Interim Condensed Consolidated Financial Statements 30 June 2015

Ferrovial, S.A. and Subsidiaries

ferrovial

Board of Directors
30 July 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 AND 31 DECEMBER 2014 3
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014 4
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014 5
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014 6
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014 7
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015
1 COMPANY ACTIVITIES AND CHANGES IN THE SCOPE OF CONSOLIDATION 8
2 SUMMARY OF THE MAIN ACCOUNTING POLICIES 8
3 SEGMENT REPORTING 10
4 MAIN CHANGES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 12
5 EQUITY 18
6 NET CASH POSITION 20
7 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE AND OTHER FINANCIAL ASSETS AND LIABILITIES 21
8 DISCLOSURES RELATING TO PROFIT OR LOSS 22
9 CONTINGENT ASSETS AND LIABILITIES AND INVESTMENT COMMITMENTS 23
10 AVERAGE HEADCOUNT 25
11 COMMENTS ON SEASONALITY 26
12 CASH FLOW 26
13 RELATED PARTY TRANSACTIONS 28
14 REMUNERATION OF THE BOARD OF DIRECTORS 30
15 EVENTS AFTER THE REPORTING PERIOD 30
16 EXPLANATION ADDED FOR TRANSLATION TO ENGLISH 30

A. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 AND 31 DECEMBER 2014

Assets (Millions of euros)	Notes	30/06/15	31/12/14
Non-current assets		**19,289**	**19,426**
Goodwill arising on consolidation	4	2,095	1,982
Intangible assets		239	223
Investments in infrastructure projects	4	9,448	9,290
Investment property		15	6
Property, plant and equipment		472	451
Investments in associates	4	3,330	3,317
Non-current financial assets	7	2,180	2,324
Accounts receivable relating to infrastructure projects		1,361	1,467
Non-current investments in associates		446	375
Restricted cash relating to infrastructure projects and other financial assets		295	405
Other receivables		79	76
Deferred tax assets	4	1,169	1,438
Non-current derivative financial instruments at fair value	7	341	395
Current assets		**6,989**	**6,048**
Assets classified as held for sale	4	532	2
Inventories		393	357
Trade and other receivables		2,552	2,244
Trade receivables for sales and services	4	1,950	1,716
Other receivables		538	454
Current tax assets		63	74
Cash and cash equivalents	6	3,501	3,439
Infrastructure project companies		474	396
Restricted cash		56	59
Other cash and cash equivalents		419	337
Excluding infrastructure project companies		3,027	3,043
Current derivative financial instruments at fair value	7	11	5
Total assets		**26,277**	**25,474**

Equity and liabilities (Millions of euros)	Notes	30/06/15	31/12/14
Equity	5	**6,475**	**6,021**
Equity attributable to the equity holders		**6,058**	**5,672**
Equity attributable to non-controlling interests		418	349
Deferred income	4	**1,028**	**987**
Non-current liabilities		**12,611**	**13,030**
Pension plan deficit	4	84	101
Long-term provisions		1,387	1,378
Borrowings	6	8,644	8,707
Debt securities and bank borrowings of infrastructure projects		7,139	7,331
Debt securities and borrowings xcluding infrastructure project companies project companies		1,505	1,375
Other payables		186	202
Deferred tax assets	4	1,069	1,310
Derivative financial instruments at fair value	7	1,241	1,332
Current liabilities		**6,163**	**5,435**
Liabilities classified as held for sale	4	522	0
Borrowings	6	1,351	1,368
Debt securities and bank borrowings of infrastructure projects		1,270	1,276
Bank borrowings excluding infrastructure project companies		82	92
Derivative financial instruments at fair value	7	135	100
Trade and other payables		3,517	3,493
Trade payables		2,968	2,979
Current tax liabilities		86	56
Other non-trade payables		462	458
Operating provisions and allowances		638	475
Total equity and liabilities		**26,277**	**25,474**

The intangible assets, property, plant and equipment and investment property used in infrastructure projects are included under "Investments in Infrastructure Projects". The accompanying Notes 1 to 16 are an integral part of the interim condensed consolidated financial statements as at 30 June 2015.

B. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014.

		30/06/15			30/06/14		
Millions of euros	Notes	Before fair value adjustments	(*) Fair value adjustments	Total 2015	Before fair value adjustments	(*) Fair value adjustments	Total 2014
Revenue	**3**	4,736	0	4,736	4,159	0	4,159
Other operating income		4	0	4	3	0	3
Total operating income		**4,740**	**0**	**4,740**	**4,163**	**0**	**4,163**
Materials consumed		525	0	525	545	0	545
Staff costs	10	1,385	0	1,385	1,268	0	1,268
Other operating expenses		2,292	0	2,292	1,915	0	1,915
Total operating expenses		**4,203**	**0**	**4,203**	**3,728**	**0**	**3,728**
Gross profit from operations		**538**	**0**	**538**	**435**	**0**	**435**
Depreciation and amortisation charge		136	0	136	120	0	120
Profit from operations before impairment and non-current asset disposals		**402**	**0**	**402**	**315**	**0**	**315**
Impairment and non-current asset disposals	8	57	1	58	0	0	0
Profit from operations		**459**	**1**	**460**	**315**	**0**	**315**
Financial result on financing		-220	0	-220	-172	0	-172
Result on derivatives and other financial results		-8	1	-7	-5	-2	-7
Financial result of infrastructure project companies		**-227**	**1**	**-227**	**-177**	**-2**	**-179**
Financial result on financing		-17	0	-17	-17	0	-17
Result on derivatives and other financial results		1	36	37	-13	41	29
Financial result excluding infrastructure projects		**-16**	**36**	**20**	**-29**	**41**	**12**
Financial result	**8**	**-243**	**37**	**-207**	**-206**	**39**	**-167**
Share of profits of companies accounted for using the equity method	4	61	-6	55	49	0	49
Consolidated profit before tax		**277**	**31**	**308**	**158**	**40**	**197**
Income tax	8	-39	-10	-50	-40	-12	-52
Consolidated profit from continuing operations		**238**	**21**	**258**	**118**	**28**	**146**
Net profit from discontinued operations		0	0	0	0	0	0
Consolidated profit for the period		**238**	**21**	**258**	**118**	**28**	**146**
Loss for the period attributable to non-controlling interests		9	0	9	23	0	23
Profit for the period attributable to the Parent		**247**	**20**	**267**	**141**	**28**	**168**
Net earnings per share attributable to the Parent (Basic / Diluted)				0.36/0.36			0.23/0.23

(*) Relating to gains and losses arising from changes in the fair value of derivatives, other financial assets and liabilities and asset and liability impairment (see Note 8).

The accompanying Notes 1 to 16 are an integral part of the interim condensed consolidated financial statements as at 30 June 2015.

C. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014

Millions of euros	June 2015	June 2014
a) Consolidated profit for the period	**258**	**146**
Attributable to the Parent	267	168
Attributable to non-controlling interests	-9	-23
b) Income and expense recognised directly in equity	**273**	**-37**
Fully consolidated companies	**134**	**-78**
Impact on reserves of hedging instruments	-8	-168
Impact on reserves of defined benefit plans (*)	16	-18
Translation differences	126	61
Tax effect	-1	47
Companies accounted for using the equity method/Classified as held for sale	**139**	**41**
Impact on reserves of hedging instruments	28	1
Impact on reserves of defined benefit plans (*)	-6	-19
Translation differences	121	55
Tax effect	-4	4
c) Transfers to profit or loss	**0**	**0**
Fully consolidated companies	0	0
Companies accounted for using the equity method/Classified as held for sale	0	0
a+b+c) Total comprehensive income	**531**	**108**
Attributable to the Parent	528	149
Attributable to non-controlling interests	3	-40

The impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot be reclassified subsequently to profit or loss (see Note 14).

(*) The impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot subsequently be transferred to profit or loss (see Note 5).

The accompanying Notes 1 to 16 are an integral part of the interim condensed consolidated financial statements as at 30 June 2015.

D. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014

Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Balance at 31/12/14	**146**	**1,202**	**1,218**	**-4**	**-983**	**4,092**	**5,672**	**349**	**6,021**
Consolidated profit for the period						267	**267**	-9	**258**
Income and expense recognised directly in equity					261		261	11	**273**
Total recognised income and expense	**0**	**0**	**0**	**0**	**261**	**267**	**528**	**3**	**531**
Scrip dividend	1					-117	-116		**-116**
Other dividends							0	-16	**-16**
Treasury share transactions			-30	-35		30	-35		**-35**
Remuneration of equity holders	1	0	-30	-35	0	-87	-151	-16	-167
Capital increases/reductions						0	0	29	**29**
Share-based payments				4		-48	-44	-1	**-45**
Other changes						52	52	54	**105**
Other transactions	**0**	**0**	**0**	**4**	**0**	**4**	**8**	**82**	**90**
Balance at 30/06/15	**148**	**1,202**	**1,188**	**-34**	**-721**	**4,276**	**6,058**	**418**	**6,475**

Millions of euros	Share capital	Share premium	Merger premium	Treasury shares	Valuation adjustments	Retained earnings and other reserves	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Balance at 31/12/13	**147**	**1,202**	**1,454**	**0**	**-1,052**	**3,968**	**5,719**	**355**	**6,074**
Consolidated profit for the period						168	**168**	-23	**146**
Income and expense recognised in equity					-20		-20	-17	**-37**
Total recognised income and expense	**0**	**0**	**0**	**0**	**-20**	**168**	**149**	**-40**	**108**
Scrip dividend						-213	**-213**		**-213**
Other dividends							0	-33	**-33**
Capital increases/reductions						0	0	31	**31**
Share-based payments						-22	-22	0	**-22**
Transactions with equity holders	**0**	**0**	**0**	**0**	**0**	**-235**	**-235**	**-2**	**-237**
Other changes						-1	**-1**	-3	**-4**
Balance at 30/06/14	**147**	**1,202**	**1,454**	**0**	**-1,071**	**3,900**	**5,631**	**309**	**5,940**

The accompanying Notes 1 to 16 are an integral part of the interim condensed consolidated financial statements as at 30 June 2015.

E. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND 2014

Millions of euros	Notes	June 2015	June 2014
Net profit attributable to the Parent		267	168
Adjustments for:		271	267
Non-controlling interests		-9	-23
Tax		50	52
Result of companies accounted for using the equity method		-55	-49
Financial result		207	167
Impairment and gains or losses on disposals of non-current assets		-58	0
Depreciation and amortisation charge		136	120
Income taxes paid		-8	-7
Changes in receivables, payables and other		-424	-298
Dividends from infrastructure project companies received		193	159
Cash flows from operating activities	**12**	**299**	**289**
Investments in property, plant and equipment and intangible assets		-56	-40
Investments in infrastructure projects		-281	-169
Acquisitions of companies/companies accounted for using the equity method		-69	0
Long-term restricted cash		51	-26
Divestment of infrastructure projects		0	0
Divestment/Sale of companies		50	8
Cash flows from investing activities	**12**	**-305**	**-227**
Cash flows before financing activities		**-6**	**62**
Capital proceeds from non-controlling interests		35	27
Scrip dividend		-116	0
Acquisition of treasury shares		-35	0
Other remuneration of equity holders		-14	-69
Remuneration of equity holders		-165	-69
Other changes in shareholders' equity		-3	6
Cash flows from equity holders and non-controlling interests		**-133**	**-35**
Interest paid		-177	-170
Interest received		7	11
Increase in borrowings		507	287
Decrease in borrowings		-113	-73
Change in borrowings held for sale		0	0
Cash flows from financing activities	**12**	**91**	**21**
Change in cash and cash equivalents	**6**	**85**	**83**
Cash and cash equivalents at beginning of period		3,439	3,070
Cash and cash equivalents at end of period		3,501	3,162
Effect of foreign exchange rate changes on cash and cash equivalents		-7	-9
Change in cash and cash equivalents classified as held for sale		30	0

The accompanying Notes 1 to 16 are an integral part of the interim condensed consolidated financial statements as at 30 June 2015.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

F. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2015

1 Company activities and changes in the scope of consolidation.

The consolidated Ferrovial Group ("the Group" or "Ferrovial") comprises the Parent Ferrovial, S.A. and its subsidiaries. Its registered office is in Madrid, at calle Príncipe de Vergara 135.

Through these companies, Ferrovial engages in the following lines of business, which are its primary reporting segments pursuant to IFRS 8.

a. **Construction:** design and performance of all types of public and private works, including most notably the construction of public infrastructure.
b. **Services:** maintenance and upkeep of infrastructure, buildings and facilities; waste collection and treatment and rendering of other kinds of public services.
c. **Toll roads:** development, financing, performance and operation of toll road projects.
d. **Airports:** development, financing and operation of airports.

For a more detailed description of the various areas of activity in which the consolidated Group conducts its business operations, please consult the Group's website:

For the purpose of understanding these interim condensed consolidated financial statements, it should be noted that a significant part of the activity carried on by the Group consists of the performance of infrastructure projects, mainly in the toll road and airport areas, but also in the construction and services fields.

These projects are conducted through long-term arrangements under which the concession operator, in which the Group generally has an ownership interest together with other shareholders, finances the construction or upgrade of public infrastructure, mainly with borrowings secured by the cash flows from the project and with the shareholders' capital contributions, and subsequently maintains the infrastructure. The investment is recovered by means of the collection of tolls or regulated charges for the use of the infrastructure or through amounts paid by the grantor public authority based on the availability for use of the related asset. In most cases the construction and subsequent maintenance of the infrastructure is subcontracted by the concession operators to the Group's Construction and Services Divisions.

From the accounting standpoint, most of these arrangements fall within the scope of application of IFRIC 12, Service Concession Arrangements.

Accordingly, and in order to aid understanding of the Group's financial performance, these financial statements present separately the impact of projects of this nature on both non-financial non-current assets ("Investments in Infrastructure Projects" includes the property, plant and equipment, intangible assets and investment property assigned to these projects) and non-current financial assets, borrowings and cash flows.

It is also important to highlight that two of the Group's main assets are its investments of 25% in Heathrow Airports Holdings (HAH), the company that owns Heathrow Airport in London, and of **43.23% in ETR 407**, the concession operator of the ETR 407 toll road in Toronto (Canada), which have been accounted for using the equity method since 2011 and 2010, respectively. Detailed information on the two companies is in included in Note 4, "Investments in Associates", and this information is completed in other Notes to the interim condensed consolidated financial statements with data considered to be of interest.

Changes in the scope of consolidation.

The most significant changes in relation to the companies included in the scope of consolidation of the Ferrovial Group in the first half of 2015 arose in the Toll Roads Division:

- On 28 February 2015, the financial statements of the Ocaña-La Roda toll road were excluded from consolidation as a result of the court order initiating the liquidation phase of the arrangement with creditors, which took place in March 2015. As a result of this order, the insolvency administrators appointed by the court assumed the management of the company, meaning that effective control of the investee was lost. The exclusion of this investee reduced the net borrowings in the Group's consolidated financial statements by EUR 556 million and gave rise to income (with no impact on cash) of EUR 63.7 million as a result of the reversal of the losses recognised in prior years over and above the capital contributed to the project, pursuant to the accounting rules applicable to fully consolidated companies.

- On 27 May 2015, the sale of ITR Concession Company LLC, the Indiana Toll Road concession operator, was completed. As indicated in Note 9 to the consolidated financial statements as at 31 December 2014, this company had been involved in insolvency proceedings since September 2014, when it availed itself of Chapter 11 insolvency in order to reach a debt restructuring agreement. At that date a process to sell the company, in which the Group had an ownership interest of 50%, was initiated. An impairment loss had been recognised for the full amount of this investment. Ferrovial received proceeds from the sale of EUR 46 million (USD 50 million) and recognised a gain of EUR 30 million after tax.

2. Summary of the main accounting policies.

2.1 Basis of presentation.

The accompanying interim condensed consolidated financial statements of Ferrovial, S.A. for the six-month period ended 30 June 2015 were prepared in accordance with IAS 34, Interim Financial Reporting.

As established in IAS 34, the interim financial report is intended only to provide an update on the content of the latest complete annual consolidated financial statements prepared by the Group, focusing on new activities, events and circumstances occurring during the six-month period, and does not duplicate information previously reported in the consolidated financial statements for 2014. Consequently, for a proper comprehension of the information included in these interim condensed consolidated financial statements, they should be read together with the Group's consolidated financial statements for the year ended 31 December 2014, which were prepared in accordance with the International Financial Reporting Standards (IFRSs) in force.

New standards and amendments adopted by the European Union mandatorily applicable in the six-month period ended 30 June 2015.

The amendments adopted by the European Union that were mandatorily applicable for the first time in the six-month period ended 30 June 2015 are as follows: Amendments to IAS 19, Defined Benefit Plans: Employee Contributions; and Improvements to IFRSs, 2010-2012 and 2011-2013 Cycles.

None of these amendments had a significant impact on the interim condensed consolidated financial statements for the six-month period ended 30 June 2015.

New standards, amendments and interpretations mandatorily applicable in reporting periods subsequent to the six-month period ended 30 June 2015.

Following is a description of the standards, amendments and interpretations with a possible impact on the Group approved by the IASB but not yet approved by the European Union or approved by the European Union but not mandatorily applicable until reporting periods subsequent to the six-month period ended 30 June 2015: IFRS 15, Revenue from Contracts with Customers; IFRS 9, Financial Instruments; Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations; Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation; Amendments to IAS 1, Disclosure Initiative; and Improvements to IFRSs, 2012-2014 cycle.

The Group is analysing the impact of the aforementioned standards, amendments and interpretations and is monitoring issues concerning their implementation that have arisen in the transition groups and, of all of them, initially it is considered that IFRS 9, which is scheduled to become effective on 1 January 2018, could have the most significant impact on the Group's consolidated financial statements.

2.2 Use of estimates.

The consolidated results and the determination of consolidated equity are sensitive to the accounting principles and policies, measurement bases and estimates used by the Parent in preparing the interim condensed consolidated financial statements. In the interim condensed consolidated financial statements, estimates were made by the Parent and by the consolidated companies in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. In general, these estimates are basically the same as those indicated in Note 2.6 to the consolidated financial statements for 2014.

However, the main judgements and estimates made for the purposes of preparing these interim condensed consolidated financial statements are described below:

- The budget-related estimates taken into consideration when recognising the results of contracts by reference to the stage of completion in the Construction and Services segments (see Note 2.5.5.1 to the consolidated financial statements for 2014 on revenue recognition in the construction business).

- The Group assessed possible indications of impairment of its assets and concluded that there were none. Accordingly, the impairment tests performed on the goodwill and investments accounted for using the equity method measured at fair value at the date on which control was lost were not updated (see Note 4).

- The income tax for the six-month period ended 30 June 2015 was calculated using the tax rate expected to apply to the profit for 2015 as a whole, adjusted, where appropriate, by such significant non-recurring effects as might be applicable thereto (see Note 8). Also, business performance projections that affect the estimates of the recoverability of tax assets (see section on deferred taxes in Note 4) are used.

- The effects relating to changes in the fair value of derivative financial instruments included in these interim condensed consolidated financial statements are based on estimates of exchange rates, interest rates, credit risk and inflation curves (see Note 7).

- The impacts relating to pension plans included in these interim condensed consolidated financial statements were calculated using the most recent actuarial valuation performed in December 2014, adjusted by the independent expert to cater for the effect of any significant market fluctuations existing at 30 June 2015 which had an effect on the main assumptions used in calculating the value of the pension plans, such as discount rates, expected inflation rates, salary increases and the expected returns on plan assets.

2.3 Basis of consolidation

The consolidation bases applied at 30 June 2015 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2014.

3. Segment reporting.

The Company's Board of Directors analyses the performance of the Group mainly from a business perspective. From this perspective, the Board assesses the performance of the Construction, Toll Roads, Airports and Services segments. These segments are the same as those used in the consolidated financial statements for 2014. The "Other" column in the accompanying statement of profit or loss by segment includes the income and/or expenses of the companies not assigned to any of the business segments, including most notably the Group's Parent Ferrovial, S.A. and its smaller subsidiaries, the current Polish real estate business, and inter-segment consolidation adjustments.

The detail, by segment, of revenue in the periods ended 30 June 2015 and 30 June 2014 is as follows:

Millions of euros	2015 External sales	2015 Inter-segment sales	2015 Total	2014 External sales	2014 Inter-segment sales	2014 Total	Change
Construction	1,721	384	2,105	1,384	420	1,804	17%
Toll roads	244	1	245	197	3	200	23%
Airports	3	0	3	3	0	3	-10%
Services	2,377	3	2,380	2,122	3	2,125	12%
Other and adjustments	40	-37	3	47	-20	28	-90%
Total	**4,385**	**351**	**4,736**	**3,753**	**406**	**4,159**	**14%**

The inter-segment sales that are not eliminated in the Group's consolidated financial statements are those made by the Construction Division to the project companies, as discussed in Note 13.

Geographical areas

The detail of "Revenue" by geographical area is as follows:

Millions of euros	2015	2014	Change
Spain	1,361	1,323	3%
UK	1,673	1,460	15%
US	746	627	19%
Canada	64	34	86%
Poland	574	522	10%
Portugal	98	85	16%
Other	220	108	104%
Total	**4,736**	**4,159**	**14%**

Following are the segment statements of profit or loss for the six-month periods ended 30 June 2015 and 2014:

Consolidated statement of profit or loss for the six-month period ended 30 June 2015

	Construction	Toll roads	Airports	Services	Other	Total
Revenue	2,105	245	3	2,380	3	4,736
Other operating income	2	0	0	2	0	4
Total operating income	2,108	245	3	2,382	3	4,740
Materials consumed	340	2	0	181	3	525
Staff costs	339	33	4	980	29	1,385
Other operating expenses	1,232	45	7	1,043	-34	2,292
Total operating expenses	1,910	80	11	2,204	-2	4,203
Gross profit from operations	197	166	-8	178	5	538
Depreciation and amortisation charge	15	46	0	72	2	136
Profit from operations before impairment and non-current asset disposals	182	120	-8	106	3	402
Impairment and disposals of non-current assets	4	57	0	1	-4	58
Profit from operations	**186**	**177**	**-8**	**107**	**-1**	**460**
Financial result on financing	-4	-207	0	-10	0	-220
Result on derivatives and other financial results	0	-4	0	-3	0	-7
Financial result of infrastructure project companies	-4	-211	0	-12	0	-227
Financial result on financing	14	8	4	-13	-29	-17
Result on derivatives and other financial results	-4	6	12	-7	30	37
Financial result excluding infrastructure project companies	9	14	16	-21	1	20
Financial result	**5**	**-197**	**16**	**-33**	**1**	**-207**
Share of profits of companies accounted for using the equity method	1	35	2	17	0	55
Consolidated profit before tax	**192**	**15**	**10**	**91**	**0**	**308**
Income tax	-72	39	0	-17	-1	-50
Consolidated profit from continuing operations	**120**	**54**	**10**	**74**	**0**	**258**
Net profit from discontinued operations	0	0	0	0	0	0
Consolidated profit for the period	**120**	**54**	**10**	**74**	**0**	**258**
Loss for the period attributable to non-controlling interests	-34	44	0	1	-2	9
Profit for the period attributable to the Parent	**86**	**98**	**10**	**75**	**-2**	**267**

Consolidated statement of profit or loss for the six-month period ended 30 June 2014

	Construction	Toll roads	Airports	Services	Other	Total
Revenue	1,804	200	3	2,125	28	4,159
Other operating income	1	0	0	2	0	3
Total operating income	1,805	200	3	2,127	28	4,163
Materials consumed	354	1	0	167	23	545
Staff costs	302	30	3	906	27	1,268
Other operating expenses	996	45	7	896	-31	1,915
Total operating expenses	1,652	77	10	1,969	20	3,728
Gross profit from operations	153	123	-7	158	8	435
Depreciation and amortisation charge	17	37	0	64	3	120
Profit from operations before impairment and non-current asset disposals	137	86	-7	94	5	315
Impairment and disposals of non-current assets	0	0	0	0	0	0
Profit from operations	**137**	**86**	**-7**	**94**	**5**	**315**
Financial result on financing	-5	-159	0	-9	0	-172
Result on derivatives and other financial results	0	-4	0	-3	0	-7
Financial result of infrastructure project companies	-5	-163	0	-12	0	-179
Financial result on financing	13	2	5	-15	-21	-17
Result on derivatives and other financial results	1	5	2	2	18	29
Financial result excluding infrastructure project companies	14	8	6	-13	-3	12
Financial result	**9**	**-155**	**6**	**-25**	**-3**	**-167**
Share of profits of companies accounted for using the equity method	-2	18	20	12	0	49
Consolidated profit before tax	**144**	**-51**	**20**	**82**	**2**	**197**
Income tax	-45	8	1	-16	0	-52
Consolidated profit from continuing operations	**99**	**-42**	**20**	**66**	**3**	**146**
Net profit from discontinued operations	0	0	0	0	0	0
Consolidated profit for the period	**99**	**-42**	**20**	**66**	**3**	**146**
Loss for the period attributable to non-controlling interests	-6	31	0	0	-2	23
Profit for the period attributable to the Parent	**93**	**-12**	**20**	**66**	**0**	**168**

4. Main changes in the consolidated statement of financial position.

4.1 Exchange rate effect

In the first half of 2015 the value of the euro dropped significantly with respect to the other main currencies in which the Group operates, the detail being as follows:

	Closing exchange rate		
	June 2015	December-2014	% change
Pound sterling	0.709	0.777	*-8.67%*
US dollar	1.115	1.210	*-7.83%*
Canadian dollar	1.392	1.405	*-0.93%*
Polish zloty	4.188	4.283	*-2.20%*
Chilean peso	712.65	734.060	*-2.92%*

	Average exchange rate		
	June 2015	June 2014	% change
Pound sterling	0.726	0.818	*-11.19%*
US dollar	1.109	1.371	*-19.12%*
Canadian dollar	1.385	1.501	*-7.69%*
Polish zloty	4.125	4.179	*-1.28%*
Chilean peso	692.39	761.38	*-9.06%*

The performance of the euro against the main foreign currencies gave rise to a positive impact of EUR 247 million on total equity, due mainly to the effect of the pound sterling, as detailed in Note 5.

4.2 Goodwill

The changes in "Goodwill Arising on Consolidation" in the six-month period ended 30 June 2015 were as follows:

Millions of euros	Balances at 31/12/14	Exchange rate effect	Balances at 30/06/15
Services	**1,430**	**92**	**1,522**
Amey	962	91	1,053
Spain Services	433	0	433
Other Services	35	1	36
Construction	**184**	**11**	**195**
Webber	115	10	125
Budimex	69	2	70
Toll roads	**369**	**9**	**378**
Euroscut Algarve	15	0	15
Ausol	70	0	70
Autema	175	0	175
Chicago Skyway	109	9	118
Total	**1,982**	**113**	**2,095**

The main change in "Goodwill Arising on Consolidation" arose due to the aforementioned increase in value of the pound sterling against the euro. This change gave rise to an increase in the goodwill allocated to Amey of EUR 91 million.

As indicated in Note 2.2., the impairment tests on the Group's existing goodwill were not updated since there were no indications that they might have become impaired at the date of preparation of these interim condensed consolidated financial statements.

4.3 Investments in infrastructure projects

The detail of "Investments in Infrastructure Projects" at 30 June 2015 and 31 December 2014 is as follows:

Millions of euros	Balance at 30/06/15	Balance at 31/12/2014	Change
Spanish toll roads	2,124	2,671	-547
US toll roads	6,993	6,098	896
Other toll roads	647	982	-335
Investment in toll roads	**9,764**	**9,750**	14
Amortisation - Toll roads	-484	-631	147
Impairment losses	-140	-144	4
Net investment in toll roads	**9,140**	**8,976**	164
Investment in other infrastructure projects	**474**	**453**	21
Amortisation - Other infrastructure projects	**-166**	**-139**	-27
Total net investment - Other infrastructure projects	**308**	**314**	-6
TOTAL INVESTMENT	**10,238**	**10,203**	35
TOTAL AMORTISATION AND IMPAIRMENT LOSSES	**-790**	**-913**	124
TOTAL NET INVESTMENT	**9,448**	**9,290**	159

There was an overall increase of EUR 159 million in the investments in infrastructure projects in the first six months of 2015, the main changes being as follows:

- The most significant impact in connection with the Spanish toll roads related to the exclusion from consolidation of the assets of the Ocaña-La Roda toll road (as indicated in Note 1), the impact of which on the gross cost amounted to EUR 535 million.

- Also, in connection with the US toll roads, there was an increase of EUR 896 million. The -7.83% depreciation of the euro against the US dollar in the first six months of the year gave rise to a total net increase of EUR 537 million in these assets. In addition, there was an increase in assets of EUR 348 million (disregarding the exchange rate effect), mainly at LBJ amounting to EUR 196 million (31 December 2014: an accumulated amount of EUR 455 million) and North Tarrant Express Extension amounting to EUR 92 million (31 December 2014: an accumulated amount of EUR 69 million), currently under construction.

- As regards the other toll roads, the main change arose as a result of the reclassification to "Assets Classified as Held for Sale" of the assets of the Irish toll road Eurolink Motorway Operation (N4-N6) Ltd., which had a net impact of EUR 262 million (see Note 4.6).

4.4 Investments in associates

The detail of the investments in companies accounted for using the equity method at 30 June 2015 and of the changes therein in the period is shown in the following table. Due to their significance, the investments in 407 ETR (43.23%) and HAH (25%) are presented separately.

Millions of euros	HAH	407 ETR	OTHER	TOTAL
Balance at 31/12/14	**1,062**	**2,188**	**66**	**3,317**
Share of results	9	37	9	**55**
Dividends received and equity reimbursed	-52	-117	0	**-169**
Translation differences	101	21	-1	**121**
Other	5	0	2	**7**
Balance at 30/06/15	**1,125**	**2,129**	**76**	**3,330**

The changes in "Investments in Associates" in the first half of 2015 were due mainly to the depreciation in value of the euro against the pound sterling and the Canadian dollar, which had a net positive effect of EUR 121 million, and, in addition, to the profit for the period and distribution of dividends.

In view of the importance of the investments in 407 ETR and HAH, set forth below is a detail of the balance sheets and income statements of these two companies, adjusted to bring them into line with Ferrovial's accounting policies, together with comments on the changes therein in the first six months of 2015.

a. Information relating to HAH

At 30 June 2015, there was no indication that the carrying amount of HAH in the Group's consolidated financial statements had become impaired.

Changes in the balance sheet 2015-2014

HAH (100%) Mill. GBP	2015.06	2014.12	Change
Non-current assets	**16,255**	**16,433**	**-178**
Goodwill	2,753	2,753	0
Investments in infrastructure projects	13,387	13,460	-73
Non-current financial assets	26	26	0
Pension plan surplus	0	0	0
Deferred tax assets	0	0	0
Financial derivatives	66	172	-106
Other non-current assets	23	23	0
Current assets	**831**	**774**	**57**
Trade and other receivables	294	426	-132
Financial derivatives	1	2	-2
Cash and cash equivalents	526	336	190
Other current assets	10	10	1
TOTAL ASSETS	**17,086**	**17,207**	**-121**

HAH (100%) Mill. GBP	2015.06	2014.12	Change
Equity	**870**	**978**	**-108**
Non-current liabilities	**15,232**	**14,860**	**372**
Provisions for pensions	241	228	13
Borrowings	12,659	12,385	275
Deferred tax liabilities	897	896	1
Financial derivatives	1,417	1,334	83
Other non-current liabilities	18	17	1
Current liabilities	**984**	**1,369**	**-385**
Borrowings	573	929	-357
Trade and other payables	367	412	-45
Financial derivatives	28	1	28
Other current liabilities	16	26	-10
TOTAL EQUITY AND LIABILITIES	**17,086**	**17,207**	**-121**

- *Equity*

At 30 June 2015, equity amounted to GBP 870 million, down GBP 108 million from 31 December 2014. In addition to the profit for the period of GBP 27 million, the main noteworthy changes are the positive impact of GBP 15 million recognised in reserves relating to effective derivatives and to pension plans, and the dividends paid to shareholders amounting to GBP 150 million.

25% of the equity of the investee does not correspond to the carrying amount of the investment, since the carrying amount also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 5.88% ownership interest in HAH in October 2011. The gain was recognised as an addition to goodwill. Therefore, in order to obtain the carrying amount at Ferrovial, it would be necessary to increase the 25% of the shareholders' equity presented above (GBP 217 million) by the amount of the aforementioned gain (GBP 581 million), giving a total of GBP 798 million which, translated at the year-end exchange rate (EUR 1 = GBP 0.70926), gives the investment of EUR 1,125 million.

- *Borrowings*

The bank borrowings of HAH (current and non-current) amounted to GBP 13,232 million at 30 June 2015, GBP 82 less than at 2012 year-end (31 December 2014: GBP 13,314 million). This decrease was due mainly to the combined effect of:

- Bond issue of GBP 907 million.
- Drawdown of GBP 75 million against the Heathrow Finance Loan.
- Redemption and repurchase of bonds amounting to GBP -629 million and GBP -41 million, respectively.
- Decrease of GBP -322 million as a result of the fair value adjustments made to bonds issued in foreign currencies. This impact was offset substantially in full by the fair value adjustments made to the cross currency swaps hedging the aforementioned bonds (see section on "Derivative Financial Instruments at Fair Value" below).
- Decrease in the accrued interest payable of GBP-46 million, the partial repayment of GBP -20 million of the EIB loan and other nonmaterial changes amounting to GBP -6 million.

In addition to the aforementioned bond issue (907 million pounds), in the first half of 2015 a new bond issue of 150 million pounds and an additional draw down of 50 million pounds in the Heathrow Finance Loan have been closed; both of which have had no drawdown as of June 30, 2015, bringing the total emissions to over 1,100 million pounds.

- *Derivative financial instruments at fair value*

The notional principal amount of HAH's derivatives portfolio at 30 June 2015 totalled GBP 11,792 million, including interest rate swaps (IRSs) with a notional amount of GBP 2,163 million, cross currency swaps (hedging bonds issued in foreign currency) (notional amount of GBP 4,363 million) and index-linked securities (ILSs) (notional amount of GBP 5,266 million).

The change in the net value (asset/liability position) of these financial instruments gave rise to a GBP 218 million increase in liabilities in the six-month period ended 30 June 2014. Of this change, GBP 37 million relate to a positive impact on reserves, as well as fair value adjustments in profit or loss of GBP -327 million due mainly to the cross currency swaps -although these barely have an impact on profit or loss as they are offset by the fair value adjustments of the hedging bonds issued in foreign currency of these financial instrument- interest rate swaps and index-linked swaps. The rest of the change relates mainly to finance costs of GBP -9 million and outflows of GBP 81 million.

Changes in the income statement 2015-2014

HAH (100%) Mill. GBP	2015.06	2014.06	Change
Operating income	1,308	1,231	77
Operating expenses	-559	-552	-7
Gross profit from operations	**749**	**680**	**69**
Depreciation and amortisation charge	-362	-263	-100
Profit from operations before impairment and non-current asset disposals	**387**	**417**	**-30**
Impairment and disposals of non-current assets	-1	0	0
PROFIT FROM OPERATIONS	**386**	**417**	**-31**
Financial result	**-346**	**-326**	**-20**
Profit before tax	**40**	**91**	**-51**
Income tax	-13	-24	10
Profit from continuing operations	**27**	**67**	**-40**
Profit from discontinued operations	0	-2	2
Net profit	**27**	**66**	**-39**
Profit attributable to Ferrovial (millions of euros	**9**	**20**	**-11**

Operating income improved, due largely to the rise in tariffs, the increase in passenger numbers and the rise in commercial revenue. This effect had a knock-on effect on the gross profit from operations, offset in part by the slight increase in operating costs. Despite this, the profit from operations worsened mainly as a result of the increase in the depreciation and amortisation charge due to the new assets in operation. The financial result did not change significantly and includes GBP -4 million of fair value adjustments to derivatives (net amount of EUR -1 million attributable to Ferrovial). The fair value adjustments to derivatives at 30 June 2014 amounted to GBP 19 million (effect of EUR 5 million on the net profit of Ferrovial).

It should be noted that in 2014 the results of Aberdeen, Glasgow and Southampton airports were classified as profits from discontinued operations. Ferrovial acquired a 50% stake in these airports, which were sold by HAH in December 2014, as described in the consolidated financial statements for 2014.

b. Information relating to 407 ETR

a. Impairment test

At 30 June 2015, there was no indication that the carrying amount of the 407 ETR toll road in the Group's consolidated financial statements had become impaired.

b. Changes in the balance sheet and income statement 2015-2014

These figures relate to the full balances of 407 ETR and are presented in millions of Canadian dollars. The exchange rates used in 2015 are EUR 1=CAD 1.3923 (2014: CAD 1.4054) for the balance sheet figures and EUR 1=CAD 1.3855 (2014: CAD 1.4623) for the income statement.

Balance sheet 2015-2014

407 ETR (100%) Mill. CAD	06/15	12/14	Change
Non-current assets	**4,453**	**4,468**	**-15**
Investments in infrastructure projects	3,960	3,971	-11
Non-current financial assets	350	312	38
Deferred tax assets	143	184	-41
Current assets	**767**	**735**	**32**
Trade and other receivables	170	150	20
Cash and cash equivalents	597	585	12
Total assets	**5,220**	**5,203**	**18**

407 ETR (100%) Mill. CAD	06/1515	12/1414	Change
Equity	**-2,438**	**-2,202**	**-236**
Non-current liabilities	**7,009**	**6,355**	**654**
Borrowings	6,548	5,904	644
Deferred tax liabilities	462	451	10
Current liabilities	**649**	**1,050**	**-401**
Borrowings	586	966	-380
Trade and other payables	63	83	-20
Total equity and liabilities	**5,220**	**5,203**	**18**

Set forth below is a description of the main changes in the balance sheet of 407 ETR at 30 June 2015 with respect to the end of the preceding period:

- Borrowings: borrowings as a whole increased by CAD 264 million with respect to December 2014. The main changes related to a series of bonds issued in March with a face value of CAD 150 million (Series 15-A1 maturing in 2045) and another series issued in May with a face value of CAD 500 million (Series 15-A2 maturing in 2046).

- Equity: equity dropped by CAD 236 million with respect to 2014, as a result of a profit for the year of CAD 139 million and a reduction due to the payment of a dividend of CAD 375 million to the shareholders.

  43% of the equity of the investee does not correspond to the consolidated carrying amount of the holding, since the latter also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 10% ownership interest in this company in 2010, which was recognised as an addition to the value of the concession, and the goodwill arising in 2009 as a result of the merger of Ferrovial, S.A. and Cintra Infraestructuras, S.A.. Therefore, in order to obtain the consolidated carrying amount at Ferrovial, it is necessary to increase the 43% of the equity presented above (CAD -1,054 million) by the aforementioned gain and the goodwill (CAD 2,700 million and CAD 1,319 million, respectively) giving a total of CAD 2,964 million which, translated at the year-end exchange rate (EUR 1 = CAD 1.3923), gives the investment of EUR 2,129 million.

Income statement 2015-2014

The following table shows the changes in the income statement of 407 ETR in the six-month periods ended 30 June 2013 and 2014:

407 ETR (100%) Mill. CAD	06/15	12/14	Change
Operating income	471	414	57
Operating expenses	-73	-68	-5
Gross profit from operations	398	345	53
Depreciation and amortisation charge	-42	-33	-9
Profit from operations	356	313	44
Financial result	-165	-203	38
Profit before tax	191	109	82
Income tax	-52	-29	-23
Net profit	139	81	59

The main changes in the income statement related to:

- Profit from operations: increase in operating income (CAD 57 million) as a result of the average increase in tariffs of 10% and of a 2.9% rise in traffic.
- Financial result: CAD 38 million improvement as a result of decrease in finance costs (CAD +46 million) due to the effect of inflation in Canada, which was particularly low in the first six months of 2015, offset by a rise (CAD -8 million) due to higher debt drawdowns than in the preceding year.

c. Other associates

Appendix I to the consolidated financial statements for 2014 includes a list of the investments in companies accounted for using the equity method, indicating their name, the country in which they were incorporated, the business segment to which they belong, the proportion of ownership interest, the aggregate assets and liabilities, revenue and the profit or loss for the year.

This list includes certain associates with a carrying amount of zero. Under IAS 28, if an entity's share of losses of an associate equals or exceeds its interest in the associate, the entity discontinues recognising its share of further losses, unless the entity has incurred legal or constructive obligations that make it necessary to recognise a liability for additional losses after the entity's interest is reduced to zero. The main company with an equity deficit the investment in which has a carrying amount of zero was the company operating the Indiana Toll Road concession, the sale of which, as indicated in Note 1 on changes in the scope of consolidation, was completed on 27 May 2015, upon which it was excluded from the scope of consolidation.

As regards the acquisition of 50% of the non-designated airports (AGS Airports) in 2014, in the first half of 2015 the Company completed the provisional purchase price allocation, as provided for in IFRS 3. As a result of this process, of the total enterprise value of GBP 1,045 million, GBP 689 million were allocated to non-current assets, GBP 477 million to intangible assets (operating rights), GBP -100 million to other assets and liabilities and GBP -98 million to deferred taxes. Also, residual goodwill of GBP 77 million was identified. The value of the holding at 30 June 2015 was EUR -11 million. In relation to the negative value of the investment, it was decided to recognise the possible losses on the project exceeding the carrying amount of the asset since, pursuant to IAS 28.38, it is necessary to consider an entity's overall exposure to the asset which, in this case, includes EUR 339 million of the loan granted to AGS Airports.

The Group may recognise adjustments in this PPA in the twelve months following the acquisition date, effective from that date, in order both to establish the carrying amount of the identifiable assets, liabilities and contingent liabilities and of the goodwill and to present the comparative information for the preceding periods when completing the initial accounting for the related combination.

4.5 Trade receivables for sales and services

"Trade Receivables for Sales and Services" increased by EUR 234 million in the first six months of 2015 from EUR 1,716 million at 31 December 2014 to EUR 1,950 million at 30 June 2015. This change was due mainly to two effects: on the one hand, an increase of EUR 134 million in trade receivables of the Services Division in the UK, of which EUR 57 million related to changes in the exchange rate; and on the other, the decrease of EUR 50 million in trade receivables of the Construction Division. Noteworthy in this connection is the seasonality of the collections by the public authorities, which are greater in the second half of the year than in the first, as described in Note 11, Comments on seasonality.

4.6 Assets and liabilities classified as held for sale

The main change in the period in the related line items relates to the reclassification of the assets of the Eurolink Motorway Operation (N4-N6) and Eurolink Motorway Operation (M3) toll roads in Ireland which are currently in the process of being sold. The sale plan for these assets, in which ownership interests of 66% and 95%, respectively, are currently held, envisages the sale of a majority ownership interest therein, but with the retention of a non-controlling interest (of around 20%) and, therefore, of a significant influence over the management of these companies. The changes in "Assets Classified as Held for Sale" relate mainly to the reclassification of the investments in infrastructure projects amounting to EUR 262 million (see Note 4.3) and of accounts receivable relating to infrastructure projects (see Note 7.1) amounting to EUR 206 million. The changes in the liabilities relate mainly to the reclassification of borrowings amounting to EUR 329 million (see Note 6.1) and of deferred income relating to grants awarded (EUR 127 million).

4.7 Deferred income

The balance of "Deferred Income" totalled EUR 1,028 million at 30 June 2015 (31 December 2014: EUR 987 million), of which EUR 1,022 million correspond to grants related to assets received from the infrastructure concession grantors, primarily in the Toll Roads Division amounting to EUR 999 million (December 2014: EUR 712 million). The main change relates to the reclassification to "Liabilities Classified as Held for Sale" of the Eurolink Motorway (N4-N6) LLC toll road amounting to EUR 126 million. This decrease is offset by the award of new grants related to assets by the Texas Department of Transportation to the toll roads of LBJ Infrastructure Group and NTE Mobility Partners, subsidiaries in the US, amounting to EUR 74 million and EUR 24 million, respectively, and by the exchange rate effect arising from the appreciation of the US dollar amounting to EUR 70 million.

4.8 Pension plan deficit

This line item reflects the deficit relating to pension and other employee retirement benefit plans, including both defined benefit and defined contribution plans. The provision recognised in the consolidated statement of financial position amounted to EUR 84 million (31 December 2014: EUR 101 million). Of this amount, EUR 83 million (31 December 2014: EUR 99 million) relate to defined benefit and defined contribution plans of the Amey Group in the UK.

Millions of euros	AMEY GROUP
Initial obligation	**1,003**
Initial assets	**904**
INITIAL DEFICIT DECEMBER 2014	**-99**
Actuarial gains and losses	16
Contributions made	15
Current service cost	-2
Interest cost	-19
Return on plan assets	17
Exchange differences	-10
Ending obligation	**1,075**
Ending assets	**992**
ENDING DEFICIT JUNE 2015	**-83**

The Amey Group has nine defined benefit plans covering a total of 8,305 employees and eight defined contribution plans covering 12,675 employees. The most significant changes in the first half of 2015 that led to a EUR 16 million improvement in the deficit were as follows:

- An impact of EUR +16 million arising from actuarial gains and losses which reduced the pension plan deficit (lower liability) recognised in equity as a result of the change in actuarial assumptions.
- Contributions of EUR +14 million made by the company to the pension plans, which reduced the pension plan deficit (lower liability). The ordinary contributions amounted to EUR 2 million, while the extraordinary contributions aimed at improving the pension plan deficit totalled EUR 12 million.
- A negative impact of EUR -4 million (EUR -2 million current service cost; EUR -19 million interest cost and EUR +17 million return on plan assets), on profit or loss which increased the pension plan deficit (higher liability).
- A negative impact due to the exchange rate effect (EUR -9 million).

Also, although they did not have any effect on the pension plan deficit, there were curtailments and settlements as a result of the payment of obligations to employees, which therefore reduced the related obligation at year-end and gave rise to a reduction of the same amount in the plan assets. In the first half of 2015 these curtailments and settlements totalled EUR 16 million.

4.9 Deferred taxes

The detail of deferred tax assets and liabilities at 30 June 2015 is as follows:

Millions of euros	June 2015	December 2014	Change
Tax losses	390	705	-316
Derivatives	280	279	1
Non-deductible provisions	218	196	22
Difference arising from amounts billed in advance for construction work	77	67	10
Capitalised borrowing costs	73	69	4
Depreciation and amortisation charge	46	46	0
Pension plans	22	20	2
Tax credits and tax relief	26	26	0
Other	38	30	8
Total deferred tax assets	**1,169**	**1,438**	**-269**

Millions of euros	June 2015	December 2014	Change
Provisions	287	287	0
Goodwill	195	193	3
Depreciation and amortisation charge	228	203	25
Investments in associates	0	307	-307
Recognition of financial asset in profit or loss	77	62	15
Derivatives	74	88	-13
Difference arising from amounts to be billed for work performed	23	11	12
Interest	45	37	8
Exchange gains	8	3	5
Repatriation	17	8	9
Recognition of profit	17	17	0
Other	106	95	12
Total deferred tax liabilities	**1,078**	**1,310**	**-232**

The changes in the deferred taxes in the period ended 30 June 2015 arose mainly from the sale of the Indiana Toll Road, as indicated in Note 1 on changes in the scope of consolidation. The most significant changes were as follows:

a) Tax losses: there was a decrease of EUR 314 million at the consolidated tax group in the US largely due to the sale of the holding in Indiana Toll Road (see Note 1). As a result of this transaction and the offset of tax losses by the construction companies in this tax group, there were no recognised tax loss carryforwards in the US, and the total tax losses in the US amounted to EUR 378 million (EUR -1,080 million in tax base terms). The latter were not recognised because it was considered that they would be recovered at very long term.
b) Investments in associates: the deferred tax liability had been recognised in full in relation to Indiana Toll Road and was calculated in full between the carrying amount (zero at the date of sale) and the related tax base. As a result of the exclusion of this company from consolidation, the related deferred tax was reversed.

4.10 Other non-current assets and liabilities

- ✓ Financial derivatives: the changes in derivative financial instruments at fair value and in other financial assets and liabilities are explained in Note 7.2.
- ✓ Net debt: the changes in cash and cash equivalents and bank borrowings are explained in Note 6.

5. Equity

Changes in equity

The detail of the changes in equity in the six-month period ended 30 June 2015 is as follows:

	06/15		
	Attributable to the equity holders	Attributable to non-controlling interests	Total equity
Equity at 31/12/14	5,672	349	6,021
Consolidated profit for the year	**267**	**-9**	**258**
Income and expense recognised at fully consolidated companies	*124*	*10*	*134*
Impact on reserves of hedging instruments	*3*	*-8*	*-5*
Impact on reserves of defined benefit plans	*13*	*0*	*13*
Translation differences	*108*	*18*	*126*
Income and expense recognised at companies accounted for using the equity method/Classified as held for sale	*138*	*1*	*139*
Impact on reserves of hedging instruments	21	1	23
Impact on reserves of defined benefit plans	-5	0	-5
Translation differences	121	0	121
Amounts transferred to profit or loss, fully consolidated companies	0	0	0
Amounts transferred to profit or loss, companies accounted for using the equity method	0	0	0
Total income and expense recognised directly in equity	**261**	**11**	**273**
Scrip dividend resolution	-116	0	-116
Other dividends	0	-16	-16
Treasury share transactions	-35	0	-35
Remuneration of equity holders	**-151**	**-16**	**-167**
Capital increases/reductions	0	29	29
Share-based payments	-44	-1	-45
Other changes	52	54	105
Other transactions	**8**	**82**	90
Equity at 30/06/15	**6,058**	**418**	**6,475**

(*) Pursuant to the amendments to IAS 1, Presentation of Financial Statements, the impact on reserves of defined benefit plans is the only item of income and expense recognised directly in equity that cannot subsequently be reclassified to profit or loss.

Consolidated profit for the period: the consolidated profit for the period attributable to the Parent amounted to EUR 267 million.

Income and expense recognised directly in equity: unlike the detail presented in the main statement of changes in equity, the impacts are shown net of the related tax effect.

Impact on reserves of hedging instruments: this gave rise to an increase of EUR 18 million in the Group's total equity (EUR -5 million relating to fully consolidated companies and EUR 23 million relating to companies accounted for using the equity method/classified as held for sale), of which EUR 24 million correspond to the Parent. This impact was due mainly to the forecasts of interest rate hikes and the performance of the currency hedges (EUR 60 million), and to the forecasts of an inflation increase in Spain, which led to an impact of EUR -36 million on the index-linked derivative of the concession operator Autema.

Impact on reserves of defined benefit plans: this reflects the impact on equity of the actuarial gains and losses arising from adjustments and changes to the Group's defined benefit plan assumptions, which had an impact in the period of EUR 13 million at the fully consolidated companies (mainly Amey) and EUR -5 million for the companies accounted for using the equity method (HAH and AGS).

Translation differences: these gave rise to an increase of EUR 247 million in the equity, 229 million attributable to the Parent. The main impacts arose from the appreciation of the pound sterling (EUR 212 million and the Canadian dollar (EUR 21 million). The other changes under "Translation Differences" related mainly to the Polish zloty, the US dollar and other currencies (EUR -4 million).

Remuneration of equity holders:

Scrip dividend: for the second successive year, the shareholders at the Annual General Meeting of Ferrovial, S.A. held on 27 March 2015 approved a flexible shareholder remuneration scheme, whereby the shareholders can freely choose to receive newly issued shares of the Company by subscribing a capital increase against reserves or an amount in cash through the transfer to the Company (if they had not done so through the market) of the bonus issue rights corresponding to the shares held by them. It should be noted that 47.8% of the shareholders opted to receive shares of the Company, whereas 52.2% availed themselves of the Company's commitment to purchase rights.

Consequently, in the first half of 2015 capital was increased by a total of 5,306,164 with a par value of EUR 0.20 per share, representing an increase in share capital of EUR 1.1 million. Also, bonus shares amounting to EUR 116.2 million were purchased, representing a price per share of EUR 0.304.

The amount recognised in this connection in the table on Changes in equity in Note 5.3 was EUR -116 million.

Other dividends: includes mainly the dividend of EUR -16 million distributed to non-controlling interests of Budimex.

Treasury share transactions: in the framework of the scrip dividend, on 27 March 2015 the Annual General Meeting approved a plan to purchase shares for a maximum amount of EUR 250 million, the objective of which is to subsequently reduce share capital through their retirement. As a result of this resolution, during the first half of 2015 1,769,100 shares were acquired at an average price of EUR 19.56 per share, giving rise to a payment of EUR -35 million.

In addition to these transactions, at 30 June 2015 5,778,310 treasury shares had been acquired, representing 0.8% of the share capital and with a par value of EUR 1 million, which were subsequently delivered to beneficiaries under share-based remuneration schemes. These transactions had an impact of EUR -44 million on the Company's equity.

At 30 June 2015, there were 1,769,100 treasury shares with a value of EUR 34 million.

Other transactions:

Capital increases: increase of EUR 29 million in the equity attributable to non-controlling interests, principally at the LBJ Infr Group companies (EUR 9 million) and North Tarrant Express Segments 3 (EUR 20 million).

Share-based payments: reflects mainly the treasury share transactions relating to the share-based remuneration schemes to executive personnel.

Other changes: "Non-Controlling Interests" reflects the exclusion from consolidation of the Ocaña-La Roda toll road, as a result of the court order initiating the liquidation phase of the arrangement with creditors, which took place in March 2015 (see Note 1, Changes in the scope of consolidation).

6. Net cash position

The following table contains a breakdown of the net cash position in order to reflect the Group's net borrowing position.
The net cash position is understood to be the balance of the items included under "Cash and Cash Equivalents" (including short-term restricted cash) which amount to EUR 3,501 million (2014: EUR: 3,439 million) and long-term restricted cash and other non-current financial assets amounting to EUR 295 million (2014: EUR 405 million), less financial debt (bank borrowings and debt securities) at short term amounting to EUR 1,351 million (2014: EUR 1,367 million) and at long term amounting to EUR 8,644 million (2014: EUR 8,707 million). The method used to define the Group's net cash position coincides with that used in the preparation of the consolidated financial statements for 2014.

The breakdown of the net cash position also includes a distinction between infrastructure projects and other Group companies.

	30/06/15						31/12/14					
(Millions of euros)	Bank borrowings	Bonds	Cash and cash equivalents	Net borrowing position	Intra-Group balances	Total net cash position	Bank borrowings	Bonds	Cash and cash equivalents	Net borrowing position	Intra-Group balances	Total net cash position
EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	-276	-1,311	3,027	1,440	10	**1,450**	-140	-1,327	3,103	1,636	-4	1,632
INFRASTRUCTURE PROJECT COMPANIES	-5,815	-2,594	769	-7,639	-10	**-7,650**	-6,297	-2,310	741	-7,866	4	-7,862
TOTAL NET CASH POSITION	**-6,091**	**-3,904**	**3,796**	**-6,199**	**0**	**-6,199**	**-6,438**	**-3,637**	**3,844**	**-6,230**	**0**	**-6,230**

In the first six months of 2015 the euro fell in value against the main currencies with which the Group operates (see Note 4). This had a negative impact on the net cash position of EUR 348 million of which EUR 363 million correspond to the increase of the net borrowings associated with the US toll roads. There was a positive impact of EUR 26 million on the other companies. An overall explanation of the changes in the net cash position in the first six months of 2015 is included in Note 12 on Cash flow and in the interim directors' report which was formally prepared together with these interim condensed consolidated financial statements.

6.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

The method used to classify cash and cash equivalents and restricted cash at both short and long term is the same as that applied in the consolidated financial statements for 2014.

Some of the infrastructure project financing agreements provide for the obligation to set up certain restricted accounts the availability of which is limited to meeting certain short- and long-term obligations relating to the payment of the principal and interest of the related borrowings and to the maintenance and operation of the infrastructure.

In this regard, the restricted cash at 30 June 2015 amounted to EUR 351 million (December 2014: EUR 405 million), including both long- and short-term amounts. Accordingly, there was a net decrease in restricted cash of EUR -54 million, due mainly to.

- Fall in value of the euro against the dollar, giving rise to an increase of EUR 24 million at the US toll roads;
- Release of restricted cash amounting to EUR -80 million, primarily in relation to the NTE Segments 3 LLC project as financing was drawn down against for the construction thereof (see Note 4).

"Other Cash and Cash Equivalents" (excluding restricted cash), the increase in which amounted to EUR 82 million in this period, relates to bank accounts and highly liquid investments subject to interest rate risk. The related changes are analysed in Note 12, Cash flow.

b) Borrowings of infrastructure projects

Borrowings of infrastructure projects decreased by EUR 198 million with respect to December 2014, due mainly to the following:

- As indicated in Note 1, the loss of control over Ocaña-La Roda toll road gave rise to a decrease in the Group's consolidated statement of financial position due to the exclusion from consolidation of gross borrowings amounting to EUR 567 million.

- The depreciation of the euro against the US dollar (see Note 4) led to an increase in indebtedness of EUR 407 million, the impact of which arose primarily at the US toll roads: EUR 99 million at Chicago Skyway; EUR 100 million at the LBJ toll road; EUR 75 million at North Tarrant Express Managed Lanes - NTE; and EUR 89 million at SH-130.

- Reclassification to " Liabilities classified as held for sale "of the borrowings of the Irish toll roads Eurolink Motorway Operation (N4-N6) Ltd. and Eurolink Motorway Operation (M3) Ltd. amounting to EUR 329 million (see Note 4.6).

- In the first six months of 2014 EUR 292 million were drawn down against facilities, of which EUR 89 million relate mainly to the I-77 Mobility Partners toll road, EUR 57 million to LBJ Infrastructure Group toll road and EUR 18 million mainly to North Tarrant Express Mobility Partners. Also, in the Services Division, the most significant debt drawdowns were made at AmeyCespa (MK) SPV Limited and Smart Hospital Cantabria, amounting to EUR 53 million and EUR 29 million, respectively.

In addition, the debt of Ausol I and II has been reclassified in the six-month period ended 30 June 2015 to short-term for amount of EUR 472 million, both maturing in 2016.

The Company considers that at the reporting date the covenants in force linked to the Group's principal borrowings were being fulfilled. However, specific mention should be made of the following projects:

- R4 toll road: no change in the situation of insolvency mentioned in Note 18.1 to the consolidated financial statements for 2014. The borrowings at 30 June 2015 amounted to EUR 642 million.

- SH-130 toll road. - R4 toll road: no change with respect to the situation mentioned in Note 18.1 to the consolidated financial statements for 2014. The waiver agreement relating to the payment of interest on the borrowings was renewed until January 2016, with the terms and conditions of the remainder of the debt remaining unchanged. Therefore, the negotiations in progress continued. The Company's total financial debt amounted to EUR 1,167 million and the value of the related derivative amounted to EUR -172 million at 30 June 2015.

6.2 Other companies

a. Cash and cash equivalents of other companies

The method used to classify cash and cash equivalents at both short and long term is the same as that applied in the consolidated financial statements for 2014. The cash and cash equivalents correspond to bank accounts and highly liquid investments subject to interest rate risk. The net change was negative by EUR -76 million, and is analysed in Note 12, Cash flow.

Also, at 30 June 2015 certain restricted accounts had been arranged amounting to EUR 105 million (December 2014: 97 million), which include primarily EUR 42 million at Ferrovial, S.A. with the arrangement and maintenance of the equity swaps (see Note 7), and EUR 36 million associated with the developments under construction of the property company B.N.I. Budimex.

b. Breakdown of borrowings of other companies

There was a net increase in borrowings amounting to EUR 120 million, relating mainly to drawdowns against borrowings at the Amey Group totalling EUR 129 million.

At 30 June 2015, the bridge loan of the Milton Keynes waste treatment plant amounted to EUR 16 million (31 December 2014: EUR 14 million).

In addition, Ferrovial's liquidity line has extended to EUR1,250mn (31 December 2014: EUR750mn), maturing in 2020 with a lower spread than before (50bp), which has not yet been drawn down.

7. Derivative financial instruments at fair value and other financial assets and liabilities

The main changes in derivative financial instruments at fair value under assets and liabilities and other financial assets were as follows:

	30/06/15	31/12/14	Change
Non-current financial assets	**2,180**	**2,324**	**-144**
Accounts receivable relating to infrastructure projects	1,361	1,467	-107
Available-for-sale financial assets	1	0	0
Restricted cash and other non-current financial assets	295	405	-111
Other receivables	524	450	74
Derivative financial instruments at fair value (net)	**-1,024**	**-1,031**	**7**
Derivative financial instruments at fair value (assets)	352	400	-49
Derivative financial instruments at fair value (liabilities)	-1,376	-1,432	56

7.1. Non-current financial assets

"Long-Term Accounts Receivable relating to Infrastructure Projects" includes financial assets arising from the application of IFRIC 12 and relates mainly to amounts receivable at long term (more than twelve months) from governments in return for services rendered or investments made under a concession arrangement. The most significant change with respect to December 2014 relates to the reclassification to "Assets Classified as Held for Sale" of the balance corresponding to the Eurolink Motorway Operation toll road (M3) in Ireland, currently in the process of being sold (see Note 4.6) for EUR 206 million.

"Restricted Cash Relating to Infrastructure Projects and Other Financial Assets" relates primarily to deposits made at toll road concession operators, the use of which is limited to certain purposes established in the concession arrangement, such as payment of future investments or operating expenses and debt servicing. Note 6, Net cash position, provides detail on the main balances and changes recognised under this heading.

There were no significant changes in the other items of this heading with respect to the consolidated financial statements prepared at 31 December 2014.

7.2. Derivative financial instruments at fair value

In general, the Group's position in relation to derivatives and its risk hedging strategies were in line with the situation described in detail in the financial statements for the year ended 31 December 2014. Derivatives are recognised at market value at the arrangement date and are subsequently measured at fair value.

The detail of the asset and liability balances relating to derivative financial instruments at fair value and of the main impacts on reserves and on profit or loss is as follows:

	Notional amounts at 30/06/15	30/06/15	31/12/14	Change	Impact on reserves	Impact on profit or loss - Fair value	Other impacts on equity - Profit or loss
Index-linked derivatives	51	287	351	-64	-62	0	-2
Interest rate derivatives	3,830	-1,344	-1,382	38	83	-2	-43
Equity swaps	100	47	30	17	0	34	-17
Currency derivatives	2,186	-14	-31	17	-28	2	43
Total	**6,167**	**-1,024**	**-1,031**	**7**	**-8**	**34**	**-19**

At 30 June 2015, the net change in the Group's financial derivatives amounted to EUR 7 million and related mainly to the effect of the index-linked derivatives (EUR -64 million), due to inflation forecasts in Spain, to the interest rate derivatives (EUR 38 million), mainly as a result of the forecasts of interest rate hikes and the reclassification of the Irish toll road concessions as items held for sale (see Note 4.6), partially offset by the negative effect of the exchange rate on their valuation, and, lastly, to the changes in the currency derivatives arranged to hedge future cash flows (EUR 17 million). The impact on equity in this connection amounted to EUR -8 million (before tax and including non-controlling interests). Also, the EUR 17 million improvement in equity swap performance should be noted due to the increase in the share price in the period, with an impact of EUR 34 million on the fair value adjustments recognised in profit or loss (see Note 8, Financial result).

It should also be noted that all the Group's derivative financial instruments and other financial instruments carried at fair value are included in Level 2 of the fair value measurement hierarchy, since although they are not quoted on regulated markets, the inputs on which their fair values are based are observable, either directly or indirectly (see Note 11 to the consolidated financial statements for the year ended 31 December 2014).

8. Disclosures relating to profit or loss

Impairment and disposals of non-current assets

"Impairment and Disposals of Non-Current Assets" includes the gains or losses on the sale and disposal of assets and any impairment losses that might exist.

The main impacts recognised at 30 June 2015 relate to:

- Ocaña-La Roda toll road: as described in Note 1, Company activities and changes in the scope of consolidation, in 2015 the Ocaña-La Roda toll road was excluded from the scope of consolidation as a result of Ferrovial's loss of control over this toll road due to the commencement of the liquidation process in March 2015. The impact of this matter on "Impairment and Disposals of Non-Current Assets" amounts to EUR 64 million (EUR 64 million on the net profit attributable to the Parent).

- Indiana Toll Road: in the US, the Indiana Toll Road was sold in May 2015 (see Note 1). The gain on this transaction amounted to EUR 46 million (EUR 30 million attributable to Ferrovial after tax).

- Autopista Terrasa Manresa (Autema): as discussed in Nota 9 on Contingent liabilities, in the first six months of 2015 the Company recognised a provision of EUR -52 million (EUR -39 million against the net profit of Ferrovial) for the possible modification of the concession regime corresponding to this project, relating to the exposure of the assets and liabilities of this project at consolidated level for the Group.

At 30 June 2014, no gains or losses arose from impairment or disposals of non-current assets.

Financial result

- *Financial result on financing*

The financial result on the financing of the infrastructure project companies amounted to EUR -220 million (30 June 2014: EUR -172 million), relating primarily to these companies' borrowing costs. The increase in the borrowing costs included in this heading relate mainly to the projects that came into operation in the year which, therefore, ceased to capitalise borrowing costs. Specifically, the interest capitalised in relation to projects at June 2015 was EUR 31 million, compared to EUR 49 million at June 2014)

The financial result on the financing of the other companies (excluding infrastructure project information) amounted to EUR -17 million (30 June 2014: EUR -17 million), corresponding to borrowing costs (EUR -27 million) net of the interest on financial investments (EUR 10 million).

- *Result on derivatives and other financial results*

"Result on Derivatives and Other Financial Results" includes mainly the result of changes in the fair value of financial instruments, which at 30 June 2015 gave rise to income of EUR 37 million de euros, due mainly to equity swaps (excluding infrastructure project companies). A positive impact of EUR 34 million arose on the equity swaps (EUR 25 million on net profit), due to the increase in the share price in the period (from EUR 16.43 per share at 31 December 2014 to EUR 19.45 per share at 30 June 2015; compared with a decrease in the same period of 2012 from EUR 14.07 per share at 31 December 2013 to EUR 16.27 per share at 30 June 2014).

Income tax expense

The income tax expense for the first six months of 2015 was calculated on the basis of the tax rate that is expected to apply to the profit or loss for the year as a whole, as explained in Note 2.2 on "Use of Estimates". Accordingly, at 30 June 2015 there was an expense of EUR -50 million compared with profit before tax of EUR 308 million. In order to understand this figure it is necessary to take into account certain items included in profit before tax that are not taxable, such as the result of companies accounted for using the equity method amounting to EUR 55 million, which is presented net of the related tax effect, and certain permanent differences that correspond to profit that is not subject to taxation or which does not give rise to a deductible expense. Once these impacts are excluded, the effective tax rate would stand at around 28%.

The income tax expense for the first six months of 2014 amounted to EUR -52 million, compared with a profit before tax of EUR 197 million. Adjusting permanent differences and other items that are not taxable, the tax rate stood at around 27%.

9. Contingent assets and liabilities and investment commitments

9.1. Litigation

The detail of the main changes at 30 June 2015 as regards the lawsuits discussed in the consolidated financial statements for 2014 is as follows:

a) Litigation and contingencies relating to the Spanish toll roads

- R-4 Madrid Sur toll road: there were no substantial changes in the insolvency proceedings described in Note 22 to the consolidated financial statements for 2014. Ferrovial will foreseeably lose control of this project. Meanwhile, Ferrovial continues to consolidate the losses of the project in its financial statements and, therefore, the consolidated carrying amount of the assets is negative. At 30 June 2015, the carrying amount of R4 was EUR -84 million and that (December 2014: EUR -77 million).

- Ocaña-La Roda toll road: as indicated in Note 1, on 2 March 2015 the companies involved in the insolvency proceedings were notified of a court order commencing the liquidation, rejecting as inadmissible the arrangement proposal submitted by SEITTSA due to irremediable defects and rendering null and void the creditors' meeting scheduled for 4 March 2015. Also, the insolvency manager was requested to submit a plan within 15 days from notification of the resolution for the realisation of the assets and rights composing the insolvency estates of the companies involved in the proceedings. The aforementioned court order is not final, and an appeal may be filed which would be heard, where applicable, by the Madrid Provincial Appellate Court. As a result of the commencement of the liquidation, the companies' powers of administration and disposal of their assets and liabilities were held in abeyance and were replaced by the insolvency practitioners in their position as liquidators, with the latter becoming solely responsible for the management of the company. The Board of Directors ceased to discharge its functions effective from the date of notification of the aforementioned court order of 24 February 2015.

  Based on the foregoing, on 28 February 2015 the Group considered that control over the company had been lost and the toll road's financial statements ceased to be consolidated, the impact of which on the consolidated financial statements of the Group is summarised in Note 1.

- M-203 toll road: on 24 April 2014, the concession operator filed a claim at the Madrid High Court requesting the termination of the concession arrangement due to a breach by the grantor and the annulment of the penalties imposed on the concession operator. Following the submission of the defence by the Autonomous Community Government of Madrid, and following the submission of evidence, the lawsuit proceedings have been concluded and are awaiting judgment. After the end of the 2014 reporting period, on 12 February 2015 a judgment was received upholding in full the appeal for judicial review filed, i.e. ruling in favour of the termination of the concession arrangement requested by the concession operator and recognising a right to economic compensation as a result of the termination of the arrangement, rendering null and void the order to impose penalties of 6 August 2013. A cassation appeal was filed against this ruling by the Autonomous Community Government of Madrid, and on 12 March 2015 the Company was notified that the cassation appeal had been accepted and referred to the Supreme Court. The Company intends to file a petition for the provisional enforcement of the judgment.

- Autopista Terrasa Manresa (Autema): as discussed in Note 34, Events after the reporting period, to the consolidated financial statements for 2014, in January 2015 the Catalonia Autonomous Community Government notified Autema, of its intention to change the concession regime of the project established under Decree 137/1999 from a regime under which the Catalonia Autonomous Community Government undertook to pay the concession operator the difference between the tolls collected and the operating surplus established in the Economic and Financial Plan to a system whereby the remuneration earned by the concession operator will depend on the number of the infrastructure's users, with the Catalonia Autonomous Community Government subsidising a portion of the toll paid by the users. On 16 July the Catalonia Autonomous Community Government officially issued the Royal Decree which included the amendment to the toll road concession arrangement. The company considers that this decision lacks any legal basis and, therefore, an appeal will be filed against the Royal Decree. However, in the first six months of 2015 the company recognised a provision in this connection of EUR -52 million (EUR -39 million against the net profit of Ferrovial), relating to the exposure of the assets and liabilities of this project at consolidated level for the Group, as mentioned in Note 8..

b) Litigation and contingencies relating to the Services Division:

- The Group is involved in a dispute with a public customer in the UK concerning the scope of the work that should have been performed in the initial phase of a contract. Recently, in accordance with the dispute resolution mechanism provided for in the contract, the first resolution was issued by a third party in which it was stated that the scope of the work should have been broader than that performed to date and that the parties should initiate a process to analyse and determine the additional work to be performed and the quantification thereof. At the date of issue of these interim condensed consolidated financial statements, the Company had informed the customer of its intention to proceed with the next step of the dispute resolution mechanism since there are solid legal arguments that support the argument that the initial resolution was not correct. Accordingly, at 30 June 2015 no provision had been recognised in this connection.

- Monitoring of the resolution of the Council of the Spanish National Markets and Competition Commission(CNMC) :the National Appellate Court did not hand down any judgment in this first six-month period on the appeal filed by the Group on 11 March 2015 against the enforcement proceedings of the Spanish National Markets and Competition Commission, which fined Cespa S.A. and Cespa, G.R. EUR 13.6 million, along with other companies in the waste management and urban cleaning industry, for participating in a market share agreement.

Certain of the above-mentioned risks are covered by insurance policies (third-party liability, construction defects, etc.), and no significant changes in litigation or the related provisions have arisen since 2014 year-end.

9.2. Guarantees

a) Guarantees provided to third parties

At 30 June 2015, the Group companies had provided guarantees totalling EUR 5,028 million (31 December 2014: EUR 4,620 million), relating basically to the guarantees amounting to EUR 3,289 million de euros (31 December 2014: EUR 3,074 million) provided in the Construction Division to cover the liability of the construction companies for the performance and completion of their construction contracts, as required in the award processes.
Of the total amount of the Group's guarantees, EUR 446 million (see Note 9.3) are securing its commitment to invest in the capital of infrastructure projects (December 2014: EUR 240 million). This difference is explained mainly by the inclusion of guarantees of the I-77 toll road after the financial close. EUR 12 million are securing possible additional capital payments in projects only if certain events occur (contingent capital).

b) Guarantees provided by Group companies to other companies in the Group

There are guarantees provided among Group companies to cover third-party liability arising from contractual, commercial or financial relationships. In general, these guarantees do not have any impact on the analysis of the Group's consolidated financial statements.
However, there are certain guarantees provided to infrastructure project companies by other non-infrastructure Group companies which, due to the classification of project borrowings as being without recourse, it is relevant to disclose. It is also important to mention the guarantees provided to companies accounted for using the equity method, whether or not they are infrastructure project companies, to the extent that they could entail additional future investments in the capital of these companies if the secured events should arise.
The detail of the outstanding guarantees at 30 June 2015 and the changes with respect to 31 December 2014 is as follows
b.1) Guarantees provided to fully consolidated infrastructure project companies (contingent capital).
These guarantees totalled EUR 234 million at 30 June 2015 (31 December 2014: EUR 234 million).
b.2) Guarantees provided to companies accounted for using the equity method (contingent capital).

The guarantees in relation to the financing of the infrastructure projects amounted to EUR 68 million based on the Ferrovial Group's percentage of ownership (31 December 2014: EUR 70 million).

b.3) Other guarantees and warranties provided to companies accounted for using the equity method.

It is also important to disclose detail on the technical guarantees provided to companies accounted for using the equity method, whether or not they are infrastructure project companies, which provide services through a special purpose vehicle (SPV).

Of particular note in this regard are the guarantees provided by Amey for the contracts discussed in Note 22.2 b.2) to the consolidated financial statements for 2014, amounting to EUR 477 million at 30 June 2015 (December 2014: EUR 492 million). It should be noted that the foregoing amounts correspond to the percentage of ownership of Amey and Ferrovial Services, and that there are no guarantees.

c) Guarantees received from third parties and security interests in assets owned by the Group

At 30 June 2015, Ferrovial had received guarantees from third parties totalling EUR 1,045 million, mainly in the Construction Division in relation to the possibility of exercising certain rights held mostly by the Ferrovial Agromán companies in the US amounting to EUR 713 million (31 December 2014: EUR 529 million), the Budimex Group amounting to EUR 79 million (31 December 2014: EUR 75 million) and the other construction companies amounting to EUR 164 million (31 December 2014: EUR 148 million).

With regard to the security interests in assets owned by the Group, Ferrovial had pledged assets totalling EUR 43 million at 30 June 2015, associated primarily with the waste treatment plant in York (UK) amounting to EUR 26 million.

9.3. Investment commitments

The investment commitments assumed by the Group in relation to the equity for infrastructure projects amount to EUR 506 million (December 2014: EUR 555 million) and the commitments to acquire property, plant and equipment and companies amount to EUR 179 million (December 2014: EUR 203 million). It should be noted that certain of the commitments are also secured with guarantees received from third parties amounting to EUR 446 million (see Note 9.2).

10. Employees

The average number of employees at 30 June 2015 and 2014, by professional category and gender, was as follows:

	June 2015			June 2014		
	Men	Women	Total	Men	Women	Total
Executive directors	2	0	**2**	2	0	**2**
Senior executives	11	2	**13**	11	1	**12**
Executives	359	53	**412**	374	60	**434**
University and further education college graduates	7,496	2,416	**9,912**	6,927	2,156	**9,083**
Clerical staff	1,166	2,670	**3,836**	1,088	2,565	**3,653**
Manual workers and unqualified technicians	40,992	15,583	**56,575**	39,313	15,550	**54,863**
Total	50,026	20,724	**70,750**	47,715	20,332	**68,047**

The average number of employees, by business division, in the first six months of 2015 and 2014 was as follows:

	June 2015			June 2014		
	Men	Women	Total	Men	Women	Total
Construction	13,302	1,724	**15,026**	11,052	1,494	**12,546**
Corporate	235	149	**384**	199	139	**337**
Real estate	42	60	**102**	28	47	**75**
Services	35,250	18,667	**53,917**	34,810	18,171	**52,982**
Toll roads	608	300	**908**	599	291	**890**
Airports	14	10	**24**	20	13	**32**
Total	49,451	20,910	**70,361**	46,707	20,155	**66,862**

11. Comments on seasonality

Ferrovial's businesses are subject to a certain degree of seasonality over the various months of the year, making it impossible to extrapolate figures to a full year on the basis of figures for a six-month period.

In general, activity across substantially all the business areas is slightly greater in the second half of the year than the first. Specifically, gross profit from operations in the first six months of 2014 and 2013 represented 44.3% and 44.4%, respectively, of the total for the two years.

The seasonality across business areas is explained by the following factors:

→ In the case of toll roads, there is more traffic due to holiday periods and weather conditions in July, August and September as well as in December, although in a road-by-road analysis the cycle varies depending on the type of road and the proportion of industrial vehicles.

→ In construction, weather conditions are also important, since in general they are better in the second half of the year.

In terms of cash flows it should be mentioned that the greater flows from operations generated in the second half of the year are due, in general, to the fact that the budgetary operations of the public authorities mean that the collections made in the second half of the year are higher than those in the first.

12. Cash flow

The consolidated statement of cash flows was prepared in accordance with IAS 7. This Note provides an additional breakdown in this connection. This breakdown is based on internal criteria established by the Company for business purposes, which in certain cases differ from the provisions of IAS 7. The main criteria applied are as follows:

- In order to provide a clearer explanation of the cash generated, the Group separates cash flows into “Cash Flows Excluding Infrastructure Projects” where infrastructure project concession operators are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities and the yields from the investments (dividends and capital reimbursements) are included in cash flows from operating activities, and “Cash Flows of Infrastructure Projects”, consisting of cash flows from the operating and financing activities of infrastructure project concession operators.

- The treatment given to interest received on cash and cash equivalents differs from that of the statement of cash flows prepared in accordance with IAS 7, since this interest is included in cash flows from financing activities as a reduction of the amount recognised under “Interest Cash Flows”.

- Lastly, these flows endeavour to present the changes in the net cash position as the net amount of borrowings, cash and cash equivalents and restricted cash. This method also departs from that established in IAS 7, which explains the changes in cash and cash equivalents.

The change in cash flow is also discussed in the interim directors' report that was formally prepared together with these interim condensed consolidated financial statements.

	June 2015 (amounts in millions of euros)			
	Cash flow of excluding infrastructure project companies	Cash flow of infrastructure project companies	Eliminations	Consolidated cash flow
EBITDA	332	206	0	538
Dividends received	206	0	-13	193
Taxes paid in the year	-4	-4	0	-8
Refund of taxes paid in prior years	0	0	0	0
Changes in receivables, payables and other	-408	-17	0	-424
Cash flows from operating activities	**127**	**185**	**-13**	**299**
Investments	-153	-281	28	-406
Disposals	50	0	0	50
Cash flows from investing activities	**-103**	**-281**	**28**	**-356**
Cash flows from operating and investing activities	**24**	**-96**	**15**	**-57**
Interest cash flows	-31	-139	0	-170
Capital proceeds from non-controlling interests	0	63	-28	35
Scrip dividend	-116	0	0	-116
Treasury share purchase	-35	0	0	-35
Other remuneration of equity holders	-14	-14	13	-14
Total remuneration of equity holders	-165	-14	13	-165
Exchange rate effect	-12	-375	0	-387
Other changes in shareholders' equity	-3	0	0	-3
Changes in bridge loans (project financing)	0	0	0	0
Other changes in borrowings (not giving rise to cash flows)	5	773	0	778
Cash flows from financing activities	**-206**	**308**	**-15**	**88**
Change in net cash position	**-182**	**213**	**0**	**31**
Opening position	1,632	-7,862	0	-6,230
Closing position	1,450	-7,650	0	-6,199

	June 2014 (amounts in millions of euros)			
	Cash flow excluding infrastructure project companies	Cash flow of infrastructure project companies	Eliminations	Consolidated cash flow
EBITDA	251	184	0	435
Dividends received	165	0	-6	159
Taxes paid	-5	-3	0	-7
Changes in receivables, payables and other	-339	40	0	-298
Cash flows from operating activities	**72**	**222**	**-6**	**289**
Investments	-82	-169	42	-208
Disposals	21	0	-13	8
Cash flows from investing activities	**-61**	**-169**	**29**	**-201**
Cash flows from operating and investing activities	**12**	**53**	**23**	**88**
Interest cash flows	-36	-123	0	-158
Capital proceeds from non-controlling interests	0	56	-29	27
Total remuneration of equity holders	-65	-9	6	-69
Exchange rate effect	12	-28	0	-17
Other changes in shareholders' equity	6	0	0	6
Changes in bridge loans (project financing)	0	0	0	0
Other changes in borrowings (not giving rise to cash flows)	-5	-84	0	-89
Cash flows from financing activities	**-88**	**-188**	**-23**	**-299**
Change in net cash position	**-76**	**-135**	**0**	**-211**
Opening position	1,675	-7,027	0	-5,352
Closing position	1,599	-7,162	0	-5,563

13. Related party transactions

13.1 Approval of transactions

In accordance with the Board of Directors Regulations, all professional or commercial transactions of the persons referred to below with Ferrovial, S.A. or its subsidiaries require the authorisation of the Board of Directors, subject to a report from the Audit and Control Committee. In the case of ordinary transactions involving Ferrovial, S.A. the general approval of the Board of Directors for the related line of transactions will suffice. This authorisation is not necessary, however, for transactions that simultaneously fulfil the following three conditions:

1) Transactions performed under contracts containing standard terms and conditions and applied en masse to a large number of customers.
2) They are effected at prices or rates established on a general basis by the party acting as the supplier of the good or service in question.
3) The amount thereof does not exceed 1% of the Company's annual income.

The following persons are subject to these rules:

- Directors of Ferrovial, S.A. The person requesting authorisation shall leave the meeting room while the Board deliberates and votes and may not exercise or delegate his or her voting rights.
- Controlling shareholders.
- Natural persons representing directors that are legal persons.
- The Company's senior executives.
- Such other executives as might be designated individually by the Board of Directors.
- Persons related to the persons listed above, as defined in the Board of Directors Regulations.

13.2 Related party transactions

The most significant arm's length transactions with related parties effected in the first six months of 2014 and 2015 in the ordinary course of the Company's and the Group's business are indicated below.

a. Significant shareholders

This includes the transactions carried out in the first six months of 2015 and 2014 with significant shareholders, with members of the "controlling family group" (except for the natural persons who are in turn directors or representatives of directors of the Company, the information for whom is included in the following section) or with entities related through shareholdings to persons in the "controlling family group".

b. Transactions with directors and senior executives

The transactions performed with the Company's directors, representatives of directors and senior executives in the first half of 2015 and 2014 are shown below. The table also includes the transactions performed with companies considered to be related to the foregoing (if they were so considered during a portion of the year, the transactions performed in that period are indicated):

c. Transactions between Group employees, companies or entities

Set forth below is information on transactions between Ferrovial companies which, forming part of their ordinary businesses as regards purpose and conditions, were not eliminated on consolidation for the following reason.

As explained in detail in Note 3 to the consolidated financial statements for the year ended 31 December 2014, the balances and transactions relating to construction work performed by the Construction Division for infrastructure concession operators are not eliminated on consolidation since, at consolidated level, contracts of this type are classed as construction contracts in which, during the performance of the contract, the work is deemed to be performed for third parties, as the ultimate owner of the work is the grantor both from the accounting and legal standpoints.

In the first six months of 2015 Ferrovial's Construction Division recognised as construction sales at 30 June 2015 EUR 350,948 thousand (30 June 2014: EUR 406,073 thousand).

In the first half of 2015 the profit from these transactions attributable to Ferrovial's percentages of ownership of the concession operators receiving the work and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR 52,703 thousand. At 30 June 2014, the profit recognised in this connection amounted to EUR 22,919 thousand.

	Thousands of euros 30/06/15						Thousands of euros 30/06/14					
EXPENSES AND INCOME:	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total	Balance	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total	Balance
Finance costs		3,143			**3,143**	**0**		2,652			**2,652**	
Services received		22,745			**22,745**	**-2,090**		20,258			**20,258**	**-2,067**
EXPENSES	**0**	**25,888**	**0**	**0**	**25,888**	**-2,090**	**0**	**22,909**	**0**	**0**	**22,909**	**-2,067**
Finance income		89			**89**	**0**		19			**19**	
Services rendered	478	7,458	350,948		**358,884**	**4,117**	261	716	406,073		**407,050**	**1,082**
INCOME	**478**	**7,547**	**350,948**	**0**	**358,973**	**4,117**	**261**	**736**	**406,073**	**0**	**407,070**	**1,082**

	Thousands of euros 30/06/15						Thousands of euros 30/06/14					
OTHER TRANSACTIONS:	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total	Balance	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total	Balance
Financing agreements: loans and capital contributions (borrower)		312,900			**312,900**	**-312,900**		269,500			**269,500**	**-269,500**
Guarantees received		131,700			**131,700**	**-131,700**		209,400			**209,400**	**-209,400**
Other transactions					**0**						**0**	

14. Remuneration of the Board of Directors

The following table shows the remuneration, by item, received by all the Company's directors as members of the Board of Directors of Ferrovial, S.A., and by the senior executives of Ferrovial, deemed to be persons belonging to the Company's Management Committee or those who report directly to the managing body, the Executive Committee or the Company's CEOs (except for those who are also executive directors, who are included in the remuneration received by the Board of Directors):

DIRECTORS:	Amount (thousands of euros)	
Type of remuneration:	June 2015	June 2014
Fixed remuneration	1,218	1,073
Variable remuneration	4,038	3,917
Attendance fees	351	369
Bylaw-stipulated directors' emoluments	210	210
Transactions involving shares and/or other financial instruments	9,365	4,241
TOTAL	**15,182**	**9,810**
Other benefits:		
Life insurance premiums	8	8
SENIOR EXECUTIVES:	Amount (thousands of euros)	
	June 2015	June 2014
Total remuneration received by senior executives	**21,995**	**17,635**

The increase with respect to the prior period in the remuneration of directors and senior executives was due mainly to the effect of the exercise of the share options awarded under the plan communicated in the past and the payment of the performance-based share plan for 2011 (delivery in 2012). The value of the shares increased by approximately 22.36% on the preceding period due to the rise in their market price.

Also, in order to cover the extraordinary remuneration of certain senior executives, subject to the circumstances discussed in Note 29.7 to the consolidated financial statements, on an annual basis the Parent of the Group makes contributions to a group savings insurance plan, of which the Company itself is the policy holder and beneficiary, quantified based on a certain percentage of the total monetary remuneration of each senior executive. The related contributions made in the first six months of 2015 amounted to EUR 2,259 thousand.

15. Events after the reporting period

Subsequent to 30 June 2015, there were significant awards of contracts to the Group in the Toll Roads Division which, due to their importance, are discussed below. Both projects will give rise to an overall increase in the backlog of the Construction Division of approximately EUR 600 million.

- On 3 July Ferrovial, through a consortium in which a 40% interest is held, was selected as a Preferred Tenderer for the design, construction, financing, operation and maintenance of the concession known as Toowoomba Second Range Crossing in Australia with a concession term of 25 years and an estimated investment of AUD 1,600 million (approximately EUR 1,100 million).

- Also, Ferrovial, through a consortium in which the interest is also 40%, was selected for the design, construction, financing, operation and maintenance of a toll road in Colombia with a total estimated investment of COP 2.6 trillion (EUR 880 million). The concession term is 25 years, with the possibility of being extended a further 4 years.

Also, on 1 July the UK Airports Commission recommended the construction of a third runway at Heathrow as the best option to increase the UK's airport capacity. This recommendation is not binding and the British Government is expected to take a decision in this connection before the end of 2015.

16. Explanation added for translation to English

These interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.