Interim Management Report 30 June, 2015

Ferrovial, S.A. and Subsidiaries

ferrovial

Board of Directors
30 July, 2015

INDEX

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

I. PERFORMANCE OF THE GROUP'S BUSINESSES IN 1H15

GENERAL OVERVIEW

Revenue growth in 1H15 reached 13.9%, with double-digit growth at Services, Construction and Toll Motorways, and favourable exchange rates in the main currencies to which the company is exposed. **EBITDA increased by 23.6%.**

In operating terms, we highlight in the first half of the year the traffic growth on the company's most important toll motorway assets in Europe, the US and Canada, as well as at Heathrow Airport and the regional UK airports. **The combined backlog** at Construction and Services remained at very high levels, reaching EUR31,500mn (including JVs).

The **financial closure** on the following contracts took place in 1H15:

- **407 East Partial Extension Phase 2**, in Canada, with an investment of CAD880mn, a duration of 30 years from the date the first phase is opened, which is expected to be in 2017.
- **I-77 Toll Motorway**, in North Carolina, with an investment of USD648mn and a duration of 50 years from the date the motorway opens to traffic.

In a financial context, the group took advantage of the favourable economic scenario to **issue bonds that enabled it to reduce its cost of debt and extend its maturities.**

- **A-66 Toll Motorway Benavente-Zamora**, with the issue of a EUR185mn, 26-year bond, with an annual coupon of 3.169%.
- **407ETR**: issuance of CAD150mn at 30 years and a coupon of 3.3%, and CAD500mn at 31 years and a coupon of 3.83%.
- **Heathrow**: bond issuance of GBP1,100mn; of particular note were the EUR750mn 15-year 1.5% bond; and the CAD500mn 10-year at a coupon of 3.25%.
- **Extension of Ferrovial's liquidity line** to EUR1,250mn (vs. EUR750mn previously), for five years (to 2020) with a lower spread than before (50bp), signed by 22 banks.

In March, the creditors of the **Indiana Toll Road concession, sold the asset** to the Australian fund IFM Investors (for USD5,725mn). The deal was completed in 2Q15 and Ferrovial received USD50mn under the agreement with the creditors.

HAH and the 407ETR toll motorway increased their ordinary shareholder dividends vs. 2014. HAH paid GBP150mn (+11%) and the 407ETR paid CAD375mn (+7%).

The group's net cash position, excluding infrastructure projects, closed 2Q15 at EUR1,450mn.

The AGM approved a second scrip dividend shareholder remuneration programme. The first, in May (equivalent to the 2014 complementary dividend) was for EUR0.304 per share (+4.5% vs 2013 complementary dividend). At the same time, a share buy-back programme was approved, for up to EUR250mn, which will be undertaken between 26 May and 18 November, 2015.

After the close of 1H15, **Cintra was awarded two new projects:**

- **Toowoomba Second Range Crossing** Toll Motorway (Australia), at an investment of c.EUR1,100mn and a duration of 25 years from the date the motorway opens to traffic, which is expected to be in 2018.
- **Bucaramanga-Barrancabermeja-Yondó** Toll Motorway (Colombia), at an investment of EUR880mn and a duration of 25 years from the date was signed.

Business performance

The strength of the **Services** division continued in all geographies and magnitudes, partly thanks to the appreciation of sterling (revenue growth of 12%). The backlog reached a new high of more than EUR23,800mn (including JVs).

At **Construction,** revenues expanded by 16.7%, with strong growth in the international business (+21.8%). Budimex posted double-digit growth in sales, EBITDA and backlog. Profitability also improved at this division (EBITDA margin 9.4% vs. 8.5% in 2014).

The Construction backlog contracted by 5.0% to EUR7,690mn at end-June 2015. The highlights of the backlog are the Phase 2 Extension of the 407ETR (in Canada) and the sections of the S3 and the S7 (in Poland) and the improvements to connectivity with the Northern Beaches Hospital (in Australia).

At **Cintra,** there was a significant increase in traffic on the main toll roads, principally as a reflection of better weather conditions, the lower fuel prices and the economic recovery. Traffic on the 407ETR rose 2.9% (above the +2.4% in 1Q15), in spite of the increase in tolls introduced on 1 February 2015. There was also solid growth in Spain, Portugal and Ireland. In the US, we highlight the NTE (Managed Lanes), which opened in October 2014 and showed strong performance; the economic growth and lower price of fuel, which led to growth on the SH130 (+17.1%).

At the **Airports** division, traffic at Heathrow rose 1.3% as a reflection of the increased number of seats sold in larger aircraft, as well as the increased number of flights to Europe, the US and on domestic routes. The regional UK airports posted a 7.4% increase in traffic overall (Glasgow +13.8%, Southampton +3.8%, Aberdeen -3.4%).

The principal equity-accounted assets continued to report strong operating growth, with EBITDA increasing 10.2% at HAH, 11.6% at AGS and 15.3% at the 407ETR toll motorway in local currency terms.

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	4,736	4,159	13.9%	5.7%
EBITDA	538	435	23.6%	12.4%
EBIT(*)	402	315	27.7%	13.1%
Net result	267	168	58.6%	
Cash flow ex-projects				
Operating cash flow	127	72		
Investment	-153	-82		
Divestment	50	21		
Net debt	Jun-15	Dec-13		
Net Debt Ex-Infrastructure Projects	1,450	1,632		
Total net debt	-6,199	-6,230		

*EBIT ex disposals & impairments

	Jun-15	Dec-14	Var.
Construction Backlog	7,690	8,091	-5.0%
Services Backlog (incl JVs)	23,810	22,369	6.4%

Traffic	Jun-15	Jun-14	Var.
ETR 407 (VKT´ 000)	1,178,151	1,145,192	2.9%
Chicago Skyway (ADT)	37,919	37,755	0.4%
Ausol I (ADT)	11,415	10,315	10.7%
Ausol II (ADT)	13,877	12,764	8.7%
M4 (ADT)	27,277	25,653	6.3%
Heathrow (million pax.)	35.5	35.1	1.3%
AGS (million pax.)	6.5	6.1	7.4%

TOLL MOTORWAYS

	Jun-15	Jun-14	Var.	Comparable
Revenues	245	200	22.7%	20.2%
EBITDA	166	123	34.9%	31.8%
EBITDA Margin	67.5%	61.4%		
EBIT	120	86	39.3%	33.4%
EBIT Margin	48.8%	42.9%		

Revenue growth at this division in 1H15 was very positive (+22.7%) on the back of to the contribution from the NTE 1-2 (Managed Lanes) opened in October 2014, which was thus not included in the 1H14 accounts), the impact of traffic growth on the principal toll roads, the impact of tariff increases at the Chicago Skyway (+13.2%) and favourable exchange rates. In comparable terms, revenue growth reached 20.2%.

The improvement in the top line also helped to increase profitability. There was also strong EBITDA growth (+34.9%), and the EBITDA margin expanded from 61.4% to 67.5%.

On 12 May 2015, the A66 Benavente-Zamora toll motorway opened to traffic. This is a financial asset which has been equity-accounted in 1H15.

Assets in operation

TRAFFIC PERFORMANCE

In the first half of the year, traffic has increased on practically all the group's toll motorways. Note in particular the good performance of light vehicles, principally due to the better weather conditions compared to 2014, the lower price of fuel vs 2014, in spite of the uptick in the second quarter observed (US, Canada and Spain), and the economic recovery observed since the second half of 2014 (US, Spain, Portugal and Ireland).

By country:

In **Canada,** traffic increased by 2.9%, both in light vehicles (+2.7%) and heavy (+5.0%), positively impacted by greater congestion on alternative routes on the back of continued construction work, the better weather conditions and the lower fuel prices. Note the 3.3% growth in the second quarter standalone.

In **North America**, the winter weather was less adverse in the early part of the year (although Chicago & Texas were affected by torrential rain especially in May), which together with the lower fuel prices and the improvement in the economy, drove traffic growth on the Chicago Skyway (+0.4%) in spite of the toll increases of 13.2%, and on the SH-130 (+17.1%). We highlight the strong growth of the latter vs. the 1H14, which was principally a reflection of the fact that the motorway is still in the ramp-up phase, and more and more motorists are becoming familiar with the route and choosing to use it.

In **Spain,** the positive trend observed since the third quarter of 2013 continued, with traffic growth on all the toll motorways helped by the lower fuel prices and more favourable weather conditions. Heavy vehicle traffic in particular increased, thanks to economic growth indications which have been observed to date. Ausol 1 continued to post double-digit growth (+10.7%). At Autema (+6.1%), there was notable heavy vehicle growth (+9.2%) and the positive impact of the start of roadworks on the alternative toll-free route. In the second quarter standalone, Autema saw traffic growth of 8.4%.

The concessions in **Portugal** also reported solid traffic growth, confirming the trend initiated at the end of 2013, reflecting the recovery of the Portuguese economy and good weather conditions. This was particularly the case on the Algarve, where cumulative traffic growth in the first half reached 10.8%.

In **Ireland**, traffic has grown consistently since the second half of 2013, when the negative trend reversed. The traffic reported on the M4 (+6.3%) reflect the continuing improvement in employment in Ireland, and as a consequence the significant upturn in HGV traffic (+11.2%).

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	
Global consolidation	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Jun-15	Share
Intangible assets													
Chicago Skyway	37,919	37,755	0.4%	39	28	41.2%	34	24	41.6%	86.1%	85.9%	-1,331	55%
SH-130	7,344	6,273	17.1%	13	8	57.2%	6	2	195.9%	47.6%	25.3%	-1,154	65%
NTE	22,918			20	0	n.s.	14	0	n.s.	71.7%	n.s.	-893	57%
Ausol I	11,415	10,315	10.7%	20	19	9.4%	16	14	15.0%	77.5%	73.7%	-451	80%
Ausol II	13,877	12,764	8.7%										
M4	27,277	25,653	6.3%	12	11	6.5%	8	8	6.3%	68.2%	68.3%	0	66%
Algarve	8,407	7,589	10.8%	20	20	4.3%	18	17	5.0%	89.0%	88.5%	-125	85%
Azores	8,257	7,856	5.1%	11	10	5.4%	8	8	3.4%	77.2%	78.6%	-322	89%
Financial assets													
Autema				48	48	0.2%	43	43	0.9%	90.2%	89.6%	-630	76%
M3				11	11	1.1%	8	8	0.0%	75.4%	76.2%	0	95%
Norte Litoral				24	24	1.0%	20	21	-3.2%	83.8%	87.4%	-169	84%
ViaLivre				7	6	11.6%	0	1	-33.2%	5.8%	9.6%	5	84%

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	Share
Equity accounted	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Jun-15	
Intangible assets													
407 ETR (VKT´ 000)	1,178,151	1,145,192	2.9%	340	276	23.4%	288	230	24.9%	84.6%	83.5%	-4,443	43%
Central Greece	13,877	16,437	-15.6%	5	4	35.5%	2	2	-30.5%	34.2%	66.8%	-397	33%
Ionian Roads	22,983	22,495	2.2%	35	33	7.4%	22	23	-0.9%	63.2%	68.4%	31	33%
Serrano Park				3	3	6.2%	1	2	-36.4%	39.6%	66.3%	-45	50%

Financial Assets

In application of IFRIC 12, concession contracts are classified as one of two types: intangible assets or financial assets.

Intangible assets (where the operator assumes the traffic risk) are those where remuneration comprises the right to charge the corresponding tariffs depending on the level of use.

Financial assets are concession agreements where the remuneration comprises an unconditional contractual right to receive cash or other financial assets, either because the entity awarding the concession guarantees the payment of agreed sums, or because it guarantees it will cover the gap between the sums received from the users of the public service and the said agreed amounts. In this type of contract, the demand risk is assumed by the entity awarding the concession.

Assets in operation classified as financial assets, where there is no traffic risk to some kind of guarantee mechanism, are the Norte Litoral, Eurolink M3, Autema, ViaLivre and the A66.

Assets under development

ASSETS UNDER CONSTRUCTION

€million *Global* **consolidation**	Invested Capital	Pending committed capital	Net Debt 100%	Share
Intangible assets	**-277**	**-177**	**-1,483**	
LBJ	-230	-39	-1,306	51%
NTE 35W	-47	-138	-177	50%
Equity accounted				
Financial assets	**0**	**-11**	**-392**	
407 East	0	-11	-392	50%

LBJ: The project is advancing according to the established timetable, with construction works more than 99% complete in June 2015, and expected to be concluded in the summer of 2015, several months ahead of contractual schedule (December 2015).

NTE 35W: Financing for the project was closed in September 2013 and progress is according to schedule, with the opening expected to be in mid-2018.

407 East Extension Phase I: Construction work started in March 2013 and is now 70% complete.

CONTRACT AWARDS

Toowoomba Second Range Crossing (Queensland, Australia): Ferrovial, through a consortium which includes its subsidiary Cintra Infraestructuras, has been selected as the Preferred Tenderer for the design, construction, financing, operation and maintenance of 41km of toll motorway in Toowoomba, Queensland. Cintra has a 40% stake in this project.

The project has a life of 25 years from the date the motorway is first opened to traffic (estimated to be end-2018) and implies an investment of AUD1,600mn (c.EUR1,100mn).

The commercial and financial closure of the project is expected to be in the coming months.

Bucaramanga-Barrancabermeja-Yondó (Colombia): Ferrovial, in a consortium headed by its subsidiary Cintra Infraestructuras, has been awarded the design, construction, financing, operation and maintenance of 152km of the Bucaramanga-Barrancabermeja-Yondó toll motorway in Colombia. The infrastructure will improve the connections between the east of the country with the most important oil-producing areas. Cintra has a 40% stake in this project.

The concession has a 25-year life (with the possibility of an additional four years) from the signing date. Remuneration will be via availability payments, explicit tolls and toll revenues guaranteed by the Administration.

The project implies a total estimated investment of COP2.6bn, or c.EUR880mn.

I-77 (North Carolina): the financing of the project was closed in May. To finance the investment, the motorway:

- Issued USD100mn Private Activity Bonds (PABs) with a coupon of 5%, and maturities up to 2054.
- Signed a TIFIA loan for an initial amount of USD189mn maturing in 2053.
- Additionally, the North Carolina Department of Transport (NCDOT) contributed USD94.7mn.

The total debt (PABs and TIFIA) has been rated BBB- by Fitch Ratings and BBB by DBRS.

Contract award: Ferrovial, through a consortium led by its subsidiary Cintra Infraestructuras, reached commercial close with NCDOT for the design, construction, financing, operation and maintenance of the extension of the I-77 toll motorway for USD648mn (c.EUR581mn). The concession period is 50 years from the date it opens to traffic.

407 East Extension Phase II (Canada): on 10 March, the financing of this project was closed. To cover the investment, the project:

- Issued a short-term bond for CAD264mn, maturing at the end of the construction period, with a cost of 1.743%.
- Issued a second long-term bond for CAD108mn maturing in June 2047 with a cost of 3.76%.
- Signed a revolving credit for CAD241mn maturing at the end of the construction period, and a cost of 1.703%.

DBRS and Moody's confirmed their ratings of the project as A (low) and A3 with stable outlook, respectively.

Award: on 21 January 2015, to Ferrovial through its subsidiary Cintra Infraestructuras, in a 50%/50% consortium with Holcim Inc. (Canada) was selected by Infrastructure Ontario and the Ontario Ministry of Transport as preferred bidder for the design, construction, financing and maintenance of the 407 East Extension Phase II toll motorway, which will be expanded to the East through the Greater Toronto area.

The 32km concession has a life of 30 years from the date the first section opens to traffic, which is expected to be end-2017. It includes the 22km extension, 2 lanes in each direction, of the 407ETR, from Harmony Road (Oshawa), to the 35/115 toll motorway (Clarington) and the connection with the 401 toll motorway in a new 10km junction.

This project will be an explicit toll motorway (like Phase I), for which the Ontario Administration is responsible for setting the tariffs and the revenue collection, while the concession company will be remunerated by the availability payment system for the maintenance.

Cintra, together with Holcim, will be responsible for the development for this project; the design and construction will be the responsibility of Ferrovial Agroman and Dufferin.

A66 Benavente – Zamora: in May 2015, Cintra and its associates closed the refinancing of the Autovía de la Plata between Benavente and Zamora by means of the issuance of a 26-year, EUR185mn bond at an annual coupon of 3.169%.

Projects tendered

Ferrovial continues to monitor development activity internationally in its target markets (North America, Europe and Australia).

At a European level, in 1H15, a consortium led by Cintra was pre-qualified for the **D4-R7 Bratislava ring road project** in Slovakia together with the Macquarie investment fund and the Austrian company Porr. Bids are expected to be presented at the end of the year.

Assets subject to insolvency proceedings

RADIAL 4

On 14 September 2012, the Board of the Radial 4 toll road agreed to request protection from its creditors through the courts. On 4 October, this request for court-ordered insolvency proceedings was granted. As a result of this filing for insolvency, the standstill agreements with the creditor banks were terminated.

All the investments and guarantees relating to this project have been fully provisioned, such that the resolution of the insolvency process should have no negative impact whatsoever on Ferrovial's accounts.

OCAÑA - LA RODA

In March 2015, a court order opened the liquidation process. At this point, the insolvency administrators appointed by the Court took control of the company, and it was therefore deconsolidated from the group's accounts with effect from 28 February, 2015.
The impact: a reduction in net debt of EUR556mn and an accounting profit with no cash impact of EUR63.7mn due to the reversal of losses recognised in previous financial years in excess of the capital invested.

INDIANA TOLL ROAD

On 27 May 2015, the sale of the asset was completed (as had been agreed under the pre-packaged Chapter 11 process) to the Australian investment fund IFM Investors in the name of IFM Global Infrastructure Fund for USD5,725mn. Ferrovial received EUR45mn (USD50mn) for the sale and booked a capital gain of EUR30mn after tax.

€ million	Traffic			Revenues			EBITDA			EBITDA Margin		Net Debt 100%	
Intangible assets	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Jun-15	Share
Global Consolidation													
Radial 4	4,302	4,153	3.6%	6.6	6.1	9.7%	2.8	2.3	21.2%	42.7%	38.6%	-634	55%

407ETR

PROFIT & LOSS ACCOUNT

CAD million	Jun-15	Jun-14	Var.
Revenues	471	414	13.9%
EBITDA	398	345	15.3%
EBITDA Margin	84.6%	83.5%	
EBIT	356	313	13.9%
EBIT Margin	75.6%	75.6%	
Financial results	-165	-203	18.8%
EBT	191	109	74.8%
Corporate income tax	-52	-29	-80.5%
Net Income	**60**	**35**	**72.7%**
Contribution to Ferrovial equity accounted result (€)	**37**	**18**	**109.1%**

NB: Since the sale of 10% of the asset in 2010, it is now equity-accounted, in line with the stake Ferrovial now holds (43.23%).

407ETR posted a significant increase in its top line in 1H15 (+13.9%) in local currency terms. This positive performance was principally due to the tariff increases applied since February 2015, as well as the increase in the number of journeys. The heavy congestion on the alternative routes given continued construction work continues to have a positive effect on this concession's traffic. The average revenue per journey increased by 8.1% vs. 1H14.

The concession also reported EBITDA growth of 15.3% in the first half of the year, and an improvement in its EBITDA margin from 83.5% to 84.6%, helped by the above-mentioned increase in revenues.

The net financial result decreased in the first half of the year, including:

- Higher interest expenses (CAD8.9mn) due to the increase in debt, principally the CAD250mn issue in May 2014, the CAD150mn issue in March 2015 and the refinancing of CAD500mn in May 2015.
- Lower costs (CAD31mn, but with no cash impact) as a reflection of lower expectations for inflation and CAD16mn of fair-value adjustments.

407ETR contributed EUR37mn (vs. EUR18mn in 1H14) to Ferrovial's equity-accounted profits, after the annual amortisation of intangibles on the sale of 10% in 2010, which is being amortised over the life of the concession as a function of the expected traffic.

DIVIDENDS

In 1H15, 407ETR distributed a dividend of CAD375mn (vs. CAD350mn in 2014). Of this, EUR117mn was attributable to Ferrovial (vs. EUR110mn in 2014).
At its July meeting, the Board approved the distribution of another CAD187.5mn during 3Q15.

CAD million	2015	2014	2013	2012
T1	187,5	175,0	100,0	87,5
T2	187,5	175,0	130,0	87,5
T3	187,5	175,0	200,0	87,5
T4		205,0	250,0	337,5
Total	**562,5**	**730,0**	**680,0**	**600,0**

TRAFFIC

In terms of traffic, the total kilometres travelled rose by 2.9% due to a 2.7% increase in the number of journeys and a 0.1% rise in the average distance travelled. Traffic benefited from the heavy congestion on the parallel routes on continued construction work and from favourable weather conditions.

On 26 June 2015, at 460,389, the motorway beat its record of the number of journeys in a single day (the previous record was set in June 2011).

NET DEBT

The 407ETR's net debt at 30 June reached CAD6,186mn, and had an average cost of 4.75%.

During 1H15, 407ETR made the following issuances:

- On 27 March, CAD150mn bond maturing 27 March 2045 with a coupon of 3.30% (Senior Notes Series 15-A1).
- On 11 May, CAD500mn bond maturing on 11 May 2046 with a coupon of 3.83% (Senior Notes, Series 15-A2). Use of funds will be the partial cancellation of the CAD500mn bonds (Senior Notes, Series 10-A1) maturing in June 2015 and general corporate expenses.

Since this issuance, 48% of the debt matures in more than 20 years' time. There are no significant debt maturities until 2016 (when CAD796mn mature).

CREDIT RATING

S&P: On 30 January, the agency reaffirmed its rating at "A" (Senior Debt), "A-" (Junior Debt) and "BBB" (Subordinated Debt), with stable outlook.

DBRS: "A" (Senior Debt), "A low" (Junior Debt) and "BBB" (Subordinated Debt).

TARIFFS 407ETR

The table below compares the 2014 and 2015 tariffs (the latter came into effect on 1 February 2015) for light vehicles:

CAD	2015	2014
Regular Zone		
AM Peak Period: *Lun-vie: 6am-7am, 9am-10am*	30.56¢ /km	28.3¢ /km
AM Peak Hours: *Lun-vie: 7am-9am*	34.13¢ /km	30.2¢ /km
PM Peak Period: *Lun-vie: 3pm-4pm, 6pm-7pm*	31.13¢ /km	28.3¢ /km
PM Peak Hours: *Lun-vie: 4pm-6pm*	34.73¢ /km	30.2¢ /km
Light Zone		
AM Peak Period: *Lun-vie: 6am-7am, 9am-10am*	29.05¢ /km	26.9¢ /km
AM Peak Hours: *Lun-vie: 7am-9am*	32.43¢ /km	28.7¢ /km
PM Peak Period: *Lun-vie: 3pm-4pm, 6pm-7pm*	29.59¢ /km	26.9¢ /km
PM Peak Hours: *Lun-vie: 4pm-6pm*	33.01¢ /km	28.7¢ /km
Midday Rate *Fines de semana y festivos 11am-7pm*	23.59¢/km	22.25¢/km
Off Peak Rate *Laborables 7pm-6am, Fin de semana y festivos 7pm-11am*	19.74¢/km	19.35¢/km

NTE (sections 1 and 2)

NTE's 1H15 performance:

USD mn	Jun-15	Jun-14
Revenues	21.9	-
EBITDA	15.7	-
EBITDA Margin	72%	-

Quarterly performance:

	Q2	Q1	% Change
P&L (USD mn)			
Revenue	12.5	9.4	33.1%
EBITDA	9.4	6.4	46.4%
EBTIDA margin	75%	68%	
Traffic (mn of transactions)			
Transactions	5.0	4.0	24.3%
Average Tariffs (USD)			
Segment 1 (6.4 miles)			
Peak-period	2.9	2.9	0.3%
off-peak period	1.2	1.1	6.3%
Daily average	1.5	1.4	4.9%
Segment 2 (6.86 miles)			
Peak-period	3.4	3.3	2.7%
off-peak period	1.3	1.3	5.6%
Daily average	1.7	1.6	5.6%
Max. toll in the quarter (USD)			
Segment 1	5.3	4.2	27.7%
Segment 2	5.7	4.3	34.1%

PROFIT & LOSS ACCOUNT

In 2Q15, revenues increased by 33% to USD12.5mn. This rise was principally due to an increase in traffic. The average toll per transaction was USD2.51 vs. USD2.38 in 1Q15 (+5%).

TRAFFIC

NTE is still in the ramp-up phase, such that in 2Q15 it booked 5 million transactions, 24% more than in 1Q15.

NTE TOLLS (January-June 2015)

The table above shows the average tolls in 2Q15 calculated for light vehicles by segment.

On 2 April 2015, the dynamic toll system came into operation. Since then, tolls can be reset every five minutes depending on the traffic levels. This has allowed the maximum toll per segment to reach USD0.83/mile at certain times, practically doubling the average level during the quarter.

The maximum toll in 2Q15 was USD5.3 in segment 1 (vs. USD4.15 in 1Q15) and USD5.7 in segment 2 (vs. USD4.25 in 1Q15).

NET DEBT

The concession's net debt at 30 June 2015 reached USD996mn, with an average cost of 5.4%.

Autema

In January 2015, as explained in Note 34 to the 2014 consolidated annual accounts, the Generalitat de Cataluña (Catalonia regional government) notified Autema of its intention to modify the concession agreement related to the project, changing it from a regime under which the former committed to guarantee a certain level of EBITDA, to a system under which the remuneration would depend on the number of users, with the Administration subsidising part of the tolls paid by the user.

On 16 July, the Generalitat de Cataluña officially published a Decree which modified the concession's contract. The company understands that this decision has no basis in law, and as such it will proceed to appeal said Decree. Nonetheless, Ferrovial booked a EUR52mn provision in 1H15 to cover this eventuality (which had a negative impact of EUR39mn on net profit).

M3, M4 Toll Roads

M3 and M4 toll roads (Ireland) have been reclassified during the first half of 2015 as "Assets held for sale". This reclassification has led to a debt reduction of EUR297mn.

SERVICES

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	2,380	2,125	12.0%	3.8%
EBITDA	178	158	12.4%	-0.5%
EBITDA Margin	7.5%	7.5%		
EBIT	106	94	12.5%	-5.4%
EBIT Margin	4.5%	4.4%		
EBITDA at Ferrovial % in equity accounted businesses	18	11	58.0%	41.8%
Backlog*	21,464	20,354	5.5%	-0.9%
JVs Backlog*	2,346	2,016	16.4%	7.9%
Global Backlog+JVs*	23,810	22,369	6.4%	-0.1%

*Backlogs compared with December 2014.

The Ferrovial Servicios P&L reflected top-line growth of 12% vs. 2014, with both the EBITDA and EBIT margins remaining in line with those of the same period last year. Revenue growth vs. 2014 was largely due to sterling appreciation. Excluding this impact, revenue growth was 3.8%.

By business line, revenues generated in Spain rose 6.1%, 14.6% in the UK (1.8% excluding the FX impact); and 38.5% in the International segment (30.9% ex-FX).

The backlog reached EUR23,810mn, 6.4% higher than in December 2014. Excluding the FX impact, the backlog would have been in line with the situation in December.

Spain

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	822	774	6.1%	6.1%
EBITDA	95	84	13.5%	13.1%
EBITDA Margin	11.5%	10.8%		
EBIT	50	42	17.2%	16.5%
EBIT Margin	6.1%	5.5%		
EBITDA at Ferrovial % in equity accounted businesses	1	2	-29.2%	-29.2%
Backlog*	6,068	6,392	-5.1%	-5.1%
JVs Backlog*	335	344	-2.5%	-2.5%
Global Backlog+JVs*	6,404	6,736	-4.9%	-4.9%

*Backlogs compared with December 2014.

In Spain, turnover rose 6.1% vs. the previous year, with a notable contribution from new contracts awarded in 2014, such as waste collection in Madrid and the maintenance of the Orense Hospital, and the higher turnover on highway maintenance contracts.

The EBITDA and EBIT margins improved by more than half a percentage point, principally due to the contributions from contracts started at the beginning of 2014, which incurred start-up costs during the first half of last year. The results of these contracts has now stabilised, which has had a positive impact on global margins. In terms of volume, we highlight the passenger services on Renfe's long-distance trains, or the highway cleaning contract in Madrid.

As at 30 June, the backlog amounted to EUR6,404 (-4.9% vs. December). In 2Q15, the most notable contract awards were for the construction and operation of a waste management plant in Oris, Catalonia, for EUR37mn over 16 years, and SAS hospital cleaning services in Cadiz, for EUR27mn over 3 years.

UK

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	1,504	1,312	14.6%	1.8%
EBITDA	79	73	9.3%	-14.2%
EBITDA Margin	5.3%	5.5%		
EBIT	56	52	6.7%	-19.8%
EBIT Margin	3.7%	4.0%		
EBITDA at Ferrovial % in equity accounted businesses	9	8	15.0%	2.1%
Backlog*	15,057	13,682	10.0%	0.5%
JVs Backlog*	1,979	1,616	22.5%	11.9%
Global Backlog+JVs*	17,036	15,298	11.4%	1.7%

*Backlogs compared with December 2014.

In the UK, revenues were 14.6% higher than in June 2014. This was mainly due to sterling appreciation against the euro. Excluding this impact, revenue growth would have been 1.8%.

Both the EBITDA (5.3%) and the EBIT (3.7%) margins expanded vs. the first quarter of the year (4.7% and 3.1%, respectively). This margin improvement reflected recurrent seasonal impacts on the infrastructure and utility maintenance contracts, where margins are lower in winter. The elections held in May were also responsible for a degree of slowdown in spending on the part of some public-sector clients.

Compared with 2014, margins in 1H15 were affected by costs incurred in closing the investment phase of the infrastructure maintenance contract for Birmingham. In 1H15, this contract made a negative EBITDA contribution of EUR11mn. Excluding Birmingham, at end-June the EBITDA margin would have reached 6.2% and the EBIT margin 4.6%.

The backlog reached EUR17,036mn, 11.4% higher than in December 2014. Excluding the FX impact, it would have expanded 1.7% in 2Q15. The contract award of note in 2Q15 was for infrastructure maintenance, highway cleansing and lighting for the metropolitan borough of Trafford (EUR403mn over 15 years).

International

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	54	39	38.5%	30.9%
EBITDA	4	2	77.6%	53.2%
EBITDA Margin	6.9%	5.4%		
EBIT	1	0	224.6%	n.s.
EBIT Margin	1.0%	-1.1%		
EBITDA at Ferrovial % in equity accounted businesses	7	1	500.7%	386.0%
Backlog*	339	279	21.3%	19.5%
JVs Backlog*	31	56	-44.3%	-48.7%
Global Backlog+JVs*	370	335	10.3%	7.4%

*Backlogs compared with December 2014.

The international business includes the subsidiary's activities in countries other than Spain and the UK. In comparison with 2014, revenues from this activity rose 38.5%, or 31% excluding the FX impact.

The strong top-line growth in 1H15 resulted in a positive EBIT contribution from this segment vs. the negative contribution in the same period last year. The performance was positive across all countries: revenues in Poland reached EUR11mn (+185% vs. 2014); EUR30mn in Chile (+24%); and EUR13mn in Portugal (+4.8%). In Qatar, which is consolidated by the equity method, the result in June 2015 was EUR7mn vs. EUR1mn in 2014.

Backlog

The backlog reached a new high of EUR23,810mn, 6.4% higher than in December 2014 (or flat excluding the FX impact).

By business area, in **Spain** the backlog reached EUR6,404mn (-4.9% vs. December 2014). The notable additions during 1H15 were the renewals of the cleaning and maintenance contracts for the University of Seville (EUR35mn, 4 years) and the Madrid European University (EUR11mn, 3 years), as well as the construction and operation of a waste management plant in Oris (Catalonia) for EUR37mn over 16 years, and for cleaning SAS hospital complexes in Cadiz for EUR27mn over 3 years.

In the **UK**, the backlog reached EUR17,036mn (+11.4% vs. 2014, or +1.7% in comparable terms). The most significant contract awards in the period were a contract with the Ministry of Justice for prison maintenance for EUR292mn over 5 years, and one with the Ministry of Defence for the maintenance of military living quarters (EUR76mn, 3 years) and a contract for infrastructure maintenance, highway cleansing and lighting for the metropolitan borough of Trafford (EUR403mn, 15 years). Contracts awarded in consortium with other companies (and equity-accounted) included the award a new contract with the Ministry of Justice for prisoner rehabilitation support services (EUR362mn attributable to Ferrovial, 7 years).

At **International**, the backlog to June 2015 stood at EUR370mn (+10.3% vs. December 2014, or +7.4% in comparable terms).

CONSTRUCTION

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	2,105	1,804	16.7%	7.9%
EBITDA	197	153	28.8%	13.9%
EBITDA Margin	9.4%	8.5%		
EBIT	182	137	33.1%	16.9%
EBIT Margin	8.6%	7.6%		
Backlog*	7,690	8,091	-5.0%	-9.0%

*Backlogs compared with December 2014.

Revenues expanded in comparable terms (+7.9%), mainly due to the significant increase in international activities (+21.8%), reflecting the combination of the growth of Budinex (+11.9% in comparable terms) and the start of works in new geographies (Chile, Australia, Brazil and Oman) and the decline of Webber. International turnover represented 78% of the division's revenues, with a clear focus on Ferrovial's traditional strategic markets (North America 34%, Poland 26%, UK 8%). Meanwhile, the activity in Spain increased by 1.6% in the first half of the year.

EBITDA improved vs. 2014, principally as a reflection of the high margins on contract completions, as well as of the improvement at Budimex, where the margin improvement was far in excess of the revenue growth.

Budimex

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	546	481	13.4%	11.9%
EBITDA	30	20	51.0%	48.7%
EBITDA Margin	5.5%	4.1%		
EBIT	27	17	59.8%	57.3%
EBIT Margin	5.0%	3.5%		
Backlog*	1,668	1,426	17.0%	14.5%

*Backlogs compared with December 2014.

This division performed particularly well in 1H15, in a continuation of the trend initiated in mid-2014. In comparable terms, there was also notable revenue growth (+11.9%) as well as a significant improvement in profitability (+48.7%), principally due the ongoing squeeze on costs of materials and subcontractors.

The backlog reached EUR1,668mn, or 14.5% higher in comparable terms vs. December 2014. The first half of 2015 saw a continuation of the positive trend of 2014 (a record year for Budimex in terms of contract awards), with civil works contract wins for more than EUR450mn, as part of the New Highway Plan 2014-2020.

Webber

Revenues fell 20.4% in comparable terms, principally due to the completion of the NTE 1-2 project in 2014, as well as to adverse weather conditions in Dallas and to fewer new contract awards during the period.

Profitability improved compared to the previous year, with the EBITDA margin at 14.8% vs. 10.1% in 1H14, on the back of careful management of the big projects which are in their final phases, having satisfactorily mitigated the majority of their risks. Meanwhile, the absence of any big new contract awards, together with the high level of execution, resulted in the backlog contracting by 20.7% in local currency terms.

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	321	326	-1.6%	-20.4%
EBITDA	47	33	44.6%	15.7%
EBITDA Margin	14.8%	10.1%		
EBIT	44	29	50.0%	19.8%
EBIT Margin	13.6%	8.9%		
Backlog*	758	880	-13.9%	-20.7%

*Backlogs compared with December 2014.

Ferrovial Agroman

	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	1,239	996	24.3%	16.7%
EBITDA	120	101	19.3%	7.0%
EBITDA Margin	9.7%	10.1%		
EBIT	111	90	22.6%	9.0%
EBIT Margin	9.0%	9.1%		
Backlog*	5,264	5,785	-9.0%	-12.8%

*Backlogs compared with December 2014.

Ferrovial Agroman's revenues posted an increase of 16.7% in comparable terms, thanks to the contributions of new geographies, such as Australia, Brazil and the Middle East, as well as continuing growth in Ferrovial's traditional markets.

Backlog

	Jun-15	Dec-14	Var.
Civil work	6,019	6,345	-5.1%
Residential work	301	260	15.8%
Non-residential work	624	732	-14.8%
Industrial	746	755	-1.2%
Total*	**7,690**	**8,091**	**-5.0%**

*Backlogs compared with December 2014.

The backlog contracted by 5.0% (9.0% in comparable terms) with respect to December 2014, principally due to the high speed of execution and that c.EUR1,300mn of new contracts are still pending inclusion into the backlog as they were awarded after 30 June 2015 (including Toowoomba toll road in Australia, the Bucaramanga toll road in Colombia, or the contracts won by Budimex, mainly from the General Directorate of Highways in Poland).

Civil works represents around 78% of the total, and Ferrovial maintaining very selective bidding criteria. The international backlog reached EUR5,906mn, well above the domestic backlog (EUR1,783mn), and represented c.77% of the total.

In the first half of the year, Ferrovial won some significant contracts in its traditional markets, such as 407ETR East Extension Phase II (Canada), the S7 Ostroda and the S3 Sulechow-Legnica (Poland) and the Northern Beaches Hospital Connectivity (Australia).

AIRPORTS

HAH's contributed EUR9mn to Ferrovial's equity-accounted results vs. EUR20mn in the same period last year, principally as a consequence of higher depreciation (+38%), due to the impact of the opening of T2, the increase in depreciation at T1 due to its closure in June and the new integrated baggage handling system at T3.

Heathrow

HEATHROW SP TRAFFIC

During the first half of 2015, the number of passengers at Heathrow reached 35.5 million, an increase of 1.3% vs. 1H14, which implies a new record for this period. Traffic growth was principally due to an increase in the number of seats given the larger aircraft (with an average of 207.4 seats per aircraft vs. 203.5 in 2014).

Occupancy levels reached 73.8% vs. 74.5% in 2014, reflecting the impact of the capacity increase.

Domestic and European traffic posted growth of 1.8% and 2.4% respectively, principally as a reflection of an increase in the number of seats offered by BA on short-haul flights.

Long-haul traffic rose 0.4%, thanks to the use of larger aircraft, partly due to a higher number of A380s. Traffic growth to North America (+1.4%) was due to increased frequency on existing routes; growth to Latin America (+10.6%) was the fruit of Avianca's new route to Colombia and a good performance on the routes to Brazil, Mexico and the Middle East (+2.5%) after the increase in the number of flights and the use of larger aircraft.

In March, Vietnam Airlines transferred its London operations from Gatwick to Heathrow, following in the footsteps of other airlines such as Air China, which switched in 2014.

Traffic growth by destination

Million pax	Jun-15	Jun-14	Var.
UK	2.5	2.5	1.8%
Europe	14.7	14.4	2.4%
Long Haul	18.3	18.2	0.4%
Total	**35.5**	**35.1**	**1.3%**

HEATHROW SP REVENUES

Revenue growth of 5.9% as a consequence of a 6.5% increase in aeronautical revenues, driven by the tariff increase and traffic growth.

Average aeronautical revenues per passenger rose 5.2% to GBP23.00 (vs. GBP21.87 in 2014).

Aeronautical revenues should increase by 0.3% in FY15, due to the fact that 2H15 vs. the same period in 2014 will be affected by the delay in introducing the tariff hike in 2014 (which took place in July instead of April), which meant that the part corresponding to April, May and June was delayed into the second half of 2014.

Revenue breakdown

GBP million	Jun-15	Jun-14	Var.	Like-for-Like
Aeronautic	817	767	6.5%	6.5%
Retail	247	237	4.2%	4.2%
Others	243	230	5.7%	5.7%
TOTAL	**1,307**	**1,234**	**5.9%**	**5.9%**

Retail revenues rose 4.2%, principally due to a strong performance from parking (+8.3%), in turn due to the increased capacity (parking at T2 and 800 new business parking places in T5), as well as an increase in passenger numbers. Note also the growth in foreign exchange offices (+15%), catering services (+10.5%) and the specialised shops (+4.4%), principally given the opening of new space in T5 and T2 and the increase in passenger numbers. Within the specialised shops, there was double-digit growth in revenues at luxury stores, which benefited from the opening of new space at T5 at the end of 2014, including firms such as Louis Vuitton, Cartier, Rolex, Fortnum & Mason, Bottega Veneta or Hermes.

Net retail revenues per passenger reached GBP6.67, an increase of 3.9%.

The Other revenues line increased by 5.7%, principally as a reflection of the higher charges for suppliers and the increase in rental revenues after the opening of T2.

GBP million	Traffic (million passengers)			Revenues			EBITDA			EBITDA Margin		
	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var. (pbs)
Heathrow SP	**35.5**	**35.1**	**1.3%**	**1,307**	**1,234**	**5.9%**	**748**	**704**	**6.3%**	**57.3%**	**57.1%**	**18**
Exceptionals & adjs				1	-2	n.a.	1	-25	n.a.	n.a.	n.a.	n.a.
Total HAH	**35.5**	**35.1**	**1.3%**	**1,308**	**1,231**	**6.2%**	**749**	**680**	**10.2%**	**57.3%**	**55.2%**	**208**

HEATHROW SP EBITDA

Heathrow EBITDA grew 6.3% compared to a revenue growth of 5.9%. EBITDA margin stood at 57.3% (vs. 57.1% in 2014).

Operating costs, excluding extraordinary costs incurred in 2014 for the opening of T2, increased by 5.5%. In 2015, costs included c.EUR35mn of operating costs associated with the new T2, the additional costs of the opening of the integrated baggage facility at T3 in March 2015. This was offset by the savings related to the early closure of T1.

USER SATISFACTION

Heathrow was selected as the “Best Airport in Western Europe” for the first time in 2015, and “Best Airport for Shopping” for the sixth consecutive year by Skytrax World Airport Awards. In addition, T5 was selected for the fourth consecutive year as “Best Airport Terrminal”.

Heathrow was also selected as “Best Airport in Europe” for the second time by Airport Council International.

User satisfaction reached record levels in 2015, with 82% of passengers rating their experience as “very good” or “excellent” (79% in 2014).
In spite of being at maximum occupancy levels, the airport continues to deliver top quality services.

REGULATORY ASPECTS

***Regulatory Asset Base* (RAB)**: the RAB reached GBP14,870mn at end-June 2015 (vs. GBP14,860mn in December 2014).

New regulatory period: the new regulatory period (Q6) began on 1 April 2014 and runs to 31 December 2018. The CAA approved a maximum tariff increase per passenger of RPI -1.5%.

Airports Commission: on 1 July 2015, the Airports Commission clearly and unanimously recommended a new plan for the North-western runway at Heathrow, as an alternative to solve the capacity problems in the UK. It recognised the role that Heathrow plans as the only hub airport and the only solution that can help to the global growth of British companies.

At present, Heathrow has 82 long-haul connections and is one of only six airports in the world that has regular flights to more than 50 long-haul destinations. The expansion it could support 40 new long-haul connections to emerging markets. The government now has to review the report and take a final decision, which is expected towards the end of the year.

HAH NET DEBT

At 30 June 2015, the average cost of Heathrow’s external debt was 5.25%, including the cost of all the interest-rate, exchange-rate and inflation hedges in place (vs. 5.76% in December 2014).

GBP million	Jun-15	Dec-14	Var.
Loan Facility (ADI Finance 2)	498	497	0.1%
Subordinated	896	898	-0.2%
Securitized Group	11,325	11,598	-2.4%
Other & adjustments	-13	-16	100.7%
Total	**12,706**	**12,978**	**-2.1%**

The figure for net debt refers to FGP Topco, HAH’s parent company.

HAH Profit & Loss Account

GBP million	Jun-15	Jun-14	Var.	Like-for-Like
Revenues	1,308	1,231	6.2%	6.2%
EBITDA	749	680	10.2%	10.2%
EBITDA margin %	57.3%	55.2%		
Depreciation	362	263	37.9%	37.9%
EBIT	387	417	-7.2%	-7.2%
EBIT margin %	29.6%	33.9%		
Impairments & disposals	-1	0	n.s.	n.a.
Financial results	-346	-326	-6.2%	0.6%
EBT	40	91	-55.7%	-38.2%
Corporate income tax	-13	-24	43.6%	28.7%
Result from discontinued operations		-2	n.s.	n.s.
Net income	**27**	**66**	**-59.0%**	**-41.8%**
Contribution to Ferrovial equity accounted result (€)	**9**	**20**	**-53.8%**	**-41.8%**

DEPRECIATION

We highlight the 38% increase in depreciation in 1H15 as a consequence of the impact of the depreciation of T2 following its opening in 2014, the increase in the depreciation of T1 due to its expected closure this year and the new integrated baggage system at T3.

FINANCIAL RESULT

The financial result deteriorated due to the positive effect of the 2014 mark to market of the hedges (principally at the Index-Linked Swaps or ILS), which is not repeated this year. The financing result remained unchanged as it reflected two opposing effects which practically offset each other:

- Positive effect of lower financial expenses on bonds and swaps linked to inflation (-GBP18mn expenses in June 2015 vs. -GBP91mn in June 2014);
- Negative effect of lower capitalised interest: the 2014 figure includes T2 until its opening in June 2014, and the T3 integrated baggage system, while 2015 only includes one month of the T3 integrated baggage system.

Dividends

In the first six months of 2015, HAH distributed an ordinary dividend of GBP150mn (EUR52mn of which correspond to Ferrovial), vs. GBP135mn in the same period last year.

Regional Airports (AGS)

AGS TRAFFIC

GBP million	Traffic (million passengers)		
	Jun-15	Jun-14	Var.
Glasgow	4.0	3.5	13.8%
Aberdeen	1.7	1.8	-3.4%
Southampton	0.9	0.8	3.8%
Total non regulated	**6.5**	**6.1**	**7.4%**

During the first six months of 2015, the number of passengers at AGS airports reached 6.5 million, an increase of 7.4%.

Traffic at **Glasgow** reached 4.0 million (+13.8%), with growth in international traffic due to the introduction of Ryanair in October 2014, new routes and increased frequency on the part of Wizz Air, an improvement at EasyJet, and increased frequency on the part of Icelandair and Jet2. There was also an improvement in domestic traffic due to the arrival of Ryanair and increased capacity on BA's routes to London.

Traffic at **Aberdeen** reached 1.7 million (-3.4%) given that it is closely linked to the oil and gas industry in the North Sea. There is a drop in demand both in the international and the domestic markets, and in helicopter operations on the part of companies in the sector.

Traffic at **Southampton** reached 0.9 million (+3.8%) as a reflection of a good performance from routes to Jersey, Leeds, Manchester, Newcastle and Belfast. International traffic remained flat.

AGS EBITDA

In the first half of the year, the UK regional airports posted EBITDA growth of 11.6%, vs. revenue growth of 5.3%, due to cost controls at Aberdeen (of -3.0%) and Southampton (-0.7%).

AGS NET BANK DEBT

At 30 June 2015, the bank debt of the regional airports stood at GBP488mn.

AGS DIVIDENDS

During 1H15, the UK regional airports distributed dividends amounting to GBP25mn, of which EUR18mn attributable to Ferrovial.

AGS RESULTS

GBP million	Revenues			EBITDA			EBITDA Margin		
	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var.	Jun-15	Jun-14	Var. (pbs)
Glasgow	47.1	43.5	8.1%	17.2	13.9	23.7%	36.6%	32.0%	459.8
Aberdeen	31.7	31.2	1.6%	12.4	11.3	9.5%	39.1%	36.3%	283.9
Southampton	13.3	12.6	5.1%	3.5	2.8	25.2%	26.7%	22.4%	429.3
Corporate				-1.8		n.a.	n.a.	n.a.	n.a.
Total AGS	**92.0**	**87.4**	**5.3%**	**31.3**	**28.1**	**11.6%**	**34.0%**	**32.1%**	**189.5**

CONSOLIDATED PROFIT & LOSS ACCOUNT

	Before Fair value Adjustments	Fair value Adjustments	Jun-15	Before Fair value Adjustments	Fair value Adjustments	Jun-14
Revenues	4,736		**4,736**	4,159		**4,159**
Other income	4		4	3		3
Total income	4,740		4,740	4,163		4,163
COGS	4,203		4,203	3,728		3,728
EBITDA	538		**538**	435		**435**
EBITDA margin	11.4%		**11.4%**	10.5%		**10.5%**
Period depreciation	136		136	120		120
EBIT (ex disposals & impairments)	402		**402**	315		**315**
EBIT margin	8.5%		**8.5%**	7.6%		**7.6%**
Disposals & impairments	57	1	58	0		0
EBIT	459	1	**460**	315		**315**
EBIT margin	9.7%		**9.7%**	7.6%		**7.6%**
FINANCIAL RESULTS	-243	37	**-207**	-206	39	**-167**
Financial result from financings of infrastructures projects	-220		-220	-172		-172
Derivatives, other fair value adjustments & other financial result from infrastructure projects	-8	0	-7	-5	-2	-7
Financial result from ex infra projects	-17		-17	-17		-17
Derivatives, other fair value adjustments & other ex infra projects	1	36	37	-13	41	29
Equity-accounted affiliates	61	-6	**55**	49	0	**49**
EBT	277	31	**308**	158	40	**197**
Corporate income tax	-39	-10	-50	-40	-12	-52
Net Income from continued operations	238	21	**258**	118	28	**146**
Net income from discontinued operations						
CONSOLIDATED NET INCOME	238	21	**258**	118	28	**146**
Minorities	9	0	9	23		23
NET INCOME ATTRIBUTED	247	20	**267**	141	28	**168**

REVENUES

	Jun-15	Jun-14	Var.	Like-for-Like
Construction	2,105	1,804	16.7%	7.9%
Airports	3	3	-9.6%	-9.6%
Toll Roads	245	200	22.7%	20.2%
Services	2,380	2,125	12.0%	3.8%
Others	3	28	-89.6%	-89.8%
Total	**4,736**	**4,159**	**13.9%**	**5.7%**

EBITDA

	Jun-15	Jun-14	Var.	Like-for-Like
Construction	197	153	28.8%	13.9%
Airports	-8	-7	-17.0%	-17.0%
Toll Roads	166	123	34.9%	31.8%
Services	178	158	12.4%	-0.5%
Others	5	8	-33.1%	-33.8%
Total	**538**	**435**	**23.6%**	**12.4%**

DEPRECIATION

Depreciation increased by 10.3% in comparable terms vs. 2014, to EUR136mn.

EBIT (before impairments and disposals of fixed assets)

	Jun-15	Jun-14	Var.	Like-for-Like
Construction	182	137	33.1%	16.9%
Airports	-8	-7	-17.0%	-17.0%
Toll Roads	120	86	39.3%	33.4%
Services	106	94	12.5%	-5.4%
Others	3	5	-45.1%	-46.0%
Total	**402**	**315**	**27.7%**	**13.1%**

For the purposes of analysis, all references to EBIT are before impairments and disposals of fixed assets.

IMPAIRMENTS AND DISPOSALS OF FIXED ASSETS

Impairments and disposals of fixed assets amounted to EUR58mn in 1H15, including:

- Ferrovial's capital gain on the Indiana Toll Road sale, which amounted to +EUR45mn.
- The positive impact of the deconsolidation of the Ocaña-La Roda toll motorway of +EUR64mn due to the reversal of the motorway's accumulated losses.
- The provision made at Autema (-EUR52mn).

FINANCIAL RESULT

	Jun-15	Jun-14	Var.
Infrastructure projects	-220	-172	-27.7%
Ex infra projects	-17	-17	0.2%
Net financial result (financing)	**-236**	**-189**	**-25.3%**
Infrastructure projects	-7	-7	-3.4%
Ex infra projects	37	29	28.3%
Derivatives, other fair value adj & other financial result	**30**	**22**	**36.1%**
Financial Result	**-207**	**-167**	**-23.8%**

Financial expenses increased by EUR40mn in 1H15 vs. 2014, as a combination of the following impacts:

- Higher expenses for infrastructure project financing due to the entry of assets into operation (principally the NTE 1-2 which represented an increase in expenses of EUR26mn) and lower capitalised interest.
- Inflows from equity swaps amounting to EUR34mn (EUR10mn less than in 2014), fundamentally corresponding to the impact of the company's equity swaps, explained by the rise in the share price in the first six months of 2015 (the closing price on 30 June 2015 was EUR19.50/share vs. EUR16.43/share as at December 2014). The YoY comparison is affected by the lower average balance of equity swaps vs. the same period in 2014. At end-June 2015, the number of shares covered reached 7.6 million shares.
- In the financial result of derivatives and others ex-projects, there were also notably higher revenues for overdue interest (EUR14mn at end-June 2015 vs. EUR10mn in 2014).

EQUITY-ACCOUNTED RESULTS

	Jun-15	Jun-14	Var.
Construction	1	-2	162.3%
Services	17	12	41.6%
Toll Roads	35	18	89.3%
Airports	2	20	-90.4%
Total	**55**	**49**	**12.3%**

We highlight the solid operating performance of the main equity-accounted assets. The EBITDA growth in 1H15 of 407ETR was 15.3%, of HAH 10.2% and of the UK regional airports of 11.6%.

At the net profit level, the companies consolidated by the equity method contributed EUR55mn after tax (vs. EUR49mn in the same period in 2014), or growth of 12.3%. There was a notable (+42%) increase in the Services contribution, at EUR17mn.

TAXATION

The tax rate stood at 16.1% (or 19.6% excluding equity-accounted), affected by the inclusion of pre-tax profits on the deconsolidation of the Ocaña-La Roda toll motorway, which did not attract tax as they represented a reversal of provisions which had not been tax-deductible, and the equity-accounted results which were already included net of tax.

NET RESULT

The net result rose to EUR267mn (vs. EUR168mn in June 2014). The impact of the deconsolidation of the Ocaña-La Roda toll motorway, the provisions at Autema and the sale of the Indiana Toll Road, amounted to EUR54mn.

BALANCE SHEET AND OTHER MAGNITUDES

	Jun-15	Dec-14
FIXED AND OTHER NON-CURRENT ASSETS	**19,289**	**19,426**
Consolidation goodwill	**2,095**	**1,982**
Intangible assets	**239**	**223**
Investments in infrastructure projects	**9,448**	**9,290**
Property	**15**	**6**
Plant and Equipment	**472**	**451**
Equity-consolidated companies	**3,330**	**3,317**
Non-current financial assets	**2,180**	**2,324**
Receivables from Infrastructure assets	1,361	1,467
Long term investments with associated companies	446	375
Restricted Cash and other non-current assets	295	405
Other receivables	79	76
Deferred taxes	**1,169**	**1,438**
Derivative financial instruments at fair value	**341**	**395**
CURRENT ASSETS	**6,989**	**6,048**
Assets classified as held for sale	**532**	**2**
Inventories	**393**	**357**
Trade & other receivables	**2,552**	**2,244**
Trade receivable for sales and services	1,950	1,716
Other receivables	538	454
Taxes assets on current profits	63	74
Cash and other temporary financial investments	**3,501**	**3,439**
Infrastructure project companies	474	396
Restricted Cash	56	59
Other cash and equivalents	419	337
Other companies	3,027	3,043
Derivative financial instruments at fair value	**11**	**5**
TOTAL ASSETS	**26,277**	**25,474**
EQUITY	**6,475**	**6,021**
Capital & reserves attributable to the Company´s equity holders	6,058	5,672
Minority interest	418	349
DEFERRED INCOME	**1,028**	**987**
NON-CURRENT LIABILITIES	**12,611**	**13,030**
Pension provisions	**84**	**101**
Other non current provisions	**1,387**	**1,378**
Financial borrowings	**8,644**	**8,707**
Financial borrowings on infrastructure projects	7,139	7,331
Financial borrowings other companies	1,505	1,375
Other borrowings	**186**	**202**
Deferred taxes	**1,069**	**1,310**
Derivative financial instruments at fair value	**1,241**	**1,332**
CURRENT LIABILITIES	**6,163**	**5,435**
Liabilities classified as held for sale	**522**	**0**
Financial borrowings	**1,351**	**1,368**
Financial borrowings on infrastructure projects	1,270	1,276
Financial borrowings other companies	82	92
Derivative financial instruments at fair value	**135**	**100**
Trade and other payables	**3,517**	**3,493**
Trades and payables	2,968	2,979
Liabilities from corporate tax	86	56
Other non comercial liabilities	462	458
Trade provisions	**638**	**475**
TOTAL LIABILITIES & EQUITY	**26,277**	**25,474**

Net debt

The net cash position, excluding infrastructure projects, stood at EUR1,450mn at 30 June 2015 (vs. EUR1,632mn at end-December 2014). This position included neither discounts for factoring nor the German method, which in December totalled EUR118mn.

In 1H15, Ferrovial made investments excluding infrastructure projects for a net amount of EUR103mn (EUR61mn in the same period in 2014).

Meanwhile, the figure for dividends received from projects rose to EUR206mn in 1H15, with EUR120mn corresponding to Toll Motorways, EUR70mn to Airports and EUR16mn to Services.

Net debt attributable to projects reached EUR7,650mn (vs. EUR7,862mn in December 2014). This debt includes EUR1,483mn of net debt related to toll motorways under construction (LBJ and NTE 35W). It also includes the EUR634mn related to the R4 toll road, which is subject to insolvency proceedings.

The net debt evolution for projects in 1H15 reflected the combination of two opposing impacts:

- The negative impact due to the depreciation of the euro, which resulted in an increase of EUR375mn.
- The reduction in debt due to the deconsolidation of the debt associated with the Ocaña-La Roda concession (net debt in December 2014 stood at EUR560mn) and EUR297mn for the reclassification of the toll motorways in Ireland as "Assets held for sale".

The group's consolidated net debt stood at EUR6,199mn at end-June 2015.

	Jun-15	Dec-14
NCP ex-infrastructures projects	**1,450**	**1,632**
Toll roads	-7,217	-7,509
Others	-432	-353
NCP infrastructures projects	**-7,650**	**-7,862**
Total Net Cash Position	**-6,199**	**-6,230**

	Jun-15	Dec-14
Gross financial debt	**-9,995**	**-10,079**
Gross debt ex-infrastructure	-1,587	-1,471
Gross debt infrastructure	-8,408	-8,608
Gross Cash	**3,796**	**3,848**
Gross cash ex-infrastructure	3,027	3,103
Gross cash infrastructure	769	745
Total net financial position	**-6,199**	**-6,230**

Credit rating

In August 2011, the rating agencies Standard & Poor's and Fitch rated Ferrovial's debt for the first time; in both cases in the Investment Grade category.

Standard & Poor's upgraded Ferrovial's rating from BBB- to BBB in May 2013, with stable outlook. On 17 June 2015, Standard & Poors affirmed Ferrovial's rating at BBB with Stable outlook.

In July 2014, Fitch upgraded Ferrovial's rating from BBB- to BBB, with stable outlook. In July 2015, Fitch ratings affirmed Ferrovial's rating at BBB/Stable/F3.

Agency	Rating	Outlook
S&P	BBB	Stable
FITCH	BBB	Stable

Debt maturities ex-projects

Year	Debt maturities ex project
2015	37
2016	47
2017	10
2018	502
2019	141
2020	3
2021 - 2030	803
2031 - 2040	8
2041 - 2050	0

Dividends 2014-2015

The company held its AGM on 27 March 2015. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration system known as the Ferrovial Flexible Dividend, which the company introduced in 2014, and will replace the traditional complementary dividend payment for 2014 and the interim dividend for 2015.

The purpose of this programme is to offer all the company's shareholders the option, at their choice, of receiving free new shares in the company, thus with no alteration to its policy of paying its shareholders in cash, as the shareholders can alternatively opt to receive a cash payment by means of selling the free rights to the new shares that they receive pro rata to their existing holdings to the company (if not in the market).

The first of the scrip issues (equivalent to the complementary dividend for 2014) was in May 2015, with the following result:

- The price at which Ferrovial guaranteed to buy the rights was fixed at EUR0.304 gross per right.
- The number of rights required to receive one new share was 66.
- The holders of 47.82% of the rights opted to have new shares in Ferrovial, which involved the issue of 5,306,164 new shares (0.72% of the outstanding shares prior to the capital increase).
- The holders of 52.18% of the rights opted to receive cash. Ferrovial bought 382,182,272 rights (for a gross amount of EUR116,183,410.69).

Share buy-back and cancellation

The AGM held on 27 March 2015 approved a capital reduction by means of the buy-back and subsequent cancellation of treasury stock. The purpose of the programme was to support the company's shareholder remuneration policy by means of increasing earnings per share.

This buy-back programme will amount to a maximum of EUR250mn, or 18 million shares. The programme started on 26 May 2015 and will close on 18 November 2015, as approved by the Board.

At end-June 2015 the company had bought back shares for EUR35mn (1.7 million shares).

CONSOLIDATED CASH FLOW STATEMENT

jun-15	Ex-infrastructure projects Cash Flow	Infrastructure projects Cash Flow	Adjustments	Total Cash Flow
EBITDA	332	206		538
Dividends received	206		-13	193
Working capital	-408	-17		-424
Operating flow (before taxes)	**131**	**189**	**-13**	**307**
Tax payment	-4	-4		-8
Tax return from previous exercises				
Operating Cash Flow	**127**	**185**	**-13**	**299**
Investments	-153	-281	28	-406
Divestments	50			50
Investment cash flow	**-103**	**-281**	**28**	**-356**
Activity cash flow	**24**	**-96**	**15**	**-57**
Interest flow	-31	-139		-170
Capital flow from Minorities	0	63	-28	35
Scrip dividend	-116			-116
Treasury share repurchase	-35			-35
Other shareholder remmuneration	-14	-14	13	-14
Shareholder remuneration	-165	-14	13	-165
Forex impact	-12	-375		-387
Other equity movements	-3			-3
Variation of Bridge Loans (project financing)				
Other debt movements (non cash)	5	773		778
Financing cash Flow	**-206**	**308**	**-15**	**88**
Net debt variation	**-182**	**213**		**31**
Net debt initial position	**1.632**	**-7.862**		**-6.230**
Net debt final position	**1.450**	**-7.650**		**-6.199**

jun-14	Ex-infrastructure projects Cash Flow	Infrastructure projects Cash Flow	Adjustments	Total Cash Flow
EBITDA	251	184		435
Dividends received	165		-5	160
Working capital	-339	40	0	-298
Operating flow (before taxes)	**77**	**225**	**-5**	**296**
Tax payment	-5	-3		-7
Operating cash flow	**72**	**222**	**-5**	**289**
Investment	-82	-169	42	-208
Divestment	21			21
Investment cash flow	**-61**	**-169**	**42**	**-187**
Activity cash flow	**12**	**53**	**37**	**102**
Interest flow	-36	-123		-158
Capital flow from Minorities	0	56	-42	14
Shareholder remuneration	-65	-9	5	-69
Forex impact	12	-28		-17
Other equity movements	-3			-3
Variation of Bridge Loans (project financing)				
Other (non-cash)	4	-84	0	-80
Financing Cash Flow	**-88**	**-188**	**-37**	**-313**
Net debt variation	**-76**	**-135**	**0**	**-211**
Net debt initial position	**1.675**	**-7.027**		**-5.352**
Net debt final position	**1.599**	**-7.162**	**0**	**-5.563**

Cash flow ex- Infrastructure Projects

OPERATING FLOW

The evolution of the operating flow ex-infrastructure projects by segment in 1H15 vs. 1H14 is shown in the table below:

Operating cash flow	Jun-15	Jun-14
Construction	63	-41
Services	-64	11
Dividends from Toll roads	120	114
Dividends from Airports	70	41
Other	-58	-49
Operating flow (before taxes)	131	77
Tax payment	-4	-5
Total	**127**	**72**

The Other line includes the operating flows corresponding to the Corporation and the parent companies of the Airports, Motorway and Real Estate divisions.

In 2014, the operating flow included EUR75mn paid out by the Supplier Payment Plan (EUR49mn to the Construction division and EUR26mn to Services).

The Taxation line includes payments on account in 2015 and refunds from previous years.

The table below shows the operating flow at **Construction and Services** in more detail:

Construction	Jun-15	Jun-14
EBITDA	197	153
EBITDA from projects	6	6
EBITDA Ex projects	191	147
Settlement from completed works (provisions and others)	-32	-52
Adjusted EBITDA	160	95
Changes in factoring	-118	-41
Ex Budimex Working Capital	49	25
Budimex Working Capital	-28	-119
Operating Cash Flow before Taxes	**63**	**-41**

Services	Jun-15	Jun-14
EBITDA	178	158
EBITDA from projects	36	32
EBITDA Ex projects	142	126
Dividends received	16	10
Changes in factoring	0	0
Pensions payments UK	-10	-10
Ex UK Working Capital	-58	-24
UK Working Capital	-154	-90
Operating Cash Flow before Taxes	**-64**	**11**

EBITDA for the Construction and Services divisions in the calculation is lower than that considered in the Profit & Loss account, as the EBITDA attributable to projects financed with the typical infrastructure financing methods is excluded (but is thus included within the cash flows for the infrastructure projects).

The breakdown for **Services** is shown in the table below:

	Spain	UK	Rest of Services	Services
EBITDA Ex-infrastructure	64	73	5	142
Dividends	10	6	0	16
Pension scheme payments	0	-10	0	-10
Working capital	-43	-154	-14	-212
Op. cash flow ex-Taxes	**31**	**-86**	**-9**	**-64**

At the **Toll Motorways** division, the operating flow in 2015 included EUR120mn due to dividends and capital repayments to the companies that own the motorway infrastructure projects; the details of this are shown in the table below:

Dividends and Capital reimbursements	Jun-15	Jun-14
ETR 407	117	110
Irish toll roads	4	3
Portuguese toll roads	0	0
Greek toll roads	0	0
Spanish toll roads	0	1
Other	0	0
Total	**120**	**114**

Airports dividends correspond to dividends received from HAH and UK regional airports (EUR52.3mn and EUR17.6mn respectively).

INVESTMENT FLOW

The following table shows the detail by business segment of the investment flow, excluding infrastructure projects, including both the outflows for investments made and the inflows from disposals:

Jun-15	Investment	Divestment	Investment Cash Flow
Construction	-19	5	-14
Services	-104	0	-104
Toll roads	-30	45	15
Airports	0	0	0
Others	0	0	0
Total	**-153**	**50**	**-103**

Jun-14	Investment	Divestment	Investment Cash Flow
Construction	-10	2	-8
Services	-26	15	-11
Toll roads	-45	0	-45
Airports	0	-2	-2
Others	-1	6	5
Total	**-82**	**21**	**-61**

We highlight the cash outflow at the **Services** division for the EUR65mn investment in financial assets, principally for the capital contribution in Birmingham for EUR30mn on the expiry of the equity bridge loan, as well as the purchase of a waste disposal site in Poland by the International segment (-EUR9.1mn), and the EUR39mn increase in investment in material fixed assets.

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

Equity investment in toll roads	Jun-15	Jun-14
LBJ	-8	-10
NTE	0	-16
NTE 35W	-16	-8
SH-130	0	-2
Spanish toll roads	-2	-5
Portuguese toll roads	-3	-4
Greek toll roads	0	0
Others	0	0
Total	**-30**	**-45**

In terms of disposals in 2015, the highlight was Cintra with the sale of the ITR. In March, the creditors of the **Indiana Toll Road concession, sold the asset** to the Australian fund IFM Investors (for USD5,725mn). The deal was completed in 2Q15 and Ferrovial received USD50mn under the agreement with the creditors.

FINANCING FLOW

The financing flow includes:

- **Shareholder remuneration flow** (-EUR165mn), which includes the cash payment of the scrip dividend in May (-EUR116mn), the buy-back of own shares (-EUR35mn), and the payment of dividends to Budimex minorities (-EUR15mn), as well as the receipt of dividends from the equity swaps (+EUR2mn).
- **Net interest payments** (-EUR31mn).
- **FX impact** (-EUR12mn), derived from the operating cash of the businesses outside the Eurozone and in foreign currency positions as hedges against future investments, netted against the settlement of currency hedges.
- **Other non-cash debt movements** (EUR5mn), which include the accounting variations in debt which have no impact on cash flow, principally interest accrued but not paid.

Cash Flow on Infrastructure Projects

OPERATING FLOW

In terms of the operating flow at the companies that head up the infrastructure concessions, these basically include the entry of funds into those companies that are in operation, but they also include the VAT payments and refunds corresponding to the projects still under construction.

The table below shows a breakdown of the operating flow of the infrastructure projects.

	Jun-15	Jun-14
Toll roads	145	159
Other	41	63
Operating flow	**185**	**222**

INVESTMENT FLOW

The following table shows the breakdown of the investment flow of the infrastructure projects, fundamentally outflows corresponding to capex over the course of the year.

Investment cash flow	jun-15	jun-14
LBJ	-158	-169
North Tarrant Express	-15	-162
North Tarrant Express 35W	-89	-33
SH-130	-1	-1
Portuguese toll roads	-1	-1
Spanish toll roads	-1	-1
Chicago	-1	0
Other	-21	0
Total toll roads	**-287**	**-369**
Other	-94	-41
Projects total	**-381**	**-410**
Equity Subsidy	100	241
Total investment cash flow (projects)	**-281**	**-169**

In terms of the investment flow, we highlight the investment in concession assets under construction at the Toll Motorways division in 2015, in particular in the motorways in the US (the LBJ and the North Tarrant Express 35W).

FINANCING FLOW

The financing flow includes the payments of dividends and capital repayments made by the concessions to their shareholders, as well as the funds received from capital increases. In the case of the concessions that the group consolidates by the global integration method, these amounts correspond to 100% of the amounts paid out and received, irrespective of the percentage that the group owns. No dividends or capital repayments are included for the companies that are equity-accounted.

The interest flow reflects the interest paid by the concession companies, as well as other commissions and costs closely related to obtaining financing. The flow for these items corresponds to the interest expense for the period, as well as any other item that implies a direct variation in the net debt for the period.

Interest Cash Flow	Jun-15	Jun-14
Spanish toll roads	-32	-32
US toll roads	-72	-56
Portuguese toll roads	-13	-13
Other toll roads	-7	-8
Total toll roads	**-125**	**-109**
Other	-14	-14
Total	**-139**	**-123**

In addition, the financing flow includes the impact of exchange-rate movements on the foreign currency-denominated debt, which in 2015 was a negative EUR375mn, fundamentally due to the appreciation of the US dollar vs. the euro, which had a significant impact on the net debt of the US toll motorways.

In addition, the line Entry/exit from consolidation perimeter, includes companies that have been deconsolidated, such as the toll motorway Ocaña-La Roda, or which have been reclassified as "assets held for sale", as in the case of the M4 and M3.

Finally, the line "Other non-cash variations in debt" includes items which imply a variation in accounting debt, but no actual cash flow. This principally affects Cintra, for the accrual of interest that do not imply payment (principally in Spain for the R4, which is subject to insolvency proceedings and thus although interest is accrued, it does not involve a cash outflow; and in the US for the SH-130, where a waiver has been signed with the creditors to delay interest payments until January 2016).

II. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FACING THE GROUP IN THE SECOND HALF OF 2015

Ferrovial carries on its business activities in various countries with differing socio-economic environments and regulatory frameworks. In this context, Ferrovial is exposed to both risks relating to the performance of the world economy and a variety of risks inherent to the businesses and industries in which it operates.

These risks, together with the management systems used to monitor them, are described in detail in both the 2014 directors' report and the corporate governance report. A more in-depth analysis of the policies for managing financial risks is provided in Note 3 to the consolidated financial statements for 2014.

1. MAIN RISKS AND UNCERTAINTIES FACING THE GROUP'S AREAS OF BUSINESS ACTIVITIES IN THE SECOND HALF OF 2015

Following is a description of the main risks and uncertainties facing the Group's areas of business in the second half of 2015:

SERVICES

In Spain, the main macroeconomic indicators reflect the consolidation of economic growth. Government control over public spending continues, which is reflected in highly competitive public calls for tender, a situation that will foreseeably persist at medium term. Also, collections of invoices issued to public sector customers continued to evolve positively, in line with the Government's stated intention of controlling compliance by public agencies of the legally established payment obligations. Based on the above, as regards the services business in Spain, the principal uncertainties for the second half of the year centre on the consolidation of economic growth and, where applicable, to the evolution of the budget control of the public administration and to what extent changes may occur in the framework of provision of services or in the positive trend of collections from certain customers.

Fiscal consolidation is continuing in the UK, leading to government spending cuts. These spending cuts may led to downward pressure on margins on the contracts held and greater competition regarding the prices tendered in new bidding processes as a result of the tightening of budgets. Pressure has also been brought to bear by the regulators over companies' margins in the utilities area. However, new opportunities are expected to arise from government commitments to increase social welfare spending. As a result, in general, the main uncertainties in the UK focus on the repercussions that public cost reduction targets might have on the profitability of contracts and on the degree to which expectations concerning new growth opportunities arising from the increase in the outsourcing of services and, as indicated above, an increase in public social welfare spending actually materialise. In addition, the activity of the services business in the UK in the second half of the year will be affected by the evolution of the dispute that the Group currently has with a public sector customer, which is discussed in greater detail in Note 9.1 to the interim condensed consolidated financial statements.

CINTRA

Traffic on Cintra's toll roads in Europe performed positively in the first half of 2015, maintaining the trend initiated in 2014. On the basis of current macroeconomic indicators, traffic is expected to continue to increase in the second half of the year. Worthy of mention was the positive performance of traffic on the Spanish Ausol toll road and on the Portuguese Algarve toll road, both currently with growth exceeding 10%. The main uncertainties in the second half of 2015 relate to the refinancing of Ausol's debt, which is expected to be completed towards the end of the year, and the progress of the insolvency proceedings of the R4 toll road that have been in progress since 2012. Also, the insolvency proceedings of the Madrid Levante toll road are at an advanced stage and the company is currently being liquidated.

Toll road traffic and revenue in the US evolved positively in the first half of the year. The trend is expected to continue in the second half of the year based on the evolution of current macroeconomic indicators. In the first half of the year the financing of the I77 toll road in North Carolina was closed and the sale of the Indiana Toll Road was completed. As regards Managed Lanes, the North Tarrant Express toll road came into service in October 2014 and its performance in terms of traffic and revenue in its first few months of activity was very positive. The Lyndon B. Johnson toll road is expected to be fully up and running at the end of summer 2015 (only segment 1 and stretch of segment 3 are currently open). The principal uncertainty lies in the outcome of the debt restructuring process of the SH 130 toll road and the possible sale or refinancing of the Chicago Skyway toll road. In Canada, as in previous periods, the revenue of the 407ETR toll road grew by a rate exceeding the increase in traffic. In the first half of the year the financing of the 407 East Phase II toll road was closed. This and the 407 East Phase I toll road were the two arrangements granted in prior years to consortia in which Cintra has interests. Both projects are currently at the construction phase. The 407 East Phase I arrangement is expected to come into operation in December 2015.

AIRPORTS

In the first half of 2015 passengers increased by 1.3% at Heathrow to 35.5 million passengers (June 2014: 35.1 million). This figure reflects the sound performance of the airport, exceeding all forecasts. Also, EBITDA estimates for 2015 stand at around GBP 1,600 million, representing a year-on-year increase of 3.5%. This is due primarily to the increase in passenger numbers and commercial revenue and the implementation of the operating cost efficiency plan. As regards the investment programme, estimates point to a volume of investments of around GBP 700 million for 2015, a volume notably lower than that of previous years.

Also, on 1 July -after close to three years of deliberations-the UK's Airports Commission recommended the construction of a third runway at Heathrow as the best option for increasing the UK's airport capacity. The British Government has undertaken to reach a decision on the Airports Commission's recommendation before the end of 2015.

Lastly, in relation to the unregulated airports, on 16 October 2014 Heathrow announced the sale of all of the shares of Glasgow, Aberdeen and Southampton ("AGS") airports to the consortium made up of Ferrovial and Macquarie. Up to 30 June 2015, AGS posted growth in passenger numbers of 7.4%, driven by the excellent performance of Glasgow, with an increase of 13.8% to 4 million passengers, offset by the 3.4% fall at Aberdeen, due to low oil prices. In addition, on 30 June 2015 AGS made its first distribution to its shareholders amounting to GBP 25 million (GBP 12.5 million to each shareholder).

Based on the foregoing, the main uncertainties that will affect the airport business in the second half of 2015 is the performance of traffic, which will depend to a large extent on the evolution of the world and UK economies. Likewise, it will be very relevant in the second half of the year the final position adopted by the British Government in relation to the third runway at Heathrow.

CONSTRUCTION

As regards the construction business, moderate growth is expected for 2015 thanks to the international area, which will offset the still weak recovery of activity in Spain.

After years of decline of the construction industry in Spain, the commencement of economic recovery in 2014 and its consolidation in 2015 make it possible to envisage a scenario of a certain degree of growth in the future, underpinned by a slight increase in public tenders in 2015, although at lower levels compared with historical figures. In the second half of 2015 the situation of the market in Spain will continue to be unstable and, therefore, our approach to contracting will remain selective, giving priority to profitability over volume.

In the international area prospects are positive in our strategic markets. In North America, despite the completion in 2014-15 of large construction projects carried out in recent years, the execution of our backlog and the initiation of new projects tendered out in 2014 for which we were the successful bidders will make it possible to increase activity in 2015. Activity in the UK is expected to increase, buoyed by the recent success in winning contracts for projects in the new infrastructure plan. In Australia, the effective performance of our first major contract, Warrell Creek, and projects of a significant size in which we were classified as preferred bidder in 2015, such as the Toowoomba contract, will facilitate a healthy level of production. In these and other markets in which we have a stable presence and growing backlog such as Latin America (Chile, Colombia, Brazil, Peru and Mexico) and the Middle East, we have a substantial complex infrastructure project pipeline to bid for in 2015, adjusted to our capacities and in which, in many cases, we can benefit from the competitive advantage of our cooperation with the divisions of the Ferrovial Group, principally with Cintra, as is the case of the Bucaramanga-Bermeja project awarded recently in Colombia, and Ferrovial Aeropuertos.

Lastly, in Poland economic growth is expected to outperform that of the eurozone which will have a beneficial effect on the construction industry, aided, since 2014, by the positive performance of tendering for civil engineering work boosted by the new EU funds for the 2014-20 period, which will foreseeably enable us, together with the favourable volume of contracts won in 2014, to increase the level of activity registered in 2014.

To conclude, the main uncertainty in this area of activity in the second half of 2015 centres on the performance of the business in Spain, and to what extent international activity will grow depending on the degree of success of the tender projects currently in progress and the rate of initiation of the projects recently awarded.

2. FINANCIAL AND CAPITAL-RELATED RISKS

The main financial and capital-related risks to which Ferrovial is exposed are described in detail in the consolidated financial statements for 2014.

The main financial and capital risks are as follows:

- Interest rate risk
- Foreign currency risk
- Credit and counterparty risk
- Liquidity risk
- Equity price risk
- Inflation risk
- Capital management risk

In the first half of 2015 Ferrovial's exposure to the above-mentioned risks did not differ significantly from that disclosed in the consolidated financial statements for 2014.

It should be noted that the Company faces the second half of the year with a robust liquidity position, as detailed in the table below (data at 30 June 2015):

Millions of euros	Total cash (*)	Available liquidity facilities	Total liquidity	Maturing within 12 months
Non-infrastructure projects	3,027	1,346	4,373	62
Infrastructure projects	769	573	1,343	547
Total Ferrovial	**3,796**	**1,919**	**5,715**	**609**

(*) "Cash" includes the balances of certain infrastructure projects whose cash is restricted, at both short and long term, in order to enable them to meet certain obligations relating to the payment of principal or interest on borrowings and to the maintenance and operation of the infrastructure.

The maturities shown in the foregoing table do not include the balance corresponding to R4 (amounting to EUR 642 million at 30 June 2015) since, as indicated previously, it is involved in insolvency proceedings and its borrowings matured in 2012.

Also, the foregoing table does not include the amounts relating to the Madrid Levante toll road since it is being liquidated.