ALTERNATIVE PERFORMANCE MEASURES (APM)

The company presents its results in accordance with generally accepted accounting standards (IFRS). In addition, Management provides in the Financial Report released in March other financial measures non-IFRS regulated, called APMs (Alternative Performance Measures) according to the directives of European Securities and Markets Authority (ESMA). Management uses those APMs in decision-taking and to evaluate the performance of the company. Bellow there are details of disclosures required by the ESMA on definition, reconciliation, explanation of use, comparisons and coherence of each APM. It is provided more detailed information on the corporate web page: http://www.ferrovial.com/es/accionistas-e-inversores/informacion-financiera/informacion-financiera-trimestral/. Additionally, in the appendix of this document the reconciliation of the Comparable "like for like growth" and Order book are provided.

EBITDA = GROSS OPERATING RESULT

- ✓ **Definition**: operating result before charges for fixed asset and right of use of leases depreciation and amortisation.

- ✓ **Reconciliation:** the company presents the calculation of EBITDA in the Consolidated P&L (see Consolidated P&L in the Financial Report) as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets and right of use assets depreciation and amortisation which are reported in a separate line).

- ✓ **Explanation of use**: EBITDA provides an analysis of the operating results, excluding depreciation and amortisation, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. Therefore we use EBITDA as a starting point to calculate cash flow, adding the variation in working capital. Finally, it is an APM indicator which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, by comparing EBITDA with net debt.

- ✓ **Comparisons**: the company presents comparative figures with previous years. In order to improve the comparison, it is also presented EBITDA ex – IFRS 16 where current EBITDA is adjusted by the operating expense due to leases under the scope of IFRS 16 as it would not have been applied (see further explanation in like-for-like growth).

- ✓ **Coherence:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARABLE ("LIKE-FOR-LIKE GROWTH" LfL)

- ✓ **Definition**: relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
  - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line "Impairments and disposals of fixed assets").
  - In the case of company disposals and loss of control, the homogenisation of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.
  - Elimination of the restructuring costs, in both periods.
  - In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent ≥5% of the reporting unit's revenues before the acquisition).
  - Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company's underlying results.
  - This year with the adoption of IFRS 16 leases, and for a better comparison of the gross operating profit and operating profit figures with those of the previous year, we have proceeded to undo the adjustments for this concept, reversing the adjustment for financial expense and depreciation of the right of use and recognizing a higher operating expense for leases, as if the new standard would not have been applied in the current period.
  - In addition, for the operating profit figure of the Services division, presented as discontinued operations, in order to improve their comparability with respect to the previous year, the depreciation amount of the assets has been adjusted as if they were still operating in the normal course of business during the current year.
  - Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.

- ✓ **Reconciliation:** the comparable growth is presented in separate columns on Business Performance of the quarterly Financial Report and reconciliated in the Appendix to this document.

- ✓ **Explanation of use**: Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non-recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.

- ✓ **Comparisons**: the comparable breakdown is only shown for the current period compared with the previous period.

- ✓ **Coherence:** the criteria used to calculate the comparable "Like-for-like growth" is the same as the previous year, except for the reversion of the adjustments made for the application of IFRS 16 and the adjustment of the depreciation of assets of discontinued operations, which will only be made during the current period. We consider that this is the best way to present comparable figures for EBITDA and operating profit in order to see the evolution of the business with respect to the previous year. On the one hand, IFRS 16 on leases is the first year of adoption and has been applied retroactively, adjusting the balances at 1 January 2019, without restatement of comparatives. With respect to the second concept, assets classified as held for sale in accordance with IFRS 5 are not depreciated; however, on presenting the result of the Services division, the information is provided as if they were continuous operations for both periods.

CONSOLIDATED NET DEBT (NCP)

- ✓ **Definition:** this is the net balance of Cash and cash equivalents (including short and long-term restricted cash), minus short and long-term financial debt (bank debt and bonds), including the balance related to exchange-rate derivatives that cover both the issue of debt in currency other than the currency used by the issuing company and cash positions that are exposed to exchange rate risk. The lease liability (due to the application of the new IFRS 16 standard) is not part of the Consolidated Net Debt.

- ✓ **Reconciliation:** the detailed reconciliation is shown in the Business Performance section of the quarterly Financial Report.

- ✓ **Explanation of use**: this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:
  - **Net debt of infrastructure projects.** This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued This is the debt corresponding to infrastructure project companies.
  - **Net debt ex-infrastructure projects**. This is the net debt of Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.

- ✓ **Comparisons**: the company presents comparisons with previous years.

- ✓ **Coherence:** the criterion used to calculate the net debt figure is the same as the previous year.

ORDER BOOK

- ✓ **Definition**: the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.

- ✓ **Reconciliation:** the order book is presented under Key figures under Services and Construction sections of the Financial Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Appendix to this document. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.

- ✓ **Explanation of use**: The Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.

- ✓ **Comparisons**: the company presents comparisons with previous years.

- ✓ **Coherence:** the criteria used to calculate order book is the same as the previous year.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Reconciliation

(EUR million)	Revenues MAR-19	MAR-18	VAR.
Budimex	*322*	*320*	*0,5%*
Webber	*163*	*180*	*-9,6%*
Ferrovial Agroman	*608*	*547*	*11,3%*
Construction	1.093	1.047	4,4%
Toll roads	134	95	41,0%
Others	3	4	-39,8%
Revenues from continuing operations	**1.229**	**1.146**	**7,2%**

Construction		20
Toll roads		4
Others	0	0
Elimination of the exchange-rate effect	**0**	**25**

(EUR million)	Revenues MAR-19	MAR-18	LIKE FOR LIKE
Budimex	*322*	*312*	*3,1%*
Webber	*163*	*196*	*-16,7%*
Ferrovial Agroman	*608*	*560*	*8,7%*
Construction	1.093	1.067	2,4%
Toll roads	134	99	35,5%
Others (*)	3	5	-43,9%
Revenues Like-for-like from continuing operations	**1.229**	**1.171**	**5,0%**

(*) Includes Airports, Corporate and adjustments.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Reconciliation

	EBITDA		
	MAR-19	MAR-18	VAR.
Budimex	*17*	*23*	*-26,6%*
Webber	*8*	*5*	*68,0%*
Ferrovial Agroman	*-345*	*-2*	*n.s.*
Construction	-320	26	n.s.
Toll roads	93	62	51,2%
Others	-3	1	n.s.
EBITDA from continuing operations	**-230**	**89**	**n.s.**
Construction	0	0	
Toll roads		3	
Others	0	0	
Elimination of the exchange-rate effect	**0**	**3**	
Construction	-5	0	
Toll roads	**0**	0	
Others	-1	0	
IFRS 16 impact	**-6**	**0**	

	EBITDA		
(EUR million)	MAR-19	MAR-18	LIKE FOR LIKE
Budimex	*16*	*23*	*-30,7%*
Webber	*7*	*6*	*22,2%*
Ferrovial Agroman	*-347*	*-2*	*n.s.*
Construction	-325	26	n.s.
Toll roads	93	64	44,6%
Others (*)	-4	1	n.s.
EBITDA Like-for-like from continuing operations	**-236**	**92**	**n.s.**

(*) Includes Airports, Corporate and adjustments.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Reconciliation

	EBIT		
	MAR-19	MAR-18	VAR.
Budimex	*13*	*21*	*-37,7%*
Webber	*4*	*3*	*50,3%*
Ferrovial Agroman	*-349*	*-6*	*n.s.*
Construction	-332	17	n.s.
Toll roads	74	44	66,2%
Others	-4	0	n.s.
EBIT from continuing operations	**-263**	**62**	**n.s.**
Construction	0	0	
Toll roads		2	
Others	0	0	
Elimination of the exchange-rate effect	**0**	**2**	
Construction	-1	0	
Toll roads	**0**	0	
Others	0	0	
IFRS 16 impact	**-1**	**0**	

	EBIT		
(EUR million)	MAR-19	MAR-18	LIKE FOR LIKE
Budimex	*12*	*20*	*-39,3%*
Webber	*4*	*3*	*29,2%*
Ferrovial Agroman	*-349*	*-6*	*n.s.*
Construction	-333	17	n.s.
Toll roads	74	46	59,9%
Others (*)	-5	0	n.s.
EBIT Like-for-like from continuing operations	**-264**	**64**	**n.s.**

(*) Includes Airports, Corporate and adjustments.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Reconciliation

(EUR million)	Orderbook MAR-19	MAR-18	VAR.
Budimex	*2.434*	*2.362*	*3,1%*
Webber	*1.740*	*1.511*	*15,1%*
Ferrovial Agroman	*7.125*	*7.092*	*0,5%*
Construction	11.299	10.965	3,0%
Spain	*4.667*	*4.670*	*-0,1%*
UK	*9.087*	*9.251*	*-1,8%*
Australia	*4.068*	*4.129*	*-1,5%*
International	*1.577*	*1.361*	*15,8%*
Services	19.398	19.411	-0,1%
Budimex		*-9*	
Webber		*31*	
Ferrovial Agroman		*134*	
Construction		156	
Spain			
UK		*373*	
Australia		*117*	
International		*25*	
Services		514	
Elimination of the exchange-rate effect	**0**	**671**	

(EUR million)	Orderbook MAR-19	MAR-18	LIKE FOR LIKE
Budimex	*2.434*	*2.353*	*3,5%*
Webber	*1.740*	*1.543*	*12,8%*
Ferrovial Agroman	*7.125*	*7.226*	*-1,4%*
Construction	11.299	11.121	1,6%
Spain	*4.667*	*4.670*	*-0,1%*
UK	*9.087*	*9.624*	*-5,6%*
Australia	*4.068*	*4.246*	*-4,2%*
International	*1.577*	*1.386*	*13,8%*
Services	19.398	19.925	-2,6%

ALTERNATIVE PERFORMANCE MEASURES (APM)

Orderbook Reconciliation

	Construction	Services
Original orderbook 31/12/2018	**10.965**	**19.411**
Work completed (main component of the sales figure) (I)	**-998**	**-1.463**
Contracts awarded	1.165	943
Rescissions	-2	-6
Changes to the scope and others	6	
Exchange-rate effect	163	513
End orderbook 31/03/2019	**11.299**	**19.398**
Other revenue (II)	**95**	**352**
Revenue (I+II) (*)	**1.093**	**1.814**

The difference between the Construction and Services work completed and the revenue figure for both divisions reported in Ferrovial's Financial Statements is attributable mainly to the fact that compensations and sale of machinery are made to the latter for Construcion; and additional services provided being non-guaranteed for Services; besides consolidation adjustments for both business unit.