## BALANCE SHEET

| | DEC-17 | DEC-16 |
|---|---|---|
| **FIXED AND OTHER NON-CURRENT ASSETS** | **14,927** | **15,679** |
| **Consolidation goodwill** | **2,062** | **2,155** |
| **Intangible assets** | **431** | **544** |
| **Investments in infrastructure projects** | **6,917** | **7,145** |
| **Property** | **6** | **6** |
| **Plant and Equipment** | **694** | **731** |
| **Equity-consolidated companies** | **2,687** | **2,874** |
| **Non-current financial assets** | **769** | **735** |
| Long term investments with associated companies | 312 | 374 |
| Restricted Cash and other non-current assets | 285 | 249 |
| Other receivables | 172 | 112 |
| **Deferred taxes** | **1,035** | **1,057** |
| **Derivative financial instruments at fair value** | **326** | **432** |
| **CURRENT ASSETS** | **8,063** | **7,745** |
| **Assets classified as held for sale** | **0** | **624** |
| **Inventories** | **629** | **516** |
| **Trade & other receivables** | **2,635** | **2,822** |
| Trade receivable for sales and services | 2,032 | 2,193 |
| Other receivables | 603 | 629 |
| **Taxes assets on current profits** | **143** | **186** |
| **Cash and other temporary financial investments** | **4,601** | **3,578** |
| Infrastructure project companies | 463 | 277 |
| Restricted Cash | 58 | 62 |
| Other cash and equivalents | 405 | 215 |
| Other companies | 4,137 | 3,301 |
| **Derivative financial instruments at fair value** | **55** | **18** |
| **TOTAL ASSETS** | **22,990** | **23,423** |

| | DEC-17 | DEC-16 |
|---|---|---|
| **EQUITY** | **6,234** | **6,314** |
| Capital & reserves attrib to the Company´s equity holders | 5,503 | 5,597 |
| Minority interest | 731 | 717 |
| **Deferred Income** | **1,037** | **1,118** |
| **NON-CURRENT LIABILITIES** | **9,871** | **10,421** |
| **Pension provisions** | **66** | **174** |
| **Other non current provisions** | **808** | **757** |
| **Financial borrowings** | **7,511** | **7,874** |
| Financial borrowings on infrastructure projects | 5,363 | 5,310 |
| Financial borrowings other companies | 2,149 | 2,564 |
| **Other borrowings** | **198** | **200** |
| **Deferred taxes** | **900** | **979** |
| **Derivative financial instruments at fair value** | **387** | **436** |
| **CURRENT LIABILITIES** | **5,848** | **5,570** |
| **Liabilities classified as held for sale** | **0** | **440** |
| **Financial borrowings** | **839** | **302** |
| Financial borrowings on infrastructure projects | 207 | 200 |
| Financial borrowings other companies | 631 | 102 |
| **Derivative financial instruments at fair value** | **65** | **69** |
| **Trade and other payables** | **4,221** | **3,895** |
| Trades and payables | 2,283 | 2,299 |
| Other non comercial liabilities | 1,938 | 1,596 |
| **Liabilities from corporate tax** | **94** | **150** |
| **Trade provisions** | **629** | **715** |
| **TOTAL LIABILITIES & EQUITY** | **22,990** | **23,423** |

Application of the IFRS 15 rule (Revenue from Contracts with Customers) has had a negative impact on the company's reserves to the value of –EUR272mn. For more details on the plan for the application of this rule and its expected impact, please see Note 1.3 of the consolidated accounts from December 2017.

Note: 2016 Balance Sheet has been reestated following the impact from the recent information obtained regarding the purchuse price allocation process of Broadspectrum. More details on this adjustment, please see Note 1.1.4. of the consolidated accounts from December 2017.

**PHOTO**: Denver International Airport. Colorado (USA).

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

| (EUR million) | BEFORE FAIR VALUE ADJ. | FAIR VALUE ADJUESTMENT | DEC-17 | BEFORE FAIR VALUE ADJ. | FAIR VALUE ADJUESTMENT | DEC-16 |
|---|---|---|---|---|---|---|
| **Revenues** | 12,208 | | **12,208** | 10,759 | | **10,759** |
| Other income | 10 | | 10 | 7 | | 7 |
| Total income | 12,218 | | 12,218 | 10,765 | | 10,765 |
| COGS | 11,285 | | 11,285 | 9,821 | | 9,821 |
| **EBITDA** | 932 | | **932** | 944 | | **944** |
| **EBITDA margin** | 7.6% | | 7.6% | 8.8% | | 8.8% |
| Period depreciation | 375 | | 375 | 342 | | 342 |
| **EBIT (ex disposals & impairments)** | 557 | | **557** | 602 | | **602** |
| **EBIT (ex disposals & impairments) margin** | 4.6% | | 4.6% | 5.6% | | 5.6% |
| Disposals & impairments | 51 | 30 | 81 | 330 | -6 | 324 |
| **EBIT** | 608 | 30 | **638** | 932 | -6 | **926** |
| **EBIT margin** | 5.0% | | 5.2% | 8.7% | | 8.6% |
| **FINANCIAL RESULTS** | -346 | 35 | **-311** | -365 | -26 | **-391** |
| Financial result from financings of infrastructures projects | -254 | | -254 | -305 | | -305 |
| Derivatives, other fair value adjustments & other financial result from infrastructure projects | -6 | | -6 | -7 | -12 | -20 |
| Financial result from ex infra projects | -29 | | -29 | -49 | | -49 |
| Derivatives, other fair value adjustments & other ex infra projects | -56 | 35 | -21 | -4 | -13 | -18 |
| **Equity-accounted affiliates** | 201 | 49 | 251 | 214 | -132 | 82 |
| **EBT** | 464 | 114 | **578** | 780 | -164 | **617** |
| Corporate income tax | -63 | -8 | -71 | -245 | 11 | -233 |
| **NET INCOME FROM CONTINUED OPERATIONS** | 401 | 106 | **507** | 536 | -153 | **383** |
| Net income from discontinued operations | | | | | | |
| **CONSOLIDATED NET INCOME** | 401 | 106 | **507** | 536 | -153 | **383** |
| Minorities | -51 | -1 | -53 | -11 | 4 | -7 |
| **NET INCOME ATTRIBUTED** | 350 | 104 | **454** | 525 | -149 | **376** |

### REVENUES

| (EUR million) | DEC-17 | DEC-16 | VAR. | LIKE FOR LIKE |
|---|---|---|---|---|
| Toll Roads | 461 | 486 | -5.3% | 15.7% |
| Airports | 21 | 4 | n.s. | n.s. |
| Construction | 4,628 | 4,194 | 10.3% | 11.0% |
| Services | 7,069 | 6,078 | 16.3% | 1.9% |
| Others | 30 | -4 | n.a | n.a |
| **Total** | **12,208** | **10,759** | **13.5%** | **7.2%** |

### EBITDA

| (EUR million) | DEC-17 | DEC-16 | VAR. | LIKE FOR LIKE |
|---|---|---|---|---|
| Toll Roads | 320 | 297 | 7.7% | 23.8% |
| Airports | -12 | -18 | 34.4% | 13.4% |
| Construction | 199 | 342 | -41.8% | -41.8% |
| Services | 423 | 325 | 30.2% | 14.2% |
| Others | 2 | -2 | n.a. | n.a. |
| **Total** | **932** | **944** | **-1.2%** | **-4.2%** |

### DEPRECIATION

In 2017, depreciation increased by +9.6% (+7.1% LFL) to EUR375mn.

### EBIT

(Before impairments and disposals of fixed assets)

| (EUR million) | DEC-17 | DEC-16 | VAR. | LIKE FOR LIKE |
|---|---|---|---|---|
| Toll Roads | 247 | 214 | 15.5% | 27.1% |
| Airports | -15 | -19 | 23.5% | 13.3% |
| Construction | 162 | 313 | -48.1% | -48.1% |
| Services | 163 | 99 | 64.1% | 29.5% |
| Others | -1 | -5 | n.a. | n.a. |
| **Total** | **557** | **602** | **-7.4%** | **-8.6%** |

### IMPAIRMENTS & DISPOSALS

Impairments and disposals of fixed assets amounted to +EUR81mn at the end of 2017, accounted for by the additional impairment applied to Autema (-EUR29mn) and the capital gains on the sale of Norte Litoral (EUR48mn) and Algarve (EUR42mn). This figure stood at +EUR324mn in 2016, as it was affected by the capital gains relating to the disposals in Chicago Skyway and the Irish toll roads.

## FINANCIAL RESULT

| (EUR million) | DEC-17 | DEC-16 | VAR. |
|---|---|---|---|
| Infrastructure projects | -254 | -305 | 16.6% |
| Ex infra projects | -29 | -49 | 39.9% |
| **Net financial result (financing)** | **-284** | **-354** | **19.8%** |
| Infrastructure projects | -6 | -20 | 68.9% |
| Ex infra projects | -21 | -18 | -20.0% |
| **Derivatives, other fair value adj & other financial result** | **-27** | **-37** | **26.8%** |
| **Financial Result** | **-311** | **-391** | **20.5%** |

Financial expenses in 2017 were lower in EUR80mn vs. 2016, as a combination of the following impacts:

- **Financing result:** EUR70mn drop in expenses to -EUR284mn. The change compared with 2016 was primarily due to changes in the consolidation perimeter in the infrastructure projects:

  Deconsolidated assets in 2016:
  - Deconsolidation of Chicago Skyway (two months' contribution in 2016, generating EUR21mn in costs).
  - Deconsolidation of the SH-130 toll road (deconsolidated at the close of 2016, contributed EUR13mn in costs that year).
  - Deconsolidation of debt in Irish toll roads (two months' global consolidation in 2016, generating EUR3mn in costs).

  Deconsolidated assets in 2017:
  - Deconsolidation of debt in Norte Litoral (four months' global consolidation in 2017 vs. 12 months contribution in 2016, generating EUR7mn lower financial expenses).
  - Deconsolidation of debt in Algarve (nine months' global consolidation in 2017 vs. 12 months contribution in 2016, generating EUR4mn lower financial expenses).

- **Result from derivatives and others:** EUR10mn drop in financial expenses to -EUR27mn in 2017 vs. -EUR37mn in financial expenses in 2016, comprised of:
  - As regards infrastructure projects, EUR14mn less in financial expenses due mainly to the extraordinary negative impact caused in 2016 by the cancellation of the Ausol derivative, the result of the refinancing carried out in respect of this asset.
  - In the ex-infrastructure projects related category, -EUR4mn in costs, mainly resulting from financial restructuring processes, notable among which are the cancellation of the Broadspectrum high yield bonds (with an annual cost of 8.375%). Following the restructuring, the average cost of Broadspectrum stood below 6%.

## EQUITY-ACCOUNTED RESULTS

At the net profit level, the equity-accounted consolidated assets contributed EUR251mn after tax (EUR82mn in 2016).

| (EUR million) | DEC-17 | DEC-16 | VAR. |
|---|---|---|---|
| Toll Roads | 138 | 108 | 27.4% |
| Airports | 89 | -46 | 294.8% |
| Construction | -1 | 0 | n.s. |
| Services | 26 | 19 | 36.4% |
| **Total** | **251** | **82** | **207.0%** |

This improvement was due to the recovery of Heathrow's contribution (+EUR87mn as compared with -EUR57mn in 2016, due to the negative impact of the fair value of the derivatives) and the positive performance of Toll Roads (net profit at 407 ETR rose by +26.1%). AGS's contribution decreased compared to 2016 (EUR2mn vs. EUR12mn in 2016), primarily due to the positive non-recurrent non-cash item in 2016, due to the changes in the pension plan conditions (EUR7mn) and the two percentage point drop in tax rate to 17% (EUR6mn).

## TAXES

Corporate Income Tax amounted to –EUR71mn in 2017 compared with -EUR233mn in 2016, the latter having been impacted principally by the extraordinary impact of the Chicago Skyway and the Irish toll roads divestments, figure which:

- Does not include the tax expenses corresponding to the companies accounted for using the equity method which, pursuant to accounting legislation, are presented net of its related tax effect.
- Includes a corporate tax income corresponding to previous years of EUR16mn (vs a EUR5mn expense in 2016), mainly as a consequence of the lower corporate tax rate in USA from 35% to 21%.

Excluding the result of these entities integrated through equity consolidation (net income of EUR251mn), and considering the income tax expense accrued in 2017 (-EUR87mn), the effective tax rate would reach 26.7%.

## MINORITIES

The minorities figure in 2017 amounted to -EUR53mn vs. -EUR7mn in 2016. The main impacts causing this difference are:

- Greater profit at Budimex (-EUR11mn vs. 2016)
- Fewer losses at toll roads (-EUR33mn vs. 2016), as a result of the deconsolidations of SH-130 and Chicago Skyway and the improved results from Managed Lanes.

## NET PROFIT

Net profit stood at EUR454mn at year-end 2017 (EUR376mn in 2016). This result includes a series of extraordinary impacts, notable among which were:

- Fair value adjustments for derivatives: +EUR69mn (this item resulted in a negative impact of –EUR150mn in 2016), primarily impacted by derivatives from HAH, as previously mentioned.
- Capital gain after tax on the sale of Norte Litoral and Algarve: +EUR98mn (+EUR124mn were earned in 2016 from the sale of the Chicago Skyway and Irish toll roads).
- Impairment at Autema: -EUR29mn (-EUR21mn in 2016).

# NET DEBT AND CORPORATE CREDIT RATING

## NET DEBT

**The net cash position, excluding infrastructure projects,** stood at EUR1,341mn at 31 December 2017 vs. EUR697mn in December 2016.

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

- **Cash flow obtained from the issuance of hybrid subordinated bond (EUR500mn)**, treated as an equity instrument.
- **Dividends received from projects (+EUR553mn)**: this figure increased by +16.0% compared to the dividends received in 2016 (EUR477mn). Notable this year was the contribution of EUR237mn made by Airports (as compared with EUR134mn in 2016), affected by the greater dividend paid out by HAH, supported by higher inflation and the good operating performance and the extraordinary dividend payout by AGS following its refinancing (AGS's total contribution amounted to EUR84mn, of which EUR43mn was an extraordinary amount).
- **Cash flow from divestments amounting to +EUR253mn**, of which EUR59mn come from sale of a stake in Budimex (sale of 1 million shares equivalent to a holding of 3.9%) and EUR104mn obtained after the sale of 51% of Norte Litoral and EUR58mn for the sale of 49% of Algarve.
- **Working capital performance** was negative in the period standing at –EUR38mn compared to the previous year.
- **Total investments** of -EUR355mn, which includes the investment to acquire the minority stakes in NTE and LBJ for -EUR94mn.
- **Ferrovial shareholder remuneration in the amount of -EUR520mn.** In addition, -EUR48mn was distributed to minorities in subsidiaries.

**Net project debt** stood at EUR4,804mn (EUR4,963mn in December 2016). This net debt includes EUR826mn that relates to toll roads under construction (NTE 35W and I-77).

The Group's **consolidated net debt** at 31 December 2017 stood at EUR3,463mn (compared with EUR4,266mn in December 2016).

| (EUR million) | DEC-17 | DEC-16 |
|---|---|---|
| **NCP ex-infrastructures projects** | **1,341** | **697** |
| Toll roads | -4,274 | -4,426 |
| Others | -530 | -537 |
| **NCP infrastructures projects** | **-4,804** | **-4,963** |
| **Total Net Cash /(Debt) Position** | **-3,463** | **-4,266** |

| (EUR million) | DEC-17 | DEC-16 |
|---|---|---|
| **Gross financial debt** | **-8,367** | **-8,093** |
| Gross debt ex-infrastructure | -2,797 | -2,584 |
| Gross debt infrastructure | -5,570 | -5,510 |
| **Gross Cash** | **4,904** | **3,827** |
| Gross cash ex-infrastructure | 4,156 | 3,301 |
| Gross cash infrastructure | 748 | 526 |
| **Total net financial position** | **-3,463** | **-4,266** |

## CORPORATE CREDIT RATING

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

## EX-INFRASTRUCTURE DEBT MATURITIES

| YEAR | CORPORATE DEBT MATURITIES |
|---|---|
| 2018 | 541 |
| 2019 | 79 |
| 2020 | 5 |
| 2021 – 2031 | 2.100 |
| 2031 – 2041 | 0 |
| >2041 | 8 |

Following the close of 2017, in January 2018, of the EUR541mn that mature in 2018, EUR500mn have already been amortized (five year bond with a 3.375% coupon).

## CONSOLIDATED CASH FLOW

| DEC-17 | EXINFRASTRUCTUREPROJECTS 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** |

| DEC-16 | EXINFRASTRUCTUREPROJECTS CASH FLOW | INFRASTRUCTURE PRROJECTS CASH FLOW | ADJUSTMENTS | TOTAL CASH FLOW |
|---|---|---|---|---|
| EBITDA | 502 | 442 | | 944 |
| Dividends received | 477 | | -50 | 427 |
| Working capital variation (account receivables, account payables and others) | 16 | -68 | | -52 |
| **Operating flow (before taxes)** | **995** | **373** | **-50** | **1,319** |
| Tax payment | -125 | -23 | | -147 |
| **Operating Cash Flow** | **870** | **351** | **-50** | **1,172** |
| Investments | -985 | -388 | 72 | -1,301 |
| Divestments | 340 | | | 340 |
| **Investment cash flow** | **-645** | **-388** | **72** | **-961** |
| **Activity cash flow** | **226** | **-38** | **22** | **210** |
| Interest flow | -48 | -303 | | -351 |
| Capital flow from Minorities | 2 | 122 | -72 | 53 |
| Scrip dividend | -226 | | | -226 |
| Treasury share repurchase | -317 | | | -317 |
| Ferrovial shareholder remuneration | -544 | | | -544 |
| Other shareholder remmuneration for subsidiary minorities | -23 | -50 | 50 | -24 |
| Forex impact | -9 | -111 | | -119 |
| Other equity movements | | | | |
| Variation of Bridge Loans (project financing) | -440 | 1,702 | | 1,262 |
| Other debt movements (non cash) | 18 | -230 | | -212 |
| **Financing cash Flow** | **-1,043** | **1,131** | **-22** | **66** |
| **Net debt variation** | **-817** | **1,093** | | **276** |
| **Net debt initial position** | **1,514** | **-6,057** | | **-4,542** |
| **Net debt final position** | **697** | **-4,963** | | **-4,266** |

## EX-INFRASTRUCTURE PROJECT CASH FLOW

### Ex-infrastructure activity cash flow*:

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

| 2017 | OPERATING CF* | NET INVESTMENT 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** |
| **2016** | **OPERATING CF*** | **NET INVESTMENT CF*** | **ACTIVITY CF*** |
| Toll Roads Dividends | 290 | 176 | 466 |
| Airports Dividends | 134 | -73 | 61 |
| Construction | 245 | -74 | 171 |
| Services | 395 | -658 | -263 |
| Other | -69 | -16 | -86 |
| **Total** | **995** | **-645** | **350** |

*Before Corporate Income Tax

### Cash flow from ex-infrastructure operations

**At end-December 2017, cash flow from ex-infrastructure project operations reached EUR999mn** (pre-tax), improving on 2016 of EUR995mn, impacted by the significant increase in dividends received from the main infrastructure projects: 407 ETR (EUR262mn, +7.6% vs. 2016), HAH (EUR153mn, +59.6%) and AGS (EUR84mn vs EUR38mn 2016, after the refinancing carried out in 1Q 2017).

Changes in cash flow from ex-infrastructure project operations by segment in 2017 as compared with 2016, are shown in the following table:

| Operating cash flow | DEC-17 | DEC-16 |
|---|---|---|
| Dividends from Toll Roads | 277 | 290 |
| Dividends from Airports | 237 | 134 |
| Construction | 134 | 245 |
| Services | 396 | 395 |
| Other | -46 | -69 |
| **Operating flow (before taxes)** | **999** | **995** |
| Tax payment | -115 | -125 |
| **Total** | **883** | **870** |

The entry "Others" includes the operations cash flow corresponding to Corporate Business, headquarters of Airports, Toll Roads and Real Estate, as well as remuneration systems linked to the share prices of Airports, Toll Roads and Corporate divisions.

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

| Construction | DEC-17 | DEC-16 |
|---|---|---|
| EBITDA | 199 | 342 |
| EBITDA from projects | 13 | 13 |
| EBITDA Ex projects | 186 | 329 |
| Dividends received | 5 | 4 |
| Provision variation with no cash impact | -79 | -124 |
| Changes in factoring | 5 | 12 |
| Ex Budimex Working Capital | 46 | 31 |
| Budimex Working Capital | -29 | -6 |
| Working capital variation (account receivables, account payables and others) | -57 | -87 |
| **Operating Cash Flow before Taxes** | **134** | **245** |

| Services | DEC-17 | DEC-16 |
|---|---|---|
| EBITDA | 423 | 325 |
| EBITDA from projects | 86 | 85 |
| EBITDA Ex projects | 338 | 241 |
| Dividends received | 33 | 49 |
| Changes in factoring | 0 | 72 |
| Pensions payments UK | -32 | -15 |
| Ex UK Working Capital | 61 | 62 |
| UK Working Capital | -4 | -13 |
| Working capital variation (account receivables, account payables and others) | 25 | 106 |
| **Operating Cash Flow before Taxes** | **396** | **395** |

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

| | SPAIN | UK | BROADSPECTRUM | INTERNATIONAL | SERVICES |
|---|---|---|---|---|---|
| EBITDA Ex-infrastructure | 132 | 66 | 120 | 19 | 338 |
| Dividends received | 8 | 19 | 0 | 6 | 33 |
| Changes in factoring | 19 | 0 | -18 | 0 | 0 |
| Pension scheme payments | 0 | -32 | 0 | 0 | -32 |
| Working capital | 18 | -4 | 34 | 9 | 56 |
| **Op. cash flow ex-Taxes** | **176** | **49** | **136** | **34** | **396** |

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

The dividends from **Toll Roads** operations amounted to EUR277mn in 2017, resulting from dividends and repaid shareholder equity from companies owning toll road infrastructure projects. The 2017 figure (EUR277mn) was less than the amount received in 2016 (EUR290mn) due to the sale of stakes in the Portuguese toll roads (EUR9mn in 2017 vs. EUR37mn in 2016), although this was partially offset by the higher dividend from 407 ETR (EUR262mn vs. EUR244mn in 2016).

| Dividends and Capital reimbursements | DEC-17 | DEC-16 |
|---|---|---|
| ETR 407 | 262 | 244 |
| Irish toll roads | 2 | 2 |
| Portuguese toll roads | 9 | 37 |
| Greek toll roads | 0 | 0 |
| Spanish toll roads | 3 | 3 |
| Other | 1 | 5 |
| **Total** | **277** | **290** |

Distributions to shareholders from **Airports** (EUR237mn) correspond to dividends received from HAH (EUR153mn) and AGS (EUR84mn). Of particular note as regards the second of these two figures is the extraordinary dividend paid following the refinancing obtained in 1Q 2017 (EUR43mn in extraordinary dividends corresponding to Ferrovial).

| Airports | DEC-17 | DEC-16 |
|---|---|---|
| HAH | 153 | 96 |
| AGS | 84 | 38 |
| **Total** | **237** | **134** |

### 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-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** |

| DEC-16 | INVESTMENT | DIVESTMENT | INVESTMENT CASH FLOW |
|---|---|---|---|
| Toll Roads | -113 | 289 | 176 |
| Airports | -73 | 0 | -73 |
| Construction | -76 | 2 | -74 |
| Services | -706 | 48 | -658 |
| Others | -17 | 1 | -16 |
| **Total** | **-985** | **340** | **-645** |

The net investment cash flow in 2017 (-EUR102mn) includes:

- **EUR59mn received after the sale of 1 million shares in Budimex** (equivalent to 3.9% of the company's share capital), having no impact on Ferrovial's Profit and Loss Account as it retains a controlling share in the company (55.1%).
- **EUR104mn received for the 51% stake in Norte Litoral and EUR58mn for 49% of Algarve.**

The following table shows Cintra's capital investment in infrastructure projects:

| Equity investment in toll roads | DEC-17 | DEC-16 |
|---|---|---|
| LBJ (minorities acquisition) | -36 | 0 |
| NTE (minorities acquisition) | -57 | 0 |
| NTE 35W | -38 | -53 |
| Spanish toll roads | 0 | -4 |
| Portuguese toll roads | 0 | -26 |
| Greek toll roads | 0 | 0 |
| Others | -22 | -30 |
| **Total** | **-154** | **-113** |

### Ex-infrastructure financing cash flow

Financing cash flows include:

- **Shareholder remuneration cash flow:** -EUR520mn for Ferrovial shareholders, which includes the cash payment of the scrip dividend of -EUR235mn and the share buy-back for -EUR285mn. Dividends to minorities in subsidiaries also reached -EUR48mn.
- **Net interest payments for the year** (-EUR32mn).
- **FX impact** (-EUR43mn), which originates from the operating cash for the businesses outside the Eurozone and the positions held in currencies, mainly in American and Canadian dollars (-EUR147mn), offset by exchange rate derivatives (+EUR103mn).
- **Other non-cash flow related movements** (+EUR506mn), which 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. This entry also includes the cash flow obtained from the hybrid subordinated bond issue (+EUR500mn), treated as an equity instrument.

## INFRASTRUCTURE PROJECT CASH FLOW

### Operating cash flow from infrastructure projects

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-17 | DEC-16 |
|---|---|---|
| Toll roads | 317 | 250 |
| Other | 89 | 101 |
| **Operating flow** | **407** | **351** |

### Infrastructure projects investment cash flow

The following table shows a breakdown of the investment cash flow from infrastructure projects, basically payments made in respect of capex investments over the course of the year.

| Investment cash flow | DEC-17 | DEC-16 |
|---|---|---|
| LBJ | -9 | -10 |
| NTE | -8 | -14 |
| NTE 35W | -220 | -267 |
| I-77 | -146 | -54 |
| Autopistas portuguesas | -1 | -2 |
| Autopistas españolas | -2 | -3 |
| Resto | 0 | -10 |
| **Total Autopistas** | **-385** | **-361** |
| Resto | -55 | -43 |
| **Total proyectos** | **-439** | **-404** |
| Subvenciones de capital | 68 | 16 |
| **Total flujo inversión neto proyectos** | **-371** | **-388** |

### Infrastructure projects financing cash flow

Projects financing cash flow includes the payment of dividends and the repayment of equity by concessionary 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 equity repayment is included for companies accounted for by the equity method.

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-17 | DEC-16 |
|---|---|---|
| Spanish toll roads | -63 | -132 |
| US toll roads | -82 | -88 |
| Portuguese toll roads | -21 | -38 |
| Other toll roads | 0 | -3 |
| **Total toll roads** | **-166** | **-260** |
| Other | -38 | -43 |
| **Total** | **-204** | **-303** |

The financing cash flow also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 2017 was a positive impact in the amount of EUR398mn, mainly as the result of the depreciation of the US dollar against the euro, a circumstance that had a significant effect on the net debt figure for the American toll roads.

**PHOTO**: ITER Project. Cadarache (France). ©SNC Engage.