Business performance

SERVICES DIVISION CLASSIFIED AS DISCONTINUED ACTIVITY

Having completed the strategic review of its Services division announced in October 2018, Ferrovial has decided to classify as "held for sale" all of its services activities as of December 31st, 2018. This decision is framed within its strategy of focusing on the development of its infrastructure business.

This decision involves classifying the assets and liabilities of the services business as a discontinued activity and accounting for them at the lower of the carrying amount and fair value less costs to sell

The application of this fair value criteria, in the case of Amey, results in the recognition of a provision of EUR774mn as a result of the impairment of the value of Ferrovial´s participation in Amey, as at the end of the 2018 fiscal year. After giving effect to this provision, the book value of Ferrovial's participation in Amey stands at EUR103mn.

MAIN INFRASTRUCTURE ASSETS

In the results for 2018, **infrastructure assets continued to show strong operating performance (407 ETR, Managed Lanes and Heathrow), with growth in traffic volumes and dividends.**

Solid operating growth: Managed Lanes in the USA (global consolidation) increased EBITDA in local currency by +30.0% for NTE and +28.1% for LBJ. The equity-accounted Infrastructure assets continue to show strong EBITDA growth in local currency: +9.7% at the 407 ETR toll road, +5.7% at the regional UK airports (AGS) and +4.5% at Heathrow airport.

EUR623mn in dividends received from projects (EUR553mn in 2017).

- **407 ETR** distributed dividends of CAD920mn in 2018, +8.9% vs. 2017. The dividends distributed to Ferrovial amounted to EUR273mn.
- **Heathrow** paid out GBP500mn, compared to GBP525mn in 2017 which included an extraordinary dividend of GBP150mn. The dividends distributed to Ferrovial amounted to EUR144mn.
- **AGS** paid out GBP70mn compared to GBP146mn in 2017, which included an extraordinary dividend after refinancing. Ferrovial received EUR39mn in 2018.
- **Ferrovial Services** contributed project dividends of EUR131mn, primarily from projects in Services in Spain (EUR104mn).

On 19 July Ferrovial opened the NTE 35W 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.

In December, **Ferrovial sold** its stake in the Greek toll roads **Central Greece** (33.34%) and **Ionian Roads** (21.41%), to GEK Terna for the sum of **EUR84mn.**

CONSOLIDATED RESULTS

Consolidated results posted higher revenues (+11.3%), largely impacted by the higher contribution recorded by Construction, due to the start of major works in USA.

Consolidated EBITDA reached EUR484mn in 2018, -6.2% decrease vs 2017 (EUR516mn). In comparable terms, EBITDA would have increased by +1.4% vs. 2017.

The net cash position, excluding infrastructure projects, stood at EUR975mn at December 2018. **The net cash position including discontinued operations reached EUR1.236mn at December 2018 (EUR1,341mn at year-end 2017).** Net project debt stood at EUR4,640mn (vs. EUR4,804mn in December 2017). Net consolidated debt reached EUR3,664mn (vs. EUR3,463mn in December 2017).

PROPORTIONAL RESULTS

In proportional terms, revenues in 2018 amounted to EUR6,069mn and EBITDA of EUR1,306mn, with Infrastructure assets accounting for circa 90% of proportional EBITDA.

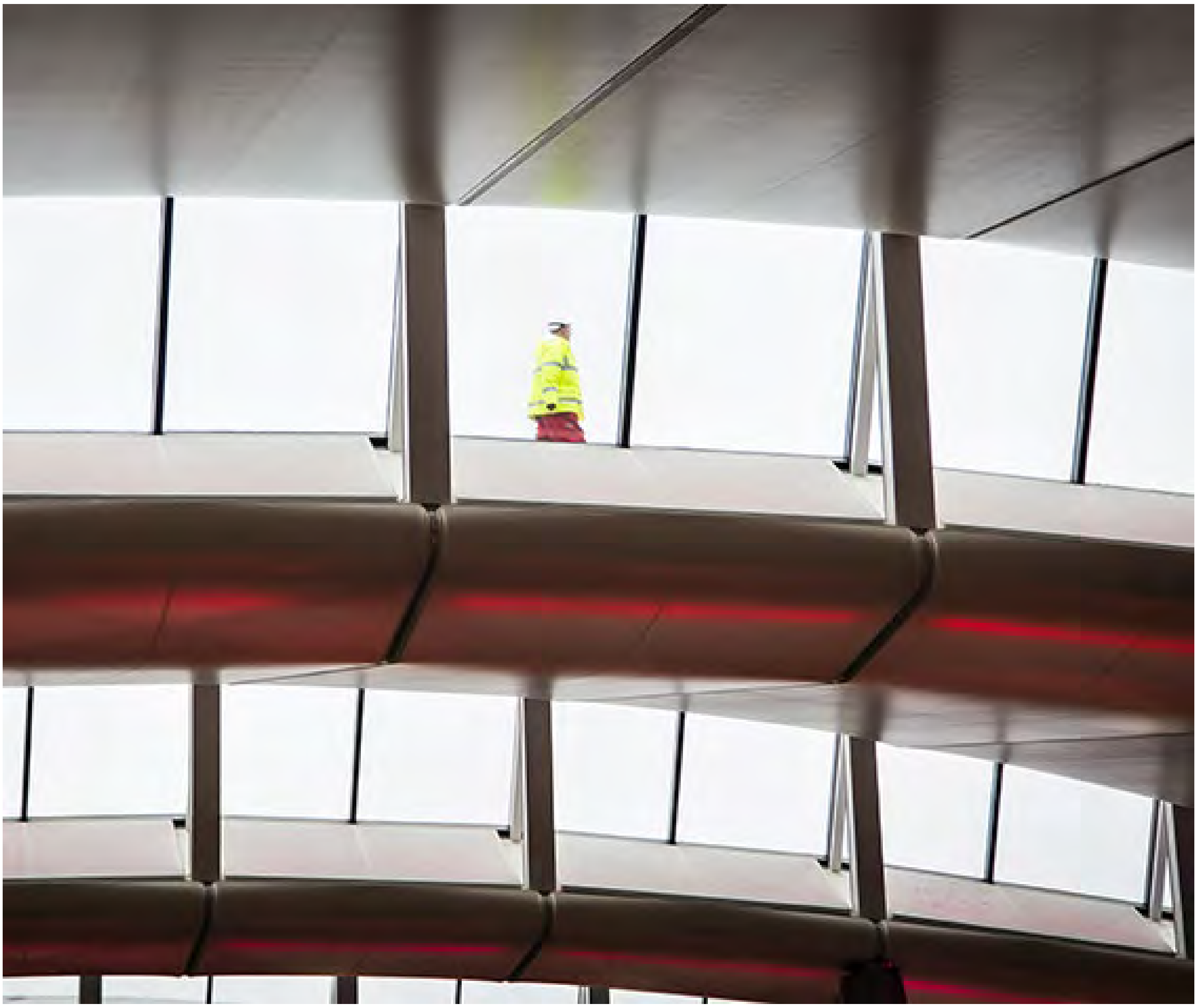
RESULTS BY DIVISION

Toll roads: traffic on the main toll roads has performed very well, helped by the economy, which continues to grow in the countries where the most important assets are located. Ferrovial's main asset, 407 ETR, continued to post strong operating figures, with traffic growth of +1.4%, on the back of economic growth and higher disposable income. The Managed Lanes in Texas continued to post strong EBITDA growth of circa +30% in 2018, on the back of robust traffic and toll rate growth. The NTE 35W toll road, fully open to traffic since 19 July, contributed EUR23mn to the division's EBITDA.

Airports: traffic at Heathrow reached an all-time record high of 80.1 million passengers (+2.7% vs. 2017) with growth in most of the markets, an EBITDA growth of +4.5%. Regional airports (AGS) posted EBITDA growth of +5.7%, although AGS traffic declined by -2.4%, due to lower traffic across the three airports.

Construction: revenue growth (+14.3% LfL), with positive performance in all areas except for a slight drop in Webber, and an 84% contribution from international projects. However, profitability declined vs. 2017 (EBIT margin 2.5% vs. 3.5%), primarily in Budimex, due to increased costs for labour and materials. The order book stood at EUR10,965mn (89% international), a reduction of -1.6% (-2.9% LfL) compared with 2017. Contract awards exceeding EUR1,200mn are not included.

Services (discontinued activity): revenues (-4.0%) 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 -EUR235mn provision registered in the UK for the Birmingham contract, leading to an EBITDA of EUR136mn (EUR371mn excluding the impact of the provision).



Key figures

In accordance with IFRS 5, the reclassification of the Services activity as an activity held for sale is carried out in the present report, also re-expressing the income statement of the previous period.

P&L (EUR mn)	DEC-18	DEC-17
REVENUES	**5,737**	**5,152**
EBITDA	**484**	**516**
Period depreciation	127	115
Disposals & impairments	82	88
EBIT*	**438**	**489**
FINANCIAL RESULTS	**-192**	**-244**
Equity-accounted affiliates	239	225
EBT	**486**	**469**
Corporate income tax	-25	-46
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	**460**	**424**
Fair Value Provision	-774	0
Services discontinued operations	-77	83
NET PROFIT FROM DISCONTINUED OPERATIONS	**-851**	**83**
CONSOLIDATED NET INCOME	**-391**	**507**
Minorities	-57	-53
NET INCOME ATTRIBUTED	**-448**	**454**

* EBIT after impairments and disposals of fixed assets

KEY FIGURES REPORTED

REVENUES (EUR mn)	DEC-18	VAR.
Toll Roads	471	2.3%
Airports	14	-32.6%
Construction	5.193	12.2%
Others	59	n.a.
Total	**5.737**	**11.3%**

EBITDA (EUR mn)	DEC-18	VAR.
Toll Roads	319	-0.2%
Airports	-16	-28.7%
Construction	170	-14.5%
Others	10	n.a.
Total	**484**	**-6.2%**

OPERATING FIGURES	DEC-18	VAR.
407 ETR (VKT´ 000)	2,747,512	1.4%
NTE *	30	10.7%
LBJ *	44	6.9%
Ausol I (ADT)	17,440	8.0%
Ausol II (ADT)	18,667	4.9%
Heathrow (million pax.)	80.1	2.7%
AGS (million pax.)	14.8	-2.4%
Construction order book	10,965	-1.6%

*Traffic in millions of transactions

FINANCIAL POSITION (EUR mn)	DEC-18	DEC-17
NCP ex-infrastructures projects	**975**	**1,341**
Toll roads	-4,392	-4,274
Others	-248	-530
NCP infrastructures projects	**-4,640**	**-4,804**
Total Net Cash /(Debt) Position	**-3,664**	**-3,463**

NCP: Net Cash Position. ND: Net Debt

Proportional results

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

P&L DEC-18 (EURmn)	REPORTED	PROPORTIONAL
Revenues	**5,737**	**6,069**
% var vs 2017	11.3%	6.0%
EBITDA	**484**	**1,306**
% var vs 2017	-6.2%	2.0%
EBIT	**356**	**931**
% var vs 2017	-11.1%	0.7%

PROPORTIONAL EBITDA

In 2018, proportional EBITDA reached EUR1,306mn (vs. EUR484mn of reported EBITDA), showing an increase of +2.0% (+4.7% LfL). Infrastructure assets accounted for close to 90% of EBITDA.

(EURmn)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Toll Roads	617	596	3.5%	8.8%
Airports	558	543	2.8%	4.1%
Construction	135	145	-6.8%	-8.0%
Others	-5	-4	n.s.	n.s.
Total EBITDA	**1,306**	**1,280**	**2.0%**	**4.7%**

PROPORTIONAL REVENUES

Proportional revenues reached EUR6,069mn compared with EUR5,737mn reported, showing an increase of +6.0% (+8.5% LfL).

(EURmn)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Toll Roads	918	856	7.2%	13.5%
Airports	971	962	0.9%	2.2%
Construction	4,282	3,941	8.6%	10.6%
Others	-101	-34	n.s.	n.s.
Total Revenues	**6,069**	**5,726**	**6.0%**	**8.5%**

Toll Roads

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	471	461	2.3%	13.7%
EBITDA	319	320	-0.2%	13.8%
EBITDA margin	67.7%	69.4%		
EBIT	239	247	-3.2%	14.2%
EBIT margin	50.8%	53.7%		

Revenues at the division grew +13.7% in comparable terms in 2018, boosted by the higher contribution from the Managed Lanes toll roads in the USA and by traffic growth at the majority of assets. **In comparable terms, the division posted EBITDA growth of +13.8% in 2018**.

The following table details the contributions from toll roads revenues and EBITDA by country excluding headquarters in 2018:

CONTRIBUTION BY COUNTRY EX-HEADQUARTERS	REVENUES	EBITDA
USA	52%	52%
SPAIN	38%	41%
PORTUGAL	9%	7%
TOTAL EX-HEADQUARTERS	455	376

The comparable figures stripped out the FX effect and the changes to the consolidation perimeter in 2017 and 2018. 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. Both toll roads have been consolidated using the equity method since 2017 (Norte Litoral since April and Algarve since September).

In December 2018, Ferrovial sold its stake in the Greek toll roads Central Greece (33.34%) and Ionian Roads (21.41%), to GEK Terna for the sum of EUR85mn. This transaction, which forms part of the company's asset rotation strategy, resulted in a capital gain of EUR80mn after tax. Both the Central Greece and Ionian Roads concessions were assets consolidated through equity method.

ASSETS IN OPERATION

During 2018 traffic performance was very positive on Ferrovial's main toll roads, both in terms of light and heavy traffic.

Canada: traffic on the 407 ETR increased by +1.4% in 2018 (light traffic +1.2% and heavy traffic +5.1%), bolstered by economic growth in Ontario, higher levels of disposable income, and works on alternative roads, although this was slightly impacted by adverse weather conditions, a lower impact from lane closures and calendar effects.

USA: traffic growth was driven by the positive performance of the Managed Lanes toll roads (NTE +10.7% and LBJ +6.9%, in terms of transactions), as a result of continued economic growth in the area, the improved network and the high level of managed lanes capture, despite the negative impact due to works being carried out on the corridor SH183. During 4Q, traffic increased significantly (NTE +18.6% and LBJ +7.5%, in terms of transactions), largely due to the opening of the SH183 corridor connecting NTE with LBJ. In addition, NTE traffic was boosted following the full opening of the NTE 35W lanes since July 2018.

Spain: traffic trended upwards, boosted by the country's economic growth. In 2018, Ausol recorded growth of +8.0% for Ausol I and +4.9% for Ausol II, despite unfavourable weather conditions compared to 2017.

Portugal: positive growth in 2018, aided by the economic recovery. In Algarve, traffic grew by +6.2%, although this was lower than in 2017 (+17.0%) as in the previous year it benefitted from the positive effect of works on its main competitor toll road. The final configuration of this alternative road allowed Algarve to continue growing in 2018. On the Azores toll road (+4.5%), traffic continues to be supported by the increase in tourism, following the liberalisation of the airline market.

Ireland: positive performance thanks to employment recovery. In 2018, traffic grew on both toll roads, +5.2% in M4 and +6.9% in M3, despite the negative impact of the snow storms between the end of February and the beginning of March.

Globally Consolidated Toll Roads

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
GLOBAL CONSOLIDATION	DEC-18	DEC-17	VAR	DEC-18	DEC-17	VAR.	DEC-18	DEC-17	VAR.	DEC-18	DEC-17	DEC-18	SHARE
NTE*	30	27	10.7%	99	82	20.7%	83	66	25.7%	84.1%	80.8%	-870	63.0%
LBJ*	44	41	6.9%	107	89	20.2%	87	71	23.9%	82.0%	79.6%	-1,264	54.6%
NTE 35W*	19	2	n.a.	31	3	n.a.	23	1	n.s.	74.2%		-662	53.7%
I-77 **				2		n.a.	0	0	n.a.			-246	50.1%
TOTAL USA				**238**	**173**	**37.7%**	**194**	**137**	**40.9%**			**-3,042**	
Ausol I	17,440	16,148	8.0%	66	61	7.8%	56	51	8.3%	84.4%	84.0%	-443	80.0%
Ausol II	18,667	17,801	4.9%										
Autema	18,781	17,871	5.1%	109	104	4.5%	100	95	5.3%	92.4%	91.7%	-612	76.3%
TOTAL SPAIN				**174**	**165**	**5.7%**	**156**	**147**	**6.3%**			**-1,055**	
Azores	10,275	9,831	4.5%	28	26	7.2%	25	22	11.7%	86.5%	83.0%	-297	89.2%
Algarve***	15,456	14,555	6.2%		27	n.a		24	n.a	n.s.	89.0%		48.0%
Norte Litoral***	25,974	25,258	2.8%		14	n.a		12	n.a	n.s.	89.2%		49.0%
Via Livre				14	15	-3.8%	2	2	-11.9%	12.7%	13.8%	3	84.0%
TOTAL PORTUGAL				**42**	**82**	**-48.6%**	**26**	**61**	**-56.8%**			**-294**	
TOTAL HEADQUARTERS				**16**	**40**	**-59.6%**	**-56**	**-25**	**-126.0%**				
TOTAL TOLL ROADS				**471**	**461**	**2.3%**	**319**	**320**	**-0.2%**			**-4,392**	

* 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

	DEC-18	DEC-17	VAR.
Avg trip length (km)	21.70	21.54	0.7%
Traffic/trips (mn)	126,625	125,738	0.7%
VKTs (mn)	2,747	2,709	1.4%
Avg revenue per trip (CAD)	10.86	9.96	9.0%

VKT (Vehicle kilometres travelled)

Traffic (km travelled) rose by +1.4%, with an increase in the number of journeys (+0.7%) and an increase in the average distance travelled (+0.7%). Traffic has increased thanks to longer journeys, helped by economic growth and works on alternative roads. These positive impacts were affected by adverse weather conditions during the winter, calendar effects and the lower number of lane closures on alternative roads.

Income statement

(CAD million)	DEC-18	DEC-17	VAR.
Revenues	**1,390**	**1,268**	**9.7%**
EBITDA	**1,211**	**1,104**	**9.7%**
EBITDA margin	87.1%	87.1%	
EBIT	**1,103**	**998**	**10.6%**
EBIT margin	79.4%	78.7%	
Financial results	-370	-358	-3.3%
EBT	733	640	14.6%
Corporate income tax	-194	-169	-14.5%
Net Income	**539**	**470**	14.6%
Contribution to Ferrovial equity accounted result (EUR mn)	**136**	**125**	9.2%

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

Revenues at 407 ETR increased by +9.7% in local currency in 2018:

- **Toll revenues** (93% of the total): rose by +9.9% to CAD1,295mn, mainly due to the toll rate increases applied since February 2018 and the improvement in traffic.

- **Fee revenues** (6% of the total): reached CAD90mn (+9.1%), primarily aided by the increase in late payment interest charges and higher revenues due to rental rates for transponders.

Average revenues per journey rose by +9.0% (CAD10.86 vs. CAD9.96 in 2017).

The toll road also recorded an **increase in EBITDA of +9.7%** in 2018, with an EBITDA margin of 87.1%, in line with 2017 (87.1%).

Financial result: -CAD370mn, CAD12mn in increased spending vs. 2017 (-3.3%).

407 ETR contributed EUR136mn to Ferrovial's equity-accounted results (+9.2% vs. 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 2018, 407 ETR distributed dividends of CAD920mn, +8.9% vs. 2017. The dividends distributed to Ferrovial in 2018 amounted to EUR273mn. At the February Board Meeting, the 1Q 2019 dividend payment was approved in the amount of CAD250mn (+10.5% vs. 1Q 2018).

(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 The net debt figure for 407 ETR at 31 December 2018 was CAD7,448mn (average cost of 4.58%). 60% of the debt matures in more than 15 years' time. The next maturity dates are CAD15mn in 2019, CAD316mn in 2020 and CAD717mn in 2021.

In May 2018, 407 ETR agreed to issue CAD500mn in senior bonds, at 3.72%, maturing on 11 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 3 December 2018, the company remained at a rating of "A" (Senior Debt), "A low" (Junior Debt) and "BBB" (Subordinated Debt), with a stable outlook.

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

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

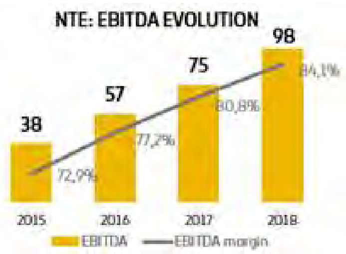
In December 2018 a toll rate increase was announced, which came into force on 1 February 2019. For more information on the new toll rates, please click on the following link.

NTE

(USD million)	DEC-18	DEC-17	VAR.
Revenues	**116**	**93**	**24.8%**
EBITDA	**98**	**75**	**30.0%**
EBITDA margin	84.1%	80.8%	
EBIT	**76**	**55**	**37.5%**
EBIT margin	65.3%	59.3%	
Financial results	-62	-62	0.4%
Net Income	**13**	**-7**	295.2%
Contribution to Ferrovial consolidated result - 62.97% stake (EUR mn)	**7**	**-4**	n.s.

During 2018, revenue rose by +24.8% compared to 2017, on the back of traffic growth and higher toll rates.

EBITDA reached USD98mn (+30% vs. 2017), with an EBITDA margin of 84.1% (+332 basis points vs. 2017).



In 2018, NTE traffic increased by +10.7% in terms of transactions. The full opening of the NTE35W, Segments 3B (4Q 2017) and 3A (3Q 2018), have contributed very positively to the traffic performance of NTE. The number of vehicles on the road (general purpose lanes, along with the managed lanes) and the share of traffic on the managed lanes grew significantly, as connected trips between both corridors boosted NTE traffic. The opening of the 183 TEXpress in October also had a positive impact on NTE traffic, offsetting the negative impacts of construction works up to 1H 2018.

Quarterly Traffic and EBITDA

In terms of traffic: NTE recorded 8.1 million transactions in 4Q 2018, +18.6% vs 4Q 2017 (6.9 million transactions). This growth was favoured by the full opening of segment 3A (July 2018), which contributed to a sharp increase of journeys between NTE and NTE35W, along with the opening of the 183 TEXpress (October 2018), which is directly connected to Segment 2 of NTE.

Very positive EBITDA performance, with a +48.1% growth compared with 4Q 2017, as a result of good revenue performance and operating expense management.

QUARTERLY RESULTS	4Q18	4Q17	VAR.
Transactions (millions)	8.1	6.9	18.6%
EBITDA (USD mn)	28.1	19.0	48.1%

The average toll rate per transaction in 4Q 2018 at NTE reached USD4.1 vs. USD3.5 in 4Q 2017 (+14.6%).

NTE net debt

As of December 2018, net debt for NTE to USD996mn (USD1,028mn in December 2017), at an average cost of 5.32%.

NTE credit rating

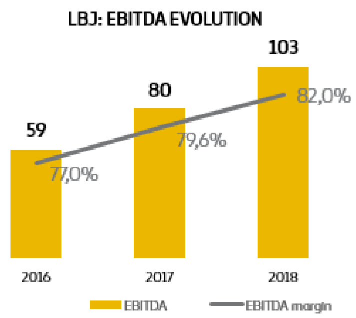
	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

LBJ

(USD million)	DEC-18	DEC-17	VAR.
Revenues	**126**	**101**	**24.4%**
EBITDA	**103**	**80**	**28.1%**
EBITDA margin	82.0%	79.6%	
EBIT	**77**	**57**	**34.5%**
EBIT margin	61.3%	56.7%	
Financial results	-87	-86	-0.5%
Net Income	**-10**	**-29**	64.1%
Contribution to Ferrovial consolidated result - 54.6% stake (EUR mn)	**-5**	**-13**	63.3%

In 2018, LBJ generated revenues of USD126mn (+24.4% vs. 2017), as a result of both the continued growth in traffic during the ramp-up phase and higher toll rates.

EBITDA reached USD103mn (+28.1% vs. 2017) aided by a strong traffic growth. The EBITDA margin rose to 82.0%, aided by the significant growth in revenues.



In 2018, traffic at LBJ grew by +6.9% compared to 2017, boosted by higher traffic in Segment 1, which benefitted from the opening of two projects operated by the Texas Department of Transportation (TxDOT): the I35E Managed Lanes project (May 2017) and the opening of the 183 TEXpress (October 2018). Traffic also benefitted from the strong growth in capture rates in Segment 3, resulting from the increase in congestion on the eastern end of the corridor.

Quarterly Traffic and EBITDA

In terms of traffic, a total of 11.4 million transactions were registered in 4Q 2018, +7.5% in comparison with 4Q 2017 (10.6 million transactions).

EBITDA in 4Q 2018 reached USD28.1mn, a significant increase compared to 4Q 2017 (+31.2%):

QUARTERLY RESULTS	4Q18	4Q17	VAR.
Transactions (millions)	11.4	10.6	7.5%
EBITDA (USD mn)	28.1	21.4	31.2%

The average toll rate per transaction at LBJ reached USD3.0 in 4Q 2018 vs. USD2.6 in 4Q 2017 (+16.7%).

LBJ net debt

As of December 2018, net debt for LBJ amounted to USD1,448mn (USD1,463mn in December 2017), at an average cost of 5.27%.

LBJ credit rating

	PAB	TIFIA
Moody's	Baa3	
FITCH	BBB-	BBB-

NTE 35W

(USD million)	DEC-18
Revenues	**37**
EBITDA	**27**
EBITDA margin	74.2%
EBIT	**19**
EBIT margin	52.4%
Financial results	-23
Net Income	**-4**
Contribution to Ferrovial consolidated result - 53.67% stake (EUR mn)	**-2**

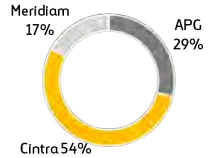
The NTE 35W toll road opened on 19 July, three months ahead of the scheduled opening date in the contract (October 2018). This asset follows a Managed Lane scheme, i.e., dynamic toll roads constructed as part of an urban highway, and forms part of the remodelling and **expansion project of one of the 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 in the case with 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) are those 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	**-60**	**53**	**-246**	
I-77	-60	53	-246	50%
Equity Consolidated				
Intangible Assets		**670**	**-974**	
I-66		670	-974	50%
Financial Assets	**-65**	**69**	**-963**	
407-East Extension II		10	-277	50%
Ruta del Cacao	-54		-6	42%
Toowoomba	-11		-237	40%
Bratislava		30	-336	35%
OSARs		29	-107	50%

I-77: a partial opening is expected during Spring 2019, in the northern part of the project. The project will be fully opened in summer 2019.

407 East Extension Phase II: in January 2018 Phase 2A was opened, in line with the expected time schedule. The construction works are 84% complete and the objective is to complete Phase 2B in December 2019, and open it to the public at the beginning of 2020.

I-66: Cintra won the "Transform I-66" (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 for construction of the project runs until 2022, while the concession is granted for 50 years since the completion of the commercial agreement. The design and construction works are 17% complete.

Western Roads Upgrade (OSARs) in Melbourne, Australia: Cintra was awarded the OSARs project 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 and financial close took place in December 2017. The design and construction works are 23% complete.

Toowoomba: the partial opening of a 24 km stretch took place on 8 December 2018, with the full opening expected to take place during 2H 2019.

Ruta del Cacao: on 25 October 2018, Ferrovial reached the financial close of this project, with a value of EUR465mn. The concession involves the construction of 80.84 km of new road, improvements to 108.2 km of existing road, the construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 5.95 km. This concession has a 25 years duration.

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 Managed Lanes (Capital Beltway) and I-270 Congestion Relief Improvements projects. The MDOT announced that the prequalification process for the first project will take place in April 2019, which will be followed by three or four more projects in the coming years. The MDOT is considering a design, construction, financing, operation and/or maintenance project for both projects, which would take the structure 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 December 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 USD2,000mn.
- The current economic and political climate in the USA favours infrastructure development and Cintra is following various projects of interest in States such as Maryland, Illinois, Virginia, Georgia and Texas, various of which are Managed Lanes structures.

In **other markets**, Cintra presented a bid on 20^{th} February 2019 for the “**Silvertown Tunnel**” project in London (United Kingdom), with an estimated investment of GBP1,700mn.

PROJECT DIVESTMENTS

Ferrovial has sold its stake in the Greek toll roads Central Greece and Ionian Roads, to GEK Terna for the sum of EUR85mn. The Greek company acquired 100% of both assets following the transferal of the respective 33.34% and 21.41% stakes that Ferrovial still had in both toll roads. The capital gain of this transaction was EUR80mn.

Airports

The Airports Division contributed EUR73mn to Ferrovial's equity-accounted results in 2018 (EUR89mn in 2017).

- **HAH:** EUR70mn in 2018 (EUR87mn in 2017), primarily due to the lower positive mark to market impact of the hedging instruments, as a result of higher than expected inflation figure, partially offset by the lower cost of borrowing.

- **AGS:** contributed EUR4mn to Ferrovial's 2018 equity-accounted results (vs. EUR2mn in 2017).

In terms of distributions to shareholders:

- **Heathrow paid out GBP500mn (100%)**, compared to GBP525mn in 2017, which included an extraordinary dividend of GBP150mn. Ferrovial received EUR144mn for its stake during 2018.

- **AGS paid out GBP70mn (100%)**, compared to GBP146mn in 2017, which included an extraordinary dividend after the refinancing in 1Q 2017. Ferrovial received EUR39mn in 2018.

HEATHROW

Heathrow Traffic

In 2018, traffic at Heathrow reached an all-time record high of 80.1 million passengers (+2.7%) with growth in most of the markets, continuing eight years of consecutive growth. December 2018 marked 26 consecutive months of record passenger numbers. Load factors reached 79.4% in 2018 (78.0% in 2017). The average number of seats per aircraft increased +0.5% to 213.4 (212.3 in 2017), due to airlines using higher capacity aircraft on the European and Middle East routes.

Intercontinental traffic growth (+3.1%) and short haul traffic growth (+2.2%) in 2018 reflect the success of the pricing strategy to fill short haul seats and boost connectivity, with a 50% additional discount on airport fees for short haul flights.

Million passengers	DEC-18	DEC-17	VAR.
UK	4.8	4.8	-0.1%
Europe	33.3	32.4	2.6%
Intercontinental	42.0	40.7	3.1%
Total	**80.1**	**78.0**	**2.7%**

Intercontinental traffic (+3.1%) was primarily driven by routes to North America (+4.3%), boosted by higher flight frequency and aircraft size to various destinations. Traffic in Asia-Pacific also increased by +2.4%, driven by the new routes to China and more frequent journeys to India.

During 2018, Heathrow added six direct routes to China, doubling the number of connections from Heathrow, the only airport in the UK to do so, and the main gateway into China. At the same time, British Airways announced new direct routes to Pittsburg, and American Airlines announced a new route to Phoenix, both routes will start to operate in April 2019.

Heathrow SP Revenue and EBITDA

Revenues increased by +3.0%, aided by robust traffic growth, coupled with continued strong retail revenues.

(GBP million)	DEC-18	DEC-17	VAR.
Aeronautic	1,745	1,716	1.7%
Retail	716	659	8.6%
Others	509	509	0.0%
TOTAL	**2,970**	**2,884**	**3.0%**

Aeronautical revenue increased by +1.7%, driven by traffic growth offset by recoverable yield dilution as airlines employ cleaner and quieter aircraft. Average aeronautical revenue per passenger declined slightly (-1%) to GBP21.78 (GBP22.00 in 2017).

Retail revenue grew by +8.6%, aided by growth in retail and catering concessions, which reflect the robust traffic growth and longer time spent by passengers in the lounge owing to the call to gate initiative. Retail concessions were boosted by new digital incentives in the Heathrow boutiques, allowing customers to click and collect their purchases. The catering services benefitted from the renovations of T3 and T5, as well as Grab & Go offers, allowing passengers to take their food onto their flight. Net retail revenues per passenger grew by +5.8%, reaching GBP8.94 (GBP8.45 in 2017).

Heathrow SP EBITDA grew +4.4% in 2018, reaching GBP1,837mn, with an EBITDA margin of 61.9% (61.0% in 2017).

Operating costs before depreciation and amortisation grew by +0.8%. Operating costs per passenger, excluding depreciation and amortisation, fell -1.9% on the back of cost control efforts.

User satisfaction

In 2018, Heathrow continued to remain ahead of the main European competitors in terms of passenger satisfaction, achieving a scoring of 4.15 out of 5, according to Airport Service Quality (ASQ), and 81.9% 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 31 December 2018, the RAB reached GBP16,200mn (GBP15,786mn in December 2017).

Regulatory period: The Civil Aviation Authority (CAA) continues to develop a new regulatory framework for the coming period (H7) with a new consultation report launched in October 2018, entitled "Economic regulation of capacity expansion at Heathrow: policy update and consultation".

The main objective of the CAA in creating the regulatory framework for the coming period (H7) is to achieve the right balance between economic feasibility and financing. H7 is due to start in January 2022 and the CAA confirms that Heathrow should produce a Business Plan for H7 by the end of 2019 to commence the price setting process.

The CAA plans to provide additional clarity on the regulatory framework in mid-2019 when it publishes its next consultation papers.

In addition to the work under way on the IH7 framework, based on a MoU agreed with major carriers, a Formal Agreement has been finalised between Heathrow and airline lawyers on the airline charges to be applied prior to the start of H7. The Formal Agreement has been signed by a number of key carriers from multiple alliances and groups representing well over half of Heathrow's traffic with most other carriers expected to sign in coming days as they complete internal governance. Under the Formal Agreement, Heathrow will offer a rebate to all airlines depending on actual passenger traffic volumes. The rebate creates an incentive for airlines to make better use of the existing capacity by way of a volume discount, while also providing protection in the event that passenger volumes were to fall below current levels prior to 2022. The Formal Agreement remains subject to consultation by the CAA and for the avoidance of doubt is not intended to re-place the standard regulatory process for H7 which will continue in line with the CAA timetable.

Expansion: Heathrow continues to make progress on the airport expansion, following Parliament's majority backing of the National Policy Statement (NPS) in the June vote.

In January 2019 a consultation on airspace and future runway operations was launched, followed by an expansion plan consultation in June 2019. After reviewing and evaluating the comments 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) income statement

GBP million	DEC-18	DEC-17	VAR.
Revenues	**2,970**	**2,883**	**3.0%**
EBITDA	**1,840**	**1,760**	**4.5%**
EBITDA margin %	61.9%	61.0%	
Depreciation & impairments	779	750	-3.9%
EBIT	**1,061**	**1,010**	**5.0%**
EBIT margin %	35.7%	35.0%	
Financial results	-751	-628	-19.7%
EBT	**292**	**383**	**-23.7%**
Corporate income tax	-45	-79	43.0%
Net income	**247**	**303**	**-18.6%**
Contribution to Ferrovial equity accounted result (EUR mn)	**70**	**87**	**-19.6%**

HAH net debt

At 31 December 2018, the average cost of Heathrow's external debt was 5.30%, including all the interest-rate, exchange-rate and inflation hedges in place (vs. 5.62% in December 2017).

(GBP million)	DIC-18	DIC-17	VAR.
Loan Facility (ADI Finance 2)	75	0	n.a.
Subordinated	1,599	1,325	20.7%
Securitized Group	12,402	12,234	1.4%
Cash & adjustments	-345	-40	753.9%
Total	**13,731**	**13,519**	**1.6%**

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 2018, EBITDA grew by +5.7%, despite a lower volume of passengers. Revenues grew by +1.8%, due to higher retail and parking yields. Costs fell by -1.3% thanks to cost control.

(GBP million)	DEC-18	DEC-17	VAR.
Total Revenues AGS	**213**	**209**	**1.8%**
Glasgow	127	122	4.0%
Aberdeen	56	56	-0.5%
Southampton	30	31	-2.9%
Total EBITDA AGS	**97**	**92**	**5.7%**
Glasgow	64	58	9.3%
Aberdeen	22	22	0.5%
Southampton	11	11	-2.8%
Total EBITDA margin	**45.5%**	**43.8%**	**167.7**
Glasgow	50.1%	47.6%	243.9
Aberdeen	40.0%	39.6%	37.9
Southampton	36.5%	36.5%	1.6

AGS net bank debt

At 31 December 2018, the AGS' net bank debt stood at GBP684mn.

AGS Traffic

In 2018, the number of passengers at AGS reached 14.8 million, down -2.4% on 2017, due to a decline in traffic at the three airports.

(Million Passengers)	DEC-18	DEC-17	VAR.
Glasgow	9.7	9.9	-2.4%
Aberdeen	3.1	3.1	-1.4%
Southampton	2.0	2.1	-3.8%
Total AGS	**14.8**	**15.1**	**-2.4%**

Glasgow: 9.7 million passengers (-2.4%). Domestic traffic fell by -1.0% due to both the drop in the number of routes at London Stansted, and the adverse weather conditions during 1Q 2018, which forced temporary airport closures. These impacts were offset by the increase in capacity by Easyjet and Flybe. International traffic fell by -3.5%, due to cancellations and reduced capacity at various leisure destinations.

Aberdeen: 3.1 million passengers (-1.4%). Domestic traffic increased by +0.1%, driven by routes to Heathrow and London City airports, and the continued increase in oil and gas sector passengers. International traffic declined by -4.7% due to the loss of the Lufthansa (Frankfurt), Wizz (Warsaw) and Icelandair (Reykjavik) services in 1H 2018.

Southampton: 2.0 million passengers (-3.8%). Domestic traffic fell by -1.7% due to lower number of routes on Flybe services and Eastern Airlines, partially offset by favourable occupancy levels to the Channel Islands. International traffic declined (-6.9%) due to the cancelled Flybe services and lower volumes.

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

Construction

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	5,193	4,628	12.2%	14.3%
EBITDA	170	199	-14.5%	-14.6%
EBITDA margin	3.3%	4.3%		
EBIT	127	162	-21.6%	-22.0%
EBIT margin	2.5%	3.5%		
Order book	10,965	11,145	-1.6%	-2.9%

Revenues increased by +14.3% in comparable terms, with positive performance in all areas, except for a slight decline at Webber due to the finalisation of large concession projects. 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 2.5% vs. 3.5%), primarily at Budimex, due to increased material and labour costs.

BUDIMEX

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	1,671	1,457	14.6%	15.3%
EBITDA	79	131	-39.7%	-39.3%
EBITDA margin	4.7%	9.0%		
EBIT	67	122	-45.1%	-44.7%
EBIT margin	4.0%	8.4%		
Order book	2,362	2,467	-4.2%	-1.6%

Revenues in comparable terms increased by +15.3%, 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 (-39.3% 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 strong despite the increase in revenues, which fell by -1.6% in comparable terms compared to December 2017. Contracts reached EUR1,597mn in 2018, of which approximately 51% relate to Civil Works contracts awarded in large part due to the 2014-2023 New Highway Plan and 28% to Non-Residential Construction projects. Of particular note are the contract awards of the Construction of the Southern Section of the Zelazny Waste Treatment Plant (EUR134mn), the Polish History Museum in Warsaw (EUR107mn), the E59 Rokietnica - Wronki train line (EUR103mn) and the S61 Szczuczyn- Budzisko Express (EUR92mn). Budimex also has contracts that are currently pending signing or have been signed since 31 December 2018 worth a total of more than EUR400mn.

WEBBER

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	739	784	-5.7%	-2.5%
EBITDA	30	36	-16.9%	-13.6%
EBITDA margin	4.1%	4.6%		
EBIT	21	27	-21.0%	-17.7%
EBIT margin	2.9%	3.4%		
Order book	1,511	1,171	29.0%	22.9%

Revenues fell -2.5% LfL, largely due to the completion of the NTE 35W toll road. The EBIT margin declined slightly compared to 2017 due to the finalisation of concession projects, offset by the improvement in other Highway and Water Treatment Plant Civil Works.

The order book increased by +22.9% in comparable terms, thanks to strong contracting, which exceeded EUR950mn over the year. This figure does not include the award of the IH-35 toll road (Texas) for approximately EUR300mn, which will be included in the order book in 1Q 2019.

FERROVIAL AGROMAN

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	2,783	2,387	16.6%	19.1%
EBITDA	61	32	91.4%	78.5%
EBITDA margin	2.2%	1.3%		
EBIT	39	13	198.3%	146.8%
EBIT margin	1.4%	0.5%		
Order book	7,092	7,507	-5.5%	-7.5%

Revenues grew +19.1% LfL, primarily in the USA, following the start of preliminary and design works at Grand Parkway in Houston, the I-66 in Virginia and Denver Airport. Profitability tripled compared to December 2017 (1.4% EBIT margin) due to the elimination of extraordinary losses of a completed contract in the UK in 2017.

ORDER BOOK

(EUR million)	DEC-18	DEC-17	VAR.
Civil work	8,567	8,635	-0.8%
Residential work	346	382	-9.4%
Non-residential work	1,451	1,347	7.8%
Industrial	601	782	-23.1%
Total	**10,965**	**11,145**	**-1.6%**

The order book decreased by -2.9% LfL compared to December 2017. 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 EUR9,793mn, far more than the domestic order book (EUR1,172mn), and represented 89% of the total.

Cintra's stake in the construction order book, excluding Webber and Budimex, equated to 40.6% of the order book at December 2018, compared to 43.1% in December 2017.

The order book figure at December 2018 does not include pre-awarded contracts or contracts for which commercial or financial agreement has not been finalised. These amount to over EUR1,200mn.

Services division classified as Discontinued Activity

Having completed the strategic review of its Services division announced in October 2018, Ferrovial announces that it has decided to classify as "held for sale" all of its services activities as of December 31st, 2018. This decision is framed within its strategy of focusing on the development of its infrastructure business.

In order to provide an analysis of the Services division and its comparison with previous year, the results of the Services activity and its sub-activities are shown below, prior to its classification of discontinued activity:

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	6,785	7,069	-4.0%	-1.2%
EBITDA	**136**	**423**	**-68.0%**	**-67.6%**
EBITDA Ex-BMH	**371**	**424**	**-12.6%**	**-11.5%**
EBITDA margin	2.0%	6.0%		
EBITDA margin Ex-BMH	**5.5%**	**6.1%**		
EBIT	-87	163	-153.3%	-152.3%
EBIT Ex-BMH	149	164	-9.4%	-11.0%
EBIT margin	-1.3%	2.3%		
EBIT margin Ex-BMH	**2.2%**	**2.3%**		
Order book	19,411	19,329	0.4%	3.3%

BMH (Birmingham Contract)

In 2018, Services revenues reached EUR6,785mn, falling by -4.0% compared to 2017. This change was primarily due to the finalisation of the contract with the Australian Immigration Department in 2017, the finalisation of construction projects and a selective tendering policy adopted by the company at Amey, which were offset by the incorporation of Rail and Facility Management contracts in the UK.

Revenues in Spain grew by +2.7%, driven by strong performance from treatment and industrial maintenance activities. International revenues increased by +16.7%, thanks to positive business growth performance, primarily in North America and Poland.

EBITDA stood at EUR136mn, EUR288mn less than in 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 EUR371mn (5.5% EBITDA margin), down -11.5% compared to 2017 LfL, primarily due to the ending of the immigration contract in Australia in October 2017.

The order book grew by +3.3% LfL compared to 2017, reaching EUR19,411mn.

SPAIN

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	1,950	1,898	2.7%	3.5%
EBITDA	202	197	2.5%	3.7%
EBITDA margin	10.4%	10.4%		
EBIT	113	107	5.0%	7.3%
EBIT margin	5.8%	5.7%		
Order book	4,670	4,992	-6.5%	-6.5%

Revenues in Spain grew by +2.7% compared to 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 +2.5%.

At December 2018, the order book volume stood at EUR4,670mn (-6.5% compared to December 2017). The performance of the order book is linked to the slowdown in public tenders, whose impact on revenues has been offset by the grant of annual extensions. In 2018, contracts to the overall value of EUR322mn were extended. If this had been secured via contract awards, it would have resulted in an order book increase of EUR1,190mn (+24% on the order book at year-end 2017).

The contract awards in 2018 notably include the contract for the 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). At 31 December 2018, there were contracts in the preferred bidder phase, in the amount of EUR438mn.

UK

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	2,610	2,501	4.4%	5.6%
EBITDA	-163	86	n.s.	n.s.
EBITDA Ex-BMH	72	87	-17.5%	-16.5%
EBITDA margin	-6.3%	3.5%		
EBITDA margin Ex-BMH	2.8%	3.6%		
EBIT	-212	53	n.s.	n.s.
EBIT Ex-BMH	23	54	-56.5%	-56.0%
EBIT margin	-8.1%	2.1%		
EBIT margin Ex-BMH	0.9%	2.2%		
Order book	9,251	8,895	4.0%	5.1%

BMH (Birmingham Contract)

In the UK, revenues grew by +4.4% compared with 2017 (+5.6% in LfL terms). Notable in 2018 was the drop in activity linked to the completion of the CapEx phase in the major toll road and environment contracts, and the withdrawal from non-profitable contracts, which have been offset by a higher volume in Consulting & Rail and the incorporation of Defence Facility Management contracts (these have been integrated globally since September), following the acquisition of the Carillion stake in those contracts, which had contributed revenues of EUR217mn.

EBITDA margin performance was significantly affected by the Birmingham contract. Excluding this effect, the EBITDA margin would have been 2.8%, achieving the targets set for the period and improving on the 9M 2018 figure (2%).

During 2018 a large part of the disposals plan was launched, focusing on PFIs and Joint Ventures in non-strategic sectors, with a total value of EUR75mn. Of note was the sale of the stakes in the SPVs North York and Sheffield, which do not have an impact on the development of the contracts, given that Ferrovial Services continues to operate them.

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 it 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 an additional provision in the amount of GBP208mn, classifying this as an onerous contract. At present, Amey continues to provide the service set out in the contract, while negotiations for its redirection continue. Within this process, it must be noted that the credit institutions took control of the parent company of the project on 18 September 2018, appointing administrators.

In December 2018, the order book stood at EUR9,251mn (+5.1% compared with December 2017 in LfL terms). As part of this increase, of particular note is the contract with the Wales transport department in consortium with Keolis, which brings an order book of EUR472mn for the design and infrastructure management. Also notable are the tender awards in the highway maintenance, such as the new awarding of Area 10 (EUR368mn, 15 years) and the extension of the maintenance of Area 7 (EUR368mn, 12 years). In the Rail business, of particular note are the EUR180mn relating to the purchase of Carillion contracts for the electrification of the Midland and North East railway lines (2 years). Finally, in the facility management area, of particular note is the incorporation of the Carillion stake in the Ministry of Defence contracts (EUR391mn, 3 years) and the award of the Barnsley schools maintenance contract (EUR159mn, 19 years).

AUSTRALIA SERVICES

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	1,684	2,206	-23.7%	-18.4%
EBITDA	61	120	-49.6%	-48.8%
EBITDA margin	3.6%	5.5%		
EBIT	-2	3	-161.3%	-119.3%
EBIT margin	-0.1%	0.1%		
Order book	4,129	3,981	3.7%	9.6%

In 2018, Services Australia revenues reached EUR1,684mn, falling by -23.7% compared to 2017 (-18.4% LfL). This reduction was due to two factors: the ending of the immigration contract, which lead to a decrease of EUR323mn compared to 2017 and the strategy of ending or exiting non-profitable contracts such as East Noc (highway maintenance) and University of Newcastle (facility management). In June 2018, the light city urban bus service contract in Adelaide was sold, which was added to the sale of the non-controlling stake in energy generation assets during 1H 2018.

EBITDA reached EUR61mn (3.6% EBITDA margin), in line with forecasts for the year. EBIT includes an expense of EUR19.6mn relating to the amortisation of the intangible fixed asset created by the acquisition. Net intangible assets amount to EUR72mn, and this figure will be gradually written down over the coming 8 years.

The order book rose to EUR4,129mn, growing by +9.6% LfL compared to 2017. This increase was due to strong levels of contracting in the last quarter of 2018, which helped the recovery of part of the delayed contract awards for large public authority contracts that the company had experienced in 1H 2018. In 4Q 2018 of note was the 1 year extension of the facility management contract (EUR285mn) and 3 year renewal of the maintenance contract (EUR114mn), both of which were with the Ministry of Defence, the 5 year extension of the New South Wales school cleaning contract (EUR278mn) and the maintenance services contract at Parklea prison in Sydney (EUR198mn, 7 years). These contract awards come on top of the contracts won in previous quarters in 2018, of which of note are the granting of the maintenance contract for Shell natural gas plants (EUR411mn, 5 years) and the renewal of the operating and maintenance contract for waste water treatment in Northland (New Zealand) for EUR50mn (7 years).

INTERNATIONAL SERVICES

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Revenues	540	463	16.7%	19.8%
EBITDA	36	19	85.5%	88.9%
EBITDA margin	6.7%	4.2%		
EBIT	14	0	n.s.	n.s.
EBIT margin	2.6%	0.0%		
Order book	1,361	1,460	-6.8%	11.2%

Revenues from International business grew to EUR540mn in 2018, up by +16.7% (+19.8% LfL). There has been a general improvement across all geographies, particularly in North America, Poland and Portugal.

EBITDA also grew to EUR36mn, signalling a considerable improvement on EUR19mn figure recorded in 2017. There has been a general improvement in all regions, particularly in North America and Poland, which have offset the poorer performance in Chile, due to the delay in contracting works.

The order book for 2018 closed at EUR1,361mn, an increase of +11.2% LfL. This order book volume does not include the recent awarding of the highway maintenance contracts in Canada in York and Ottawa, the combined total of which amounts to EUR181mn (7 years), which were recently signed in January 2019. 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 Division (Chile) for EUR24mn (5 years)

Balance sheet

(EUR million)	DEC-18	DEC-17
FIXED AND OTHER NON-CURRENT ASSETS	**12,055**	**14,927**
Consolidation goodwill	**372**	**2,062**
Intangible assets	**32**	**431**
Investments in infrastructure projects	**7,155**	**6,917**
Property	**9**	**6**
Plant and Equipment	**251**	**694**
Equity-consolidated companies	**2,455**	**2,687**
Non-current financial assets	**754**	**769**
Long term investments with associated companies	173	312
Restricted Cash and other non-current assets	473	285
Other receivables	108	172
Deferred taxes	**664**	**1,035**
Derivative financial instruments at fair value	**364**	**326**
CURRENT ASSETS	**10,758**	**8,063**
Assets classified as held for sale	**4,892**	**0**
Inventories	**594**	**629**
Trade & other receivables	**1,090**	**2,635**
Trade receivable for sales and services	801	2,032
Other receivables	289	603
Taxes assets on current profits	**97**	**143**
Cash and other temporary financial investments	**4,005**	**4,601**
Infrastructure project companies	239	463
Restricted Cash	9	58
Other cash and equivalents	230	405
Other companies	3,766	4,137
Derivative financial instruments at fair value	**80**	**55**
TOTAL ASSETS	**22,813**	**22,990**

	DEC-18	DEC-17
EQUITY	**5,363**	**6,234**
Capital & reserves attrib to the Company´s equity holders	4,530	5,503
Minority interest	833	731
Deferred Income	**1,241**	**1,037**
NON-CURRENT LIABILITIES	**8,912**	**9,871**
Pension provisions	**3**	**66**
Other non current provisions	**459**	**808**
Financial borrowings	**7,419**	**7,511**
Financial borrowings on infrastructure projects	5,342	5,363
Financial borrowings other companies	2,077	2,149
Other borrowings	**135**	**198**
Deferred taxes	**574**	**900**
Derivative financial instruments at fair value	**321**	**387**
CURRENT LIABILITIES	**7,297**	**5,848**
Liabilities classified as held for sale	**3,259**	**0**
Financial borrowings	**773**	**839**
Financial borrowings on infrastructure projects	43	207
Financial borrowings other companies	730	631
Derivative financial instruments at fair value	**69**	**65**
Trade and other payables	**2,700**	**4,221**
Trades and payables	1,314	2,283
Other non comercial liabilities	1,386	1,938
Liabilities from corporate tax	**65**	**94**
Trade provisions	**431**	**629**
TOTAL LIABILITIES & EQUITY	**22,813**	**22,990**

The assets and liabilities attributable to the Services division are shown in the line of assets and liabilities classified as held for sale. This reclassification takes place as of December 31, 2018, and in accordance with the IFRS 5, it does not imply re-enact the comparative balance sheet for 2017.

Income statement

(EUR million)	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUESTMENT	DEC-18	BEFORE FAIR VALUE ADJ.	FAIR VALUE ADJUESTMENT	DEC-17
Revenues	5,737		**5,737**	5,152		**5,152**
Other income	2		2	1		1
Total income	5,738		5,738	5,154		5,154
COGS	5,254		5,254	4,638		4,638
EBITDA	484		**484**	516		**516**
EBITDA margin	8.4%		8.4%	10.0%		10.0%
Period depreciation	127		127	115		115
EBIT (ex disposals & impairments)	356		**356**	401		**401**
EBIT (ex disposals & impairments) margin	6.2%		6.2%	7.8%		7.8%
Disposals & impairments	95	-13	82	47	41	88
EBIT	451	-13	**438**	448	41	**489**
EBIT margin	7.9%		7.6%	8.7%		9.5%
FINANCIAL RESULTS	-216	24	**-192**	-269	25	**-244**
Financial result from financings of infrastructures projects	-233		-233	-229		-229
Derivatives, other fair value adjustments & other financial result from infrastructure projects	2	1	3	-4		-4
Financial result from ex infra projects	9		9	-26		-26
Derivatives, other fair value adjustments & other ex infra projects	7	23	30	-10	25	15
Equity-accounted affiliates	240	-1	239	175	49	225
EBT	475	10	**486**	354	116	**469**
Corporate income tax	-19	-6	-25	-38	-8	-46
NET INCOME FROM CONTINUING OPERATIONS	456	4	**460**	316	108	**424**
Fair Value Provision		-774	-774			
Services discontinued operations	-51	-27	-77			
Net income from discontinued operations	-51	-800	**-851**	85	-2	83
CONSOLIDATED NET INCOME	405	-796	**-391**	401	106	**507**
Minorities	-57	0	-57	-51	-2	-53
NET INCOME ATTRIBUTED	348	-796	**-448**	350	104	**454**

REVENUES

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Toll Roads	471	461	2.3%	13.7%
Airports	14	21	-32.6%	-30.4%
Construction	5,193	4,628	12.2%	14.3%
Others	59	43	n.a.	n.a.
Total	**5,737**	**5,152**	**11.3%**	**14.3%**

EBITDA

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Toll Roads	319	320	-0.2%	13.8%
Airports	-16	-12	-28.7%	-27.0%
Construction	170	199	-14.5%	-14.6%
Others	10	9	n.a.	n.a.
Total	**484**	**516**	**-6.2%**	**1.4%**

DEPRECIATION

Depreciation increased by 11.0% in 2018 (+13.3% LfL), to EUR127mn.

EBIT

(Before impairments and disposals of fixed assets)

(EUR million)	DEC-18	DEC-17	VAR.	LIKE FOR LIKE
Toll Roads	239	247	-3.2%	14.2%
Airports	-18	-15	-20.2%	-19.5%
Construction	127	162	-21.6%	-22.0%
Others	7	6	n.a.	n.a.
Total	**356**	**401**	**-11.1%**	**-2.3%**

IMPAIRMENTS & FIXED ASSET DISPOSALS

The impairments and fixed asset disposals amounted to EUR82mn at year-end 2018 (EUR88mn in 2017), mainly due to the following impacts:

- Capital gains for the sale of the stake in the Greek toll roads Central Greece and Ionian Roads, for the sum of EUR84mn (before tax).
- Further impairments at Autema amounting to -EUR13mn, due to litigation with the Catalonian regional government.

FINANCIAL RESULT

(EUR million)	DEC-18	DEC-17	VAR.
Infrastructure projects	-233	-229	-1.8%
Ex infra projects	9	-25	134.0%
Net financial result (financing)	**-224**	**-254**	**11.8%**
Infrastructure projects	3	-4	170.6%
Ex infra projects	30	14	109.4%
Derivatives, other fair value adj & other financial result	**33**	**11**	**211.0%**
Financial Result	**-192**	**-244**	**21.4%**

Financial expenses in 2018 were lower than in 2017, as a combination of the following impacts:

- **Financing result:** EUR30mn drop in expenses to -EUR224mn. The change compared with 2017 was primarily due to the following:
  - In the ex-projects area, EUR9mn of financial income compared to -EUR25mn of expenses in 2017, primarily due to the higher interest rates with a positive impact on the gross cash position.
  - In the infrastructure area, financial expenses amounted to EUR233mn, in line with 2017 (EUR229mn).
- **Result from derivatives and others:** EUR33mn of financial income in 2018 compared to EUR11mn in financial income in 2017, mainly due to the collection of interest charges from late payments and higher revenues from guarantees. This financial income was impacted by 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 2018, due to the negative performance of the share price, as compared with its positive performance in 2017, as shown in the following table:

FECHA	PRECIO DE CIERRE (€)
31-dic-16	17,00
31-dic-17	18,93
31-dic-18	**17,70**

EQUITY-ACCOUNTED RESULTS

At net profit level, equity-accounted consolidated assets contributed EUR239mn after tax (EUR225mn in 2017).

(EUR million)	DEC-18	DEC-17	VAR.
Toll Roads	166	138	20.7%
407 ETR	136	125	9.2%
Irish Toll Roads (M4 and M3)	1	2	-34.2%
Toowoomba	2	1	127.7%
Ruta del Cacao	4	-1	n.s.
Algarve	6	2	281.3%
Norte Litoral	8	6	44.9%
Others	8	3	144.2%
Airports	73	89	-17.5%
HAH	70	87	-19.6%
AGS	4	2	71.2%
Construction	0	-1	70.1%
Total	**239**	**225**	**6.2%**

TAXES

The corporate income tax expense for 2018 amounted to -EUR25mn (vs. -EUR46mn in corporate income tax in 2017), this amount:

- Does not include the corporate income tax expense relating to equity-accounted companies which, pursuant to accounting legislation, their profit/(loss) is already presented net of the related tax effect.
- Includes a corporate income tax rebate corresponding to prior financial years in the amount of EUR39mn (EUR17mn in 2017), primarily due to the regularisation of assets and liabilities for deferred taxes from prior years.

Excluding from the 2018 pre-tax profit (EUR486mn), the profit from equity-accounted companies (pre-tax profit of EUR239mn), the permanent differences (EUR44mn) and consolidated results without tax effects (-EUR10mn), and considering the expense due to adjusted corporate income from previous years (EUR65mn), the resulting effective corporate income tax rate is 23%.

NET INCOME FROM CONTINUING OPERATIONS

Net income from continued operations stood at EUR460mn, a +8.6% increase vs 2017 (EUR424mn). This result includes a series of impacts, notable among which were:

- Fair value adjustments for derivatives: +EUR24mn (EUR69mn in 2017), primarily impacted by HAH derivatives and the Toll road Canadian dollar options.
- Capital gain after tax on the sale of the Greek toll roads Central Greece and Ionian Roads: +EUR80mn (+EUR98mn in 2017 from the sale of Norte Litoral and Algarve toll roads).
- Impairment at Autema: -EUR13mn (-EUR29mn in 2017).

NET INCOME FROM DISCONTINUED OPERATIONS

Net income from discontinued operations stood at -851EURmn, that included:

- Fair value provision (-EUR774mn) due to the application of the fair value criteria of the discontinued activity in the case of Ferrovial´s participation in Amey.
- Services discontinued operations (-EUR77mn).

NET INCOME

Net profit stood at -EUR448mn in 2018 (EUR454mn in 2017).

Net debt and corporate credit rating

NET DEBT

(EUR million)	DEC-18	DEC-17
NCP ex-infrastructures projects	**975**	**1,341**
Toll roads	-4,392	-4,274
Others	-248	-530
NCP infrastructures projects	**-4,640**	**-4,804**
Total Net Cash /(Debt) Position	**-3,664**	**-3,463**

The net treasury position, excluding infrastructure projects, stood at EUR975mn in December 2018. The net cash position including discontinued operations reached EUR1.236mn at December 2018 (EUR1,341mn at year-end 2017).

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

- **Working capital** stood at -EUR351mn in 2018, compared to -EUR38mn in 2017. This decline was affected by:

  Worsening of working capital at Budimex, which stood at - EUR127mn, compared to -EUR29mn in 2017, as well as Amey, which stood at -EUR128mn in 2018 compared to -EUR4mn in 2017.

  In 2017, EUR210mn were collected in the form of construction work advance payments.

- **Dividends received from projects and capital reimbursements (+EUR623mn)**, a + 13% increase compared to the dividend received in 2017 (EUR553mn). In 2018 there was a notable contribution from 407 ETR (EUR273mn) and Airports (EUR191mn). The contribution of dividends from Services reached EUR131mn (vs. EUR33mn in 2017), primarily from projects in Services in Spain (+EUR104mn).
- **Investments** that amounted to -EUR332mn in 2018.
- **Divestments** amounting to +EUR230mn in 2018, notably including EUR82mn from the sale of the stake in the Greek toll roads Central Greece and Ionian Roads and EUR111mn from Services, following the sale of PFI in the UK and a stake in Ratch (a wind energy firm in Australia).
- **Shareholder remuneration of -EUR520mn,** in line with the 2017 figure, including the cash payment of the scrip dividend of -EUR240mn and the share buy-back for -EUR280mn. Dividends to minorities in subsidiaries also reached -EUR49mn.
- **Net debt from discontinued operations** stood at EUR261mn external net cash at 31 December 2018.

Net project debt stood at EUR4,640mn (EUR4,804mn in December 2017).

The Group's **consolidated net debt** at 31 December 2018 stood at EUR3,664mn (compared with EUR3,463mn in December 2017).

(EUR million)	DEC-18	DEC-17
Gross financial debt	**-8,198**	**-8,367**
Gross debt ex-infrastructure	-2,813	-2,797
Gross debt infrastructure	-5,385	-5,570
Gross Cash	**4,533**	**4,904**
Gross cash ex-infrastructure	3,822	4,156
Gross cash infrastructure	711	748
Total net financial position	**-3,664**	**-3,463**

CORPORATE CREDIT RATING

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

EX-INFRASTRUCTURE DEBT MATURITIES

YEAR	CORPORATE DEBT MATURITIES
2019 *	700
2020	1
2021	504
2022 – 2032	1,093
>2033	0

(*) In 2019, ex-infrastructure debt includes ECP issuance (Euro Commercial Paper), which at 31 December 2018 had a carrying amount of EUR699mn, with an average rate of -0.24%.

Consolidated cash flow

DEC-18	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	144	470		614
BMH provision with no cash impact	155			155
Dividends received	623		-112	511
Working capital variation (account receivables, account payables and others)	-351	-60		-410
Operating flow (before taxes)	**572**	**410**	**-112**	**870**
Tax payment	6	-31		-25
Operating Cash Flow	**577**	**380**	**-112**	**845**
Investments	-332	-69	83	-318
Divestments	230			230
Investment cash flow	**-102**	**-69**	**83**	**-87**
Activity cash flow	**476**	**310**	**-29**	**758**
Interest flow	-11	-191		-202
Capital flow from Minorities	-2	163	-86	75
Scrip dividend	-240			-240
Treasury share repurchase	-280			-280
Ferrovial shareholder remuneration	-520			-520
Other shareholder remmuneration for subsidiary minorities	-49	-120	115	-54
Forex impact	-12	-150		-162
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	5			5
Other debt movements (non cash)	8	-94		-85
Financing cash Flow	**-581**	**-391**	**29**	**-944**
Net Debt from discontinued operations (cash)	**-261**	**245**		**-16**
Net debt variation	**-366**	**164**		**-202**
Net debt initial position	**1.341**	**-4,804**		**-3,463**
Net debt final position	**975**	**-4,640**		**-3,664**

DEC-17	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	484	449		932
Dividends received	553		-10	543
Working capital variation (account receivables, account payables and others)	-38	-16		-53
Operating flow (before taxes)	**999**	**433**	**-10**	**1.422**
Tax payment	-115	-27		-142
Operating Cash Flow	**883**	**407**	**-10**	**1.280**
Investments	-355	-371	43	-684
Divestments	253		-5	248
Investment cash flow	**-102**	**-371**	**38**	**-436**
Activity cash flow	**781**	**35**	**28**	**844**
Interest flow	-32	-204		-236
Capital flow from Minorities	0	73	-38	35
Scrip dividend	-218			-218
Treasury share repurchase	-302			-302
Ferrovial shareholder remuneration	-520			-520
Other shareholder remmuneration for subsidiary minorities	-48	-11	10	-49
Forex impact	-43	398		354
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	0	-43		-43
Other debt movements (non cash)	506	-88		418
Financing cash Flow	**-137**	**125**	**-28**	**-40**
Net debt variation	**644**	**160**		**804**
Net debt initial position	**697**	**-4,963**		**-4,266**
Net debt final position	**1.341**	**-4,804**		**-3,463**

EX-INFRASTRUCTURE PROJECT CASH FLOW

Ex-infrastructure activity cash flow*:

The **ex-infrastructure pre-tax cash flow** figures are as follows:

2018	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads Dividends	296	-9	287
Airports Dividends	191	0	191
Construction	16	-15	1
Services	160	-75	85
Other	-90	-3	-93
Total	**572**	**-102**	**470**

2017	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads Dividends	277	8	285
Airports Dividends	237	1	238
Construction	134	9	143
Services	396	-120	276
Other	-46	1	-45
Total	**999**	**-102**	**896**

*Before Corporate Income Tax, charges and operating payments

Cash flow from ex-project operations

At 31 December 2018, **cash flow from ex-infrastructure project operations totalled EUR572mn (before tax)**. This was lower than the EUR999mn recorded in 2017, due mainly to the performance of the Services and Construction operations cash flows.

By contrast, the contribution made by the main infrastructure projects improved as the result of the collection of dividends (EUR623mn in 2018 vs. EUR553mn in 2017).

Changes in cash flow from ex-infrastructure project operations cash flow by segment in 2018 as compared with 2017, are shown in the following table:

Operating cash flow	DEC-18	DEC-17
Dividends from Toll Roads	296	277
Dividends from Airports	191	237
Construction	16	134
Services	160	396
Other	-90	-46
Operating flow (before taxes)	**572**	**999**
Tax payment	6	-115
Total	**577**	**883**

The entry "Others" includes the operations cash flow corresponding to Corporate Business, Airports and Toll Roads and the real estate business in Poland..

Breakdown of cash flow from **Construction and Services**:

Construction	DEC-18	DEC-17
EBITDA	170	199
EBITDA from projects	15	13
EBITDA Ex projects	155	186
Dividends received	6	5
Working capital variation (account receivables, account payables and others)	-146	-57
Provision variation with no cash impact	13	-79
Changes in factoring	-12	5
Ex Budimex Working Capital	-18	46
Budimex Working Capital	-127	-29
Operating Cash Flow before Taxes	**16**	**134**

Services	DEC-18	DEC-17
EBITDA	136	423
EBITDA from projects	73	86
EBITDA Ex projects	62	338
BMH provision with no cash impact	155	0
Dividends received	131	33
Working capital variation (account receivables, account payables and others)	-188	25
Changes in factoring	-11	0
Pensions payments UK	-10	-32
Ex UK Working Capital	-39	61
UK Working Capital	-128	-4
Operating Cash Flow before Taxes	**160**	**396**

The following table shows a breakdown of the **Services** business:

	SPAIN	UK	AUSTRALIA	INTERNATIONAL	SERVICES
EBITDA Ex-infrastructure	139	-174	61	36	62
BMH provision with no cash impact	0	155	0	0	155
Dividends received	104	19	3	5	131
Changes in factoring	-11	0	0	0	-11
Pension scheme payments	0	-10	0	0	-10
Working capital	18	-128	-46	-11	-167
Op. cash flow ex-Taxes	**250**	**-138**	**18**	**30**	160

Breakdown of cash flow from **Toll Roads and Airports**:

The revenue from Toll Roads operations amounted to EUR296mn in 2018, resulting from dividends and repaid shareholder equity from companies owning toll road infrastructure projects.

Dividends and Capital reimbursements	DEC-18	DEC-17
ETR 407	273	262
Irish toll roads	1	2
Portuguese toll roads	9	9
Greek toll roads	3	0
Spanish toll roads	5	3
Other	4	1
Total	**296**	**277**

Dividends and capital reimbursements from Airports (EUR191mn) were lower than achieved in 2017 (EUR237mn), as the latter included extraordinary payments at HAH and AGS. HAH paid out EUR144mn vs. EUR153mn in 2017 (including the extraordinary dividend that was aided by good operating performance and an increase in inflation). The AGS dividend in 2017 (EUR84mn) was higher than that received in 2018 (EUR39mn) due to the extraordinary dividend paid following the refinancing obtained in 1Q 2017.

AIRPORTS	DEC-18	DEC-17
HAH	144	153
AGS	39	84
Others	7	0
Total	**191**	**237**

Ex-project investment cash flow

The following table shows the breakdown by business segment of investment cash flow, excluding Infrastructure projects, with a separate entry in each case for the amounts paid for investments undertaken and the amounts received from divestments made:

DEC-18	INVESTMENT	DIVESTMENT	INVESTMENT CASH FLOW
Toll Roads	-90	82	-9
Airports	0	0	0
Construction	-52	37	-15
Services	-186	111	-75
Others	-3	0	-3
Total	**-332**	**230**	**-102**

DEC-17	INVESTMENT	DIVESTMENT	INVESTMENT CASH FLOW
Toll Roads	-154	161	8
Airports	-4	5	1
Construction	-55	64	9
Services	-139	19	-120
Others	-4	4	1
Total	**-355**	**253**	**-102**

The net investment cash flow in 2018 (-EUR102mn) includes:

- **Investments** reached -EUR332mn, below the -EUR355mn in 2017.
- **Divestments** reached EUR230mn in 2018:
  - EUR74mn received in Services from the sale of PFI in the UK and a stake in Ratch-Australia for EUR34mn.
  - EUR82mn received in Toll Roads from the sale of the stake in the Greek toll roads Central Greece and Ionian Roads.

Ex-project financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR520mn for Ferrovial shareholders, which includes the cash payment of the scrip dividend of -EUR240mn and the share buy-back for -EUR280mn. Dividends to minorities in subsidiaries also reached -EUR49mn.
- **Net interest payments** in 2018 reached -EUR11mn.
- **FX impact** (-EUR12mn), which originates from the operating cash for the businesses outside the Eurozone and the positions held in currencies, mainly in American and Canadian dollars (-EUR35mn), partially offset by exchange rate derivatives (+EUR37mn).
- **Other non-cash flow related movements** (+EUR8mn), which also includes book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

Net debt from discontinued operations

The net cash position from discontinued operations stood at EUR261mn external cash at 31 December 2018.

INFRASTRUCTURE PROJECT CASH FLOW

Cash flow from project operations

As regards cash flows for companies that own Infrastructure project concessions, these basically include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	DEC-18	DEC-17
Toll roads	296	317
Other	84	89
Operating flow	**380**	**407**

Project investment cash flow

The following table shows a breakdown of the investment cash flows for infrastructure projects, mainly payments made in respect of CapEx investments over the year.

INVESTMENT CASH FLOW	DEC-18	DEC-17
LBJ	-4	-9
NTE	-3	-8
NTE 35W	-134	-220
I-77	-210	-146
Portuguese toll roads	-1	-1
Spanish toll roads	-5	-2
Others	0	0
Total toll roads	**-356**	**-385**
Others	-40	-55
Projects total	**-396**	**-439**
Equity Subsidy	327	68
Total investment cash flow (projects)	**-69**	**-371**

Project financing cash flow

Financing Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Equity repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period

INTEREST CASH FLOW	DEC-18	DEC-17
Spanish toll roads	-63	-63
US toll roads	-77	-82
Portuguese toll roads	-15	-21
Other toll roads	0	0
Total toll roads	**-154**	**-166**
Other	-37	-38
Total	**-191**	**-204**

The financing stream also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 2018 was a negative impact in the amount of -EUR150mn, primarily as the result of the appreciation of the US dollar against the euro, a circumstance that had a significant effect on the net debt figure for the American toll roads.

Shareholder remuneration

In 2018, Ferrovial distributed EUR520mn of shareholder remuneration in line with the 2017 figure, including the cash payment of the scrip dividend of -EUR240mn and the share buy-back for -EUR280mn.

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 share premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration scheme known as the "Ferrovial Scrip Dividend", which replaced the traditional complementary dividend payment for 2017 and the 2018 interim dividend.

SCRIP DIVIDEND DETAILS	MAY-18	NOV-18
Guaranteed set price to purchase rights	0.314	0.407
Rights per share	56	43
% shareholders chose shares as dividends	53.91%	55.31%
% shareholders chose cash as dividends	46.09%	44.69%
Number of new shares issued	7,049,868	9,510,262
Number of rights purchase	337,472,827	330,374,041

SHARE BUY-BACK AND CANCELLATION

The buy-back programme ended on 27 November 2018, after the company acquired 8,930,617 of its own shares (which therefore did not exceed the limit of EUR275mn or 19 million shares).

The share capital was subsequently reduced by EUR2,073,953 by means of the cancellation of 10,369,765 company shares held in the company's own portfolio, including 1,439,148 shares held prior to the Board of Directors' proposal, approved at the AGM, to reduce the company's share capital.

Ferrovial's share capital figure as of 31 December 2018 amounted to EUR147,691,167, all fully subscribed and paid up. The share capital comprises 738,455,837 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) at the end of December 2018:

- **Rijn Capital BV:** 20.1%
- **Menosmares S.L.U.:** 8.1%.
- **Siemprelara S.L.U.:** 5.0%.
- **Blackrock**: 2.83%
- **Fidelity International Limited:** 2.03%

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	0.8984	1.07%	0.8858	1.23%
US Dollar	1.1452	-4.74%	1.1782	3.43%
Canadian Dollar	1.5601	3.60%	1.5312	3.78%
Polish Zloty	4.2888	2.71%	4.2714	0.61%
Australian Dollar	1.6260	5.66%	1.5838	6.92%

Appendix II: Significant event notices

- **On 5 April, Ferrovial communicated the resolutions from 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 Scrip Dividend shareholder remuneration scheme.** At the same time, Ferrovial agreed to carry out a Buy-Back Programme to reduce the company's share 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 Scrip Dividend shareholder remuneration scheme.** 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 EURO.20/share issued in the share 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 share capital increase was closed on 5 June 2018.

- **On 16 October 2018, Ferrovial explained 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 III: Significant event notices after closing 2018

On 27 February 2019, Ferrovial announced that it has decided to classify as "held for sale" all of its services activities as of December 31st, 2018. This decision is framed within its strategy of focusing on the development of its infrastructure business.

Appendix IV: additional information

SHARE BUY-BACK TRANSACTIONS:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES ACQUIRED	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES
Balance at 31/12/17			**2.167.237**
Capital reduction	8.930.617	-10.369.765	-1.439.148
Discretionary shares and other	6.915.588	0	6.915.588
Compensation systems	286.941	-966.079	-679.138
Shares received as payment for the scrip dividend	447.129	0	447.129
Balance at 31/12/18			**7.411.668**

AVERAGE PAYMENT PERIOD

In compliance with the obligation to disclose the average supplier payment period provided for in Article 539 and Additional Provision Eight of the Spanish Limited Liability Companies Law (in accordance with the new wording of Final Provision Two of Law 31/2014 reforming the Spanish Limited Liability Companies Act), the Company hereby states that the average period of payment to the suppliers of all the Group companies domiciled in Spain (including operations from discontinued activities) was 46 days.

The following table shows, as required under Act 6 of the Ruling of 29 January 2016 by the Institute for Accounting and Accounts Auditing, the information relating to the average supplier payment period in 2018 and 2017:

DAYS	2018	2017
Average period of payment to suppliers	46	49
Ratio of transactions settled	45	49
Ratio of transactions not yet settled	57	48
Amount (euros)		
Total payments made	**1.282.492.063**	**1.227.935.075**
Total payments outstanding	**50.153.671**	**45.114.969**

The mutual intra-group commercial transactions between companies belonging to Ferrovial are not included in the consolidation process, meaning the consolidated balance sheet contains no outstanding balances to Ferrovial companies. Thus, the information detailed in the previous table refers solely to suppliers outside of the Company, noting for information purposes that the average payment period between Ferrovial companies is generally 30 days.