

1.1 FERROVIAL IN 2 MINUTES



1.2 STRATEGY AND VALUE CREATION

Global Vision

Infographic: The new mobility map

Toll Roads

Infographic: Managed Lanes Benefits

Airports

Construction

Infographic: London Underground

Services

1.3 FERROVIAL IN 2018

Infrastructures and mobility

THE COMPANY HAS INFRASTRUCTURE ASSETS THAT HAVE ALLOWED DIFFERENTIAL INDUSTRIAL KNOWLEDGE IN THE MANAGEMENT OF URBAN CONGESTION.

Investment in infrastructure remains a key driver for economic development. It is estimated that global investment needs will reach 3.7 trillion dollars a year through 2035 (Bridging Global Infrastructure Gaps. McKinsey Global Institute, 2017), of which a significant portion will be spent in priority markets for Ferrovial.

The company has infrastructure assets that have allowed differential knowledge in the management of urban congestion. This competitive advantage relates mainly to toll roads with dynamic pricing schemes where users are willing to pay different tariffs depending on the level of congestion. In 2018, infrastructure assets accounted for 80% of Ferrovial's value and generated cash to provide 486 million euros in dividends.

The company has decided to classify the Services business as a discontinued activity, once the strategic review process initiated in October has been completed, with the aim of focusing on the development of its infrastructure business.

Ferrovial focused on the services business as a valuable cash generator and to develop new capabilities in business activities related to infrastructure. Future investments will focus on infrastructure assets given current rates of return,

size of existing opportunities, mainly in developed markets defined as priority for Ferrovial, the industrial knowledge acquired to date and the current cash generation from the company's assets.

The construction business is currently facing significant challenges that impact business margins such as cost inflation or the trend towards contracts that present an unbalanced transfer of risks. The group's Construction division, where sales are reaching ten-year highs, saw lower operating margins in 2018 and this situation is not expected to recover in the near future. Looking ahead, the business will be focused on technically complex projects that allow for greater profitability through design and the order book will be preferably linked to infrastructure projects (toll roads and airports), mainly in priority countries for the group.

BACKGROUND

Climate change, energy transition, concentration in cities, changes in mobility and technological advances are all transforming the way infrastructure is built and operated. Key considerations include:

- The global migration towards a low-emission economy is channeling investment and financing towards businesses that help meet the climate change goals set out in the Paris Agreement. These commitments are generating new opportunities for sustainable infrastructure, mobility and energy efficiency, among others.
- Population growth and urbanization are increasing congestion within cities, demanding new solutions and infrastructure. Governments face the need for significant investments limited by existing levels of indebtedness.
- Technology developments and digitalization improves infrastructure efficiency and productivity. Advances made in technologies such as IoT, drones, 3D printing, augmented reality and smart grids among others, is impacting the development of future infrastructure and its interaction with the end user.
- Autonomous driving, connected infrastructure, vehicle sharing and electrification will impact not

THE NEW MOBILITY MAP

ADVANCED ANALYTICS
FOR TRAFFIC FORECASTING
AND MANAGEMENT

↓
INTELLIGENT
TRANSPORT
SYSTEM

MASS TRANSIT
OPERATION

AIRPORT
MANAGEMENT

↓
AIR TRAFFIC
CONTROL

PASSENGER
EXPERIENCE

MOBILITY
AS A SERVICE

ROAD PRICING/
SMART TOLLING

THROUGHOUT HISTORY ALL THE ADVANCES IN TRANSPORT HAVE TRANSFORMED CITIES, WORK AND SOCIETY IN GENERAL. CURRENTLY WE ARE FACING ONE OF THESE MAJOR DISRUPTIONS, WHICH IS ALSO OCCURRING AT A SPEED NEVER SEEN BEFORE. FERROVIAL WANTS TO BE PRESENT IN THE MOBILITY OF THE FUTURE, SO IT FOCUSES ITS INNOVATION TO BE A LEADER IN THIS NEW ERA.

UNDERGROUND

WONDO

EXPRESS LANES

TO 26 121 103

HOV 2+

1.20 2.40

OVER RATES FOR NO TAG

RAILWAYS PREDICTIVE
MAINTENANCE

SMART FLEET
AND LOGISTICS

COMPLEX
TRANSPORT
INFRASTRUCTURE
CONSTRUCTION

ELECTRIC
VEHICLES
INFRASTRUCTURE

ZITY
CAR SHARING

BIKE
SHARING

CONNECTED AND AUTONOMOUS
VEHICLES ADAPTED INFRASTRUCTURE

only transportation infrastructure but also mobility services, opening up new business opportunities.

In this context, the main challenges facing the company will be:

- More competition: the growth in available private funding and the need to invest in the midterm, increase the interest in infrastructure investment, particularly in regions with better growth prospects and more appealing investment conditions.
- Commercial, political and social tensions: global economic growth is currently challenged by protectionist policies, geopolitical conflicts and populist sentiment, which present new risks for economic development.
- Active and efficient management: regulation and legal security are key factors when investing and require exhaustive risk control from the contracting phase to the execution of the project.
- Long term sustainable infrastructure: technological progress is making it increasingly necessary for infrastructure planning to become more flexible to future scenarios.

GLOBAL VISION

Ferrovial's vision is to improve the future through the development and operation of sustainable infrastructure and cities, with a commitment to maintaining the highest levels of safety, operational excellence and innovation, creating value for society and for clients, investors and employees.


Ferrovial's strategy rests on three key priorities:

- Profitable growth: Ferrovial will prioritize its growth on complex infrastructure projects (mainly toll roads and airports). Opportunities are also being explored in other sectors that present significant investment needs, such as energy (power transmission lines). Geographically, the company has three priority markets, United States, Canada and Australia, and selectively evaluates development in other regions, including Europe (Spain, United Kingdom and Poland) and Latin America (Chile, Colombia and Peru).

FERROVIAL IS COMMITTED TO A SUSTAINABLE GROWTH, OPERATING REGULARLY IN COUNTRIES THAT HAVE EMISSION REDUCTION COMMITMENTS AND INFRASTRUCTURE ADAPTATION PLANS, OFFERING THEM INNOVATIVE SOLUTIONS

- Operational excellence: by focusing on recurring cash flow generation, the company is developing value-added solutions to improve the experience of infrastructure users and the profitability of projects. It aims to unlock synergies between the group's divisions through projects that are complex in terms of both construction and concession. The company is also committed to improving the safety of users, its infrastructures and its own employees.
- Innovation: as the main driver of operational excellence, it generates sustainable competitive advantages for more efficient and profitable operations and also supports the development of new businesses. The company focuses on key transversal areas such as data-based management, mobility, automation and sustainability.

The mentioned strategic priorities are based on three main pillars:

- People: with a focus on talent, commitment and culture. In this context, developing the skills of its human resources is essential to face challenges such as internationalization, continuous innovation and digital transformation.
- Financial discipline: the basis of Ferrovial's activities, comprising of:
 - Exhaustive cost control and cash generation across all stages of each project.
 - Asset rotation to unlock the value of investments and to fund future growth.
 - Maintaining an investment grade credit rating at the corporate level
 - Transparency with investors, shareholders, rating agencies and bondholders enabling continued access to the financial markets in optimal cost and term conditions.
- Sustainability: Ferrovial is committed to sustainable growth operating in countries that have ratified the Paris Agreement and have embraced emission reduction targets and plans to adapt their infrastructure. Internally, the company has set itself emission reduction targets for 2030, as validated by the Science Based Target initiative (SBTi), which promotes the use of renewable energies ahead of fossil fuels. Notably, the company has presence in the FTSE4Good and Dow Jones Sustainability Index for 15 and 17 years, respectively. 

Alternatives to urban congestion

CINTRA CONTRIBUTES TO REDUCE THE EXISTING INVESTMENT DEFICIT IN INFRASTRUCTURES, MAINLY IN URBAN AREAS THAT ARE INCREASINGLY CONGESTIONED, THROUGH 100% PRIVATE FUNDING CONCESSIONAL MODELS, CONTRIBUTING TO MINIMIZE THE NEED FOR PUBLIC FUNDS.

Cintra operates in markets with predictable institutional and regulatory frameworks, bright economic prospects (North America, Australia and Europe) and high demand for transportation infrastructure, especially the type designed to overcome traffic congestion problems in urban areas (complex greenfield concessions), as well as dynamic tolling systems. More than 50 years of experience, together with Ferrovial Agroman synergies, make Cintra a company with strong potential to create value and afford it considerable competitive advantages

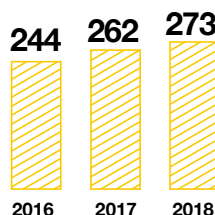
MAIN ASSETS

Cintra owns 43.23% of the 407 ETR toll road in Toronto (Canada) and 62.97% and 54.6% of the NTE and LBJ Managed Lanes in Texas (USA), respectively. The NTE35 West toll road, also located in Texas, was fully opened to traffic in 2018 (53.67% Cintra). Meanwhile, the I-77 (50.10% Cintra) in North Carolina and the I-66 (50% Cintra) in Virginia are currently under construction.

In the company's Managed Lanes, tolls are dynamic, meaning they can be adjusted every five minutes to respond to existing levels of congestion while always ensuring a minimum speed for drivers. These assets, with free-flow toll systems (no barriers), have a long life and are hugely flexible when it comes to setting tariffs, making Cintra a leader in the private development of highly complex transportation infrastructure.

407 ETR (CANADA)

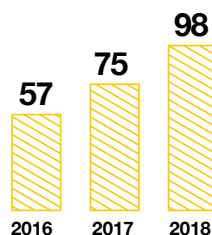
Dividends received M€



...

NTE (USA)

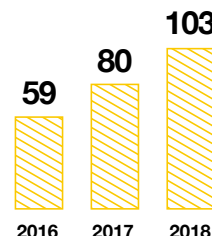
EBITDA M\$



...

LBJ (USA)

EBITDA M\$



...

VALUE CREATION

High-complexity greenfield projects

Cintra focuses on complex greenfield projects due to their excellent potential for value creation. The increased risk associated with these assets (construction, funding, operation and traffic) commands higher initial rates of return (IRR). Value creation comes into play because the discount rate on future cash flows drops steadily as project-related risks either disappear (construction) or gradually decline (traffic/funding) as the concession moves forward. An example of this risk reduction has been the financial closure of Ruta del Cacao, in Colombia, which will allow an external funding of EUR465 million, in the long term, without recourse and in local currency, to finance an investment of EUR580 million, through a syndicated loan in which six national and international entities have participated. This value creation can be increased further thanks to efficient management, innovation and synergies with other toll roads.

Cintra relies on Big Data techniques to better understand congestion problems and driver behavior, with a dual objective:

- Improving reliability and reducing the time needed to estimate traffic and revenue. By analyzing anonymous data from mobile telephones (localizations and travel times) and by reading Bluetooth and Wi-Fi devices, the company is able to make swifter and more effective forecasts.
- Increasing efficiency when managing projects. Data analysis enables the company to broaden its range of services, while improving project accessibility and connectivity and generating additional revenue based on the user's willingness to pay floating tolls that respond to existing levels of congestion.

Rotation of mature assets

After reducing risks, further value is created by selling mature projects and using the proceeds to invest in new assets with more potential for value creation. A prime example of this strategy was the deal completed in 2018 with GEK Terna —Cintra's partner in Greek concessions— whereby the company transferred its entire stake in those concessions to its Greek partner in exchange for EUR85 million.

Socially responsible infrastructures

Because they are highly complex, innovative and efficient, the projects developed by Cintra offer sustainable solutions that improve congestion in large cities, reduce pollution and the number of accidents, raise user satisfaction and ultimately improve people's quality of life.

In Dallas, Texas (USA), Cintra operates the first carbon neutral toll road (NTE). A comparison of scenarios from before (existing road) and after the development (existing road plus NTE) reveals that the new scenario has led to no increase in emissions along the corridor.

User: excellence in service

Customer satisfaction is a key priority for Cintra. In 2018, customer service for the 407 ETR issued over 21 million invoices and managed 3.2 million customer requests, yielding satisfaction levels of over 85%. This earned the company the World Class Center award from SQM (Service, Quality, Measurement) for the fifth straight year. Meanwhile, toll road users have recently ranked the 407 ETR third in terms of value for money, behind only fast food restaurants and public transport.

Employees: supporting merit

Cintra offers opportunities for the professional development of all its employees, promoting internal mobility and ensuring that merit is the determining factor in their professional career. During 2018, 24% of employees have had the opportunity to change their position or location, and one in four people hold jobs in an international assignment. 📍

NORTH AMERICA

91%

Cintra valuation

...

CONCESSIONS

24

Assets in 9 countries

...

DIVIDENDS (M€)

296

52% of total flow
(Ex-infrastructure)

...



VIDEO: 20 YEARS OF
407 ETR

KILOMETERS

1,468

...

INVESTMENT MANAGED (M€)

18,472

94% international

...



RESEARCH ON MOBILITY

Cintra is collaborating on various research projects with the Massachusetts Institute of Technology (MIT), with the Center for Transportation Research of the University of Texas at Austin and with the Polytechnic University of Madrid to explore and anticipate the impacts on mobility and congestion of current trends and the collaborative economy (carpooling and shared travel, mobility as a service, e-commerce, etc.), new technologies (autonomous and connected cars) and changes in social behaviors. The ultimate aim of these projects is to predict and anticipate their likely impact on the existing and future order book and to unlock the value of these projects.



MANAGED LANES OPENING: 35W IN FORT WORTH (TEXAS)

In July 2018, Cintra opened the last section of the NTE 35W toll road, concluding the contract works signed with TxDOT in 2013. After the opening of this last segment, not only the traffic has been placed above the original expectations of this project, but also has significantly increased traffic on the NTE toll road, thanks to the connection between these toll roads. With this opening, the role played by the Managed Lanes in improving the mobility of the area becomes clear, not only for the users of these, but also for those who decide to use the toll-free lanes.

MANAGED LANES (MLs): BENEFITS FOR GOVERNMENTS AND USERS



DALLAS-FORT WORTH (TEXAS) IS ONE THE BUSIEST AND FASTEST GROWING AREAS IN THE UNITED STATES. TO HELP ADDRESS INCREASING TRAFFIC CONGESTION, FERROVIAL, THROUGH CINTRA, PARTNERED WITH THE TxDOT ON THREE MANAGED LANES (MLS) PROJECTS WITH DYNAMIC PRICING. THIS SUSTAINABLE TRAFFIC MANAGEMENT SOLUTION HAS INCREASED MOBILITY, ENHANCED USER EXPERIENCE AND IMPROVED TRAFFIC CONDITIONS ALONG THE CORRIDORS.

BENEFITS FOR GOVERNMENTS

- Leverage limited tax dollars to get needed projects delivered
- Shift risks from taxpayers to investors
- Accelerate project delivery
- Life-cycle cost saving and price certainty
- Gain access to advanced technology and design innovations

BENEFITS FOR USERS

- Decrease traffic congestion
- Reliable trip times
- Innovative design solutions to improve connectivity and enhance user experience
- More travel choices

RESULTS ACHIEVED

Managed Lanes developed by 5,100 million euros, by leveraging few more than 900 million euros of public funds. Over 10 million distinct vehicles have used LBJ, NTE, and NTE 35W Managed Lanes to date. Approximately, 80% of TExpress lane users view their experience positively



DISTANCE

21.4 km

INVESTMENT

1,741 M€

CONCESSION

52 years

AVERAGE DAILY TRAFFIC

200,000
vehicles



DISTANCE

27.4 km

INVESTMENT

2,157 M€

CONCESSION

52 years

AVERAGE DAILY TRAFFIC

270,000
vehicles



DISTANCE

16.4 km

INVESTMENT

1,176 M€

CONCESSION

52 years

AVERAGE DAILY TRAFFIC

132,000
vehicles



PHOTO: 407 ETR Toll Road, Toronto (Canada).

Heathrow: getting ready for take-off

FERROVIAL AIRPORTS, ONE OF THE WORLD'S LARGEST PRIVATE INVESTORS AND OPERATORS AIRPORTS, HAS A PORTFOLIO COMPRISING FOUR ASSETS IN THE UNITED KINGDOM (HEATHROW AND AGS - ABERDEEN, GLASGOW AND SOUTHAMPTON). IN THE US, IT HAS A CONCESSION CONTRACT FOR THE REMODELING AND COMMERCIAL EXPLOITATION OF THE MAIN TERMINAL OF THE DENVER AIRPORT.

In 2018, the British Parliament passed plans to build a third runway at Heathrow Airport. The devaluation of the pound caused by Brexit has caused inflation to rise, thus raising the value of the regulated asset base (RAB) and pushing up commercial costs. However, this lingering uncertainty has had no significant impact in terms of traffic.

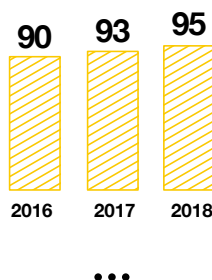
At Heathrow and AGS, the company has drawn up contingency plans to mitigate the possible impact of Brexit on airport operations. Meanwhile, the EU will allow UK airlines to fly through Europe provided there is a similar assurance for European companies. The British Government is working towards new air service agreements with 17 countries currently covered by the general EU-wide agreement. Notably, this includes the agreement already reached with the United States. This, combined with the bilateral agreements already in effect with a further 111 destinations, will guarantee that most airport traffic involving the company is not affected by the eventual outcome of the negotiations on the transition deal.

Ferrovial Airports has opened a bidding office in the United States since it is a growing strategic market for Ferrovial and the division.

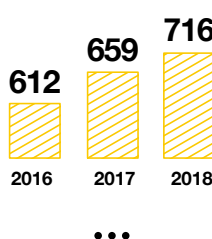
MAIN ASSETS

Ferrovial Airports is the main shareholder of Heathrow Airport (25%) and owns a 50% stake in AGS.

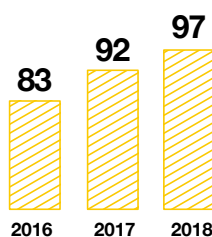
TRAFFICS HEATHROW AND AGS (MILL/PAX)



HEATHROW RETAIL REVENUES (M£)



AGS EBITDA (M£)



EXPANSION OF HEATHROW

Heathrow has made significant progress in expanding the airport after receiving a majority go-ahead from the British Parliament in June 2018. Heathrow has already ensured that its master plan reflects the feedback obtained from the first public consultation process carried out in early 2018 and the airport aims to conduct two further consultations in 2019. Based on all this feedback, it will draw up a final plan and apply for permission to proceed from the Planning Inspectorate in 2020, whereupon it will have to wait a further 18 months for the final approval of the project. The third runway is expected to be opened sometime in 2026.

VALUE CREATION

Integrated approach to bidding and asset management

- Generating synergies between the different businesses of Ferrovial for airport construction, remodeling and expansion.
- Airport transformation and enhancing quality of service, with total investment exceeding GBP11,500 million since 2007.
- Implementing sustainable and innovative solutions to ensure responsible growth.

Operational excellence

Improving the user experience and maximizing the return for shareholders are key objectives in managing the assets of Ferrovial Airports. To accomplish them, the aim is to increase operating efficiency and develop commercial initiatives to increase revenue. By streamlining its financial structure, the company will be able to increase its dividend pay-out and undertake the investments needed to improve levels of service, safety and security at airports.

Innovation

Ferrovial Airports develops modern, secure and efficient infrastructure designed to provide the best passenger experience. The main innovation projects carried out in 2018 include:

- Biometric recognition: pilot project that relies on biometric recognition systems to speed up the transit of passengers throughout their journey through the airport.
- Artificial intelligence: analyzing and predicting consumer habits and passenger traffic patterns through Big Data.
- Digital Passenger Experience: digital transformation program to enhance passenger satisfaction and improve infrastructure operation.

The environment

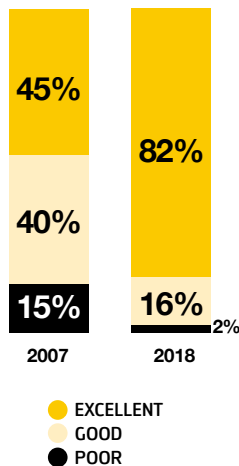
Investing in sustainability is key to successful airport management. The fact that the United Kingdom, Ferrovial Airports' main market, has ratified the Paris Agreement and assumed emission reduction commitments is particularly relevant. Heathrow has also signed the Science Based Target initiative (SBTi), thus bringing airport objectives in line with the SBTi's. Heathrow intends to take part in an emissions offsetting project by recovering peat swamps as part of its commitment to becoming carbon neutral by 2020 and achieving zero emissions by 2050. It should be noted that Terminal 2 at Heathrow is one of the world's largest terminals to run exclusively on renewable energies.

Society: community engagement

Ferrovial Airports is firmly committed to the sustainable growth of the communities in which it operates. The "Heathrow 2.0" plan contains numerous social commitments:

- At least halving the number of flights running from 23:30 onward by 2022.
- Significantly reducing airfield emissions by 2025.
- Optimizing inbound airport traffic by ensuring that at least 50% of passengers arrive on sustainable forms of public transport.

HEATHROW EXPERIENCE*



ACI (Airports Council International) satisfaction survey.

Passengers: user experience

Quality of service and continuous improvement of operations are key concerns for Ferrovial Airports. The results can be seen at Heathrow, where 82% of passengers rated their experience at the airport as "Very good" or "Excellent", according to the independent passenger satisfaction survey drawn up by ACI (Airports Council International). 🗣️



GREAT HALL (DENVER): THE REMODELING CONTINUES

An opening event was held in July 2018 to mark the start of the construction phase of the Great Hall project. The 34-year contract is headed by Ferrovial Airports and will involve the remodeling and subsequent commercial operation of the main terminal at Denver International Airport. A process is now under way to select the first concessionaires who will be able to open their stores and commercial establishments at the terminal.



VIDEO: FERROVIAL AIRPORTS
Making good airports great

Complex projects

FERROVIAL AGROMAN IS THE BUSINESS UNIT ENGAGED IN CIVIL ENGINEERING, BUILDING AND INDUSTRIAL CONSTRUCTION ACTIVITIES. IT HAS EARNED INTERNATIONAL RENOWN FOR ITS UNRIVALLED DESIGN AND CONSTRUCTION OF EXCEPTIONAL PROJECTS, MAINLY IN THE REALM OF LARGE-SCALE TRANSPORTATION INFRASTRUCTURE.

Ferrovial Agroman focuses on the international market, in which it faces fierce competition from global construction companies and local businesses alike. It targets complex projects in countries that have stable economies and are committed to modernizing their infrastructure, in which it has a project pipeline exceeding EUR150,000 million.

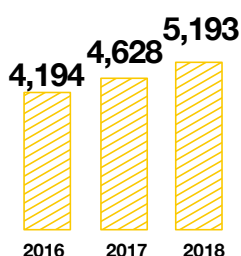
In the United States and Canada, local states and provinces are continuing to step up their investment with the support of the federal government. Highlights here include the privately-funded P3 and DBF projects, where Ferrovial has extensive experience. In 2018, bidding on road infrastructure in the state of Texas reached an all-time high.

The outlook in Poland continues to look promising, thanks to the country's long-term investment plans in road and rail through to 2025 and 2026, although returns will be affected in the short to mid term by rising prices for raw materials. In the long term, negotiations on European Funds for 2021-27 will provide added stability.

In Spain, the uncertain political environment has slowed the expected recovery, with a moderate increase in bidding compared to previous years led by private construction and ADIF's rail projects.

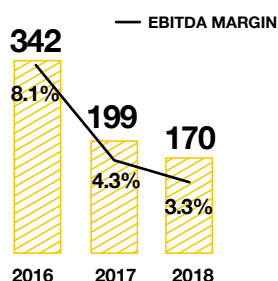
In recent years, the construction sector has been affected at a national and international level by particularly low profit margins due to excessively aggressive commercial strategies, imbalances in risk transfer with customers and cost inflation processes.

REVENUES (M€)



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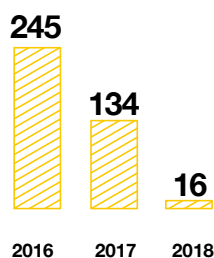
EBITDA (M€)



...

OPERATING CASH FLOW (M€)

before taxes



...

This competition and low profit margins affected returns and cash generation in 2018 at Ferrovial Agroman, which saw its EBITDA fall to 3.3%. In the near future there is no expected recovery of margins compared to current levels, which is why Ferrovial Agroman is redoubling the effort in bidding selection and control of costs, while implementing new work performance controls, concentrating more on the commercial management of the contract and focusing its strategy on profitability ahead of quantity.

VALUE CREATION

Construction is a key part of Ferrovial's strategy thanks to its expertise in complex international construction projects.

Together with its own profitability and cash generation capacity, coordinating the design and construction of transport infrastructure concessions creates value, in which other investing divisions of the group participate. At the same time, it offers optimal technical



TUNNELS UNDER THE THAMES: 0 ACCIDENT RATE

Thames Tideway Tunnel is currently one of the largest sewage engineering projects in Europe, aiming to prevent the overflow and discharge of raw, untreated water into the Thames.

Ferrovial Agroman, which is constructing the central section at a cost of EUR1,500 million, started tunnelling in 2018 with two tunnel boring machines inserted through a well 53 meters below the surface and spanning 31 meters in diameter. Each boring machine comes in at over 100 meters long and weighs some 1,300 tons. They will work for two years in boring a 13 km tunnel under the Thames.

Thanks to the workplace risk prevention measures in place, there have been no accidents for the third straight year.

solutions and fixed prices and deadlines for construction, maximizing the value added to the customers and the competitiveness of the offers. In 2018, this collaboration led to the successful arrangement of funding for the Ruta del Cacao toll road (Colombia) and the award of the high-voltage Pan de Azúcar transmission line (Chile).

Risk management and financial control

The construction business is known for large volumes and tight margins, making risk management all the more important. In the bidding phase, the company selects countries that offer legal certainty and projects with acceptable risk sharing with the customer, while carefully picking expert local partners. During the construction phase, early planning, signing contracts with suppliers to mitigate price risks, cost control, innovation and active management with the customer are all essential.

Portfolio diversification

The company specializes in highly technical projects thanks to its experience and the international presence of over 300 employees from its Technical Office, who are adept at seeking out unrivalled engineering solutions.

The sectorial diversification and the bidding of less strategic projects that allow the maintenance of technical qualifications, enables Ferrovial Agroman to have critical mass and human teams prepared for the needs of the group in concessions and to position itself in the most profitable market niches at any time.

Selective internationalization

The international business remains focused on the US and Polish markets, which account for 60% of sales. Within other countries with permanent presence are the United Kingdom, Australia, Canada or Chile, as well as Spain as its home market.

In the United States, the group's main market, contract volume around EUR1,250 million in 2018, mainly in Texas. The group has also started construction on key projects such as the I-66 (Virginia) and Grand Parkway (Texas) toll roads and the Great Hall at Denver Airport.



THE MOST SUSTAINABLE HOSPITAL IN EUROPE

Construction was completed on Hospital Fraternidad-Muprespa Habana (Spain) in 2018. The building is looking to become one of only four hospitals in the world to be LEED Platinum certified from the US Green Building Council, the highest international standard a building can earn for sustainability.

When compared with similar buildings, the new hospital will generate an economic energy saving of 43% in heating and air conditioning, lighting and consumption of natural gas to generate sanitary hot water. Electricity consumption costs are reduced considerably thanks to its 600 m² of rooftop photovoltaic solar panels. The hospital also features technology to recover grey water, enabling it to recycle 3 million liters of water a year.


Innovation driving improvement

Ferrovial Agroman remains firmly committed to R&D+i and digital transformation, as shown by its drive to enhance BIM (Business Information Modelling) across all regions, or its involvement in various research projects, notably FORESEE and SAFEWAY, under the Horizon 2020 program of the EU to improve infrastructure resilience, security and safety.

Employees: talent management

The employees of Ferrovial Agroman possess extensive experience and professional value and worth, imbuing projects with local know-how. In 2018, two employees were named Top Young Professional by the journal *ENR* and *Best Woman Civil Engineer at the European Women in Construction & Engineering Awards*.

Commitment to society: quality, safety and the environment

The projects undertaken by Ferrovial Agroman help reduce impact on climate change by championing sustainable infrastructure and buildings and managing waste based on the circular economy model. The group received numerous accolades in 2018, notably The one transforming Polish Industry, title awarded to Budimex, or the International Safety Excellence Award from the British Safety Council. 



VIDEO: TUNNELS UNDER THE THAMES
Tunnelling London with zero accident rate

LONDON UNDERGROUND



FERROVIAL AGROMAN STARTED TUNNELING LONDON SUBSOIL IN 2010 TO TRANSFORM AND MODERNIZE THE CITY, IMPROVING ITS METRO AND RAIL CONNECTIONS, WHILE BUILDING A NEW SEWER SYSTEM. CROSSRAIL, THE THAMES TIDEWAY TUNNEL AND THE NORTHERN LINE WILL MAKE LONDON BETTER CONNECTED, MORE SUSTAINABLE AND CLEANER



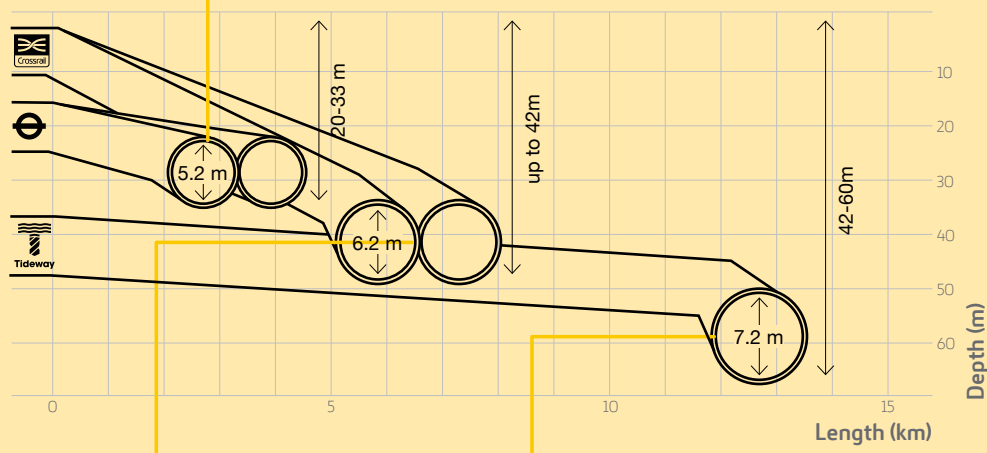
HELEN AND AMY

NORTHERN LINE EXTENSION

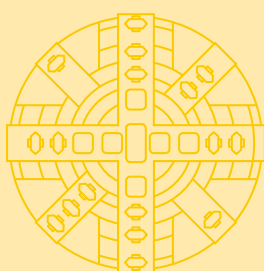
100
LENGTH (m)
SHIELD + BACK-UP

6
DIAMETER (m)

10-15
SHIELD (m)



BORING MACHINES



ADA AND PHYLLIS

CROSSRAIL

105
LENGTH (m)
SHIELD + BACK-UP

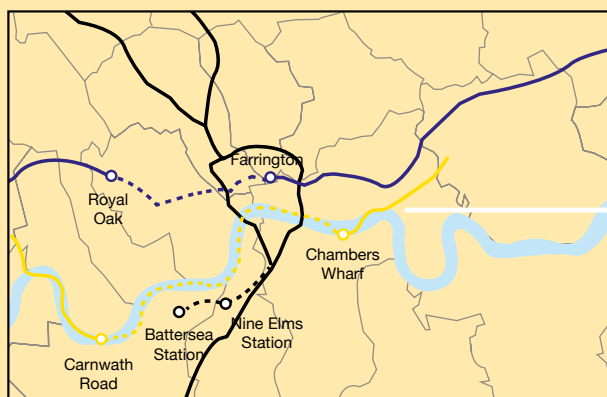
7.1
DIAMETER (m)

MILLICENT AND URSULA

THAMES TIDEWAY TUNNEL

100
LENGTH (m)
SHIELD + BACK-UP

8.8
DIAMETER (m)



— Crossrail — Crossrail: section built by Ferrovia
— Northern Line Extension — Northern Line Extension: section built by Ferrovia
— Thames Tideway Tunnel — Thames Tideway Tunnel: section built by Ferrovia

ON THE MAP OF LONDON



PERFORMED BY FERROVIAL (KM)	6.4	3.2	12.7
CONTRACT VALUE (M€)	600	653	1,150
EXPECTED COMPLETION	02/2014	2020	2023



PHOTO: Farringdon Station, London (United Kingdom).

State-of-the-art solutions

FERROVIAL SERVICES IS ONE OF THE LARGEST AND MOST DIVERSIFIED MULTINATIONAL SERVICE COMPANIES FOR INFRASTRUCTURE AND CITIES. IT OFFERS CUTTING-EDGE SOLUTIONS IN CONSULTING, WASTE TREATMENT, ENERGY EFFICIENCY, TRANSPORTATION INFRASTRUCTURE MAINTENANCE AND URBAN MOBILITY.

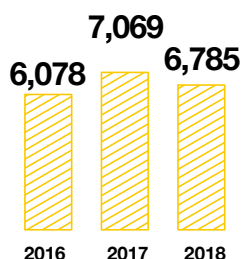
The customers of Ferrovial Services, most of which are public authorities, are now looking to optimize their costs and investments against a backdrop of budgetary constraints while also keeping their operations socially and environmentally friendly. The United Kingdom, Australia and Spain account for 92% of sales at the division, although it is also present in the United States, Canada, Chile, Poland, Portugal and Qatar.

In the United Kingdom, lower levels of public spending and cost pressures have prompted the division to restructure and walk away from unprofitable contracts. Operating margins are below historical levels and this situation is expected to in the near future due to the prevailing market uncertainty.

In Australia, the improved outlook for the natural resources and transportation businesses and the healthy state of the economy should drive future growth. Following the conclusion of the immigration center contracts in October 2017, the company has embarked on an ambitious internal restructuring and cost-cutting process.

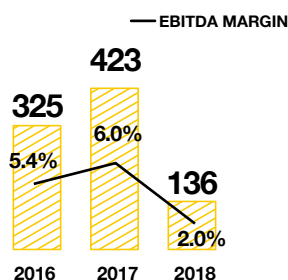
In Spain, the lower public bidding has been managed with the extension of significant contracts and with the diversification towards high added value activities, requiring the company to work harder at

REVENUES (M€)



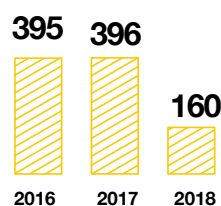
...

EBITDA (M€)



...

OPERATING CASH FLOW (M€) before taxes



...

optimizing its operating processes due to rising levels of competition.

VALUE CREATION

Active management of a diversified business portfolio

Ferrovial Services does business across six broad categories of services. This operational diversification has enabled Ferrovial to position itself as a go-to operator for customers, offering integrated solutions geared toward improving the efficiency and functionality of cities while responding to social needs.

Highlights for 2018 included the efforts made by the company to streamline its portfolio by removing businesses that offer only limited growth potential. Here, the company managed to generate EUR108.2 million in cash by selling the stakes held by Broad Spectrum in Ratch-Australia Corporation Limited and Amey's interests in various environmental and road projects.

Refinancing agreements in project companies were also signed in the year, enabling the company to receive a total of EUR95.3 million in dividends.

The most significant contracts in 2018 were:

- Acquisition of the contracts belonging to the rail business portfolio of Carillion in the United Kingdom (EUR180 million).
- Operation of 11 oil extraction platforms for Shell-QGC in Australia (EUR411 million, five years).
- Bicing: management of 7,000 shared-use bicycles in Barcelona, Spain, in partnership with PBSC (EUR121 million, 10 years).
- Road maintenance in Ottawa and York, Canada, (EUR180 million, 7 years).

Focus on operational efficiency

The occupational safety of its more than 74,500 employees is a key strategic priority for Ferrovial. Its occupational safety and health plan has managed to bring down the accident ratio by 13.04%.

In 2018, the company continued to abandon or restructure loss-incurring contracts and those generating poor returns. The infrastructure maintenance agreement in Birmingham (United Kingdom) has required it to post a provision of EUR235 million. Further examples included the company's withdrawal from an urban services agreement in Liverpool (United Kingdom) and the improvement of 300 basis points in profit margins on the road maintenance agreements in North America.

Initiatives to streamline overheads include the implementation of the Fit for Growth program in Australia, leading to the departure of 250 employees and a 20% saving on information systems costs.

Integrated high value-added solutions

In 2018, Amey commissioned two waste-to-energy facilities in North Yorkshire and Milton Keynes. The power generated by both plants is enough to supply 51,000 homes for a whole year.

During 2018, Zity carsharing service reached 162,000 users, in partnership with Renault. Zity manages 500 electric vehicles powered by renewable energy. The 9.5 million kilometers traveled by users in 2018 were enough to prevent more than 1,100 tCO₂.

Ferrovial Services implemented its new Innovation Plan in 2018, covering 60 projects to improve efficiency and cushion the environmental impact. For instance, the ZRR for Municipal Waste robotics project has generated a 4% increase in the recovery of waste at selection and sorting plants. 📺



VIDEO: THE CENTURY OF CITIES.

Mobility will be autonomous, electrical, digital and on demand.



VIDEO: GREEN CITIES.

Cities will be greener, more circular and with more citizen participation.



ZERO WASTE TO LANDFILL PROJECT

Ferrovial Servicios has developed the Zero Waste to Landfill project, initiative that has managed to ensure that no waste generated in the Ford manufacturing plant in Almussafes (Valencia) ends up in the landfill, and therefore can have a second life.

This project has managed to stop the plant from sending 15,000 tons of waste per year to the landfill. Ferrovial Servicios carries out the integral waste management of this plant, which annually produces approximately 400,000 vehicles. [Watch video.](#)



WASTE FOR WATTS FOR 23,000 HOMES

Ferrovial Servicios operates the only plant in Spain that produces renewable natural gas from organic waste that is injected into the gas network. The plant, located in the Valdemingómez Technology Park in Madrid, manages a total of 148,000 MWh thermal energy per year, of which 57% is used for the production of electricity, while the remaining 43% is injected into the network as gas. With all this energy transformed into electricity, the annual domestic consumption of some 23,000 homes could be supplied. This installation prevents the emission of more than 16,000 tons of CO₂ per year, promoting energy self-sufficiency and placing the municipality of Madrid at the forefront of innovation.