

EARNINGS, FERROVIAL, TRAFFIC

First half of 2019: Solid performance by the main assets

Ferrovial reduced losses to €6 million in the first half compared to last year's €72 million

- Revenues totaled €2.603 billion. EBITDA amounted to €-116 million due to a €345 million charge in the Construction division; but for that effect, EBITDA would have been €229 million.
- The principal assets maintained their robust performance: EBITDA increased at 407 ETR (+7.1%), Heathrow Airport (+7%) and Texan toll roads NTE (+45.4%) and LBJ (+23.7%), in local currency terms in all cases.
- Traffic continued to perform well: NTE (+20.8%), LBJ (+5.0%), Ausol I (+6.7%) and Heathrow (+1.8%). Traffic on 407 ETR declined by 1.4% in the first half, for the first time in ten years, due to the extreme winter weather conditions.
- 407 ETR distributed CAD 500 million, Heathrow GBP 200 million and AGS GBP 20 million. NTE will distribute a dividend this year for the first time.

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Madrid, 30/07/2019. - Ferrovial, the global transport infrastructure operator, reported a net result of €-6 million in the first half of 2019 (compared with €-72 million in the same period of 2018) as a result of booking a €345 million provision for possible losses on certain construction contracts in the United States. EBITDA amounted to €-116 million, or €229 million without the impact of the provision. This item was also affected by the change in consolidation scope, as the Services division has been classified as "available for sale".

The company's main infrastructure assets continued to perform well, particularly the managed lanes projects in Texas. Revenues in the first half amounted to €2.603 billion, 82% of which was obtained outside Spain.

Ferrovial collected €244 million in dividends from the assets in which it holds a stake: 407 ETR distributed CAD 500 million, Heathrow GBP 200 million and AGS GBP 20 million. Dividend coming from toll roads increased a 10%. The company also announced that NTE will distribute a dividend this year for the first time.

Net cash, excluding Infrastructure projects but including the Services division, amounted to €482 million at the end of the period. Consolidated net debt amounted to €3.926 billion.

The Construction backlog stood at €11.405 billion, a new record, 88% of which is outside Spain. That figure does not yet include €1.250 billion in international construction projects.

In the second quarter, Cintra reached an agreement to sell 65% of the Ausol concession company to Meridian infrastructure fund for €447 million. Cintra will retain a 15% stake in the concessionaire. This deal will provide €474 million in capital gains that are not accounted for in these results.

Traffic growth and robust performance by the main assets

Toll road and airport traffic continued to increase in Europe and America, supported by economic performance in those regions: NTE (+20.8%), LBJ (+5.0%), Ausol I (+6.7%) and Heathrow (+1.8%). Traffic on 407 ETR declined by 1.4% in the first half, for the first time in ten years, due to the extreme winter weather conditions. Winter action plans were triggered on 66 of the 90 days in the first quarter, and salt usage was 25% more than the 5-year average. Nevertheless, revenues increased by 7.5% to CAD 700 million, while EBITDA rose 7.1% to 610 million.

The managed lanes projects in Texas continued to increase their contribution to revenues and EBITDA. NTE reported USD 74 million in revenues (+39.9%) and USD 64 million in EBITDA, a 45.4% increase year-on-year. LBJ reported USD 60 million in EBITDA, a 23.7% increase year-on-year, on a 21.4% increase in revenues to USD 72 million.

Traffic at Heathrow Airport reached 38.8 million passengers, another record, resulting in GBP 1.461 billion in revenues (+4%) and GBP 907 million in EBITDA (+7%, or 3.9% in like-for-like terms).

Business units

Toll Roads experienced traffic growth on most of the company's assets, as the general improvement gained traction. Revenues amounted to €287 million (+38.1%), with a higher contribution from the managed lanes in Texas, and EBITDA expanded by a solid 51.7% to €206 million. Ausol I and II continued to increase traffic, by 6.7% and 5.1%, driven by tourism and good general economic performance.

In the **Airports** division, HAH attained record passenger numbers, and average spending per passenger was up 1.5%. The AGS regional airports experienced 3.8% revenue growth and 7.4% EBITDA increase.

Construction revenues totaled €2.308 billion, 8.6% less than in the same period of 2018, 83% of which was from international contracts, particularly in the United States and Poland. Budimex (revenues -1.6%) contributed 33% of revenues, while the US contributed 28%. The backlog exceeded €11.405 billion, of which 89% is overseas. The division's EBITDA was affected by a €345 million provision for potential losses on certain projects due to increased prices of outsourced services and raw materials and the longer time being taken to approve the design phase.

Assets available for sale

Services reported €3.597 billion in revenues (+10.5%), with EBITDA of €168 million (+9.4% ex Birmingham). Spain performed well, with revenues up 2.8%, driving 5.3% growth in EBITDA. Revenues in the United Kingdom increased by 22.7%, with EBITDA amounting to €18 million. International revenues, from such countries as the US, Poland, Chile and Portugal, amounted to €331 million, an increase of 31.1% in like-for-like terms. Broadspectrum, the Australian subsidiary, reported €816 million in revenues in the quarter.

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)

	June 2019	June 2018	Change
Revenues	2,603	2,701	-3.6%
EBITDA	-116	--	n.m.
EBIT	-190	151	n.m.
Net income	-6	-72	n.m.

	June 2019	Dec. 2018	Change
Project net debt	-4,408	-4,885	
Net cash position, excluding infrastructure projects	482	1,236	

Construction backlog	11,405	10,965	3.2%
Services backlog	18,500	19,411	-5.0%