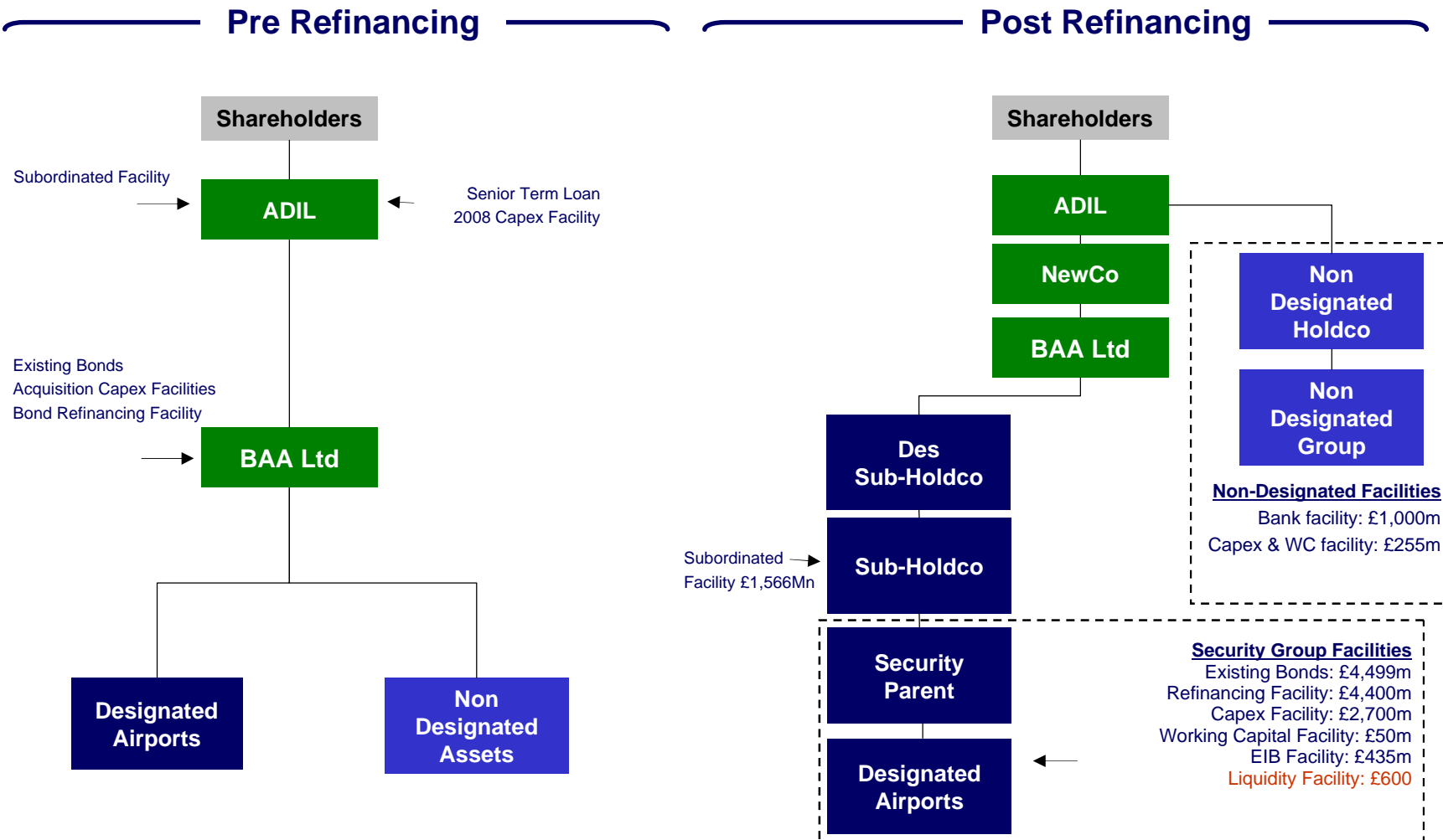
BAA Refinancing

1H 2008 Results

BAA Financing Structure

- *Average cost lower than Pre-refinancing & credit crunch (7.5% vs 7.8%)*
- *Spread to step down as bank facility outstanding amount will reduce*
- *Rising inflation to boost tariffs*

BAA Financing Structure



Sources and Uses

Sources of funds	(£ '000)	Uses of funds	(£ '000)
BAA Bonds - Class A	4,499	BAA Bonds	4,503
EIB –Class A	435	ADIL Senior Acquisition Facilities	2,660
Class A Bank Facilities	3,400	BAA Bond Refinancing Facility	200
Class B Bank Facilities	1,000	BAA Capex Facilities	2,050
Subordinated Debt	1,566	ADIL Junior Acquisition Facilities	1,966
Non-Designated Asset Debt	1,000	Pre-paid interest	332
		Accrued unpaid interest	236
Equity	424	Fees and Ancillary	377
Total Sources	12,324	Total Uses	12,324

Security Group Facility - Back Stop Facility

Amount withdrawn ("Refinancing Facility")

- Class A £3,400
- Class B £1,000
- **Average Cost: Libor + 186 bp**

To cancel

- Senior acquisition debt
- Capex facility
- **Average Cost: Libor + 227.5bp (July'08)
+ 267.5bp (July'09)**



Financial terms

Facility		Amount	Spread	Maturity
Refinancing	Class A	3,400	175bp	2010-13
	Class B	1,000	225bp	2010-13
CAPEX	Class A	2,300	100bp	2013
	Class B	400	125bp	2013
Working capital		50	100bp	2013

Spread to step down as outstanding amount will reduce

Security Group Facility – Bond migration

Migration of Existing Bondholders

Pre-2002 Securities	Coupon increase	New coupon
£300m 11.75% due 2016	0.70%	12.45%
£250m 8.50% due 2021	0.70%	9.20%
£200m 6.375% due 2028	0.70%	7.075%
£900m 5.75% due 2031	0.70%	6.45%

Total of £92.52 million in NPV

Post-2002 Securities	Coupon increase	New coupon
€1000m 3.875% due 2012	0.10%	3.975%
£400m 5.75% due 2013	0.10%	5.85%
€750m 4.50% due 2014	0.10%	4.60%
€750m 4.50% due 2018	0.10%	4.60%
£750m 5.125% due 2023	0.10%	5.225%

Early incentive of 0.25% of the nominal value of the bonds payable to all holders voting in favour by 29 July 2008 (actual cost £10.6m)

Non regulated airports – Bank facility

- **Seven years facility - GBP 1,000 m**
- **Capex & working capital - GBP 255 m**

Spreads

Years 1-3: 175bp

Years 4-5: 215bp

Years 6-7: 240bp

Robustness – Sensitivity test

Solvency and key ratios have been tested at the base case and at the following ***sensitivities***:

- **Reduction in EBITDA by 10%**
- **Increase in Capex by 20%** which is not taken into the RAB
- A combined sensitivity modeling both of the above together

In all cases the key covenants and trigger points have been met



Financial strength

Trigger points and Covenants – Designated Airports

	31st December 2008		31st December 2009	
ICR	Class A	Class B	Class A	Class B
Base Case	2.80	2.39	2.44	2.07
10% less EBITDA	2.26	1.92	2.10	1.78
20% more capex	2.76	2.35	2.37	2.03
Combined	2.22	1.90	2.05	1.74
Trigger	1.40	1.20	1.40	1.20
RAR				
Base case	67.50%	75.40%	66.10%	74.20%
10% less EBITDA	68.00%	75.90%	67.20%	75.50%
20% more capex	68.50%	76.30%	68.80%	77.40%
Combined	68.90%	76.80%	69.90%	78.60%
Trigger	70.00%	85.00%	70.00%	85.00%
Covenant	92.50%		92.50%	

All triggers and covenants are met under all scenarios

Trigger points and Covenants – Sub debt

Sub Debt Ratios	Dec-08	Jun-09	Dec-09
Interest Cover			
Base case	2.04x	1.84x	1.84x
Less 10% EBITDA	1.83x	1.65x	1.65x
Plus 20% Capex	2.02x	1.82x	1.80x
Combined	1.82x	1.63x	1.61x
Covenant level	1.05x	1.10x	1.10x
Debt Cover			
Base case	0.88	0.87	0.85
Less 10% EBITDA	0.88	0.87	0.86
Plus 20% Capex	0.89	0.89	0.88
Combined	0.89	0.90	0.89
Covenant level	1.00	1.00	1.00

Covenants are met under all scenarios

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Traffic Data

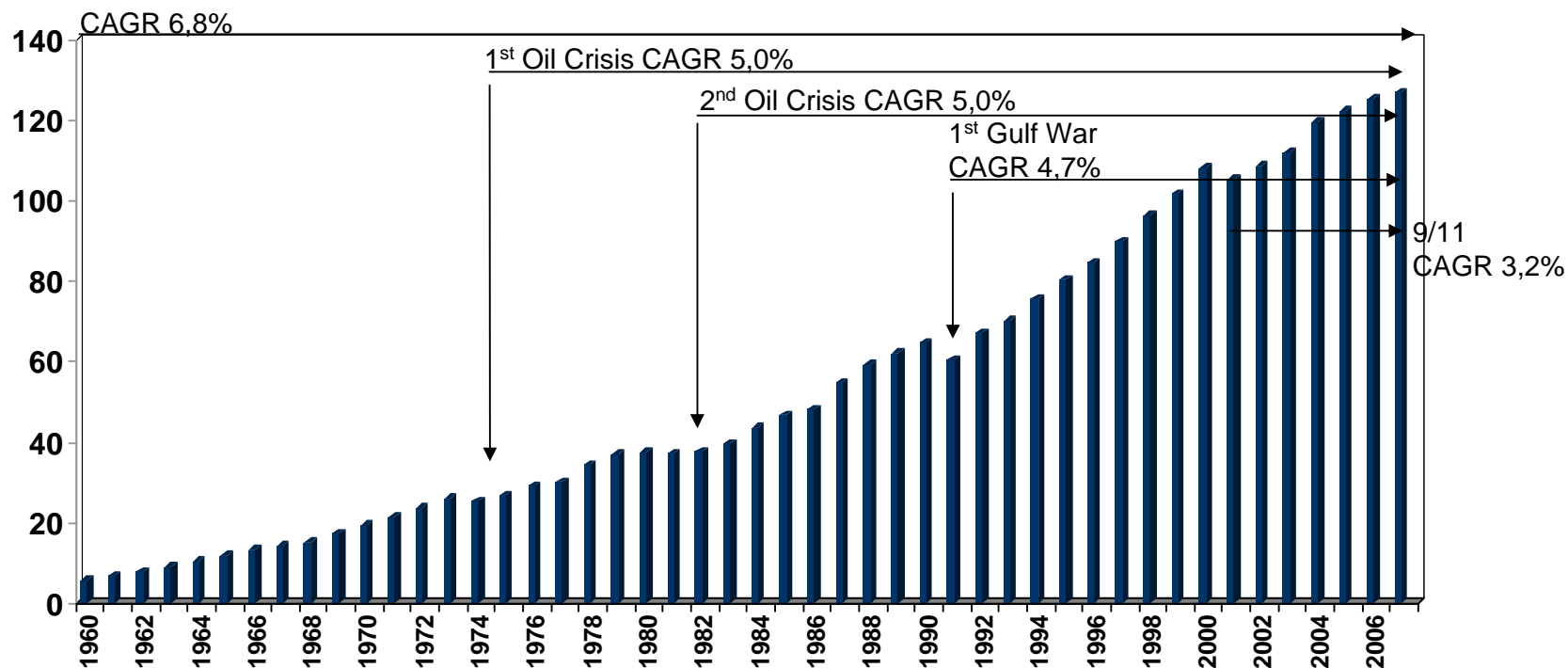
BAA Refinancing

1H 2008 Results

Traffic - Airports: BAA

Only 4 of last 47 years with negative growth

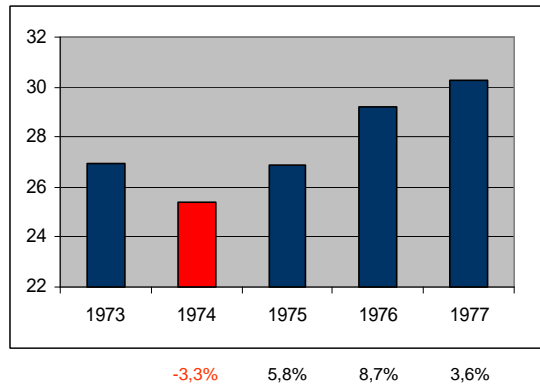
Historic passenger levels at Heathrow, Gatwick and Stansted



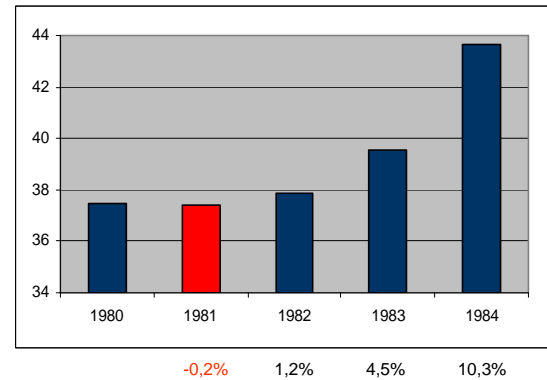
Resilience to shocks and economic downturns

BAA - Traffic evolution after economic/political crisis

1973 - First oil Crisis

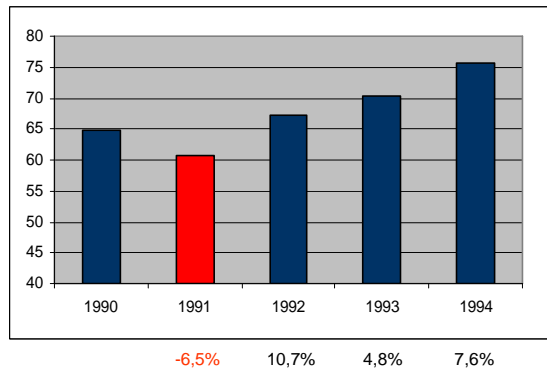


1982 - Second oil Crisis

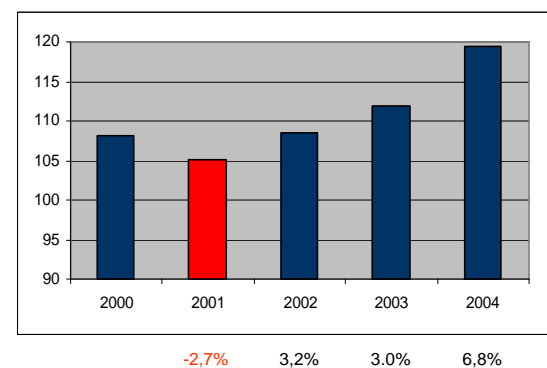


Demand shocks have been always followed by periods of renewed growth

1991 – First Gulf War



2001 - 11-S Terrorist attacks



Toll roads: weak Traffic growth - Spain

Europistas – A8

3 years of negative growth in last 25 years

Revenues always up

Years of negative traffic growth (3)

	<u>1983</u>	<u>1993</u>	<u>1995</u>
Traffic	-1.3%	-0.7%	-0.5%
Revenues	+16.8%	+3.4%	+5.2%

AUTEMA

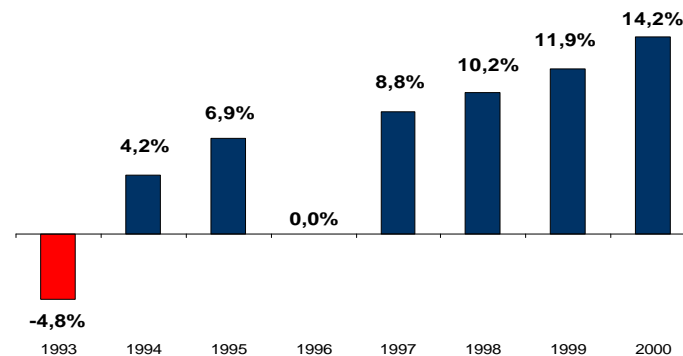
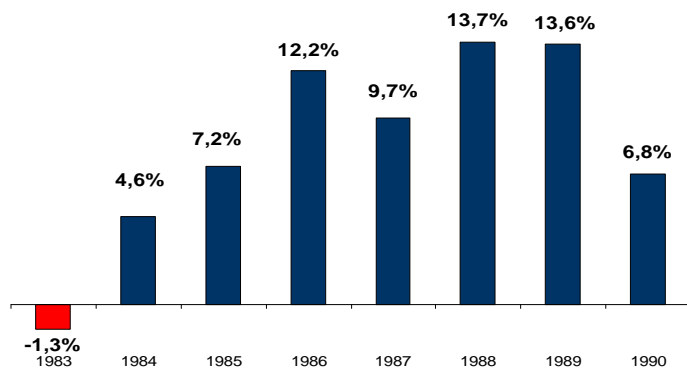
1 year of negative growth in last 22 years

Revenues marginally down (-1.5%)

Years of negative traffic growth (1)

	<u>1993</u>
Traffic	-4.8%
Revenues	-1.5%

Traffic quick return to or above historic levels



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Security Group Facility - Back Stop Facility

Facility	Refinancing				Capex		Working Capital	
Total Amount	£4,400m				£2,700m		£50m	
Tranching	Class A - £3,400m		Class B - £1,000m		Class A - £2,300m	Class B - £400m	Class A	
Primary purpose	Refinance Original senior Facilities and 2008 Capex Facility and part of the Original Subordinated Facility and payment of transaction costs.				Finance capex requirements of the Security Group.		General corporate and working capital purposes of the Airports.	
Margin (bps)	Amount Outstanding	Margin	Amount Outstanding	Margin	While the Refinancing Facility is outstanding, the margin payable is equal to the margin applicable to that facility for the relevant Class including any step ups and thereafter.			
	£0-1.2bn	100	£ 0-0.33bn	150				
	£1.2-2.2bn	125	£0.33-0.66bn	200				
	£ 2.2-3.2bn	150	£0.66-1.00bn	225	100	125	100	
	£3.2-3.4bn	175						
Margin Step-Up (commencing month 25)	25bps every 6 months (subject to a maximum total step-up of 150bps)				In addition, while Senior RAR>70% the Class A loan margin increases by 25bps and while Junior RAR >85 Class B loan margin increases by 25bps.			
Tenor	Year	Maturing	Year	Maturing	5 years			
	March 2010	£800m	March 2010	£200				
	March 2011	£750m	March 2011	£250				
	March 2012	£750m	March 2012	£250				
	March 2013	£1,100m	March 2013	£300				

Spread to step down as outstanding amount will reduce

Ratio calculations

- The transaction has two key financial ratios applying to Class A and Class B Debt. The Senior ICR and Senior RAR include Class A debt only, the Junior ICR and Junior RAR include both Class A and Class B debt

1.	Interest Cover Ratio (“ICR”)	Cash flow from Operations less 2% of RAB ¹ less tax, divided by interest paid
2.	Regulatory Asset Ratio (“RAR”)	Net debt as a proportion of Regulatory Asset Base

RAR Calculation

- RAR calculations are based off the RAB published by the Airports in their respective regulatory accounts for each regulatory year. The RAB published in these accounts is based on actual capex spend in each period
- The Airports have discretion over their capex programme, subject to triggers in certain cases. Actual capex spent within the quinquennium may diverge from the profile anticipated and agreed with the CAA at the time of the price determination
- Whilst the CAA determines and publishes RAB at the start and end of each regulatory period, mid-period RAB is determined by the Airports without CAA confirmation
- However where any correspondence or communication with the CAA has indicated that any capital expenditure will not be included in the RAB, this amount shall be excluded from the calculations
- When the CAA publishes its final price control review decision, RAB is readjusted accordingly

Notes: 1. 2% of RAB serves as a maintenance capex proxy

Covenants

- This includes financial ratio tests based on the ratio of debt to the Regulatory Asset Base of the Security Group as well as Interest Cover Ratios. Financial ratio tests are used in a number of provisions as set out below:

	Financial Covenant if:	Trigger Event if:	Additional Indebtedness if:
Senior RAR	>92.5%	> 70% ¹	< 72.5%
Junior RAR	-	> 85%	< 90% ²
Senior ICR	1.05x ³	< 1.40x	-
Junior ICR	-	< 1.20x	-

- 72.5% from 1 April 2018
- This level is 85% while the Refinancing Facility remains outstanding
- The Senior ICR financial covenant is a 3 year average historical Senior ICR test

- Trigger Events
 - These provide an early warning when there is deterioration in the business
 - Key consequences include full distribution lock-up, provision of additional information covenants and remedial plans
- Limitations on Additional Indebtedness Tests
 - These provide limitation on the quantum of debt that can be incurred at the Senior and Junior levels
 - RAR ratios are set wide of the Trigger Event ratios to allow capital investment through a trigger period
- Events of Default
 - A financial covenant has been provided based on Senior RAR and average 3 year historical Senior ICR
 - Other events of default include non-payment (of Class A or Class B debt) and any of the Borrower Security ceasing to be in full force and effect
 - A standstill of up to 12 months may apply if a Regulatory Restructuring Event occurs
- Control
 - Class A creditors as a group control most creditors decisions in the transaction (except for entrenched rights)

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Annex – Accounting and Like-for-Like data by Division

AIRPORTS

	Jun-08	D%	L-f-L
Sales	1,566.4	-16.4%	10.0%
EBITDA	569.4	-25.5%	-12.9%
Depreciation	390.2	+11.2%	+30.7%
EBIT	179.1	-56.6%	-53.6%

TOLL ROADS & CAR PARKS (CINTRA)

	Jun-08	D%	L-f-L
Sales	515.7	7.0%	10.1%
EBITDA	346.4	8.0%	11.5%
Margin %	67.2%	+60bps	+80bps

SERVICES

	Jun-08	D%	L-f-L
Sales	2,282.4	1.2%	9.0%
EBITDA	220.8	-2.9%	3.0%
Margin %	9.7%	-40bps	-40bps
EBIT	142.4	-6.7%	-0.7%
Margin %	6.2%	-60bps	-60bps
Backlog	9,908	7%	

CONSTRUCTION

	Jun-08	D%	L-f-L
Sales	2,418.4	-3.8%	-4.5%
EBITDA	151.8	-5.1%	-5.0%
Margin %	6.3%	-10bps	-10bps
EBIT	122.3	-5.5%	-6.0%
Margin %	5.1%		
Backlog	9,218	6%	

Operating Cash flow (Ex-Infrastructure Projects)

	Construction	Services	Toll roads & Car parks	Airports	Others	Total
EBITDA	151	182	10	-9	-4	330
Dividends	0	4	336	0	0	340
Tax payment	-4	-5	0	0	0	-8
Working capital	-124	-120	8	0	-41	-279
Operating cash flow	23	61	355	-9	-45	384
Investment	-22	-84	-124	0	-221	-452
Divestment	0	3	0	0	0	3
Net investment cash flow	-22	-81	-124	0	-221	-448
Interest flow	38	-33	-1	-61	-21	-76
Capital flow & Dividends	-196	-1	-50	31	89	-127
Forex	-8	6	0	122	-4	116
Other (no cash)	-7	-4	1	17	-67	-61
Net debt variation	-172	-52	180	101	-270	-214
Net debt initial position	1,911	-1,413	173	-2,182	-477	-1,987
Net debt final position	1,739	-1,465	353	-2,081	-747	-2,201

Operating Cash flow (Infrastructure Projects)

	Construction	Services	Toll roads & Car parks	Airports	Total
EBITDA	1	39	336	578	954
Dividends					0
Tax payment		11	-13	-1	-4
Working capital	43	72	20	-107	28
Operating cash flow	43	122	343	470	978
Investment	-46	-143	-201	-762	-1,152
Divestment	0	0	0	772	772
Net investment cash flow	-46	-143	-201	10	-379
Interest flow	-1	-50	-217	-586	-854
Capital flow & Dividends	0	-5	-300	0	-305
Forex	0	123	586	1,214	1,922
Other (no cash)	7	-2	-55	463	412
Net debt variation	4	44	156	1,571	1,775
Net debt initial position	-34	-1,664	-8,743	-17,836	-28,276
Net debt final position	-30	-1,620	-8,587	-16,265	-26,502

Disclaimer

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THANK YOU

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