

Due to classifying the Services division as available for sale

Ferrovial reports €460 million in net profit from continuing operations, 8.6% more than in 2017

- Revenues from continuing operations amounted to €5,737 million, and EBITDA to €484 million, due to good performance by infrastructure assets.
- These accounts reflect the results of continuing operations. As a result of reclassifying Services, a non-cash provision of €774 million was booked to recognize the fair value of the stake in Amey, resulting in a net loss of €448 million.
- Highway 407 ETR and the Texas managed lanes reported growth in all line items. EBITDA increased by 9.7% on 407 ETR, 28.1% on LBJ and 30.0% on NTE, all in local currency terms. Toll Roads and Heathrow Airport logged steady growth in traffic: 407 ETR (+1.4%), LBJ (+6.9%), NTE (+10.7%), Ausol I (+8.0%), and Heathrow (+2.7%).
- Heathrow and the UK regional airports (AGS) reported growth in revenues and EBITDA. EBITDA increased by 4.5% at Heathrow on 3.0% growth in revenues, while it increased by 5.7% at AGS on 1.8% growth in revenues, in local currency in both cases.
- Incoming dividends increased to €623 million (+12.6%). 407 ETR increased its dividend by 8.9% in 2018. Ferrovial collected €144 million from Heathrow and €39 million from AGS.
- The Board will propose a shareholder remuneration program (flexible dividend) equivalent to a dividend payment of approximately €0.74 per share.

Madrid, 28/02/2019.- Ferrovial, the world-leading infrastructure operator, reported €460 million in net profit from continuing operations in 2018, up 8.6% on the €424 million reported the previous year. This result was due to positive performance by the equity-accounted assets, which contributed a larger amount of dividends. The accounts reflect the impact of the company's recent announcement that it has classified the Services division as available for sale, including the contribution by discontinued operations to income for the year and the net cash position.

At a meeting today, the Board of Directors gave notice of the Ordinary Shareholders' Meeting. Motions to be laid before the shareholders include approving a shareholder remuneration program (flexible dividend) in similar terms to the previous five years, which will be equivalent to a dividend of approximately €0.74 per share.

The company posted a loss of €448 million in 2018, including a €774 million provision (with no cash outflow). Amey's fair value has been set at €103 million.

Revenues from continuing operations increased by 11.3% to €5,737 million due to the higher contribution from Construction attributable to the commencement of large projects in the United States. International business accounted for 77% of total revenues. EBITDA amounted to €484 million, a 1.4% increase in like-for-like terms.

The company collected €623 million in dividends from its assets, a 12.6% increase on the €553 million euro received in 2017. 407 ETR increased its dividend by 8.9% in 2018 in local currency

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terms. Ferrovial collected €144 million from Heathrow and €39 million from AGS. It also collected €131 million from Ferrovial Services, most of it from Spain.

During the year, it divested the stakes in the Central Greece and Ionian Roads toll roads in Greece, booking a capital gain of €80 million. Divestments in the year, which also included the sale of PFIs in the United Kingdom and the stake in Australian alternative energies fund Ratch, amounted to €230 million.

In terms of operating performance, traffic increased at the company's infrastructure assets, including notably: 407 ETR (+1.4%), Heathrow (+2.7%), LBJ (+6.9%), NTE (+10.7%) and Ausol I (+8.0%).

The Construction backlog is close to €11,000 million, 89% of which is outside Spain. Notable events in the year included: the inauguration, three months ahead of schedule, of the NTE35W in the Dallas-Fort Worth area; commencement of construction to renovate the international terminal at Denver Airport; approval of Heathrow Airport's expansion by the UK Parliament; the award of a second high-tension line in Chile; and the financial close of the Ruta del Cacao toll road.

A number of road construction contracts were signed in Chile, the United States and Poland.

Main funding transactions

Ferrovial ended the year with a positive net cash position (excluding infrastructure) of €1,236 million (this figure includes Services). Consolidated net debt amounted to €3,649 million.

In August, the company arranged a liquidity line based on sustainability factors for a total of €900 million, to replace a pre-existing €1,250 million line, with better funding costs and an extension of maturity to 2023, with an option to extend to 2025.

Taking advantage of the favorable market situation, in the first quarter of 2018 the company arranged a European Commercial Paper program on the Irish Stock Exchange for at most €1,000 million euro. This program diversifies the company's funding sources and allows for more efficient management of available liquidity.

Growth by the main assets

The company's main assets achieved solid growth in all lines. The LBJ toll road in Texas attained 126 million dollars in revenues, a 24.4% increase, while its EBITDA rose by 28.1% to 103 million dollars. NTE, the other managed lanes highway in Texas, attained 116 million dollars in revenues (up 24.8%) while growing EBITDA by 30.0% year-on-year to 98 million dollars.

Canadian highway 407 ETR achieved 9.7% growth in EBITDA in local currency on the same pace of growth in revenues, which were boosted by traffic growth and higher tolls. 407 ETR distributed 920 million Canadian dollars to shareholders, 8.9% more than in 2017, of which Ferrovial received €273 million euro. The highway's Board of Directors declared a dividend to be paid in the first quarter of 2019 which will amount to 250 million dollars, 10.5% more than in the first quarter of 2018.

Heathrow Airport reported 4.5% EBITDA growth in local currency. The airport set another record in passenger numbers, exceeding 80 million, with a 3.0% increase in revenues, supported by 8.6% growth in retail revenues. These results enabled HAH to distribute a dividend of 500 million pounds, of which Ferrovial collected €144 million euro.

Business units

Toll Roads experienced traffic growth on all the company's assets. Revenues amounted to €471 million due to the higher contribution from the Texas managed lanes projects, where EBITDA increased by 13.8% in like-for-like terms. The United States now accounts for 52% of the division's revenues and 55% of its EBITDA. Traffic also increased on the European assets as a result of improving economic conditions in the countries where the company operates. The NTE 35W was fully opened to traffic in mid-year, three months ahead of schedule, and this year will see the inauguration of the I-77 managed lane highway in North Carolina, the fourth of its type to be operated by the company in the United States.

The **Airports** division reported good performance at HAH in terms of revenues, EBITDA and passenger numbers, with record traffic for the 26th consecutive month and higher client satisfaction ratings. Heathrow maintained high levels of customer satisfaction in 2018, coming first in Europe in quality surveys. The airport's retail revenues increased by 8.6% in response to growth in traffic and to a number of initiatives to increase the time that passengers spend in retail areas. The AGS regional airports (Glasgow, Aberdeen and Southampton) achieved 5.7% growth in EBITDA in local currency terms. They also distributed 70 million pounds in dividends, of which Ferrovial collected €39 million.

Construction division revenues amounted to €5,193 million (+14.3% like-for-like), focused mainly in the long-standing core markets, such as the US and Poland. Budimex revenues surged by 14.6% and its backlog remained high because of strong order intake. Webber increased its backlog by 22.9% in like-for-like terms to over €1,500 million due to robust order intake. Completion of construction of NTE 35W enabled revenues to reach €739 million. International business now accounts for 84% of the division's total, while international projects represent 89% of its backlog.

Classification as discontinued operations

Following a strategic review of the Services division, it was classified as available-for-sale. Its revenues amounted to €6,785 million, affected by a selective bidding policy in the United Kingdom that was offset by the addition of rail and Ministry of Defense contracts in that country. Spain performed well, with 3.5% growth in revenues due to the higher contribution from the industrial maintenance and waste treatment businesses. Revenues in the United Kingdom increased by 4.4%. EBITDA and the gross margin were impacted by the contract with Birmingham City Council, for which a provision of €235 million was booked in the first quarter. The backlog in the United Kingdom amounts to €9,251 million, up 5.1% in like-for-like terms. Revenues in other countries, including mainly the United States and Poland, increased to €540 million (+19.8% in like-for-like terms) and EBITDA rose by 88.9% to €36 million; at €1,361 million, the backlog stood 7.8% higher year-on-year. Broadpectrum attained €1,684 million in revenues, affected by the conclusion of the immigration contract. The backlog expanded by 9.6% in like-for-like terms.

Proposal to the Shareholders' Meeting

At a meeting today, the Board of Directors gave notice of the Ordinary Shareholders' Meeting to be held on 4 and 5 April, at first and second call, respectively. Motions to be laid before the shareholders include approving the 2018 financial statements and a shareholder remuneration program (flexible dividend) in similar terms to the previous five years, which will be implemented via two scrip dividends.

Based on the average closing price of Ferrovial's share between 30 January and 5 February, that is equivalent to the payment of a dividend of approximately €0.74 per share. The Board also proposed that the shareholders authorize a capital reduction to cancel existing treasury stock and shares repurchased under a buyback program (up to at most 19 million shares or €275 million).



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A total of 9 directors, the President and the CEO among them, are proposed for re-appointment together with ratification of the appointment of Mr. Bruno Di Leo. The shareholders will also be asked to renew the authorization to increase capital by up to one-half of its amount and to issue convertible bonds. The strategic review of the Services division having concluded, the Shareholders' Meeting will be asked to authorize the partial or total divestment of that division's assets.

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)

	2018	2017	Change
Revenues	5,737	5,152	11.3%
EBITDA	484	516	-6.2%
EBIT	438	489	-10.2%
Net income	-448	454	n.a.

	2018	2017	Change
Consolidated net debt	-3,649	-3,463	
Net cash position, excluding infrastructure projects	1,236	1,341	

Construction backlog	10,965	11,145	-1.6%
Services backlog	19,411	19,329	0.4%

PROPORTIONATE RESULTS
(million euro)

	2018
Revenues	6,069
EBITDA	1,306