

EARNINGS, FERROVIAL, TRAFFIC

First half 2018 results: The main assets improved earnings, traffic and dividends.

Ferrovial reports 122 million euro in EBITDA

- Net income amounted to -72 million euro due to the impact of the charge booked by Amey for the contract with Birmingham City Council. But for that effect, EBITDA would have amounted to 359 million euro.
- The main infrastructure assets continued to evidence strong operating performance, with improvements in earnings, traffic and dividends. EBITDA increased at 407 ETR (+11.4%), Heathrow Airport (+1.8%) and NTE and LBJ in Texas (+19.8% and +25.5%, respectively), in local currency terms.
- Traffic continued to increase on the main infrastructures: 407 ETR (+2.2%), Heathrow (+2.5%), LBJ (+7.2%), NTE (+3.9%) and Ausol I (+8.9%).
- The company collected 307 million euro in dividends from the assets in which it holds a stake.
- The backlog amounted to 30.174 billion euro, of which 19.084 billion relate to Services and 11,090 to Construction.

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Madrid, 26/07/2018.- Ferrovial, the world-leading infrastructure operator and manager of services for cities, attained 122 million euro in EBITDA in the first half of 2018 after the 237 million euro charge booked for possible losses on Amey's contract with Birmingham City Council. Eliminating the effect of that charge, EBITDA would have amounted to 359 million euro. Affected by the charge, net income amounted to -72 million euro.

The company's main infrastructure assets – 407 ETR in Toronto, Heathrow airport and the managed lanes in Texas – performed very well, providing 550 million euro in EBITDA in proportionate consolidation terms, reflecting the holdings in assets recognized by the equity method, which provides a more accurate picture of the company's performance. Revenues amounted to 5.935 billion euro, supported by growth in Construction and Services in Spain and Toll Roads, which increased by 2.4% in like-for-like terms.

Ferrovial collected 307 million euro in dividends from the assets in which it holds a stake. Divestments amounted to 48 million euro in the first half of 2018, compared with 167 million euro in the same period of 2017 (which included 3.9% of Budimex and 51% of Norte Litoral in Portugal).

The backlog totals 30.174 billion euro, of which Services accounts for 19.084 billion euro and Construction for 11.090 billion euro; 80% of the backlog is located outside Spain (74% in the case of Services and 90% in the case of Construction). The backlog does not yet include over 700 million euro in international construction contracts that are pending financial close.

Notable events in the period included: the inauguration, two months ahead of schedule, of the NTE extension in the Dallas-Fort Worth area; commencement of construction to renovate the international terminal at Denver Airport; and approval by the UK Parliament of Heathrow Airport's expansion.

Order intake included: a rail transport concession in Wales, in consortium with Keolis; and, in the Oil & Gas industry, a maintenance contract from oil services company Schlumberger and oilfield

maintenance contracts from Santos in Australia. Construction contracts obtained in the quarter include road building in Chile, the United States and Poland, while new building contracts include the Polish History Museum, and schools in Liberty County, Texas.

Results in the first half of 2018 were affected by substantive changes, including the conclusion in October 2017 of Broadpectrum's immigration-related contracts in Australia, and the deconsolidation of the Portuguese toll roads.

Traffic growth and performance by the main assets

Toll road and airport traffic continued to increase in Europe and America, supported by economic performance in those regions: 407 ETR (+2.2%), Heathrow (+2.5%), LBJ (+7.2%), NTE (+3.9%) and Ausol I (+8.9%).

The managed lanes projects in Texas continued to increase their contribution to revenues and EBITDA. The LBJ achieved 48 million dollars in EBITDA (+25.5%) on 59 million dollars in revenues (+24.2%). The NTE reported 53 million dollars in revenues (+18.0%) and 44 million dollars in EBITDA, a 19.8% increase year-on-year.

The company's main assets reported strong growth in EBITDA: 11.4% at 407 ETR in Canada and 1.8% at Heathrow Airport (in local currency terms in both cases). Traffic performance on 407 ETR increased revenues by 10% in local currency terms, while Heathrow attained 38.1 million passengers, resulting in a 2.2% increase in revenues to 1.405 billion pounds.

Main funding transactions

The net cash position excluding infrastructure projects stood at 906 million euro, while project debt was 4.816 billion euro, from 4.804 billion euro at 2017 year-end.

Taking advantage of the favorable market situation, the company registered a European Commercial Paper program with the Irish Stock Exchange, for at most 1 billion euro, in the first quarter of 2018. Under this program, Ferrovial can issue commercial paper maturing between 1 and 364 days, enabling it to further diversify its capital market funding sources and manage available liquidity more efficiently.

Business units

Toll Roads experienced traffic growth on most assets. The widespread improvement in the US, Canada, Europe and Spain is continuing. Revenues amounted to 208 million euro, with a higher contribution from the managed lanes in Texas, and EBITDA achieved solid 11.4% growth in like-for-like terms, after adjusting for the partial divestment of Norte Litoral and Algarve, which are now carried by the equity method. Ausol I continued to increase traffic, by 8.9% in the period, boosted by tourism and good general economic performance.

The **Airports** division contributed 57 million euro in equity-accounted profit. HAH saw traffic increase in all areas: intercontinental, Europe, domestic and cargo. User satisfaction stands at 4.17 out of 5. The AGS regional airports achieved 8.7% growth in EBITDA on 4.1% growth in revenues, in local currency terms. Aberdeen increased passenger traffic by 1% due to inaugurating new leisure-related routes to Spain, Portugal and Malta.

Construction revenues exceeded 2.437 billion euro (+16.6% in like-for-like terms), of which 83% was from international business, concentrated mainly in the US and Poland. Budimex increased revenues by 17.3%, while Webber contributed 399 million euro in the first half (+16.7% in like-for-like terms). The backlog stands at 11.090 billion euro, pending inclusion of over 700 million euro in international projects that are awaiting financial close.

Services revenues amounted to 3.238 billion euro, and EBITDA, excluding the impact of the provision for the Birmingham contract, amounted to 153 million euro. Spain performed well, with 3.8% revenue growth feeding into EBITDA. International revenues, from such countries as the US, Poland, Chile and Portugal, increased by 14.2% in like-for-like terms to 245 million euro. Broadspectrum, the Australian subsidiary, achieved 862 million euro in revenues in the first half, following the conclusion of the immigration-related contracts. Amey maintains its policy of selective bidding and of renegotiating unprofitable contracts in pursuit of better margins; it also increased the volume of consulting and rail work.

About Ferrovial

Ferrovial is one of the world's leading infrastructure operators and municipal services companies, committed to developing sustainable solutions. The company has 96,000 employees and operates in over 20 countries. Its main business areas are: Services, Toll Roads, Construction and Airports. It is a member of Spain's blue-chip IBEX 35 index and is also included in the Dow Jones Sustainability Index and FTSE4Good; all its operations are conducted in compliance with the principles of the UN Global Compact, which the company adopted in 2002.

KEY FIGURES

(million euro)

	Jun. 2018	Jun. 2017	Change
Revenues	5,935	6,059	-2.1%
EBITDA	122	469	-73,9%
EBIT	-52	305	n.m.
Net income	-72	240	n.m.

	Jun. 2018	Dec. 2017	Change
Project net debt	-4,816	-4,804	
Net cash position, excluding infrastructure projects	906	1,341	
Construction backlog	11,090	11,145	-0.5%
Services backlog	19,084	19,329	1.3%

RESULTS IN PROPORTIONATE CONSOLIDATION TERMS

(million euro)

	Jun. 2018	Jun. 2017	Change
Revenues	6,432	6,634	-3.0%
EBITDA	550	865	-36.5%
EBIT	269	559	-51.6%