



38/
BUSINESS
PERFORMANCE

68/
INTEGRITY

58/
PEOPLE

66/
QUALITY

60/
HEALTH AND
SAFETY



62/
INNOVATION

72/

THE ENVIRONMENT

70/

HUMAN RIGHTS

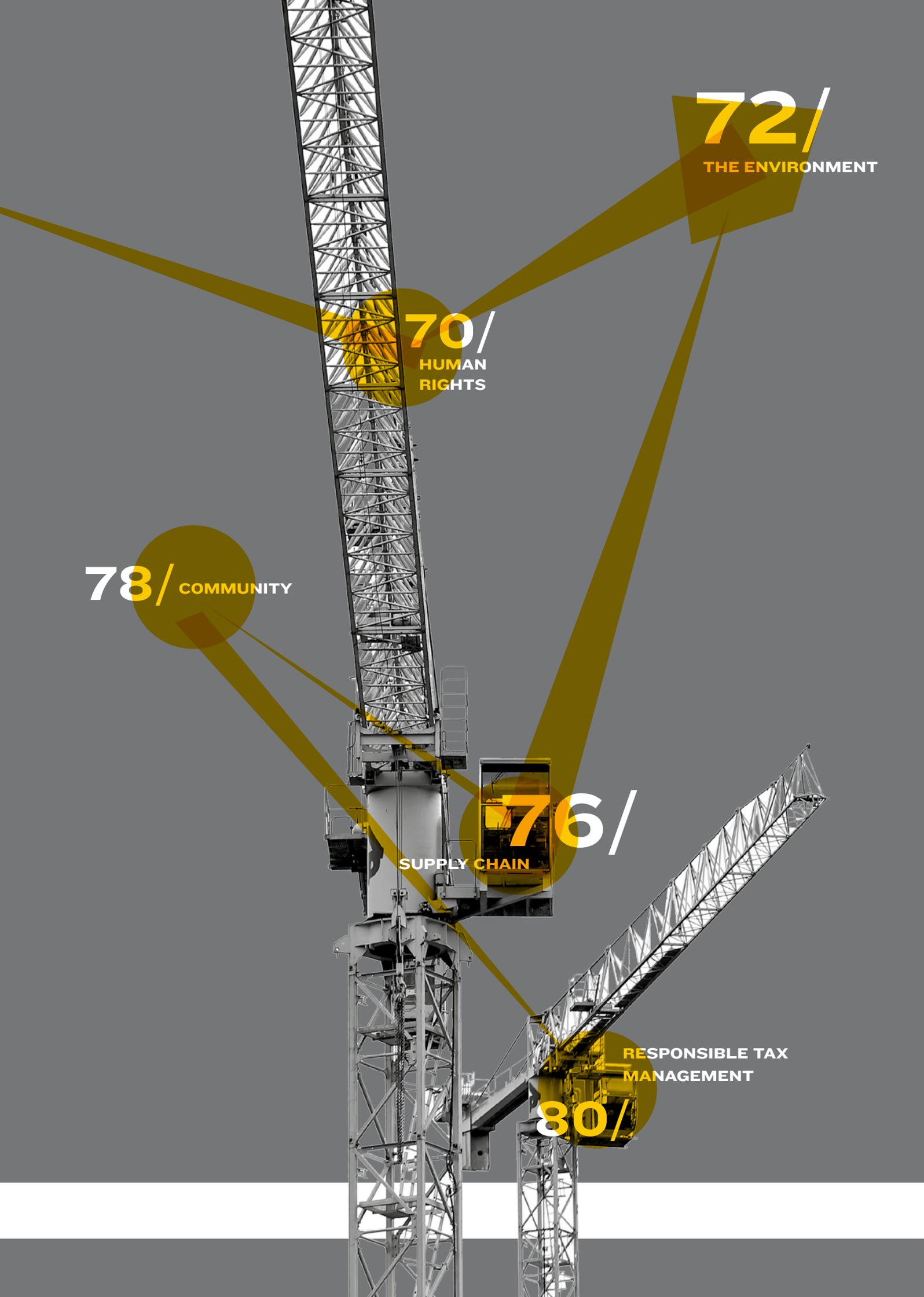
78/ COMMUNITY

76/

SUPPLY CHAIN

RESPONSIBLE TAX MANAGEMENT

80/



Ferrovial results January – December 2019

CONSOLIDATED RESULTS (SERVICES AS DISCONTINUED ACTIVITY)

- **Revenues:** EUR6,054mn (+2.6% LfL) with higher contribution from Toll roads (+28.5% LfL) and Construction in line with 2018 (+0.3% LfL).
- **EBITDA ex-IFRS 16:** EUR76mn (EUR479mn in 2018) negatively affected by the -EUR345mn provision (100%), registered in Construction in 1Q 2019, for potential future losses in various projects in the US.
- EUR121mn of consolidated EBITDA thanks to IFRS 16 reclassifying EUR45mn operating costs to amortization and financial expenses.

STRONG OPERATING PERFORMANCE FROM INFRA ASSETS (EBITDA, local currency):

- **Managed Lanes** (globally consolidated) NTE +32.6% and LBJ +23.7%. NTE35W grew +84.5% (4Q 2019 vs 4Q 2018).
- **407 ETR** (equity-accounted): +8.1%.
- **Heathrow SP** +4.6% (+1.7% ex-IFRS 16) and **AGS** -2.6% (both equity-accounted).

DISTRIBUTION OF FUNDS FROM THE MAIN ASSETS

Total dividends from projects received by Ferrovial reached EUR729mn in 2019 (+17%).

- **407 ETR:** CAD1,050mn, +14.1% vs. 2018. Ferrovial received EUR309mn.
- **NTE:** USD292mn. Ferrovial received EUR166mn.
- **Heathrow:** GBP500mn in line with the GBP500mn in 2018. Dividends distributed to Ferrovial amounted to EUR145mn.
- **AGS:** GBP30mn vs. GBP70mn in 2018. EUR17mn corresponded to Ferrovial.
- **Services:** EUR47mn of dividends from projects (EUR131mn in 2018).

NTE 3C MANAGED LANE FINANCIAL CLOSE

Ferrovial, via Cintra, will build and operate the new NTE extension (segment 3C), for a total investment of above USD900mn. Construction works have already started and the toll road is expected to open at the end of 2023. Concession term ends in 2061.

AUSOL SALE

Ferrovial, through its subsidiary Cintra, reached an agreement to sell 65% of Ausol for EUR451mn. Cintra will retain a 15% interest in Ausol, on which it has reserved a put option, and has granted a call option to Meridiam on this 15%.

NTE MANAGED LANE REFINANCING

Ferrovial, via Cintra, completed the refinancing of the original NTE debt (PABs and TIFIA). The new debt structure includes PABs and taxable bonds. This refinancing agreement has led to a lower cost of debt (yield to maturity of 3.8% vs previous average coupon of 5.3%) and longer maturity terms (30 years of the tranche subject to tax vs. 15 years of previous TIFIA loan).

BROADSPECTRUM SALE AGREEMENT

Ferrovial reached an agreement for the sale of Broadspectrum (Services business in Australia and New Zealand) to Ventia Services Group for an enterprise value of AUD524.5mn (c. EUR327mn) in December. The completion of the transaction is subject to usual conditions, including regulatory and competition authorizations.

RESULTS BY DIVISION

Toll roads: significant revenue growth with higher contribution from US Managed Lanes and improvements in traffic on the majority of toll roads. 407 ETR traffic was flat (-0.2%) affected by adverse weather conditions and fewer incidents on alternative routes, partially offset by higher economic growth and more construction activity on alternative routes. Managed Lanes were boosted by new connections in the Dallas-Fort Worth area and continued to post strong EBITDA growth on the back of robust traffic (NTE +14.7%, LBJ +9.1% y NTE35W +25.3% in 4Q vs. 4Q 2018) and toll rates.

Airports: passengers at Heathrow reached a record high of 80.9mn, (+1.0%). AGS traffic declined by -7.8%, due to lower traffic at all three airports. Revenue growth in all our airports.

Construction: revenues (+0.3% LfL) in line with 2018, with 86% of international contribution. EBIT stood at -EUR365mn, impacted by the provision registered in 1Q 2019. The order book stood at EUR11,424mn (+2.8% LfL), not including pre-awarded contracts exceeding EUR600mn.

Services ex-Birmingham (discontinued operations): net income from discontinued of -EUR198mn mainly due to the fair value adjustment of Broadspectrum. The company remains committed to divest the Services division.

EUR1,631mn net cash ex-infra projects (including discontinued operations). Net debt infra reached EUR4,588mn (EUR4,885mn in December 2018). Net consolidated debt reached EUR2,957mn (EUR3,649mn in December 2018).

REPORTED P&L

(EUR million)	DEC-19	DEC-18
REVENUES	6,054	5,737
Construction Provision *	-345	
EBITDA Ex IFRS 16	76	479
EBITDA	121	
Period depreciation	-180	-127
Disposals & impairments	460	82
EBIT**	401	434
FINANCIAL RESULTS	-194	-192
Equity-accounted affiliates	296	239
EBT	504	481
Corporate income tax	-47	-24
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	457	457
NET PROFIT FROM DISCONTINUED OPERATIONS	-198	-848
CONSOLIDATED NET INCOME	259	-391
Minorities	9	-57
NET INCOME ATTRIBUTED	268	-448

(* Related to the provision registered in 1Q 2019 corresponding to three contracts in the US. (***) EBIT after impairments and disposals of fixed assets.

CONSOLIDATED EBITDA

(EUR million)	DEC-19	DEC-18	VAR.	LfL
Toll Roads	433	319	35.7%	33.5%
Airports	-16	-16	-5.5%	-7.7%
Construction	-321	189	n.s.	n.s.
Others	-20	-14	n.a.	n.a.
Total EBITDA Ex IFRS 16	76	479	-84.1%	-84.4%
IFRS 16	45			
Total EBITDA	121			

PROPORTIONAL EBITDA

(EURmn)	DEC-19	DEC-18	LfL
Toll Roads	738	631	17.1%
Airports	575	565	1.8%
Construction ex-provision	-21	150	n.s.
Others	-35	-18	-94.2%
Total EBITDA	1,257	1,327	-5.3%

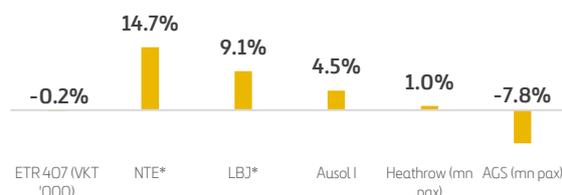
Like-for-like figures

NET CASH POSITION

(EUR million)	DEC-19	DEC-18
NCP ex-infrastructures projects	1,631	1,236
NCP infrastructures projects	-4,588	-4,885
Toll roads	-4,220	-4,392
Others	-368	-493
Total Net Cash/(Debt) Position	-2,957	-3,649

NCP: Net cash position. Includes discontinued operations

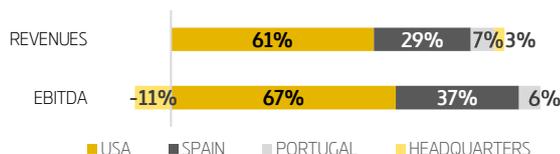
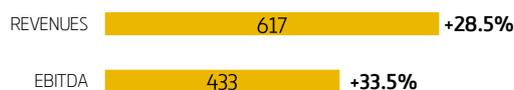
TRAFFIC PERFORMANCE



*Transactions

Toll roads

€mn; LfL % (EBITDA ex IFRS 16)



Revenues increased due to higher contribution from US Managed Lanes & traffic growth at most assets. The US contributed more than 60% of revenue and EBITDA.

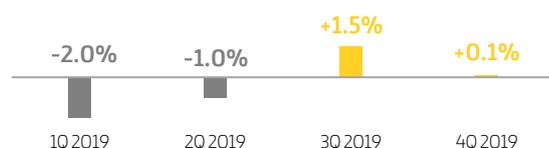
407 ETR (43.23%, EQUITY-ACCOUNTED)

	DEC-19	DEC-18	VAR.
Avg trip length (km)	21.91	21.70	1.0%
Traffic/trips (mn)	125.15	126.62	-1.2%
Vkts (mn)	2,742	2,748	-0.2%
Avg revenue per trip (CAD)	11.88	10.86	9.4%

VKT (Vehicle kilometres travelled)

Traffic (km travelled) -0.2% vs. 2018, primarily impacted by adverse weather conditions, and fewer incidents on alternative routes. This was partially offset by higher economic growth and more construction activity on alternative routes.

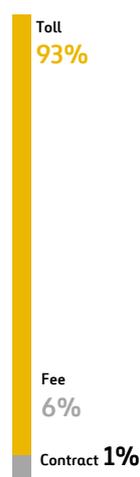
Quarterly traffic



(CAD million)	DEC-19	DEC-18	VAR.
Revenues	1,505	1,390	8.3%
EBITDA	1,309	1,211	8.1%
EBITDA margin	87.0%	87.1%	

Results for 100% of 407 ETR

REVENUE BREAKDOWN



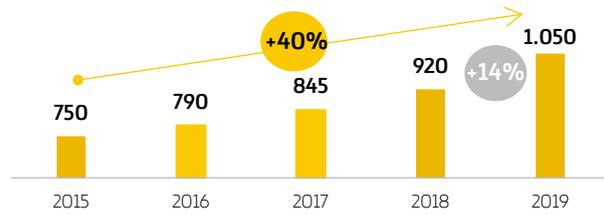
- Toll revenues** (93% of total): +8.3% to CAD1,402mn, mainly due to tariff increases effective since February 2019 offset by a slight decrease in trips and VKTs. Average revenue per trip increased +9.4% vs. 2018.
- Fee revenues** (6% of total) CAD95mn (+6.6%), mainly due to an increase in the annual transponder lease fee rate, coupled with higher volumes of transponders in circulation and higher late payment interest charges.
- Contract revenues** (0.5% of total) CAD7.7mn, on the back of work completed for the construction, installation & maintenance of tolling sites on the 407 Extension II (phase 2b).

OPEX +9.2%, (+4.9% underlying, ex-2018 one off), primarily due to higher customer operations expenses coupled with higher contract expenses relating to the completion of 407 extension II Phase 2b, along with the one-time recovery of certain indirect taxes in 2018.

EBITDA +8.1%, with an 87.0% EBITDA margin due to revenue growth, offset by higher operating expenses. Excluding the aforementioned tax recovery, EBITDA would have increased by +8.8%, with an 87.1% EBITDA margin vs 86.5% in 2018.

2019 dividends amounted to CAD1,050mn, +14.1% vs. 2018.

The dividends distributed to Ferrovial in 2019 amounted to EUR309mn. At the February Board Meeting, the 1Q 2020 dividend payment was approved in the amount of CAD312.5mn (+25% vs. 1Q 2019).



Net debt at end of December: CAD7,963mn (average cost of 4.44%). 60% of the debt matures in more than 15 years' time. The upcoming maturity dates are CAD17mn in 2020, CAD723mn in 2021 and CAD318mn in 2022.

407 ETR issued two bonds on 6 March 2019:

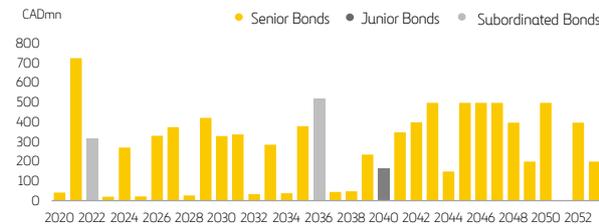
- CAD300mn bond maturing in March 2030 (coupon 3.14%)
- CAD500mn bond maturing in March 2049 (coupon 3.67%)

407 ETR also announced the early payment of CAD300mn of mid-term senior bonds (Series 10-A2), which matured June 2020.

407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) and "BBB" (Subordinated Debt), with stable outlook, published in June 2019.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, published in December 2019.

407 ETR bond maturity profile:



For more information on the 407 ETR toll road results, please click [here](#) to see the MD&A report.

407 ETR tariff

In December 2019 a toll rate increase was announced, which came into force on 1 February 2020. 407 ETR is aligning its pricing structure with seasonal traffic patterns. This means that drivers will pay less per kilometre in spring and winter when traffic is lower compared to summer when the highway is busiest. For more information on the new toll rates, please click on the following [link](#).

MANAGED LANES (USA)

NTE 1-2 (63.0%, globally consolidated)

In 2019, traffic growth (+14.7%) was largely driven by the full opening of NTE35W in July 2018, which connects directly onto NTE's Segment 1 and the opening of 183 TEXpress (Midtown Express) in October 2018, which connects directly to NTE's Seg 2.

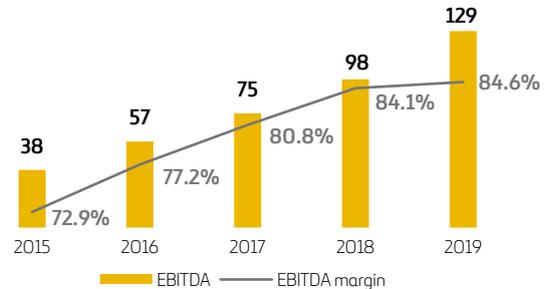
	DEC-19	DEC-18	VAR.
Transactions (mn)	34	30	14.7%
Revenues (USD mn)	153	116	31.7%
EBITDA (USD mn)	129	98	32.6%
EBITDA margin	84.6%	84.1%	

The **average toll rate per transaction** reached USD4.5 in 2019 vs. USD3.9 in 2018 (+15%).

Revenue reached USD153mn (+31.7% vs. 2018) aided by a strong surge in traffic and higher toll rates.

EBITDA reached USD129mn (+32.6% vs. 2018) helped by strong traffic growth. EBITDA margin of 84.6% (+56 basis points vs. 2018).

NTE EBITDA EVOLUTION



Dividend: NTE toll road distributed its first dividend, for USD292mn, after five years of operations. Shareholder remuneration took place after the closing of c. USD1.3bn refinancing.

Refinancing: Ferrovial, via Cintra, completed the refinancing of original NTE debt (PABs and TIFIA). The new debt structure includes PABs (USD400mn) and taxable bonds (USD871mn). This refinancing agreement has led to a lower cost of debt (yield to maturity of 3.8% vs previous average coupon of 5.3%) and longer maturity terms (30 years of the tranche subject to tax vs 15 years of previous TIFIA loan).

NTE net debt reached USD1,234mn in December 2019 (USD996mn in December 2018), at an average cost of 3.48% after refinancing.

Credit rating

	PAB
Moody's	Baa2
FITCH	BBB

LBJ (54.6%, globally consolidated)

Traffic: grew by +9.1% in 2019, bolstered by the opening of the 183 TEXpress (Midtown Express) in October 2018 and the increase in traffic from the US-75 following the completion of construction works at the intersection of the President George Bush Turnpike in 2Q 2019, leading to improved traffic levels in 4Q 2019 (+12.5%). 183 TEXpress connects directly to LBJ Segment 1, providing a new and direct connection between the two managed lane corridors. Preparation works prior to the start of works at the 635 East managed lanes project did not have a significant impact on traffic in 4Q 2019.

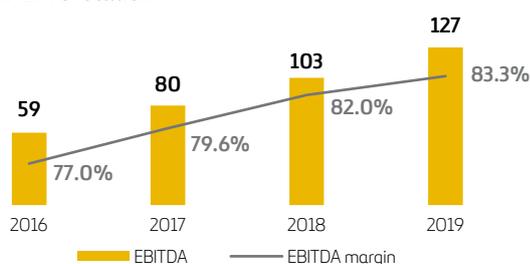
	DEC-19	DEC-18	VAR.
Transactions (mn)	48	44	9.1%
Revenues (USD mn)	153	126	21.7%
EBITDA (USD mn)	127	103	23.7%
EBITDA margin	83.3%	82.0%	

The **average toll rate per transaction** reached USD3.2 in 2019 vs. USD2.8 in 2018 (+11.7%).

Revenue reached USD153mn (+21.7% vs. 2018) aided by both a continued surge in traffic and higher toll rates.

EBITDA reached USD127mn (+23.7% vs. 2018) with an EBITDA margin of 83.3% (+137 basis points vs. 2018).

LBJ EBITDA evolution



As of December 2019, **net debt for the LBJ toll road** amounted to USD1,407mn (USD1,448mn in December 2018), at an average cost of 5.24%.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 35W (53.7%, globally consolidated)

Traffic continued to grow both on general purpose lanes and on segments 3A and 3B of the managed lanes, due to an upturn in demand for the corridor, with traffic levels now above those prior to construction.

QUARTERLY EVOLUTION	4Q 2019	4Q 2018	VAR.
Transactions (mn)	9	7	25.3%
Revenues (USD mn)	26	16	68.5%
EBITDA (USD mn)	22	12	84.5%
EBITDA margin	83.3%	76.1%	

EBITDA at NTE 35W reached USD22mn in 4Q 2019 with an 84.5% growth vs. 4Q 2018 and an EBITDA margin of 83.3%.

The **average toll rate per transaction** in 2019 reached USD2.7.

NTE 35W net debt reached USD831mn in December 2019, at an average cost of 4.88% (including the NTE 3C segment).

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 3C (53.7%, globally consolidated)



Development, design, construction and operation of Segment 3C:

- Construction of 2 managed lanes in each direction, c.6.7 miles from north of US 81/287 to Eagle Pkwy.
- Reconstruction of existing general-purpose lanes.
- Construction of access ramps & frontage roads.
- Construction of IH820/I-35W managed lanes direct connector
- Installation of Intelligent Transportation System "ITS" & tolling systems.

Duration: concession term ends 2061

Operation & Maintenance (O&M) and toll collection: exclusive right and obligation to operate, maintain, repair and collect tolls.

- Tolls collected by **North Texas Tollway Authority** are in line with tolling agreement with TxDOT. TxDOT assumes collection risk.

I-77 (50.1%, globally consolidated)

The northern stretch of the I-77 Express opened on 1st June 2019, and the southern stretch opened on 16th November 2019. The project includes:

- 26.4 miles of express lanes between the I-277 in Charlotte and Exit 36 in Mooresville.
- 8 segments in each direction, including 3 direct connections in each direction and multiple entry and exit points.

After two months of the project being completed and operational, average speeds on the corridor are faster than levels prior to construction, despite more traffic on the toll road. Adoption of I-77 express lanes has been quick.

The managed lanes are operating with dynamic rates since December. Toll rates adjust in real time based on traffic conditions, which guarantees that drivers on the I-77 Express will have a quick and safe journey, even on days of high levels of congestion.

OTHER TOLL ROADS

Ferrovial includes in its portfolio a number of toll roads which are, mainly, availability projects located in countries with low government bond yields (Spain, Portugal and Ireland) and long duration (with an average maturity of 16 years overall). Among the most relevant availability projects with no traffic risk or equivalent to availability projects held by Ferrovial are: Autema, A-66, Algarve, Norte Litoral and M3 (except for Autema, all of them are equity-accounted).

The evolution of the traffic in the locations aforementioned were as follows:

- **Spain:** the Spanish toll roads have shown another year of growth in 2019. Ausol I traffic grew by +4.5%, accumulating a rebound of +60% growth since the end of the crisis. Traffic in Ausol II increased by +2.8% and accumulates growth above +40% since 2013.
- **Portugal:** remarkable traffic growth in Algarve (+5.6%), and Azores (+4.5%) that still maintains the trend following the liberalisation of its airline market in 2015.
- **Ireland:** maintains the positive performance observed in recent years. Both toll roads have registered growths above 5% for the fifth consecutive year (+ 5.0% in M4 and + 5.5% in M3).

OTHER EVENTS

In December 2019, Ferrovial, via its subsidiary Cintra, completed the transfer of 65% of the share capital of Ausol for EUR451mn (100% equity value c. EUR700mn). Cintra retains a 15% ownership interest in Ausol, on which it has reserved a put option, and has granted Meridiam a call option on this 15%.

This deal generated net capital gains of EUR474mn for Ferrovial, while allowing it to deconsolidate the gross third-party debt for the project, which amounted to EUR611mn (EUR531mn of net debt).

In August 2019, Ferrovial, via its subsidiary Cintra, agreed to sell an 11.75% stake in Ruta del Cacao (Bucaramanga Barrancabermeja Yondó) to John Laing for c. EUR28.6mn. The deal generated capital gains of close to EUR10mn for Ferrovial. Following this transaction, Ferrovial holds a 30% stake in the concession.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets	-109	-79	-958	
I-77	-109	-1	-218	50%
NTE35W*		-77	-740	54%
Equity Consolidated				
Intangible Assets		-678	-1,310	
I-66		-678	-1,310	50%
Financial Assets	-82	-80	-1,307	
407-East Extension II	-11		22	50%
Ruta del Cacao**	-54		-61	30%
Toowoomba	-11		-222	40%
Silvertown Tunnel		-27	-203	23%
Bratislava		-30	-634	35%
OSARs	-6	-23	-209	50%

(*) Capital invested & committed refers to Seg. 3C. Net debt 100%: includes all 3 seg.

(**) On October 28, 2019, formal completion of stake sale from 41.75% to 30%.

- **407 East Extension Phase II:** the full opening of the toll road took place in November 2019.
- **I-66 (Virginia, USA):** the project includes the construction of 35 km on I-66 (between Route 29, close to Gainesville, and the Washington DC ring road, I-495, in Fairfax County). The construction period will run until 2022, and the concession is granted for 50 years from the closing of the commercial agreement. Design & construction works are 28% complete.
- **OSARs (Melbourne, Australia):** an availability payment project with a concession term of 22.5 years, comprising the improvement and maintenance of a road network in Melbourne. The design and construction works are 58% complete.
- **Toowoomba:** the toll road opened to traffic on 7 September 2019.
- **Ruta del Cacao:** 81 km of new toll road, improvements to 108 km of existing toll road, construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 6 km. This is a 25-year concession. Design and construction works are 48% complete.

TENDERS PENDING

In the **US**, we continue to pay close attention to private initiatives:

- In **Maryland**, Cintra is working as part of a consortium and bidding for the *Maryland Congestion Relief Program*, the first project of which is expected in 1Q 2020.
- **Georgia Managed Lanes Program** (Atlanta) is being analysed. The Georgia Department of Transport (GDOT) has confirmed that the first project, the SR-400 (c. USD1,800mn construction project, totaling 17 miles), will be tendered as a design-build-finance-operate-maintain contract (DBFOM), as an Availability Payment Project, with a prequalification date of 1Q 2020; but they are analysing the model to adopt in the other 4 projects that form part of the programme.
- Cintra is following various projects of interest in various States (Illinois, Virginia and Texas), which are Managed Lanes structures.

In other markets, in November 2019 Cintra achieved the commercial and financial close of the "Silvertown Tunnel" project in London, with an estimated construction investment of GBP1,000mn.

Airports

Contributed **EUR115mn** to Ferrovial's equity accounted in 2019, vs. EUR73mn in 2018.

- **HAH:** EUR106mn in 2019 (EUR70mn in 2018) mainly impacted by the positive evolution of the derivatives *mark to market* due to the lower inflation expectations.
- **AGS:** EUR9mn in 2019 (EUR4mn in 2018).

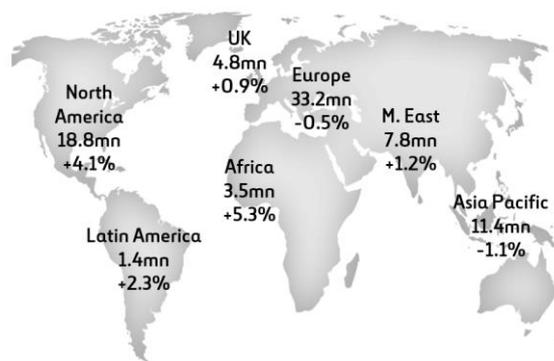
HEATHROW SP (25%, equity-accounted) – UK

Record 80.9mn passengers in 2019 (+1.0%). Aircraft fly fuller with load factors increasing to all-time record high at 80.0% (2018: 79.4%). There are still 1 in 5 seats remain empty which provides a significant growth opportunity. The average number of seats per passenger aircraft increased to 213.7 (2018: 213.4) driven by aircraft upgrades on European and Middle Eastern routes.

Passengers (mn)



Million passengers	DEC-19	DEC-18	VAR.
UK	4.8	4.8	0.9%
Europe	33.2	33.3	-0.5%
Intercontinental	42.9	42.0	2.2%
TOTAL	80.9	80.1	1.0%



Revenues **3.070** +3.4%

EBITDA **1.921** +4.6%

Revenues: +3.4% in 2019 to GBP3,070mn.

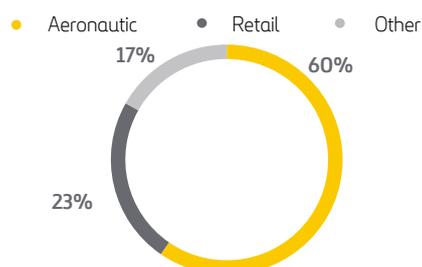
- **Aeronautical:** +4.9%. Heathrow continues to benefit from record passenger traffic, favourable mix of passengers & recovery of prior year yield dilution. This has been partially offset by the introduction of Heathrow's new commercial airline deal, providing a saving of GBPO.55 per passenger on airline charges. Average aeronautical revenue per pax +3.9% to GBP22.64 (GBP21.78 in 2018).

In terms of **distributions to shareholders:**

- **HAH:** GBP500mn, in line with 2018 (GBP500mn). The dividends distributed to Ferrovial amounted to **EUR145mn**.
- **AGS:** GBP30mn (GBP70mn in 2018). The dividends distributed to Ferrovial amounted to **EUR17mn**.
- **Denver:** EUR21mn in 2019 (EUR7mn in 2018), after the termination of the Denver airport remodeling contract.

- **Retail:** +0.8% led by retail concessions & catering, reflecting strong passenger traffic. The GBP weakening against both EUR & USD has also improved our concessions revenue. Retail revenue per passenger remained flat at GBP8.93 (2018: GBP8.94).
- **Other revenues:** +1.6% vs 2018, grew by rail track-access charges and Heathrow Express declined on the back of lower prices to remain competitive and lower Crossrail compensation.

Contribution to revenues:



Adjusted operating costs: following the adoption of IFRS 16, GBP52mn of lease costs are reported below EBITDA. Prior to the adoption of IFRS16 these costs would have been presented included in operating costs and within EBITDA.

Operational costs have increased as Heathrow gears up for growth with investment in expansion, security, resilience & passenger experience. Heathrow spent more on services for passengers with reduced mobility, upgrading drone defence capabilities, implementing new hold baggage screening and investing in IT systems. Utilities costs also increased due a rise in government levies on usage, whilst overall consumption declined. Ex-IFRS 16, operating costs +6.0% to GBP1,201mn, and +5.0% per passenger.

Adjusted EBITDA +4.6% to GBP1,921mn resulting in an Adjusted EBITDA margin of 62.6% (61.9% in 2018).

HAH net debt: the average cost of Heathrow's external debt was 4.73%, including all the interest-rate, exchange-rate and inflation hedges in place (vs. 5.30% in December 2018).

(GBP million)	DEC-19	DEC-18	VAR.
Loan Facility (ADI Finance 2)	75	75	0.3%
Subordinated	1,889	1,599	18.2%
Securitized Group	12,840	12,402	3.5%
Cash & adjustments	-35	-345	-89.7%
TOTAL	14,769	13,731	7.6%

The table above relates to FGP Topco, HAH's parent company.

Regulatory Asset Base (RAB): At 31 December 2019, the RAB reached GBP16,598mn (GBP16,200mn in December 2018).

Heathrow Expansion: Heathrow expansion took a significant step forward in 2019, as Heathrow completed the statutory consultation after unveiling the Draft Preferred Masterplan for the project. The consultation outlined the latest plans for the future airport, how Heathrow proposes to operate and manage its growth and how Heathrow will deliver a sustainable, affordable and financeable expanded airport at no cost to the taxpayer.

Heathrow is now working to finalise the Masterplan and will hold a further eight-week public consultation between April and June before submitting its application for development consent order (DCO) toward the end of 2020. Heathrow's DCO application will detail how the airport proposes to expand and connect all of Britain to global growth, whilst meeting the requirements of the Airports National Policy Statement.

Sustainable Expansion: Heathrow remains committed to the long term sustainable expansion of the airport. A key component of this is set out in Heathrow's proposals for an Environmentally Managed Growth framework. It sets out Heathrow's proposals for how its growth would be managed in accordance with environmental limits on air quality, surface access, noise and carbon, and supports growth in flights at the airport while ensuring Heathrow's environmental performance stays within maximum limits.

Regulatory developments: In November, the CAA extended Heathrow's economic licence until the end of 2021 to better align the next regulatory period ('H7') with the overall expansion time-table and related statutory process. The period encompassing 2020-21 is known as iH7 ('iH7'). A Commercial Agreement defining the rebate on aeronautical charges that will be applicable during iH7 was reached with Heathrow's airline community. The Agreement is built by overlaying fixed and volume-based rebates onto an extension of the existing RPI -1.5% path and regulatory framework. The deal aims to incentivise airlines to maximise the use of current capacity ahead of new capacity being released.

In December, Heathrow submitted their Initial Business Plan for expansion to the CAA. The plan proposes an evolution to the regulatory framework by extending the price control period to 15 years with the aim to balance predictability, risk and flexibility. Heathrow proposes fixing the cost of equity for the duration of the price control while implementing periodic or performance-based resets for some building blocks such as passenger forecasts, operating expenses and commercial revenue. Feedback on Heathrow's IBP is being collected from airline partners and other key stakeholders at the time of this report. This feedback will be reflected in Heathrow's Final Business Plan due to be published in the second half of 2020.

In January 2020, the CAA published a further consultation on the regulatory framework and financial issues related to H7. The CAA outlines the importance of setting price control arrangements that are consistent with Heathrow's credit rating commitments and the importance of providing longer term regulatory certainty. It also signals that it will use the most up to date information from the Competition and Markets Authority when defining the WACC for H7. Heathrow continues engaging on these issues with the CAA and respond to the consultation by March 5, 2020.

Summary of current regulatory & legal challenges to expansion: The publication of the CAA policy document in December 2019 on the early design and construction costs associated with expanding Heathrow (category B and early category C costs) represents further progress towards providing the regulatory certainty necessary to deliver an expanded Heathrow. A final decision and policy statement from the CAA is currently expected to be received in April or May 2020.

The Court of Appeal judgement is awaited on the current judicial review proceedings against the Secretary of State for Transport relating to the Government's decision to designate the Airports

National Policy Statement. We remain of the view that a robust process has been applied to date, including the extensive evidence gathered by the independent Airports Commission, multiple rounds of public consultation and the overwhelming vote in Parliament.

If the appeal were to go against the Secretary of State for Transport, depending on the detail of the judgement, we will carefully consider our next course of action.

Heathrow has concluded expansion is probable and therefore it is appropriate to have recognised GBP450mn of spend to date as an asset in the course of construction. Our current plan assumes that investment will continue growing in 2020 to circa GBP1bn as set out in the Investor Report published on 20 December 2019. If either the policy statement setting out the CAA's final decisions does not resolve our concerns, or the Airports National Policy Statement is set aside in the event of an adverse court judgement against the Secretary of State for Transport, a reassessment of the probability of expansion occurring would take place. If the likelihood of expansion occurring were no longer considered probable, the expansion related capital investment incurred as of date of reassessment would be required to be impaired and expensed to the income statement. It should also be noted that we expect most of the assets will remain in the Regulatory Asset Base and continue to generate a return through the regulatory framework.

In relation to the above and for further information please see note 3.5.1. (information details related to Heathrow) at the end of section (a) of the 2019 Ferrovial Consolidated Accounts.

Sustainable Growth: Heathrow has progressed against its **Heathrow 2.0 sustainability strategy**. Heathrow 2.0 sets out how Heathrow will improve life for colleagues and communities, contribute to a thriving economy, and help to tackle global challenges including climate change. Heathrow plan has four pillars (A great place to work, A great place to live, A thriving sustainable economy & A world worth travelling), underpinned by 12 objectives.

Decarbonising aviation: Heathrow has outlined its new carbon plan that brings together partners in the industry, Government and passengers to help aviation achieve net-zero emissions by 2050. These are Heathrow's measures to get aviation to net-zero emissions:

- **Remove carbon from Heathrow's operations:** Heathrow's terminals are powered by 100% renewable energy and green gas.
- **Eliminate carbon from the ground:** Heathrow is making it easier for passengers and colleagues to travel to the airport sustainably.
- **Cut carbon from atmosphere:** Heathrow is helping passengers to offset their flights and increasing Heathrow's own investment in natural climate solutions to capture carbon emissions.
- **Decarbonise flights:** Heathrow is working with industry partners and governments to scale-up the production of sustainable alternative fuels and support the development of technologies which can get aviation to entirely zero-carbon flight.

High Service Quality: Heathrow achieved a score of 4.17 out of 5.00 (4.15 in 2018). 82% of passengers surveyed rated their Heathrow experience 'Excellent' or 'Very good' (2018: 82%).

- T5: World's 'Best Airport Terminal' (1st time)
- Best Airport in Western Europe (5th consecutive year)
- Best Airport in the world for Shopping



For more information on Heathrow results, please visit the following [link](#).

AGS (50%, equity-accounted) – UK

Traffic: number of passengers fell by -7.8% (13.6mn pax) due to traffic decrease across the three airports, mainly due the following events:

- In Glasgow due to the Ryanair base closure in October 2018 and the collapse of Thomas Cook.
- In Aberdeen on the back of the cancellation of the EasyJet route to Gatwick and the Eastern London City route.
- In Southampton on reduced rotations on Flybe's Manchester and Belfast and the cessation of KLM's Amsterdam route.

Million passengers	DEC-19	DEC-18	VAR.
Glasgow	8.9	9.7	-8.4%
Aberdeen	3.0	3.1	-4.1%
Southampton	1.8	2.0	-10.4%
Total AGS	13.6	14.8	-7.8%

Revenues increased by +1.8% to GBP217mn, on the back of a one-off from the full granting of the construction of a new radar in Glasgow from a third party and positive car parking yields at Aberdeen and Glasgow, partially offset by the decrease on aeronautical and commercial revenues across the three airports caused by lower traffic.

EBITDA reached GBP94mn, decreased by -2.6% in 2019 vs. 2018 negatively impacted by lower passenger volume and the exceptional cost of executing the contingency plan for the days of strike during the negotiations with the trade unions and restructuring costs in the three airports. This was partially offset by the positive impact of non-recurrent items as the full granting of the construction of a new radar and the past service cost for the closure of the pension scheme.

AGS net bank debt: at 31 December 2019, the AGS' net bank debt stood at GBP693mn.

Glasgow becomes 1st UK airport to introduce a fleet of 100% electric 'zero-emission' buses'

The fleet of all-electric battery buses will replace the current diesel fleet used to shuttle passengers between the terminal and the airport's Long-Stay Car Park. The introduction of the new full-electric bus fleet is one of a number of projects introduced to help reduce Glasgow Airport's carbon footprint.

Glasgow Airport, as part of AGS Airports, also made a commitment to Airports Council International (ACI) Europe's NetZero 2050 in October. Glasgow joins 203 airports run by more than 47 operators across 24 European countries who have signed the resolution to formally commit to becoming net zero carbon emissions airports by 2050.

DENVER

On August 12, 2019, Great Hall Partners LLC received written notification for the termination of the Denver airport remodeling contract with due date November 12, 2019. Upon termination of this contract excess cash flow was distributed to shareholders. Ferrovial received EUR21mn. This project was included in the construction order book in the amount of USD534mn.



Construction

EUR mn; LfL %



Revenues (+0.3% LfL) remained in line with 2018. Revenue from international businesses accounted for 86% of the Division, Poland (34%) and North America (30%).

2019 revenue (EUR5,413mn) and change LfL vs 2018:



In 2019 Construction **EBIT** stood at -EUR365mn, mainly due to the losses recognized in previous quarters. Budimex showed an improvement on its profitability in 4Q (5.0% EBIT mg in 4Q 2019 vs 3.6% in 9M 2019), and Webber maintains positive earnings for the year with similar profitability to previous quarters.

Ferrovial Agroman reported losses of -EUR49mn in 4Q 2019 standalone, primarily due to:

- Overhead costs allocated to onerous contracts in the US (1Q 2019 provision). According to IFRS regulations, these costs may not be included in the provision amount.
- Ongoing costs in some projects close to completion, that we expect to offset with income from claims, based on our contract rights. Several claims have already been presented to the clients, although they have not yet been settled. According to IFRS and our internal accounting regulations, we have not included any potential income from these claims in our results.
- The negative impacts abovementioned were partially offset by the capital gains from the real estate sale in Spain (Valdebebas) along with the improvements in Spain due to the finalization of some contracts.

2019 EBIT & EBIT margin & change LfL vs 2018:

DEC-19	EBIT	LfL	EBIT mg
Budimex	73	-20.7%	4.0%
Webber	15	-25.5%	1.8%
F. Agroman	-453	n.s.	-16.4%
TOTAL EBIT	-365	n.s.	-6.7%

Budimex acquired the Polish International Services Division (FB Serwis) on 1 July. Following this acquisition, Budimex incorporated FB Serwis's business activity into 2019. Budimex figures reported also include real estate activities in Poland for 2018 and 2019.

The **order book** reached EUR11,424mn (+2.8% LfL compared to December 2018). The civil works segment remains the largest segment (79%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 88% of the total.

Cintra's share in the construction order book, excluding Webber and Budimex, equated to 47% of the 2019 order book, compared to 41% in 2018.

The order book figure at December 2019 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to over EUR600mn.

2019 Order book & LfL change vs 2018:



Services (discontinued operations)

The division has posted a positive performance in 2019, with cash flow generation excluding the Birmingham impact.

In line with Ferrovial's commitment to divest Services, the division has been classified as "held for sale" however, in order to provide an analysis of the division, the main figures of the Services results are detailed below:

EURmn; LfL %

Revenues **6.995** +4,3%

EBITDA EX-IFRS16 & EX-BMH **309** -13,9%

BMH: Birmingham

2019 figures by activity & change LfL vs 2018:

EURmn	Spain	UK EX-BMH	Australia	International
LfL	+3.8%	+4.1%	+0.8%	+19.6%
	2.020	2.749	1.672	554

EBITDA ex-BMH & ex-IFRS 16:

- **Spain (+5.3% LfL)** was driven by its waste treatment and industrial management contracts, which has allowed **an improvement in profitability reaching a 10.7% EBITDA margin in 2019** (10.4% in 2018).
- **International (+26.3% LfL, margin 5.4%)** due to growth across all territories, particularly noteworthy were North America and Chile. Poland (FB Serwis) has been excluded from Services International in 2019, as Budimex acquired the controlling interest that Services had on 1st July (2018 FB Serwis figures are included in International, excluded in comparable figures).
- Reduced profitability in **the UK** due to final settlements in Rail contracts, as well as a decrease in Utilities volumes. **EBITDA excluding utilities, collections and environment reached GBP56mn.**

Amey and Birmingham Agreement: Amey has reached an agreement to terminate the Birmingham Highways PFI contract. The agreement will have no impact on Ferrovial P&L. Amey will pay GBP215mn, of which GBP160mn was paid in 2019 and the remaining GBP55mn will be paid over the next 6 years.

The **Services order book** (EUR17,656mn) decreased by -6.9% LfL vs Dec 2018 due to the Birmingham exit and the delay in awarding of major projects in Spain.

2019 Order book & LfL change vs 2018:

EURmn	Spain	UK EX-BMH	Australia	International
LfL	-8.7%	-10.5%	-3.2%	+15.6%
	4.266	8.036	4.064	1.291

Broadspectrum sale agreement: In December 2019, Ferrovial reached an agreement for the sale of Broadspectrum (business in Australia and New Zealand) to an entity controlled by Ventia Services Group Pty Limited.

Equity value (price of shares and shareholder's loans) amounted to AUD485.5mn (EUR303mn approximately). Enterprise value stood at AUD524.5mn (EUR327mn approximately).

In 2019, Broadspectrum's activity cash flow reached -EUR5mn, including EUR17mn of factoring.

The completion of the transaction is subject to usual conditions in this type of operations, including the obtention of regulatory and competition authorizations. Therefore, the cash impact of this transaction is not included in 2019. The deal is expected to close in first 9M 2020.

The transaction had a negative impact on Ferrovial's P&L of approximately EUR270mn in 4Q 2019.

DISCONTINUED OPERATIONS

Ferrovial classified all of its services activities as "discontinued operations" as of 31 December 2018. In accordance with IFRS 5, the reclassification of the Services business activities to discontinued operations has been carried out in the report, as well as re-expressing the 2018 income statement. An adjustment in carrying value took place after the agreement of Broadspectrum's sale resulting in a net income from discontinued operations of -EUR198mn in December, compared to EUR28mn reported in September 2019.

Consolidated P&L

(EUR million)	DEC-19	DEC-18
REVENUES	6,054	5,737
Construction Provision *	-345	
EBITDA Ex IFRS 16	76	479
EBITDA	121	
Period depreciation	-180	-127
Disposals & impairments	460	82
EBIT	401	434
Financial Result	-194	-192
Financial Result from infrastructure projects	-263	-230
Financial Result from ex-infrastructure projects	69	39
Equity-accounted affiliates	296	239
EBT	504	481
Corporate income tax	-47	-24
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	457	457
NET PROFIT FROM DISCONTINUED OPERATIONS	-198	-848
CONSOLIDATED NET INCOME	259	-391
Minorities	9	-57
NET INCOME ATTRIBUTED	268	-448

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in US.

Revenues stood at EUR6,054mn (+2.6% LfL) with a higher contribution from Toll roads (+28.5% LfL) and revenue from the Construction Division in line with 2018 (+0.3% LfL).

EBITDA EUR76mn excluding the impact of IFRS 16 (EUR479mn in 2018) negatively affected by the -EUR345mn provision (100%), registered in Construction in 1Q 2019, due to potential future losses in various projects in the US.

- IFRS 16 improved EBITDA figure by EUR45mn reaching EUR121mn of EBITDA due to the reclassification between EBITDA, amortization and financial result, with no significant impact at EBIT and net income.

Depreciation grew by +41.0% in 2019 (+6.7% LfL), to EUR180mn.

Impairments and fixed asset disposals amounted to EUR460mn at year-end 2019 (EUR82mn in 2018), mainly due to the following impacts:

- The main impact comes from the capital gains from the sale of the 65% stake in Ausol that reached EUR475mn (pre-tax)
- Other effects included were the capital gains from the sale of a 11.75% stake in Ruta del Cacao, results from the cancellation of Denver airport remodelling contract and the impairment at Autema.

Financial result, financial expenses in 2019 were in line with 2018:

- **Infrastructure projects:** expenses of -EUR263mn compared to -EUR230mn in 2018 due to NTE 35W and I-77 starting to operate, as well as the refinancing of NTE, partially offset by higher interest rates with a positive impact on the gross cash position.
- **Ex-infrastructure projects:** EUR69mn in financial income in 2019 compared to EUR39mn in 2018, mainly due to higher interest rates with a positive impact on the gross cash position and equity swap hedges linked to payment plans, with no impact on cash flow. These hedges led to income of EUR25mn in 2019 (-EUR3mn in 2018), due to the positive performance of the share price, as compared with its negative performance in 2018, as shown in the following table:

DATE	CLOSING PRICE (€)
31-Dec-17	18.93
31-Dec-18	17.70
31-Dec-19	26.97

REVENUES

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	617	471	31.0%	28.5%
Airports	19	14	38.9%	32.4%
Construction	5,413	5,252	3.1%	0.3%
Others	5	0	n.a.	n.a.
TOTAL	6,054	5,737	5.5%	2.6%

EBITDA

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	433	319	35.7%	33.5%
Airports	-16	-16	-5.5%	-7.7%
Construction	-321	189	n.s.	n.s.
Others	-20	-14	n.a.	n.a.
Total EBITDA Ex IFRS 16	76	479	-84.1%	-84.4%
IFRS 16	45			
TOTAL EBITDA	121			

EBIT*

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	346	239	44.7%	36.4%
Airports	-18	-18	-4.1%	-5.6%
Construction	-365	146	n.s.	n.s.
Others	-22	-16	n.a.	n.a.
TOTAL	-58	351	-116.6%	-120.0%

*EBIT before impairments and disposals of fixed assets

Equity-accounted result at net profit level, equity-accounted companies contributed EUR296mn after tax (2018: EUR239mn).

(EUR million)	DEC-19	DEC-18	VAR.
Toll Roads	182	166	9.8%
407 ETR	153	136	12.2%
Others	29	30	-1.3%
Airports	115	73	56.9%
HAH	106	70	51.9%
AGS	9	4	154.4%
Construction	-1	0	-105.9%
TOTAL	296	239	24.1%

Tax: the corporate income tax for 2019 amounted to -EUR47mn (vs -EUR24mn for 2018), impacted by the regularization of previous years' deferred tax assets in Spain given the potentially long period of time to recover them. Excluding this impact and the profit from equity-accounted companies, which is already net of tax (EUR296mn), and considering the expense due to adjusted corporate income from previous years (-EUR54mn), the resulting effective corporate income tax rate is 25%.

Net income from continuing operations stood at EUR457mn in 2019 (EUR457mn in 2018). This profit includes a series of impacts, notable among which were:

- The impact of the provision in the Construction Division in 1Q 2019 at net income level: -EUR212mn.
- Fair value adjustments for derivatives: EUR54mn (EUR25mn in 2018), primarily impacted by the positive evolution of HAH's derivatives.
- Impairment at Autema: -EUR58mn (-EUR13mn in 2018).
- Capital gain after tax on the sale of the Ausol and Ruta del Cacao shareholdings: EUR482mn (EUR80mn in 2018 from the sale of the Central Greece and Ionian Roads toll roads in Greece).

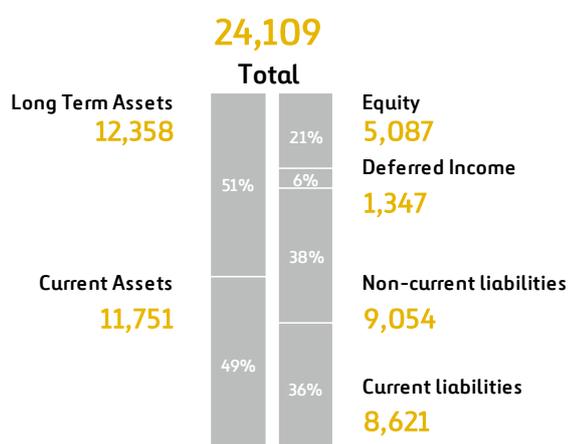
Net income from discontinued operations stood at -EUR198mn vs. -EUR848mn in 2018.

Consolidated Balance Sheet

(EUR million)	DEC-19	DEC-18	(EUR million)	DEC-19	DEC-18
FIXED AND OTHER NON-CURRENT ASSETS	12,358	12,055	EQUITY	5,087	5,363
Consolidation goodwill	248	372	Capital & reserves attrib to the Company's equity holders	4,304	4,530
Intangible assets	62	32	Minority interest	783	833
Investments in infrastructure projects	6,880	7,155	Deferred Income	1,347	1,241
Property	2	9			
Plant and Equipment	299	251	NON-CURRENT LIABILITIES	9,054	8,912
Right-of-use assets	126	0	Pension provisions	4	3
Equity-consolidated companies	2,557	2,455	Other non current provisions	518	459
Non-current financial assets	1,247	754	Long term lease debts	82	0
Long term investments with associated companies	171	173	Financial borrowings	7,565	7,419
Restricted Cash and other non-current assets	970	473	Financial borrowings on infrastructure projects	5,471	5,342
Other receivables	106	108	Financial borrowings other companies	2,094	2,077
Deferred taxes	502	664	Other borrowings	27	135
Derivative financial instruments at fair value	434	364	Deferred taxes	475	574
			Derivative financial instruments at fair value	385	321
CURRENT ASSETS	11,751	10,758	CURRENT LIABILITIES	8,621	7,297
Assets classified as held for sale	4,936	4,892	Liabilities classified as held for sale	3,491	3,259
Inventories	699	594	Short term lease debts	71	0
Trade & other receivables	1,256	1,090	Financial borrowings	1,033	773
Trade receivable for sales and services	891	801	Financial borrowings on infrastructure projects	23	43
Other receivables	364	289	Financial borrowings other companies	1,010	730
Taxes assets on current profits	97	97	Derivative financial instruments at fair value	97	69
Cash and other temporary financial investments	4,735	4,005	Trade and other payables	3,072	2,700
Infrastructure project companies	119	239	Trades and payables	1,327	1,314
Restricted Cash	6	9	Other non commercial liabilities	1,745	1,386
Other cash and equivalents	113	230	Liabilities from corporate tax	107	65
Other companies	4,617	3,766	Trade provisions	750	431
Derivative financial instruments at fair value	27	80	TOTAL LIABILITIES & EQUITY	24,109	22,813
TOTAL ASSETS	24,109	22,813			

CONSOLIDATED BALANCE SHEET

(EUR mn)



GROSS CONSOLIDATED DEBT*

GROSS DEBT DEC-19	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-3,433	-5,811	-9,244
% fixed	83.4%	97.9%	92.5%
% variable	16.6%	2.1%	7.5%
Average rate	1.0%	4.9%	3.5%
Average maturity (years)	2	21	14

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	DEC-19	DEC-18
Gross financial debt	-9,244	-8,737
Gross debt ex-infrastructure	-3,433	-2,992
Gross debt infrastructure	-5,811	-5,745
Gross Cash	6,287	5,088
Gross cash ex-infrastructure	5,064	4,228
Gross cash infrastructure	1,223	861
TOTAL NET FINANCIAL POSITION	-2,957	-3,649
Net cash ex-infrastructure	1,631	1,236
Net debt infrastructure	-4,588	-4,885
TOTAL NET FINANCIAL POSITION	-2,957	-3,649

*Includes discontinued operations

Ex-infrastructure Net Financial Position & Cash Flow

(including discontinued operations)

NET CASH POSITION (EUR mn)

Gross cash	5,064	
Gross debt	-3,433	81% Bonds
Net cash position	1,631	

Net cash position including discontinued operations

LIQUIDITY (EUR mn)

TOTAL CASH	UNDRAWN LINES
5,064	1,011
TOTAL LIQUIDITY	6,075

DEBT MATURITY (EUR mn)



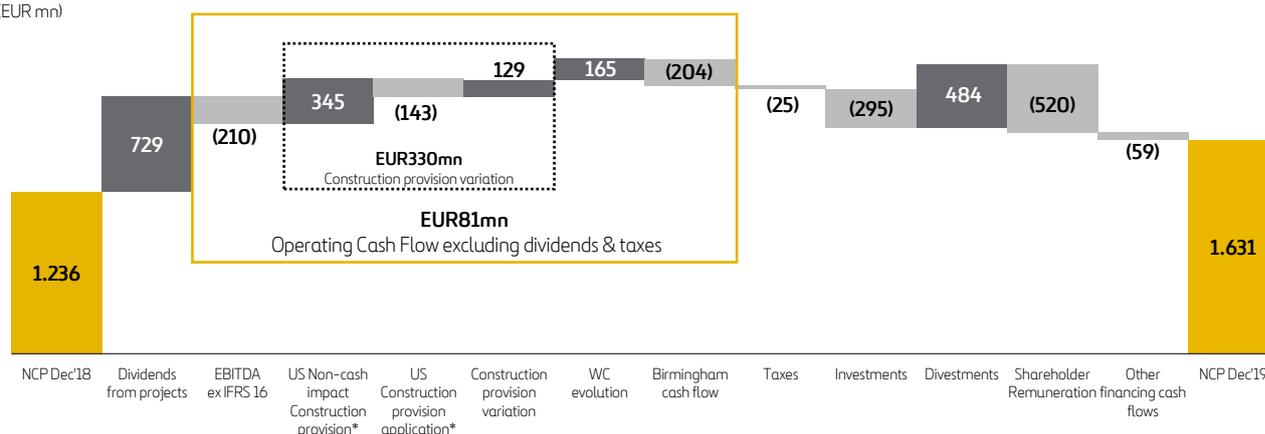
(*) In 2020, ex-infrastructure debt includes the issuance of an ECP (Euro Commercial Paper), which at 31 December 2019 had a carrying amount of EUR973mn, with an average rate of -0.29%.

RATING

Standard & Poor's	BBB / CreditWatch developing
Fitch Ratings	BBB / stable

CASH FLOW COMPONENTS (including discontinued operations)

(EUR mn)



(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

Net cash position (NCP) excluding infra projects: stood at EUR1,631mn in December 2019 vs EUR1,236mn in December 2018. The main drivers of this change were:

- **Project dividends:** EUR729mn vs. EUR623mn in 2018 (+17%), particularly noteworthy was the contribution from toll road dividends, which increased 67% in 2019, including the first dividend from the NTE toll road (EUR166mn). The contribution of dividends from Services reached EUR47mn vs. EUR131mn in 2018.
- **EBITDA ex IFRS 16 from ex-infra projects:** -EUR210mn which includes EUR233mn from Services.
 - The EBITDA figure was negatively impacted by the -EUR345mn non-cash Construction Provision registered in 1Q 2019.
 - Of the abovementioned provision, EUR143mn has already been applied (cash out) in 2019.
- **EUR129mn** from the rest of Construction provision variation, impacted by Industrial works in Budimex, after taking a prudent approach to this particular risk.
- **EUR165mn** of working capital, mainly supported by the improved WC in Construction which reached EUR132mn (-EUR140mn in 2018) and the positive WC in Services of EUR1mn (ex-Birmingham) vs. -EUR188mn in 2018.
- **Birmingham CF** stood at -EUR204mn, including GBP160mn paid in 2019 related to the settlement agreed with the City Council for the termination of the PFI contract (total settlement amounts to GBP215mn, the remaining GBP55mn will be paid over the coming 6 years).
- **Net Investment** reached EUR189mn in 2019 vs -EUR94mn in 2018. Investments reached -EUR295mn, below the -EUR332mn in 2018. Divestments reached EUR484mn in 2019, most noteworthy of which was the EUR476mn for the sale of the stakes in the Ausol and Ruta del Cacao toll roads.
- **Shareholder Remuneration:** -EUR520mn, in line with 2018.
- **Others:** includes other minor cash flow movements, such as forex impact (-EUR60mn).

The net cash position at the end of December (EUR1,631mn) includes the net cash from Services (EUR158mn).

Consolidated cash flow

DEC-19	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA ex IFRS 16	-210	580		370
Dividends received	729		-199	529
Birmingham cash flow	-204			-204
Construction provision variation	330			330
US Construction provision (*)	345			345
US Construction provision application (*)	-143			-143
Other Construction provision variation	129			129
Working capital variation (account receivables, account payables and others)	165	-87		78
Operating flow (before taxes)	810	493	-199	1,104
Tax payment	-25	-36		-61
Operating Cash Flow	785	457	-199	1,043
Investments	-295	-157	60	-392
Divestments	484	115		599
Investment cash flow	189	-41	60	207
Activity cash flow	974	416	-140	1,250
Interest flow	26	-239		-212
Capital flow from Minorities	13	117	-60	70
Scrip dividend	-238			-238
Treasury share repurchase	-282			-282
Ferrovial shareholder remuneration	-520			-520
Other shareholder remuneration for subsidiary minorities	-18	-306	199	-124
Forex impact	-60	-66		-126
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	-2	422		419
Other debt movements (non cash)	-17	-47		-64
Financing cash Flow	-579	-119	140	-558
Net debt variation	395	297		692
Net debt initial position	1,236	-4,885		-3,649
Net debt final position	1,631	-4,588		-2,957
DEC-18	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	144	470		614
Dividends received	623		-112	511
Birmingham provision with no cash impact	235			235
Birmingham cash flow	-80			-80
Construction provision variation	-40			-40
Working capital variation (account receivables, account payables and others)	-318	-60		-378
Operating flow (before taxes)	564	410	-112	862
Tax payment	6	-31		-25
Operating Cash Flow	569	380	-112	837
Investments	-332	-213	83	-462
Divestments	238	144		382
Investment cash flow	-94	-69	83	-79
Activity cash flow	476	310	-29	758
Interest flow	-11	-191		-202
Capital flow from Minorities	-2	163	-86	75
Scrip dividend	-240			-240
Treasury share repurchase	-280			-280
Ferrovial shareholder remuneration	-520			-520
Other shareholder remuneration for subsidiary minorities	-49	-120	115	-54
Forex impact	-12	-150		-162
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	104			104
Other debt movements (non cash)	-90	-94		-184
Financing cash Flow	-581	-391	29	-944
Net debt variation	-105	-81		-186
Net debt initial position	1,341	-4,804		-3,463
Net debt final position	1,236	-4,885		-3,649

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

EX-INFRASTRUCTURE PROJECT CASH FLOW

Cash flows from operating activities*

The ex-infrastructure pre-tax cash flow is as follows:

DEC-19	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*	DEC-18	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	494	408	902	Toll Roads	296	-9	287
Airports	183	-8	175	Airports	191	0	191
Construction	132	-44	87	Construction	0	-7	-8
Services	77	-163	-85	Services	160	-75	85
Other	-76	-4	-80	Other	-83	-2	-85
TOTAL	810	189	999	TOTAL	564	-94	470

*Before Corporate Income Tax. Operating cash flow in Toll Roads and Airports refers to dividends.

Operations cash flow

At 31 December 2019, cash flow from ex-infrastructure project operations totalled EUR810mn (before tax), above the EUR564mn recorded in 2018, due mainly to the increase in Toll road dividends and the good performance of the Construction operations cash flow.

OPERATING CASH FLOW	DEC-19	DEC-18
Dividends from Toll Roads	494	296
Dividends from Airports	183	191
Construction	132	0
Services	77	160
Other	-76	-83
Operating flow (before taxes)	810	564
Tax payment	-25	6
TOTAL	785	569

The entry "Others" includes the operations cash flow relating to Corporate Business, Airports and Toll Roads.

Breakdown of cash flow from **Construction and Services**:

Construction	DEC-19	DEC-18
EBITDA ex IFRS 16	-321	189
EBITDA from projects ex IFRS 16	15	15
EBITDA Ex projects ex IFRS 16	-336	175
Construction provision variation	330	-40
US Construction provision (*)	345	
US Construction provision application (*)	-143	
Other Construction provision variation	129	-40
Dividends received	5	6
Working capital variation (account receivables, account payables and others)	132	-140
Changes in factoring	-4	-12
Land purchases	-4	-46
Ex Budimex Working Capital	141	28
Budimex Working Capital	-1	-111
Operating Cash Flow before Taxes	132	0

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

SERVICES	DEC-19	DEC-18
EBITDA ex IFRS 16	309	136
EBITDA from projects ex IFRS 16	76	73
EBITDA Ex projects ex IFRS 16	233	62
BMH provision with no cash impact		235
BMH cash flow	-204	-80
Dividends received	47	131
Working capital variation (account receivables, account payables and others)	1	-188
Changes in factoring	23	-11
Pensions payments UK	-16	-10
Ex UK Working Capital	3	-39
UK Working Capital	-9	-128
OPERATING CASH FLOW BEFORE TAXES	77	160

The following table shows a breakdown of the **Services** business:

(EUR million)	SPAIN	UK	AUSTRALIA	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure ex IFRS 16	149	-6	61	30	233
BMH cash flow	0	-204	0	0	-204
Dividends received	13	26	3	6	47
Changes in factoring	7	0	17	-1	23
Pension scheme payments	0	-16	0	0	-16
Working capital	27	-9	-35	12	-6
OP. CASH FLOW EX-TAXES	196	-209	45	46	77

Breakdown of cash flow from **Toll Roads and Airports**:

The revenue from Toll Roads operations amounted to EUR494mn in 2019, resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects.

DIVIDENDS AND CAPITAL REIMBURSEMENTS	DEC-19	DEC-18
407ETR	309	273
NTE	166	0
Irish toll roads	1	1
Portuguese toll roads	12	9
Greek toll roads	0	3
Spanish toll roads	3	5
Other	3	4
TOTAL	494	296

Dividends and capital reimbursements from Airports (EUR183mn) were lower than achieved in 2018 (EUR191mn).

AIRPORTS	DEC-19	DEC-18
HAH	145	144
AGS	17	39
Others	21	7
TOTAL	183	191

Investment cash flow

DEC-19	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-68	476	408
Airports	-8	0	-8
Construction	-51	7	-44
Services	-164	1	-163
Other	-4	0	-4
Total	-295	484	189

DEC-18	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-90	82	-9
Airports	0	0	0
Construction	-53	45	-7
Services	-186	111	-75
Other	-2	0	-2
TOTAL	-332	238	-94

The net investment cash flow in 2019 (EUR189mn) includes:

- **Investments** reached -EUR295mn, below -EUR332mn in 2018.
- **Divestments** reached EUR484mn in 2019:
 - EUR476mn received in Toll Roads from the sale of the stakes in the Ausol and Ruta del Cacao toll roads, compared to EUR82mn in 2018 for the sale of the Central Greece and Ionian Roads toll roads in Greece.

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR520mn for Ferrovial shareholders, which includes the cash payment of the scrip dividend of -EUR238mn and the share buy-back for -EUR282mn. Dividends to minorities in subsidiaries also reached -EUR18mn.
- **Net interest payments** reached EUR26mn in 2019.
- **FX impact** (-EUR60mn), primarily from the performance of FX derivatives hedging into euros cash held in American and Canadian dollars.
- **Other non-cash flow related movements** (-EUR17mn), which also includes book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

Net position from discontinued operations

The net cash position from discontinued operations stood at EUR158mn of debt at 31 December 2019.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

As regards cash flows for companies that own infrastructure project concessions, these primarily include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	DEC-19	DEC-18
Toll roads	386	296
Other	71	84
OPERATING CASH FLOW	457	380

Investment cash flow

The following table shows a breakdown of the investment cash flows for infrastructure projects, mainly payments made in respect of CapEx investments over the year.

(EUR million)	DEC-19	DEC-18
LBJ	-3	-4
NTE	-3	-3
NTE 35W	-135	-134
I-77	-94	-210
Portuguese toll roads	0	-1
Spanish toll roads	-5	-5
Others	0	0
TOTAL TOLL ROADS	-240	-356
Others	106	104
TOTAL PROJECTS	-135	-252
Equity Subsidy	93	183
TOTAL INVESTMENT CASH FLOW (PROJECTS)	-41	-69

Financing cash flow

Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Funds' repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period.

(EUR million)	DEC-19	DEC-18
Spanish toll roads	-54	-63
US toll roads	-132	-77
Portuguese toll roads	-14	-15
Other toll roads	0	0
TOTAL TOLL ROADS	-201	-154
Other	-38	-37
TOTAL	-239	-191

The financing cash flow also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 2019 was a negative impact in the amount of -EUR66mn, primarily as the result of the appreciation of the US dollar against the euro, which has had a significant effect on the net debt figure for the US toll roads.

Appendix I – segmented information

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA ex IFRS 16			EBITDA MARGIN		NET DEBT 100%	
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	DEC-19	SHARE
GLOBAL CONSOLIDATION													
NTE*	34	30	14.7%	137	99	38.8%	116	83	39.7%	84.6%	84.1%	-1,099	63.0%
LBJ*	48	44	9.1%	137	107	28.2%	114	87	30.2%	83.3%	82.0%	-1,253	54.6%
NTE 35W*/**/****	33		n.a.	81	31	n.a.	48	23	108.2%	59.9%	74.2%	-740	53.7%
I-77 */*****				21	2	n.a.	14	0	n.s.	66.4%		-218	50.1%
TOTAL USA				376	238	57.8%	292	194	51.0%			-3,311	
AusolI***	18,232	17,440	4.5%	66	66	-0.2%	55	56	-0.6%	84.1%	84.4%		15.0%
AusolII***	19,199	18,667	2.8%										15.0%
Autema	18,895	18,781	0.6%	113	109	4.0%	105	100	4.3%	92.7%	92.4%	-625	76.3%
TOTAL SPAIN				179	174	2.4%	160	156	2.6%			-625	
Azores	10,735	10,275	4.5%	29	28	4.0%	26	25	5.9%	88.1%	86.5%	-287	89.2%
Via Livre				15	14	5.7%	2	2	16.7%	14.0%	12.7%	2	84.0%
TOTAL PORTUGAL				44	42	4.5%	28	26	6.6%			-284	
TOTAL HEADQUARTERS				19	16	13.4%	-47	-56	17.1%				
TOTAL TOLL ROADS				617	471	31.0%	433	319	35.7%	70.2%	67.7%	-4,220	

* Traffic in millions of transactions. ** Assets under construction. *** On December 3, 2019, formal completion of stake sale from 80% to 15%. Traffic up to December. P&L 2019 until November and P&L 2018 up to December. **** Capital invested & committed: Segment 3C/Net debt 100%: includes all 3 segments. ***** Full opening on November 2019

TOLL ROADS – EQUITY-ACCOUNTED

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA ex IFRS 16			EBITDA MARGIN		NET DEBT 100%	
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	DEC-19	SHARE
EQUITY ACCOUNTED													
407 ETR (WKT mn)	2,742	2,747	-0.2%	1,017	908	12.0%	884	791	11.8%	86.9%	87.1%	-5,464	43.2%
M4	35,442	33,761	5.0%	31	30	5.3%	17	17	1.3%	54.8%	56.9%	-74	20.0%
MB	42,080	39,892	5.5%	22	20	9.5%	14	14	1.0%	64.7%	70.2%	-111	20.0%
A-66 Benavente Zamora				24	24	2.1%	22	22	2.1%	90.5%	90.5%	-157	25.0%
Serrano Park				6	6	8.2%	3	3	-27.1%	40.3%	59.8%	-36	50.0%
Alqarve	16,325	15,456	5.6%	37	38	-2.2%	33	33	-2.3%	87.9%	88.0%	-108	48.0%
Norte Litoral	26,998	25,974	3.9%	42	43	-3.7%	36	38	-3.7%	87.0%	87.0%	-127	49.0%

MAIN TOLL ROADS (P&L)

407 ETR

CAD million	DEC-19	DEC-18	VAR.
Revenues	1,505	1,390	8.3%
EBITDA	1,309	1,211	8.1%
EBITDA margin	87.0%	87.1%	
EBIT	1,204	1,103	9.1%
EBIT margin	80.0%	79.4%	
Financial results	-420	-370	-13.5%
EBT	783	733	6.9%
Corporate income tax	-207	-194	-6.9%
Net Income	576	539	6.8%
Contribution to Ferrovial equity accounted result*	153	136	12.2%

* EURmn

LBJ

(USD million)	DEC-19	DEC-18	VAR.
Revenues	153	126	21.7%
EBITDA	127	103	23.7%
EBITDA margin	83.3%	82.0%	
EBIT	99	77	28.0%
EBIT margin	64.5%	61.3%	
Financial results	-87	-87	0.0%
Net Income	11	-10	204.5%
Contribution to Ferrovial*	5	-5	210.1%

* Contribution to Net profit. 56% stake EURmn

NTE

(USD million)	DEC-19	DEC-18	VAR.
Revenues	153	116	31.7%
EBITDA	129	98	32.6%
EBITDA margin	84.6%	84.1%	
EBIT	101	76	33.5%
EBIT margin	66.2%	65.3%	
Financial results	-74	-62	-20.1%
Net Income	26	13	95.1%
Contribution to Ferrovial*	15	7	105.6%

* Contribution to Net profit. 62.97% stake EURmn

NTE 35W

(USD million)	DEC-19	DEC-18	VAR.
Revenues	90		n.s.
EBITDA	54		n.s.
EBITDA margin	60.1%		n.s.
EBIT	35		n.s.
EBIT margin	38.6%		n.s.
Financial results	-39		n.s.
Net Income	-5		n.s.
Contribution to Ferrovial*	-2		n.s.

* Contribution to Net profit. 53.67% stake EURmn

AIRPORTS (P&L)

Heathrow SP & HAH

(GBP million)	REVENUES			EBITDA			EBITDA MARGIN		
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR. (bps)
Heathrow SP	3,070	2,970	3.4%	1,921	1,837	4.6%	62.6%	61.9%	70
Exceptionals & adjts	0	0	n.a.	2	2	-21.2%	n.a.	n.a.	n.a.
TOTAL HAH	3,070	2,970	3.3%	1,922	1,840	4.5%	62.6%	61.9%	69

HAH

(GBP million)	DEC-19	DEC-18	VAR.	LfL
Revenues	3,070	2,970	3.3%	3.3%
EBITDA	1,922	1,840	4.5%	1.7%
EBITDA margin %	62.6%	61.9%		
Depreciation & impairments	-805	-796	1.1%	1.0%
EBIT	1,117	1,043	7.1%	3.7%
EBIT margin %	36.4%	35.1%		
Financial results	-621	-751	17.4%	4.1%
EBT	497	292	70.0%	24.0%
Corporate income tax	-126	-45	-179.4%	n.a.
Net income	370	247	50.0%	5.0%
Contribution to Ferrovial equity accounted result (EUR mn)	106	70	51.9%	5.0%

AGS

(GBP million)	DEC-19	DEC-18	VAR.
Total Revenues AGS	217	213	1.8%
Glasgow	133	127	4.7%
Aberdeen	57	56	1.0%
Southampton	28	30	-8.8%
Total EBITDA AGS	94	97	-2.6%
Glasgow	65	64	2.0%
Aberdeen	22	22	-2.8%
Southampton	8	11	-28.6%
Total EBITDA margin	43.5%	45.5%	-195.2
Glasgow	48.8%	50.1%	-125.1
Aberdeen	38.4%	40.0%	-152.4
Southampton	28.6%	36.5%	-790.9

CONSTRUCTION**

CONSTRUCTION	DEC-19	DEC-18	VAR.	LfL
Revenues	5,413	5,252	3.1%	0.3%
EBITDA	-321	189	n.s.	n.s.
EBITDA margin	-5.9%	3.6%		
EBIT	-365	146	n.s.	n.s.
EBIT margin	-6.7%	2.8%		
Order book	11,424	10,965	4.2%	2.8%

BUDIMEX	DEC-19	DEC-18	VAR.	LfL
Revenues	1,819	1,730	5.2%	0.7%
Construction	1,568	1,602	-2.1%	-1.5%
Real Estate	135	128	5.9%	6.5%
FB Servis	116			33.3%
EBITDA	95	100	-4.8%	-14.3%
EBITDA margin	5.2%	5.8%		
EBIT	73	88	-16.8%	-20.7%
Construction	36	67	-46.3%	-46.9%
Real Estate	27	21	26.9%	27.6%
FB Servis	10			n.s.
EBIT margin	4.0%	5.1%		
Order book	2,830	2,362	19.8%	18.9%

WEBBER	DEC-19	DEC-18	VAR.	LfL
Revenues	824	739	11.5%	5.9%
EBITDA	27	30	-9.8%	-15.3%
EBITDA margin	3.3%	4.1%		
EBIT	15	21	-29.4%	-25.5%
EBIT margin	1.8%	2.9%		
Order book	1,838	1,511	21.6%	19.2%

F.AGROMAN	DEC-19	DEC-18	VAR.	LfL
Revenues	2,769	2,783	-0.5%	-1.6%
EBITDA	-444	59	n.s.	n.s.
EBITDA margin	-16.0%	2.1%		
EBIT	-453	37	n.s.	n.s.
EBIT margin	-16.4%	1.3%		
Order book	6,756	7,092	-4.7%	-6.0%

SERVICES**

SERVICES	DEC-19	DEC-18	VAR.	LfL
Revenues	6,995	6,785	3.1%	4.3%
EBITDA	309	136	127.6%	n.s.
EBITDA EX-BMH	309	371	-16.8%	-13.9%
EBITDA margin	4.4%	2.0%		
EBITDA margin EX-BMH	4.4%	5.5%		
Order book	17,656	19,411	-9.0%	-6.9%

SPAIN	DEC-19	DEC-18	VAR.	LfL
Revenues	2,020	1,950	3.6%	3.8%
EBITDA	216	202	7.1%	5.3%
EBITDA margin	10.7%	10.4%		
Order book	4,266	4,670	-8.7%	-8.7%

UK	DEC-19	DEC-18	VAR.	LfL
Revenues	2,749	2,610	5.3%	4.1%
EBITDA	2	-163	101.1%	n.s.
EBITDA EX-BMH	2	72	-97.5%	-93.6%
EBITDA margin	0.1%	-6.3%		
EBITDA margin EX-BMH	0.1%	2.8%		
Order book	8,036	9,251	-13.1%	-10.5%

AUSTRALIA	DEC-19	DEC-18	VAR.	LfL
Revenues	1,672	1,684	-0.7%	0.8%
EBITDA	61	61	-0.4%	1.7%
EBITDA margin	3.6%	3.6%		
Order book	4,064	4,129	-1.6%	-3.2%

INTERNATIONAL	DEC-19	DEC-18	VAR.	LfL
Revenues	554	540	2.5%	19.6%
EBITDA	30	36	-17.0%	26.3%
EBITDA margin	5.4%	6.7%		
Order book	1,291	1,361	-5.2%	15.6%

EBIT before impairments and disposals of fixed assets

** Construction & Services EBITDA excluding IFRS 16

BMH: Birmingham

Appendix II – Exchange rate movements

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	EXCHANGE RATE LAST (BALANCE SHEET)	CHANGE 19/18	EXCHANGE RATE MEAN (P&L)	CHANGE 19/18
GBP	0.8467	-5.8%	0.8745	-1.3%
US Dollar	1.1229	-1.9%	1.1183	-5.1%
Canadian Dollar	1.4573	-6.6%	1.4800	-3.3%
Polish Zloty	4.2565	-0.8%	4.2960	0.6%
Australian Dollar	1.5986	-1.7%	1.6077	1.5%

Appendix III – Shareholder remuneration

The company held its AGM on 5 April 2019. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration scheme known as the “Ferrovial Scrip Dividend”, which replaced the traditional complementary dividend payment for 2018 and the 2019 interim dividend.

SCRIP DIVIDEND DETAILS	MAY-19	NOV-19
Guaranteed set price to purchase rights	0.311	0.408
Rights per share	69	63
% shareholders chose shares as dividends	55.47%	55.28%
% shareholders chose cash as dividends	44.53%	44.72%
Number of new shares issued	5,936,542	6,531,283
Number of rights purchase	328,834,402	332,921,487

SHARE BUY-BACK AND CANCELLATION

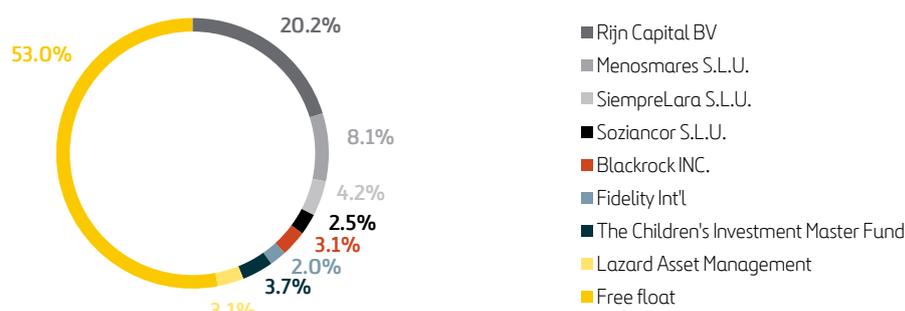
The buy-back programme ended on 22 November 2019, after the company acquired 8,792,631 of its own shares (which therefore did not exceed the limit of EUR275mn or 19 million shares).

The share capital was subsequently reduced by EUR3,141,643.80 by means of the cancellation of 15,708,219 company shares held in the company’s treasury shares, including 6,915,588 shares held prior to the Board of Directors’ proposal, approved at the AGM, to reduce the company’s share capital.

Ferrovial’s share capital figure as at 31 December 2019 amounted to EUR147,043,088.60 all fully subscribed and paid up. The share capital comprises 735,215,443 ordinary shares of one single class, each with a par value of twenty-euro cents (EURO.20).

Appendix IV – Shareholder structure

SHAREHOLDER STRUCTURE (CNMV) 31 DECEMBER 2019



Appendix V – Additional Information

SHARE BUY-BACK TRANSACTIONS

OBJECTIVE	TOTAL NUMBER OF SHARES 31 DEC 2018	NUMBER OF SHARES ACQUIRED / RECEIVED	TRANSFER	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES 31 DEC 2019
Shares for capital reduction		8,792,631		-8,792,631	0
Discretionary shares and other	6,915,588	2,755,960		-6,915,588	2,755,960
Compensation systems	48,951	372,943	299,573	-721,467	0
Shares received as payment for the scrip dividend	447,129	372,745	-299,573	0	520,301
BALANCE	7,411,668	12,294,279	0	-16,429,686	3,276,261

AVERAGE PAYMENT TERM

In compliance with the obligation to disclose the average supplier payment period provided for in Article 539 and Additional Provision Eight of the Spanish Companies Act (in accordance with the new wording of final provision two of Law 31/2014 reforming the Spanish Companies Act), the Company hereby states that the average period of payment to the suppliers of all the Group companies domiciled in Spain (excluding the discontinued operations transactions) in 2019 was 39 days.

The following table details, as required under Article 6 of the Ruling of 29 January 2016 by the Institute for Accounting and Accounts Auditing, the information relating to the average supplier payment period in 2019 and 2018:

DAYS	2019	2018
Average period of payment to suppliers	39	40
Ratio of transactions settled	39	40
Ratio of transactions not yet settled	43	52
AMOUNT (EUR)		
TOTAL PAYMENTS MADE	676,032,318	697,200,453
TOTAL PAYMENTS OUTSTANDING	19,316,271	19,388,691

The mutual intra-group commercial transactions between companies belonging to Ferrovial are not included in the consolidation process, meaning the consolidated balance sheet contains no outstanding balances payable to Ferrovial companies. Thus, the information detailed in the previous table refers solely to suppliers outside of the Company, noting for information purposes that the average payment period between Ferrovial companies is generally 30 days.

People

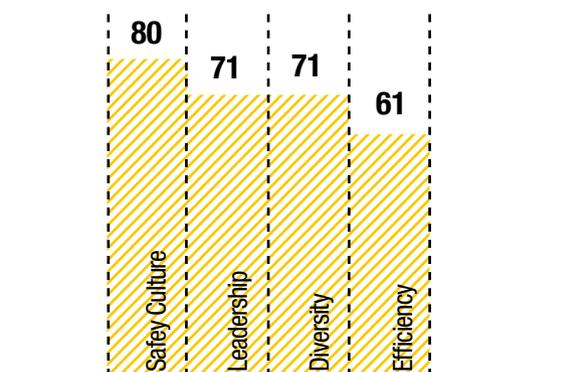
Distinguishing talent

The 90,000 Ferrovia professionals represent a culture based on excellence, innovation, safety, integrity and collaboration. The value of each professional is, quite simply, the value of Ferrovia.

In 2019, as a response to its strategy of listening to its employees, Ferrovia launched an opinion poll for its entire workforce, in which 6,866 employees participated. The results showed a notably high rate of commitment at 79%, and a favourable perception of the health and safety culture, at 80%. The attributes with the highest percentage of positive responses included the following:

OPINION SURVEY

(% of positive answers)



LEARNING AND DEVELOPMENT

Training is one of the levers for developing internal talent. The SUMMA Corporate University, which has now existed for 12 years, offers solutions for ongoing learning and promotes the exchange of knowledge and experiences among professionals. The number of training hours received in 2019 was 885,947 of which 55,660 were at SUMMA. Total investment in training amounted to 26.24 M€ (SUMMA is included).

The professional development of employees is also a priority. In 2019, 29,457 conducted evaluation and development processes, and succession plans that have enabled us to identify 403 potential candidates for the critical positions of 167 identified.

Employee mobility is also a means of promoting talent. The company has the Global Mobility Portal – a job bank – in which employees can consult all vacancies existing around the world. The 15,785 registered job offers received 417,065 candidates, with an internal coverage of 16%.

YOUNG TALENT

Given that attracting the best young talent is one of the ways to ensure the future of the company, Ferrovia has 29 dedicated programs lasting between three months and three years to draw young and recent graduates.

Inspire the new generations in STEM vocations means ensuring the future need for key talent, while contributing to employability in the countries where the company operates. In Spain, together with the Junior Achievement Foundation, and through the OrientaT programme, a total of 59 volunteers from Ferrovia were taught in various workshops at educational centres to develop the skills required in the labour market for technical professions. Other featured programmes are run in the United Kingdom, where the subsidiary Amey participates in the Girlguiding STEM programme, and were some professionals from Ferrovia Agroman United Kingdom have been certified as STEM Ambassadors.

“Ferrovia offered the most complex and complicated projects as well as giving graduates the chance to take on as much responsibility as they can handle – with guidance and support, of course. To me that sounded like signing up to a life school – the bigger the challenge the bigger the learnings”.

MOHAMMED BOLBOL, Graduate Civil Engineer, Heathrow Q6

“Ferrovia is a very diverse place to work and the culture is one of hard work and drive to deliver challenging projects to the client’s satisfaction. I started at Ferrovia Agroman as a summer placement and by the end of my three months, I felt like I had so much more I still wanted to learn and this would be the perfect place to do so”.

KARACHI OGBONNA, Graduate Quality Engineer, Heathrow Q6

DIVERSITY, EQUITY AND EFFICIENCY

At Ferrovial achievements and merit are rewarded in a fair and transparent manner. One of the main objectives within the diversity strategy is fostering an inclusive culture. Among other lines of action, this exercise has put focus on unconscious bias training on a global level.

In addition, the wage gap is analysed at regular intervals. In the case of Spain, following the adoption of the Equality Act in 2007, equality plans were signed with the main union federations in the sector which perform wage diagnostics.

The wage gap, published in the Annex to this report, can be explained primarily by the current percentage of women in the company as a whole, by the type of positions they hold in line with the sectors in which we operate and by the current gender distribution in different professional categories.

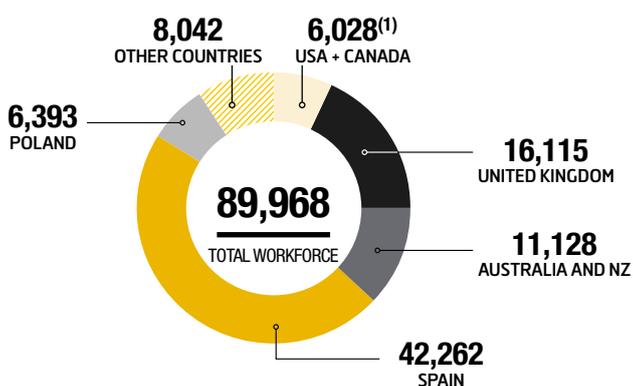
In this regard, Ferrovial was included in the Bloomberg Gender-Equality Index for fostering an environment of equal opportunities, its measures of flexibility and conciliation in accordance with applicable legislation and the conditions in each country, and for its ongoing work to achieve an inclusive environment, as reflected in the employee opinion poll.

WOW: NEW WAYS OF WORKING

Ferrovial runs the “WOW project: New Ways of Working”, which is the Office suite 365 adoption plan as a tool for collaborative work, and it is part of the digital transformation strategy Play the Future, which aims to develop digital competences of employees through training programs: drones, Internet of Things, 3D printing, big data, artificial intelligence, user experience, digital skills, Office 365 and mobility of the future.

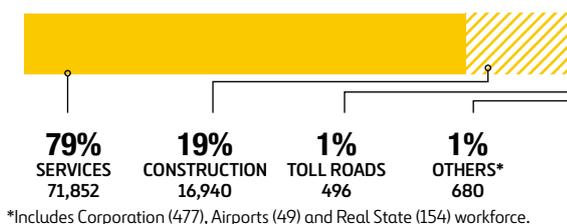
In one year, the number of employees that use it in their day-to-day digital tools has multiplied by six, which facilitates the reduction of the digital divide and makes the work more efficient, secure, flexible and collaborative.

BY COUNTRY

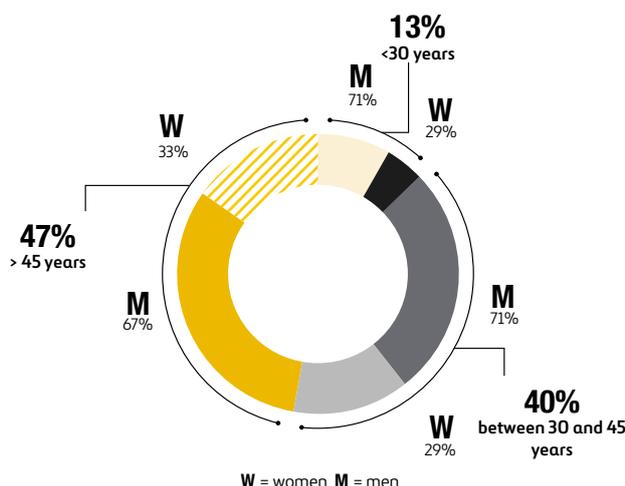


(1) Workforce of USA (5,306) and Canada (722)

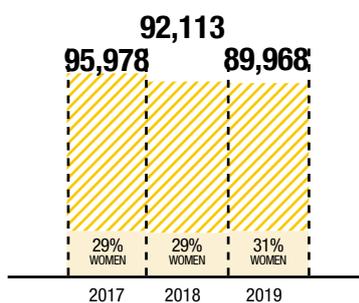
BY BUSINESS UNIT



BY AGE



EVOLUTION



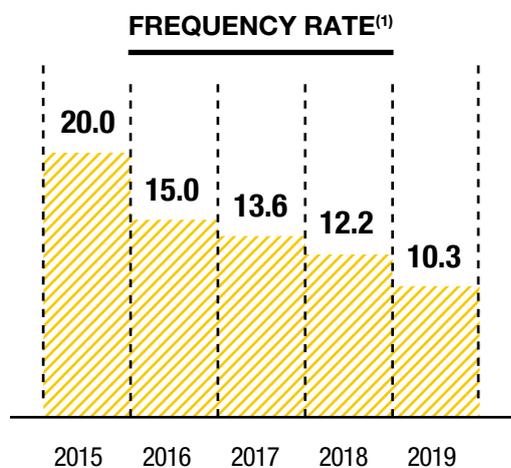
Health and Safety

Creating safer workplaces and operations

Ferrovial actively works to create safe and harm free environments and operations for everyone, every day.

In 2015, Ferrovial established a roadmap to align the Health and Safety management systems of each business area, making sure the necessary resources and tools were available to deliver safer operations. The changes included, amongst others, developing a reporting system that would give more weight to proactive indicators (leading indicators), to develop a more forward-thinking culture, and to focus action on an improved Health and Safety management model.

Since the implementation of this model, 393,624 inspections and audits have been carried out and 3,956,424 hours of Health and Safety training have been given, of which 580,740 and 91,414 were in 2019. Thanks to the improvement actions implemented and the commitment of all workers, frequency and severity rates have dropped by 48.5% and 41.86% compared to 2015, respectively, and 15.6% and 13.8% compared to last year.



However, despite this positive progress, the number of fatalities and significant incidents has not followed this downward trend. Sadly, there have been fourteen fatalities during 2019 (five of employees and nine of contractor workers). The company is unsatisfied with

FREQUENCY RATE⁽¹⁾

-15.6%

compared to 2018

SEVERITY RATE⁽²⁾

-13.8%

compared to 2018

HOURS OF HEALTH AND SAFETY TRAINING

580,740

aprox. 4 million since 2015

HEALTH AND SAFETY INSPECTIONS AND AUDITS

91,414

(1) Year-on-year change in the ratio showing the number of accidents to have occurred during working hours and leading to medical leave, for every million hours worked. Does not include contractors.
 (2) Year-on-year change in the ratio showing the number of days lost as a result of occupational accidents for every thousand hours worked.
 For more details see appendix of GRI indicators, accident tables page 125.



these facts and has taken the necessary measures to face this situation. For this reason, Ferrovial has reassessed what it measures and where it seeks to drive improvement. Whilst continuing to monitor existing indicators, the work has begun on identifying “high potential incidents”, those events that could have resulted in either serious or fatal outcome but didn’t, ensuring the development of an agile and resilient business.

Ferrovial have revised the strategy to address this critical aspect of Health and Safety, ensuring it is prepared and equipped to deliver safer work environments. Given their relevance, high potential incidents are now reported on a weekly basis, analyzed by the Management Committee, and reviewed by an executive team.

NEW FOCUS

Health and Safety of workers is a strategic enabler for Ferrovial, with a proactive focus on risk management, with employees who are aware of how to improve their own safety, where innovation is a lever to reduce risks, creating real links between safety and productivity. The cornerstones of this new focus are as follows:

- The design of the “global” Health and Safety management system focuses on the context of the local system, and vice versa. Therefore, safety is incorporated into the lifecycle of each project, giving flexibility to the role that each stakeholder performs.
- Variability in the execution of each project and during its lifecycle is inevitable, and this variability must be considered and integrated in the management focuses. That’s why the risk control hierarchy is used, which prioritizes the elimination of the possible risk (if feasible), thus promoting the thinking about and resolving problems through teams.
- Workers are a source of inspiration and innovation, and they are needed for the resilience of the management system.

NEW STRATEGY 2020-2023

The Board of Directors of Ferrovial has approved its 2020-2023 Health and Safety Strategy, which focuses on four strategic elements:



- **Leadership:** our people inspire, care and are uncompromising in delivering our H&S expectations.
- **Competence:** we have colleagues, who are trained and competent to deliver their roles
- **Resilience:** we are agile and prepared to protect our people, stakeholders and business from adverse events.
- **Communication:** we have a learning environment that enables knowledge sharing, innovation and effective risk management.

This strategy enables Ferrovial to:

- Celebrate success, rewarding and recognizing people and stakeholders.
- Empower and enable competent people to make choices and manage risk.
- Demand uncompromising leadership and be intolerant to incidents.
- Manage risk by embedding H&S into the business and project lifestyle.
- Create environments where everyone has a voice.
- Nurture a culture of innovation and learning.

The health and wellbeing of workers also constitutes another important element within the new strategy, seeking to acknowledge that the health and wellbeing of Ferrovial's employees are critical to its continued success. The focus will support an improved working environment, create more cohesive teams, reduce absenteeism and job presence, increase productivity and contribute to a more caring workplace.

The new Health and Safety Strategy will pave the way to offer a corporate culture truly aligned with the vision of "creating safe and free harm workplaces and operations for everyone, every day".

COMMITMENT TO INNOVATION

For Ferrovial, innovation is a key lever for change to drive improved performance in Health and Safety. For this reason, it has continued with the work started in 2018 at the Safety Lab to become a tool to be used to provide solutions to the challenges that workers face every day during operations at all workplaces. More information is available about the Safety Lab in the "Innovation" section of this report.

"ARMADILLO" IN LBJ AND NTE

In 2019, the Managed Lanes continued to register incidents where maintenance teams, as they carried out assistance work on the hard shoulder and/or in lanes, were exposed to high levels of risk from members of the public who were driving under the influence of alcohol or distracted by some other issue. To find solutions to this problem, the company talked directly to the workers who regularly use these vehicles, concluding that the best available option was to use new lorries with a modified version of the impact attenuators (TMA), which are known as "Armadillo". This collaboration of leadership, management team and workers resulted in this end product, which already has one unit in operation and three more on the way.

SAFETY INTERACTIVE PAUSE (SIP) AT FERROVIAL AGROMAN CANADA

Ferrovial Agroman Canada has launched the Take a SIP program to refresh the health and safety knowledge of workers who do not always do on-site work. The online program uses case studies with specific themes, which are explained using photos and videos that show real situations. Workers must then answer a series of questions about these cases, receiving a score for each case study that they can compare against the correct answers to check their level of knowledge. This establishes a ranking of employees with their scores, thus promoting competition amongst them and an appetite to improve their personal knowledge.

Innovation

At the forefront of transformation

For Ferrovial, innovation is a strategic priority and a mature discipline that is deeply rooted in its culture and processes and aimed at creating value for society.

Ferrovial's innovation strategy is not only aimed at consolidating the strength and competitive advantages of its traditional business models but also at exploring new markets and technologies. Accordingly, the company coordinates a broad consolidated portfolio of projects focused on defined priority themes and that is appropriately proportioned between disruptive, strategic and incremental projects. In 2019, this portfolio included more than 100 projects under development that entailed an investment of approximately 45 million euros in R&D. This balanced strategic management of its innovation has made it possible to make the innovation objectives set out below tangible.

DISRUPTIVE: ANTICIPATE THE FUTURE OF TRANSPORT

Ferrovial faces the constant development of the technological, socio-economic and environmental context of the infrastructure and mobility sectors through a proactive approach that allows it to anticipate and adapt dynamically to change. Through its "What if?" program it periodically analyzes plausible future scenarios to determine the key lines of action to respond to threats and take advantage of any opportunities that have been identified.

In addition, Ferrovial has the Venture Lab, its corporate launchpad of business models with a high uncertainty and disruptive capacity. This program allows Ferrovial to anticipate new markets and take advantage of incipient business opportunities that have great future potential. Some of the Ventures launched in recent years include the Wondo Mobility as a Service platform and KUIKO, the digital market of facility management services for SMEs and freelancers.

STRATEGIC: INCREASING THE VALUE OF ASSETS

New technologies are enabling methods and tools to emerge that are able to profoundly transform all

stages of the infrastructure life cycle. In this context, Ferrovial undertakes both strategic intelligence projects to help its business units understand the impact of technology on infrastructure management as well as projects to generate additional added value in the promotion, design, construction, operation and maintenance of these assets. The first type include its studies on the impact of autonomous and connected cars, 5G technology and new means of payment. The second type include its projects with innovative technologies such as virtual or augmented reality, drones and artificial intelligence.

INCREMENTAL: AT THE SERVICE OF BUSINESS UNITS

All of Ferrovial's exploration, ideation, experimentation and learning activity takes on a special practical sense when it is generated from a detailed knowledge of the specific objectives, needs and challenges of its business units. That is why a large proportion of its project portfolio is aimed at achieving short-term impact on its traditional business models through, for example, automation, digitization or data processing and analytics. Ferrovial's methodical and incremental innovation has allowed the company to consistently achieve improvements in profitability, sustainability and efficiency in its operations; increase the safety of users and employees and, ultimately, generate additional competitive advantages for its businesses



CLICK
Innovation

INVESTMENT IN
R&D (M€)

45

PROJECTS
UNDERTAKEN IN 2019

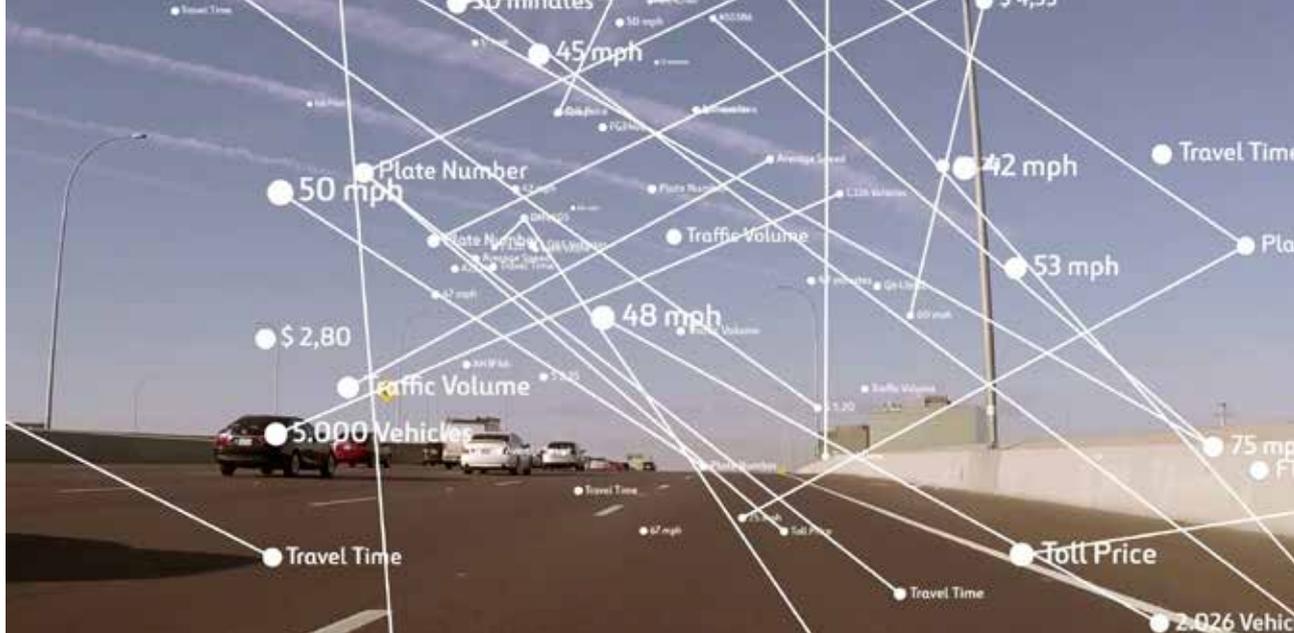
+100

PROJECTS
WITH START-UPS

32

SAFETY LAB – SAFE ROADS

Ferrovial has launched an innovation program focused on improving the safety of its employees and users of its infrastructure through the use of new technologies. The program, which consists of several initiatives, has focused its first project on improving road safety in the area of urban mobility. The initiative aims to reduce the number of accidents in the urban environment with the use of IoT, artificial intelligence and driving assistance technologies (ADAS). The system helps drivers prevent possible collisions while providing information on the risk points detected in the infrastructure. The Safety Lab has also launched projects in the field of construction and mobility.



PROMOTING AN INNOVATIVE CULTURE

Ferrovial undertakes a wide range of technology and trend watch activities that are reflected in its monthly Innovation Insights newsletter, its Infobits reports on periodic trends and its White Papers, in which it discusses both the opportunities generated by the trends and the potential use cases for its business units. Ferrovial's internal knowledge ecosystem is completed with the Digital Hub, the Centers of Excellence in the areas of data and mobility and the multiple specialized technical offices of the different business units. These units function as nodes of the organization's network of experts centralizing knowledge, skills and experience and providing consulting and technical advice.

The insight, talent and knowledge of the immense innovation community disseminated throughout the organization are added to the analysis work and the initiative of these teams devoted entirely to innovation. Every two years the Zuritanken program captures the creative explosion of all company employees, prioritizing and providing resources to prototype ideas with the greatest potential. In addition, as far as innovative talent is concerned, Ferrovial has launched the Play the Future initiative to train its employees in digital skills and new technologies. The company also launched the Executive Forum, an annual meeting of executives to analyze emerging trends and define projects on topics such as mobility or data-based management.

GROWING AN OPEN AND COLLABORATIVE ECOSYSTEM

Ferrovial Open Innovation teams work to expand and enhance the organization's network of collaborations and alliances in major global innovation centers such as Israel, the US, Finland and Singapore. This network includes public innovation agencies and programs such as H2020, the European Innovation Council, Innovate UK and the Climate-KIC and Digital-KIC communities of the European Institute of Innovation and Technology; research centers and universities such as the Massachusetts Institute of Technology and Stanford University and, of course, accelerators, incubators and startups. In particular, in 2019 Ferrovial had 11 collaboration agreements in place with universities and research centers and conducted 32 pilot projects with startups.

SMART MANAGEMENT OF TRANSPORT ASSETS

The digital revolution is making the union between the physical and the digital world possible by enabling interaction between all the organizations involved in the life cycle of transport assets. Ferrovial has opted to adapt to this scenario by incorporating these methodologies on the day of its operations. To this end, the company has defined and developed a common framework for the integral implementation of these asset management tools within the group in a complementary way with the strategies of the different business units. The initiative contemplates the development and deployment of a digital platform that captures the information requirements between the stages of the life cycle of the assets, allowing a "digital fingerprint" to be generated collaboratively for them. All this will make it easier to manage, operate and maintain the company's infrastructure and detect opportunities for operational improvement through efficiency and process optimization.

PLAY THE FUTURE

Two years ago Ferrovial launched the 'Play the Future' initiative, a learning platform for digital skills and knowledge for its employees with training itineraries in the area of drones, internet of things, 3D printing, big data and artificial intelligence, user experience, the future of mobility and digital competencies. In the first half of 2019, the initiative's online portal was launched and throughout the year more than 900 professionals signed up for different courses or initiatives. Also, in June a new edition of the Digital Day took place in the Ferrovial Digital Hub aimed at those employees who took the online Digital Competency course. During the event, participants from the various Ferrovial businesses had the opportunity to have an experience guided by the internal experts in the different topics. Additional courses in Agile, Cybersecurity, Future of Work and the Data Academy are underway.

INNOVATION PROJECTS

1. MOBILITY



- **Mobility of the future:** strategic analysis in conjunction with MIT on the mobility of the future based on the performance of factors such as private-vehicle ownership, mobility patterns or the energy mix.
- **Autonomous Bus:** prototype of autonomous bus using artificial intelligence to transport passengers from airport parking to the terminal.
- **C-ROADS:** application of Cooperative Intelligent Transport Systems for vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) on roads.

- **Transforming Transport:** generation of advanced quantitative models to improve traffic management and mitigate toll roads congestion.
- **NLP:** tools for natural language processing (NLP) and analysis for categorizing and comparing legal documents.



2. DATA DRIVEN MANAGEMENT



4. SUSTAINABILITY

- **LAG bags reutilization:** initiative that incorporates a QR code into bags for liquids, aerosols and gels, incentivizing reuse of them and a reduction in the use of plastics.
- **Dugud:** Mobile app for rewarding citizens that deposit organic waste in waste containers, incentivizing recycling.

3. SAFETY

- **Safety Lab:** program for accelerating the use of new methodologies and technologies to reduce the number of accidents in infrastructures.
- **Autonomous ready:** incorporation of Advanced Driver Assistance Systems (ADAS) in the urban fleet to avoid collisions with pedestrians and cyclists.



5. DIGITIZATION

- **DIGITALIS:** creation of a blockchain platform for creating and checking unique digital identities for suppliers..
- **Pay with a smile:** application that uses visual-biometric-recognition technologies to allow users to make payments with their facial expression.



6. ENGINEERING

- **Horbran:** study on the viability of using recycled-polypropylene macro fibers to replace some of the steel bars in the reinforced concrete.
- **Drone inspection:** use of drones in inspection tasks for multiple types of infrastructure.



PHOTO: Iler, Cadarache (France), © (F4E)

Quality

Committed to excellence

Ferrovial applies innovation to achieve process improvements, make them more efficient and competitive, and offer customers top quality products and services.

A

chieving complete satisfaction of infrastructure users and excellence in the quality of services provided are two priorities for Ferrovial. To achieve these goals, the company undertakes specific

innovation projects aimed at improving the perception that customers and users have about the services provided. Digitization, artificial intelligence, use of new technologies such as drones and Big Data are some examples of innovation projects applied to the projects.

DIGITALIZATION

In 2019, Ferrovial, along with other companies, created a platform for digital identity management of the main suppliers in blockchain format. The main benefits are that the process for certifying and validating suppliers has been streamlined by making it more efficient and secure, and reducing bureaucratic and administrative tasks.

Likewise, the Construction division continues to extend the use and dissemination of the use of Building Information Modeling (BIM) methodology. It was the first major construction company to obtain BSI® BIM Level 2 certification in Spain, Portugal, United Kingdom and Australia. The application of BIM involves incorporating digitalization into construction processes and procedures, providing greater efficiency in information management.

DRONES

Ferrovial relies on the use of drones for maintaining street lighting and roads, inspecting infrastructure, building management and for the monitoring and

control of construction work. Thanks to the drones, operation times are reduced, it increases the efficiency and automation in the operations, improves the quality of the processes, decreases the environmental impact, increases the conditions of security for the workers. In short, it improves the quality of services provided.

BIG DATA AND USER EXPERIENCE

In 2019, a project was undertaken to analyze the opinion of the users who make use of the products and services offered by Ferrovial. For the analysis, information available on social networks, CRM and management indicators is used. The results have allowed us to obtain, in addition to a global satisfaction rating, details of the strengths and weaknesses in the company's performance and thus establish new improvement actions.

Another example of using Big Data applied to quality improvement is the Sentinel project. Led by Ferrovial Agroman, it consists of integrating a data capture device that is integrated into railroad line maintenance vehicles and feeds a database related to a geographic information system, so that an automatic or semi-automatic inventory of the railroad assets is performed, while the elements of the track are interpreted and characterized and maintenance operations are thus optimized. Thanks to this project, still in the prototype test phase, the railroad manager will be able to rely on real infrastructure data for a management system that makes it possible to analyze, predict and act on the assets in an efficient way.

USER SATISFACTION WITH TRANSPORTATION INFRASTRUCTURE

In 2019, Heathrow Airport holds its position as the "Best Airport in Western Europe" and the "Best Airport Shopping" for the fifth and tenth year running, respectively, in the Skytrax World Airport Awards. The key to success goes beyond operating efficient terminals and trying to offer the passenger a unique experience.

CERTIFIED
ACTIVITY

86%

ISO 9001
ISO 14001

HEATHROW
PASSENGER
EXPERIENCE

4.17

out of 5

MANAGE LANES
USER SATISFACTION

77%

declares a positive
experience

407 ETR
USER SATISFACTION

87%



Meanwhile, in Cintra a number of measures have been developed to enhance user knowledge by including these initiatives in the strategic plans of the concessionaires.

CUSTOMER SATISFACTION

In 2019, customer satisfaction was evaluated in an innovative way following a new procedure. The objective is to establish a methodology that homogenizes all the surveys that exist in the different business areas to find out comprehensively the perception of the clients regarding sustainability, operational excellence, innovation, responsiveness, reliability and trust, the supervision process and management of agents involved in each project.

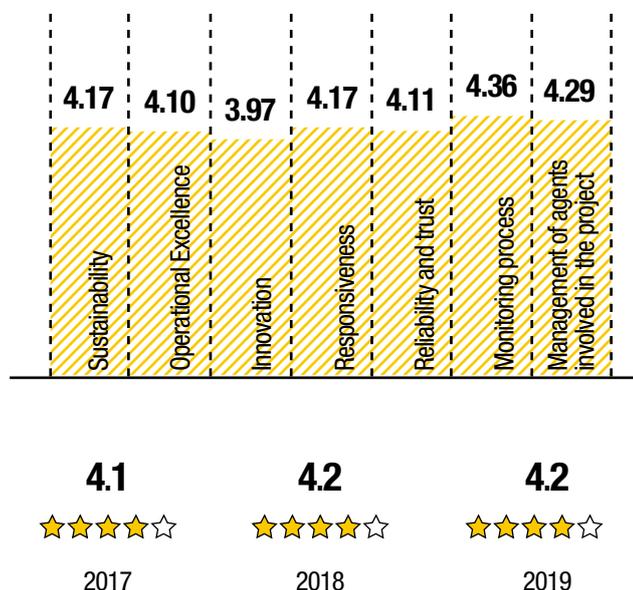
QUALITY SYSTEMS AND CERTIFICATIONS

Ferrovial has implemented quality and environmental systems certified in accordance with ISO 9001 and 14001 standards by 86% in both

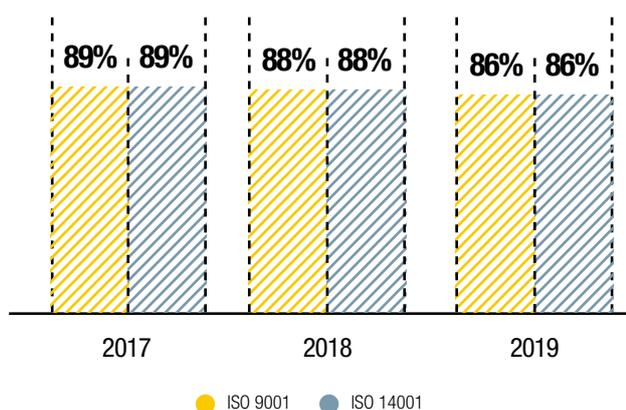
cases. It should also be noted that Budimex, Ferrovial Agroman (in Spain and the UK), Cadagua and Ferrovial Servicios España are currently certified under the ISO 50001 energy management standard.

In addition, the company has digital platforms to ensure compliance with technical legislation and regulations throughout all phases of the life cycle of contracts. This has enabled all environmental requirements to be met, including those related to noise, air and light pollution. There are other systems certified in accordance with various standards including: Madrid excelente, ISO 3834-2:2017, ISO 10001:2019, ISO27001: 2019, ISO 20000-1:2018, NP EN 206-1:2007:2010, BSI BIM Certificate, PAS 2080, ISO 39001:2012, SGE 21, UNE 22320, UNE 216701, UNE 1176-7:2009, ISO 22000:2005, UNE 179002:2011, UNE 158101:2015, UNE 158301:2015, UNE 154401:2007, UNE 18295-1:2018, UNE 22320:2013, UNE 13485:2016, OHSAS 18001, AS-NZS 4801:2001, PAS 99:2012 and ISO 44001:2017.

CUSTOMER SATISFACTION



CERTIFIED ACTIVITY



Integrity

Transparency and business ethics

The business activities of Ferrovial and its administrators and employees are based on the highest standards of integrity, transparency, respect for legality and Human Rights.

F

errovial performs its activities under the principles of integrity, honesty and avoidance of all forms of corruption, respecting and promoting transparency at all times, in accordance with the provisions of the company's Code of Business Ethics.

FERROVIAL CERTIFIES ITS CRIME PREVENTION MODEL

In March 2019 Ferrovial, S.A. was certified by AENOR (Spanish Standards and Certification Association) for its Crime Prevention Model in accordance with the UNE 19601 reference standards "Penal compliance management system" and UNE-ISO 37001 "Antibribery management systems."

Together with Ferrovial, S.A. and, as part of its Crime Prevention Model, the companies of its Group also obtain certification: Ferrovial Agroman, S.A., Ferrovial Aeropuertos España, S.A and Cintra Infraestructuras España. S.L.

These certifications guarantee the commitment of Ferrovial and its group of companies to ensure regulatory compliance and crime prevention, responding to the regulatory requirements of markets, customers, stockholders and investors and other stakeholders, and position the company with a high ethical standard and commitment to best corporate governance practices.

CODE OF BUSINESS ETHICS

The Ferrovial Code of Business Ethics*, which is applicable to all Group companies, establishes the basic principles and commitments to which said companies and their administrators, managers and employees must adhere.

These principles are embodied in a number of commitments toward stakeholders in Ferrovial's professional activity and are reflected in policies and procedures aimed at fostering professional performance in accordance with ethics, integrity and compliance with pertinent legislation. Highlights of the regulations include:

The Board of Directors Regulations*; the Internal Conduct Regulations in the Securities Markets*; Compliance Policy*; the Crime Prevention Model; the Anti-Corruption Policy*; the Policy on Control and Risk Management; the Human Rights Policy*, the Health and Safety Policy*; the Corporate Responsibility Policy*; the Competition Policy; the Quality and Environment Policy*; the Procedure for approving and monitoring sponsorship and patronage actions and donations; Corporate Procedure on the Ethical Mailbox; Corporate Procedure on Representation Expenses; due diligence procedure to ensure the ethical integrity of Partners; due diligence procedure to ensure the ethical conduct of Suppliers; due diligence procedure governing the selection, hiring and mobility of Candidates.

All employees adhere to the principles and commitments contained in the Code of Ethics. They commit to comply with it and enforce it upon external collaborators who perform activities on behalf of Ferrovial.

COMPLIANCE MODEL

Ferrovial has a Compliance Model in place that aims to provide a transversal process spanning the entire company for monitoring and controlling compliance risks under the principle of zero tolerance toward criminal acts. This due diligence framework embodies the company's firm commitment to observing applicable law and to applying the highest ethical standards when going about its business. The management and analysis of how the Model works is the responsibility of the Compliance and Risk Division, whose independence and effectiveness has been reinforced, providing it with new resources and it reports directly to the Audit and Control Committee.

The Compliance Model is described in the Compliance Policy and its main objective is to foster a culture of business ethics across the organization and permeating all decision-making processes in order to shape and guide the conduct and intentions of directors, managers and employees and erect a common and standard framework for monitoring, controlling and managing compliance risks (especially measures to prevent criminal conduct). The policy also develops the different phases of the Compliance Model in place at the company and stipulates the competencies and remit of its governance and management bodies and those of its employees in relation to regulatory compliance.

The phases in which the Compliance Model is structured cover the phases of a continuous improvement cycle:

1. Identification and evaluation of risks.
 - Identification of compliance risks based on the company's activities.
 - Assessing risks based on their impact and probability of occurrence.

*Available at www.ferrovial.com

2. Establishment and update of processes and control tools.
 - Identification of the monitoring and control measures implemented to avoid or mitigate the occurrence of risks.
 - Periodic evaluation of control measures to detect possible shortfalls or areas of improvement that require specific action plans.
3. Raising awareness and training.
 - Training for company employees and executives in the principles and commitments included in the Code of Ethics, in the Compliance Policy and the other policies that support the Model.
 - Due diligence of third party collaborators, who must know and share ethics and integrity policies.
4. Detection of and response to possible irregularities .
 - Reception, assessment and investigation of detected breaches and application of appropriate corrective and/or disciplinary measures.
5. Supervision of the Model by the Audit and Control Committee.
6. Information to the company's governing bodies.
 - Information on how the Compliance Model works and monitoring the action plans put in place to ensure their continuous improvement.
7. Verification of the effectiveness of the Compliance Program.
 - The Compliance Model includes a Crime Prevention Model designed to prevent or significantly reduce the risk of committing criminal acts, especially those that would lead to the company being held criminally liable, in accordance with Organic Law 1/2015 reforming the Criminal Code.

ANTI-CORRUPTION POLICY

Ferrovial has an Anti-Corruption Policy that governs the behavior of all administrators, managers and employees, and their collaborators, in the development of the business, under the principle of “zero tolerance” with any practice that could be qualified as active or passive corruption or bribery.

The policy requires strict compliance with pertinent anticorruption laws, notably the Spanish Criminal Code (and that of the other jurisdictions in which Ferrovial operates), the US Foreign Corrupt Practices Act and the UK Bribery Act.

TRAINING

Training for employees in the values and principles enshrined in the Code of Ethics and the Compliance Policy is one of the cornerstones of the company's Compliance Model. During 2019, the online training plan on the Code of Business Ethics and Compliance Policy (Prohibited Behaviors) and the face-to-face course on anticorruption matters continued according to the level of risk exposure of certain groups, including the Management Committee. The training volume of these courses amounted to 4,923 hours, accumulating more than 12,000 hours in the last two years.

“OUR COMPLETE COMMITMENT TO THE ETHICS AND INTEGRITY OF THE PEOPLE WHO MAKE UP FERROVIAL HAS POSITIONED US AS A BENCHMARK IN THE MARKET FOR BEING A SERIOUS COMPANY THAT IS COMMITTED TO ITS STAKEHOLDERS”

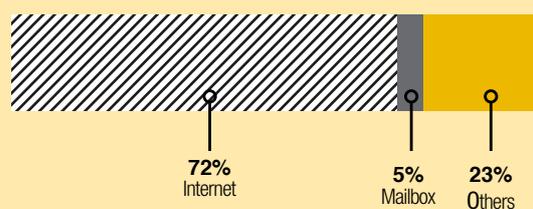
RAFAEL DEL PINO, CHAIRMAN.

ETHICS CHANNEL

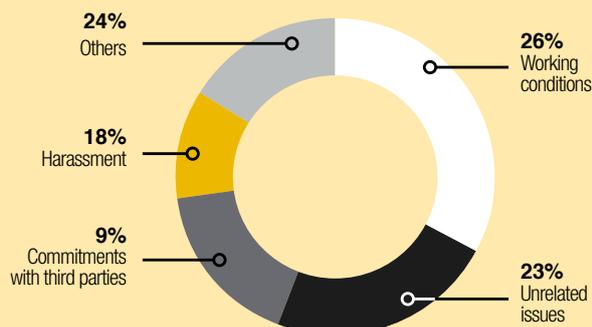
Ferrovial has an Ethics Channel as a complement to other internal communication channels. Its purpose is to facilitate the reporting of any possible irregularity, noncompliance or conduct that is not in keeping with the ethics, legality and policies that govern Ferrovial. The channel is accessible to employees through the intranet and for any interested counterpart through the website, and allows communications to be made anonymously and confidentially.

A total of 57 reports were filed in 2019, 34 of which were anonymous and 23 made by name. All complaints give rise to an investigation by the Management Committee, guaranteeing confidentiality and anonymity (if applicable), the rights of those involved and the absence of reprisals of any kind. The Management Committee regularly informs the Audit and Control Committee of the communications received and the steps taken. No investigated case has had a significant impact on Ferrovial from a criminal, financial or reputational point of view. No need for revisions to company policies and procedures has been identified from the cases investigated.

RECEPTION VIA



SUBJECT



Human rights

Dignity and respect

Ferrovial bases its commitment on this matter on the Universal Declaration of Human Rights and its adaptation to the business world included in the United Nations Guiding Principles on Business and Human Rights.

Since 2014 Ferrovial has had a Human Rights Policy that is promoted and approved by the Board of Directors aligned with its Code of Business Ethics, the principles of the UN Global Compact, the Guiding Principles for Business and Human Rights, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the rules and regulations of the International Labor Organization.

Through this policy, the necessary means are established not only to enforce compliance of Human Rights, but also to raise awareness of the principles among its stakeholders and throughout its value chain. It also guarantees respect for the labor rights of all its employees and contractors in all countries where it operates, in accordance with local law and regulations.

DEFENSE OF HUMAN RIGHTS

Ferrovial's responsibility to enforce Human Rights is manifested in its refusal to tolerate any type of discrimination in communities where it operates, in promoting a respectful and suitable working environment and its commitment to labor market integration.

The company fosters respect for Human Rights among all employees by providing courses on the Code of Ethics and the Code of Prohibited Conduct, which include specific modules on this subject.

The company's Ethical Channel addresses various key aspects relating to Human Rights. The functionalities are there to identify and report cases of harassment (broadly meaning any kind of abusive, hostile or offensive conduct) and to report and denounce discriminatory practices or behavior based on culture, political ideas, religious beliefs, race or other types of discrimination in any of the countries where the company operates.

To identify, prevent, mitigate and respond to potential breaches of Human Rights, and given that the associated risks can change over time, Ferrovial conducts a continuous due diligence process of its own business activities and of those directly related to its operations and services. In the case of infrastructure projects involving vulnerable communities, it analyzes the social and environmental impact on the affected communities. Following the initial diagnostic, the company designs contingency plans with measures to mitigate and/or offset the impact.

In addition, Ferrovial has due diligence procedures of ethical integrity of business partners, suppliers and candidates that establish the obligation to perform a due diligence process of integrity, including the field of Human Rights, before engaging in any type of business relationship or hiring a new employee. These procedures, which imply extending the company's values included in its Code of Ethics to its entire value chain, also establish mechanisms for monitoring trade relations during their validity.

Ferrovial's measures for safeguarding and respecting Human Rights also include those that respond to new realities such as the right to digital disconnection, the right to confidentiality and privacy of all the people with whom it interacts by making appropriate use of their personal data at all times.

The company has committed to the 31 principles enshrined in the National Business and Human Rights Action Plan developed by the Spanish Government. The actions performed in this area are also supported by the 2nd Equality Plan, which seeks to guarantee

FERROVIAL BUILDS ITS HUMAN RIGHTS POLICY ON THE PRINCIPLES OF PROTECTION, RESPECT AND REMEDY



the principle of equal treatment and opportunities between men and women. There is also a Procedure for the Prevention of Workplace and Sexual Harassment, and the company is adhered to the Companies project for a society free of gender-based violence.

In addition, Ferrovial signed the Diversity Charter in 2011. This European initiative, falling within the antidiscrimination directives enacted by the European Union in the year 2000, is supported directly by the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities.

COMMITTED TO LABOR RIGHTS

Within the commitment to labor rights, Ferrovial guarantees the right to strike, freedom of association and the right to collective bargaining

in all countries where the company operates. Ferrovial employees are protected by employment regulations in each of the different territories. 73.7% of the workforce is adhered to collective agreements.

Ferrovial has also put in place internal communication channels, internal social networks and the corporate intranet (known as Ferronet) to help create collaborative, dynamic and flexible working environments that promote healthy habits and behaviors among employees. In 2019 Ferronet registered 2,941,862 sessions and 4,858,036 page views.

The link between labor rights and Human Rights has also been reflected in the Sustainable Development Goals, specifically in SDG 8, decent work and economic growth. From this perspective, an emerging issue that Ferrovial is working on is guaranteeing the future employability of its employees by helping them to acquire digital skills, which shall be essential in the future work environment.

COMMITTED TO DIVERSITY: FERROVIAL AGROMAN UK & IRELAND

Ferrovial is still firmly committed to the diversity of its workforce aligned with the commitment to avoid any type of discrimination established in the Human Rights Policy.

In its latest annual population report, the United Kingdom government highlighted the low presence of minorities in the construction sector, specifically the so-called BAME (black, asian and minority ethnic), which represent only 7% of employees in the sector. Therefore, it appealed to companies in the industry, including Ferrovial Agroman UK & Ireland, to change this situation. This division currently has 18% of BAME employees in its workforce, and 29% of new hires in 2019 corresponded to BAME minorities, 70% of which were university graduates.

In the words of Mario Móstoles, Managing Director of Ferrovial Agroman UK & Ireland:

“We understand the importance of having a diverse and inclusive workforce, which is also essential for the success of the business. We know the benefits of having an organization where everyone is and feels represented fairly. There are still challenges to face, but we are satisfied with the progress we have made so far.”

A GLOBAL CHALLENGE WITH LOCAL ANSWERS

In some countries Ferrovial has been involved in initiatives that help raise awareness of Human Rights and promote safeguard measures adapted to the characteristics of each country, assuming positions of responsibility in different initiatives to support corporate responsibility and Human Rights. Examples of such include the Secretariat of the Executive Committee of Forética in Spain.

Other networks and working groups in Spain in which the company actively participates to promote Human Rights across the business world and the rest of society are the Human Rights Lab of Fundación Seres, the Executive Committee of the Global Compact Network, where it continues to be a member of the Board, and the new CEO Alliance for Diversity initiative led by the Adecco Foundation and the CEOE Foundation that Ferrovial Agroman and Cadagua have joined.

In the United Kingdom, Agroman UK, Amey, AGS, Heathrow Airport and AGS have commitments aligned with the UK Parliament's Modern Slavery Act, which is there to prevent events related to slavery in any of its forms and human trafficking. This commitment not only covers their own business activities but permeates the entire value chain.

The environment

An emission-free future

Ferrovial's climate strategy is aligned with the 2030 Agenda for Sustainable Development adopted by the United Nations. The company prioritizes activities with less environmental impact, promotes the circular economy, prioritizes low emission products and services, reduces its carbon and water footprint, and preserves and enhances natural capital.

Ferrovial offers products and services that promote decarbonizing the economy and reducing the environmental impact. The company actively works to optimize the use of natural resources and actively manage the risks and opportunities presented to it.



2030 vs 2009	-32%	scope 1&2 (absolute)
2030 vs 2012	-42,9%	scope 1&2 (intensity)
2030 vs 2012	-20%	scope 3 (absolute)

REDUCTION OF GHG EMISSIONS SCOPE 1&2

59%

in relative terms compared to 2009

ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

59%

objective of 100% by 2025

CLICK

Thames Tideway Tunnel

CLIMATE STRATEGY

Through its climate strategy, Ferrovial is aligned with SDG 13, Climate Action, set by the United Nations in the 2030 Agenda. Climate change is a key element in the company's governance, which incorporates both the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), as well as climate risks within the corporate risk identification and assessment system, Ferrovial Risk Management.

A progressive reduction of relative emissions can be observed, in general terms, as a result of the various initiatives promoting energy efficiency, sustainable purchasing, the optimization of waste and water treatment processes and the use of renewable energy instead of fossil fuels. Examples of the latter are the introduction of a fleet of 100% electric buses to transport passengers at Glasgow airport, the installation of solar panels at the offices of the NTE and LBJ toll roads to reduce the network's electricity consumption by up to 30% and the fact that all the electricity consumed by Heathrow comes from renewable sources.

True to its commitment to support international initiatives, in 2019 Ferrovial participated in COP25 in Madrid, as a United Nations observer. Thanks to its own emission reduction objectives and those of customers and users of products and services, the company can be considered a strategic partner in achieving the objectives of mitigating emissions and adapting to the effects of climate change, offering solutions through its low carbon products and services, consistent with the global trend toward a low emission economy.

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

CARBON FOOTPRINT

Throughout 2019, a review of the company's risk matrix was carried out, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), improving the identification and classification of risks and opportunities related to climate change. This analysis has considered three scenarios based on the degree of implementation of policies against climate change, the so-called current policies scenario (CPS)*; new policies scenario (NPS)* and sustainable development scenario (SDS)*. As a result of this study, it can be concluded that in the short, medium and long term, Ferrovial's main environmental risks are physical and transitional.

The calculation and reporting of the carbon footprint is applicable to the entire company and covers all business areas and subsidiaries. The calculation method is based chiefly on the GHG Protocol (WRI&WBCSD), which is the most internationally accepted approach, while also adhering to ISO14064-1 standards. The market-based method was used to calculate scope 2.

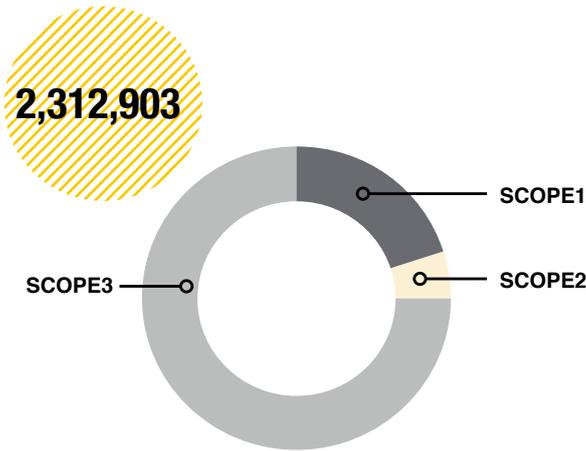
Ferrovial has set ambitious emission reduction targets, which have all been Science Based Target Initiative (SBTi) certified, for the 2020 and 2030 horizons, and for the three scopes.

Transition risks are related to the increase in operational costs due to rising prices of raw materials,

* A description of the three scenarios can be found in the glossary of this Report, pages 132-134.

(Scope 1, 2 & 3)

AVOIDED EMISSIONS



791,974 Scope1 (tCO ₂ eq)			
292,555 Stationary	271,220 Mobile	228,071 Diffuse	
69,327 Scope2 (tCO ₂ eq)			
2,498,075 Scope3 (tCO ₂ eq)			
569,388 Investment	692,499 Use of sold product	426,605 Purchased, goods and services	809,584 Others

*In absolute terms, by category or source

SCOPE 1: GHG from sources that are owned or controlled by the company. These mainly come from fuel combustion in stationary equipment, diffuse, channeled and fugitive emissions.

SCOPE 2: GHGs as a result of consuming electricity purchased from other companies that produce or control the power.

SCOPE 3: GHGs issued indirectly by Ferrovial attributable to purchased products and services, or by the use of products and services produced by third parties.

increased prices of fossil fuels, payment for emissions produced or incorporating activities included in the emissions market. Policies restricting the allocation of emission quotas, carbon rates, water shortages, restrictions or incentives for land use, changes in the supply and demand of services or interruption of operational processes.

The physical risks refer mainly to possible physical damages in infrastructure and temporary stoppage the activity, decrease of productivity in extreme climatic conditions, increase of the risk premium or a delay in delivery of products and services.

The probability of occurrence of physical risks and the financial impact is higher in the CPS scenario and decreases when moving toward the SDS scenario. The progress of transition risks is the reverse. The company has the appropriate measures to mitigate, reduce and manage the risks related to climate change that have been identified.

SHADOW CARBON PRICING

In the preinvestment process in large contracts, a tool is available to consider variable prices for a ton of carbon over different time horizons and across different regions and project types, internalizing the potential economic risk linked to climate change (including physical impacts, as well as those of a social, regulatory and socio-economic nature, among others). This helps reduce the inherent uncertainty associated with legislation relating to climate change, considering a realistic quantification of the possible costs associated with each project.

BIODIVERSITY

Ferrovial continued its activities under strict criteria of respect for the mitigation hierarchy working toward the goal of zero net impact. In this regard, during 2019 the Biodiversity Initiative Catalogue was published in which the various initiatives carried out by Ferrovial to protect flora and fauna are detailed.

In 2019, the preparation and testing of a methodology of Monetization of Impacts on Biodiversity (INCA), a project carried out in collaboration with Climate Kic, was completed. This methodology will facilitate decision-making related to biodiversity by providing quantitative information.

In addition, the company adhered to The Natural Capital Commitment, which implies belonging to a community that shares its knowledge and has a common goal of carrying out actions in favor of natural capital.

CIRCULAR ECONOMY

Ferrovial has consolidated incorporating the principles of the circular economy in its processes, products and services. To avoid and minimize waste generation, the use of renewable natural resources is enhanced and, as far as possible, they are recovered for reuse as raw materials. The waste treatment division works on the continuous improvement of triage and recovery of materials in order to avoid, minimize and offset emissions released into the atmosphere.

A good example of the latter is the ZRR Project for Municipal Waste, which applies robotic technology in classifying and selecting urban waste. The application of artificial intelligence increases the rate of recovery of materials and their quality, improves the efficiency and speed of processes, and minimizes the risk of workplace accidents.

Another relevant project in the field of the circular economy is the Secasol Project, in which Ferrovial Servicios participates with other partners with the objective of applying solar energy in drying sludge from water purification waste and leachate from the treatment of household waste. With this project it is expected to reduce the economic and environmental impact of managing this waste by designing a specific facility to reduce the volume of final leaching from evaporation using a renewable energy source through heat exchangers and accumulators.

LOW CARBON PRODUCTS AND SERVICES



WATER TREATMENT

Construction and operation of water treatment plants. Optimization and innovation in plant managements



PERSONAL MOBILITY

Zity: carsharing 100% electric vehicles certified as being powered by renewable energy



ENERGY EFFICIENCY SERVICES

International Energy Control Center, for centralized energy management of infrastructure



COMPREHENSIVE CITIES MANAGEMENT

Sustainable urban services, such as waste collection and treatment, installation of high-efficiency lighting, etc.



SUSTAINABLE INFRASTRUCTURES

Managed Lane Toll Road NTE carbon neutral toll roads

Ferrovial also applies sustainability criteria in its construction activity. The company includes eco-design criteria ensuring efficient management during the life cycle of the building or infrastructure. In 2019, the first Environmental Product Declaration (EPD) was obtained in a track assembly contract, concluding that Ferrovial Agroman's bid had an impact per functional unit at least 30% less than the competition.

The percentage of buildings constructed, managed or owned by Ferrovial that incorporate environmental improvements in the design, construction and operation phases has been increasing in recent years. These buildings have considerably lower energy consumption than conventional buildings.

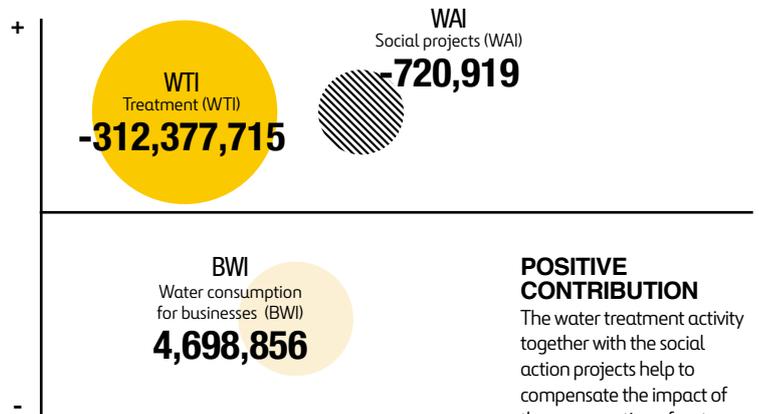
Within the construction activity, earthmoving is one of our aspects that generates the greatest environmental impact, so efforts are focused on its management to minimize the final waste. Reusing earth on the construction site effectively eliminates the emissions that would otherwise be generated by having it transported off-site, while also ensuring the project's better integration with the landscape. Ferrovial has set a target to reuse 80% of earth on the construction site by 2020.

WATER FOOTPRINT

Ferrovial has a methodology to calculate and report its water footprint, through which it identifies the value of water in processes and the environment, taking into account its availability and quality, as well as the balance of the ecosystems in which it is located.

Water footprint makes it possible to measure offsetting global water consumption (Water Business Index, WBI*) with the contribution of treated water (Water Treatment Index, WTI*), returning it to the environment in better conditions to those in which it entered, as well as the actions that allow local communities in developing countries to access drinking water (Water Access Index, WAI*) through the Social Infrastructures social action program.

In 2019, the company set a goal to reduce its global water footprint by 10% by 2022, considering 2017 as the baseline year. The reduction of the water footprint implies a positive net impact, entailing a gradual increase in offsetting the volume of water consumed through the treatment of waste or saline water and accessibility to drinking water. To achieve this objective, the company has projects such as demand prediction implemented in the Águilas desalination plant, which uses artificial intelligence and big data to optimize resource planning and thus improve process efficiency.



* A description can be found in the glossary of this Report, pages 132-134.



PHOTO: Toowoomba Toll Road, Queensland (Australia).

Supply chain

Sustainability criteria

Ferrovial is working to extend sustainability to a supply chain in permanent continuous improvement, with innovation always present, formed by the best partners and suppliers.

Ferrovial integrates environmental, social and good governance (ESG) principles into all stages of its supply chain by using an integrated model that aims to foster quality, sustainability, efficiency and transparency, respect for Human Rights and nondiscrimination and equal opportunities.

INTEGRATION OF ESG PRINCIPLES IN THE SUPPLY CHAIN

Ferrovial has a Global Purchasing Policy that is applicable to all Ferrovial companies and subsidiaries. The policy sets out the commercial, environmental, social and good governance principles that underlie the company's relations with all its suppliers. They are based on the Code of Business Ethics, the Corporate Responsibility and Human Rights Policies and the Due Diligence Process to Ensure Supplier Integrity and Ethics.

The business purchase procedures were updated in 2019 to establish more rigorous criteria in managing suppliers in aspects related to ESG criteria, especially with regard to compliance with Ferrovial's ethical and anticorruption policy principles, in line with the procedure of due diligence of ethical integrity of suppliers, established in the previous year. This has also been reflected in the contractual clauses of Ethics and Anti-Corruption Policy with suppliers. In addition, the company is developing a Supplier Code of Ethics through which the company expects to promote responsible behavior in its value chain, complying with the main standards in ethics and integrity, Health and Safety, the environment and Human Rights.

NUMBER OF SUPPLIERS

84,429

NUMBER OF SUPPLIERS ASSESSED

14,458

Supplier management starts with a preliminary classification based on their degree of criticality. A supplier will qualify as critical when its purchasing volume is deemed significant in financial terms or if the goods or services they provide could have a negative impact on business continuity in the event of an incident.

Throughout the purchasing life cycle, both in the screening and initial assessment stages, such as bidding and final control, evaluation and monitoring specific quality management, classification, evaluation and risk control processes that include ESG criteria are applied, as well as the usual criteria of product/service quality, technical capacity, price compliance, meeting deadlines and compliance with occupational Health and Safety. All suppliers are subjected to evaluation and monitoring processes, the result of which may result in them receiving a warning, an improvement action plan being established, or even them being disqualified from working with Ferrovial depending on its severity. In the case of a verified breach of the Anti-Corruption Policy, the supplier is automatically disqualified.

In 2019, 25,840 suppliers joined the Ferrovial supply chain and 14,458 of them were evaluated, less than 1% of which were rejected. A total of 1,523 suppliers were considered critical, which accounted for 24.3 % of total supplier invoicing.

INNOVATION IN SUSTAINABLE PURCHASES

Ferrovial undertakes innovation projects and applies new technologies to achieve a more agile, efficient and transparent supply chain, which in turn allows the gradual incorporation of sustainable purchases, thus extending sustainability principles throughout its value chain. The most noteworthy initiatives in this regard are the following:

- **Efficient vehicle fleet:** the vast majority of the fleet is managed through agreements of up to three years, which has enabled the fleet to be completely renewed by efficient vehicles. This has resulted in a substantial and continuous reduction in emission levels. During 2019, the first hybrid, gas and electric

SUPPLIER 360 PROJECT IN FERROVIAL

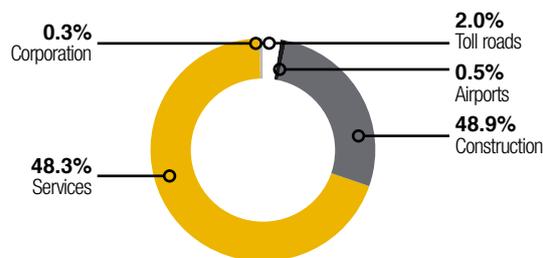
During 2019, the “Supplier 360” project was carried out during the testing phase in order to develop a computer tool for monitoring suppliers that, using advanced data analytics techniques and through internet searches, allows potential risks in suppliers to be detected, both for possible insolvencies and for environmental, legal or reputational problems, generating reports on the analysis performed.

This tool will help to provide additional information to be considered in the phase of selecting and contracting relevant suppliers, as well as when monitoring them by applying it in a standardized way to the relevant suppliers in Spain. Based on this, the adjustments and improvements deemed necessary will be implemented, and in 2021 its adaptation is planned for use with suppliers from other strategic markets, initially the United States and the United Kingdom.

vehicles were incorporated into the fleet. The company expects to reach 33% of zero emission fleet vehicles by 2030.

- Smart vehicle fleet: Ferrovial Servicios Spain is undertaking the Smart Fleet program, which includes a set of initiatives that seek to optimize use of the fleet (more than 10,000 vehicles) and provide a differential value in the contracts. As part of this program, progress was made in the “fuel tank management” initiative in 2019. This program aims to unify the software installed in fuel tanks, from which online information is obtained on refueling, users, level of filling the tanks and warnings by reordering point, which makes it possible to control and optimize the use of fuel. Smart Fleet was awarded the “2019 Fleets” award by AEGFA (Spanish Association of Fleet and Mobility Managers), while the fuel tank management initiative was awarded the ENERTIC Prize.
- Purchase of renewable electricity: the company encourages, whenever possible, purchasing electricity with guarantee of origin. In this regard, the commitment has been established to continuously increase the percentage of purchasing renewable electricity compared to the total consumed, hoping to reach 100% in 2025. The agreement between Zity, Ferrovial’s electric carsharing, with Iberdrola for recharging the batteries of vehicles with certified renewable energy is noteworthy.
- Catalog of Green Purchases: the information available in the catalog has been updated and increased in the last year with the intention of encouraging more of these types of sustainable products to be purchased and this has reached more areas of the company.

SUPPLIERS BY BUSINESS

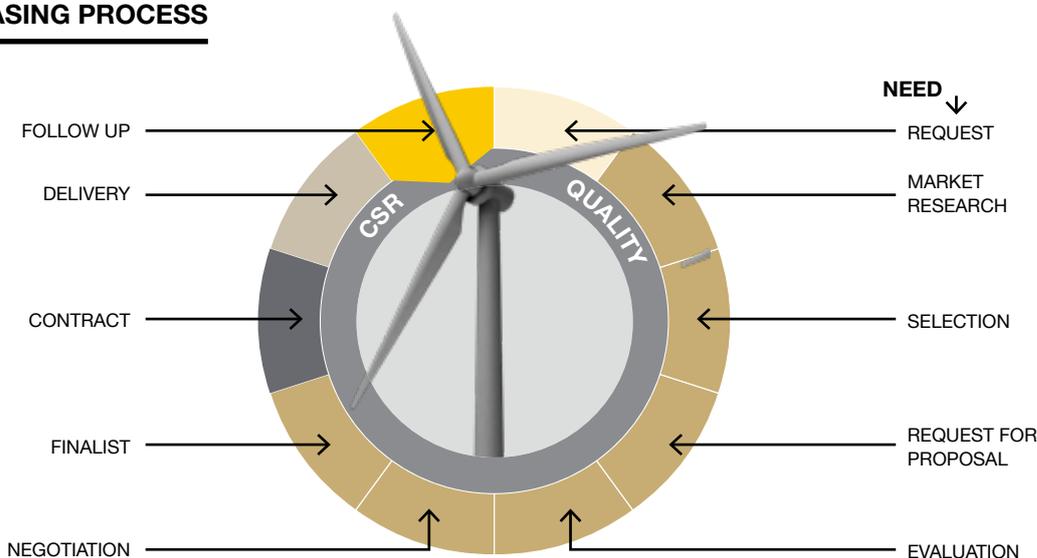


SUPPLIERS BY COUNTRY



* Suppliers from the US (5,993) and Canada (408).

PURCHASING PROCESS



Community

Water that gives life

Through its social programs, Ferrovial conceives investment in the community as a strategic instrument for the progress of society and a way to boost its contribution to achieve the Sustainable Development Goals.

Ferrovial is aware that its activity has implications for the Sustainable Development Goals (SDGs), so to reinforce the company's contribution in achieving the 2030 agenda and the SDGs, the company has aligned its social action strategy with these global goals.

ACCESS TO WATER AND SUSTAINABLE INFRASTRUCTURE

As part of its commitment to Sustainable Development Goal 6, ensuring access to water and sanitation for all, Ferrovial has the Social Infrastructure Program, which promotes infrastructure that provides access to water and sanitation to vulnerable communities in Africa and Latin America, emphasizing the sustainability of actions and the appropriation of infrastructure by local communities.

Ferrovial's collaboration with NGOs and local administrations goes beyond the financial contribution, since the program includes employees participating as volunteers who apply their professional knowledge going to the communities where each project is carried out. Since its launch in 2011, 121 employees have already participated, and more than 220,000 people are direct beneficiaries.

In 2019, three new projects were started that benefit 9,601 people:

- Community of Portugal, municipality of Lebrija, Santander, Colombia. Installation of a water treatment plant for human consumption for 120 families and the community school.
- Communities of Chato Chico and Chato Grande, Piura, Peru. Water supply system and access to sanitation in communities affected by the El Niño Costero phenomenon, in the Cura Mori district.
- Communities of the Lupane district, North Matabeleland Province, Zimbabwe. Construction of water collection systems, improvement of sanitation and disposal of waste in two schools and five health centers.

The Social Action in Spain initiative is also focused on infrastructure, but in this case, those aimed at preparing and distributing food to extremely vulnerable segments of society. The seventh edition of the program was held in 2019 and it supported improving the Altius Foundation's cooking and food distribution facilities in Madrid, Barcelona and Valencia.

STEM EDUCATION

STEM careers (acronym for science, technology, engineering and mathematics) are the jobs of the future and are key profiles in innovation, social welfare, inclusive growth and sustainable development. Aligned with goal 3 of SDG 4, quality education, Ferrovial understands that it is a key challenge to promote equal access to education without discrimination based on gender or financial resources. Therefore, Ferrovial collaborates with various initiatives in Spain, the United States and the United Kingdom, with different approaches: raising awareness of the problem by supporting International Women in Engineering Day, in the United Kingdom; direct actions with children and young people in which it promotes its employees participating as volunteers such as South Florida Construction Career Days, in the United States; the Orienta-T Program in collaboration with Junior Achievement and the Talent Rescuers Program with Fundación Princesa in Girona, Spain; and the Amey Challenge Cup, in the United Kingdom.

It has also contributed to creating spaces and programs for students to have methodologies and tools at their disposal to enhance their knowledge of technology in specialized foundations such as Discovery Place in Charlotte, North Carolina; the Northwest ISD Education Foundation and Birdville ISD Education Foundation STEM camp, both in Texas; and also educational centers through agreements such as the one in place with the Foundation for Fairfax County Public Schools in Virginia, also in the United States.

INVOLVING THE EMPLOYEES

Ferrovial's main social action programs reflect the company's commitment to its employees and its willingness to be a development actor particularly in the environment where it operates by identifying priority social issues in various countries.

In Spain, the Juntos Sumamos program is being promoted, which has engaged employees who want to contribute to social projects throughout the year since 2005. At year end the company doubles the amount contributed and it is the employees themselves who

COMMUNITY SUPPORT
PROJECTS

338

COMMUNITY
INVESTMENT (M€)

4.9

NUMBER OF
BENEFICIARIES OF
WATER AND SANITATION
PROJECTS

223,314



CLICK

Community
Engagement 2019

choose the projects that will finally be financed. The program has had more than 170,000 beneficiaries worldwide since it was launched.

In addition, Ferrovial promotes integrating people with disabilities into the workplace, through agreements with the ONCE Foundation and the Integra Foundation. Moreover, Cadagua maintains its commitment to the Adecco Foundation Scholarship Program for students with disabilities. Also in collaboration with the Adecco Foundation, the company participates in the Family Plan, aimed at disabled family members of employees.

In the United Kingdom there is an important commitment to the employability of young people who are at risk of exclusion. In this regard, Amey has had a collaboration agreement in place with the Duke of Edinburgh Foundation for 14 years. This commitment is also boosted by Ferrovial Agroman UK with collaborations with educational centers and by building bridges with the business world.

In Canada and the United States, their employees' engagement with their local communities is driven through various social initiatives encouraging youth sports, supporting local social centers and promoting environmental protection. For example, 378 employees of the 407 ETR

participated in the One Big Day annual volunteer day.

In Poland, Budimex has been involved in several initiatives focused on children, including Strefa Rodzica, to create separate areas in the pediatric rooms of hospitals where parents can accompany their children, and the Domofon ICE program, which has been fostering child safety in educational centers since 2009.

In Australia, Broadspectrum remains committed to integrating indigenous people through its Reconciliation Action Plan, thanks to which the company is seeking to raise awareness among its employees of the culture, history and values of Indigenous Australians.

HELP FOR THOSE AFFECTED BY THE 'EL NIÑO COSTERO' FLOODS IN PERU

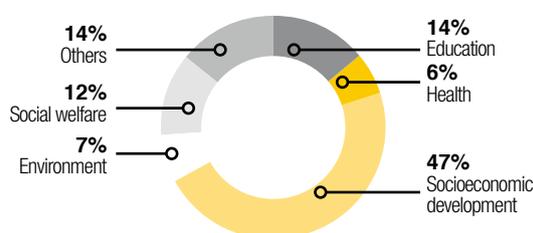
Ferrovial together with the NGO Ayuda en Acción has launched a project to improve access to drinking water and sanitation in the communities of Chato Chico and Chato Grande, located in the district of Cura Mori, in the city of Piura. Both districts located in the north of the country were strongly affected by the 'El Niño Costero' phenomenon that devastated the country in 2017. This project is being carried out as part of the Social Infrastructure program.

In 2019, the more than 1,000 people living in these two communities are still suffering the effects of this disaster. The heavy rains caused floods, landslides and overflows that affected the main infrastructure and communication routes. El Niño Costero took the lives of 162 people, affected 1.4 million people and there were more than 280,000 victims.

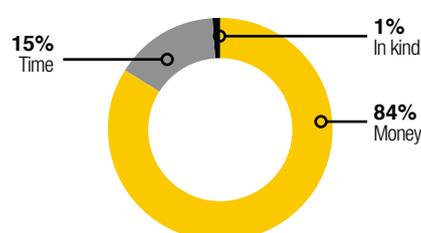
The overflow of the Piura River in Cura Mori caused both communities to flood, destroying the water supply systems and limiting access to water to one hour every two days. They do not have bathrooms or any kind of sanitation. Most of the residents of these communities had to spend months in various shelters located near the Pan-American Toll roads. Many people continue to live in these fields without being able to return to their homes waiting for the provision of basic services such as access to drinking water.

The project allows this situation to be corrected by installing a new distribution network, building a storage tank and installing ecological latrines.

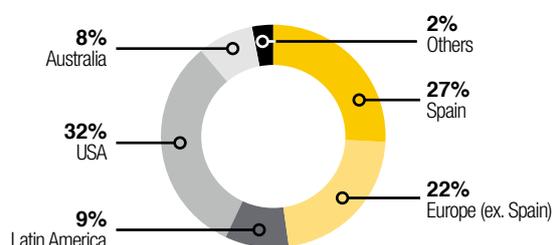
PROJECTS BY AREA OF ACTIVITY



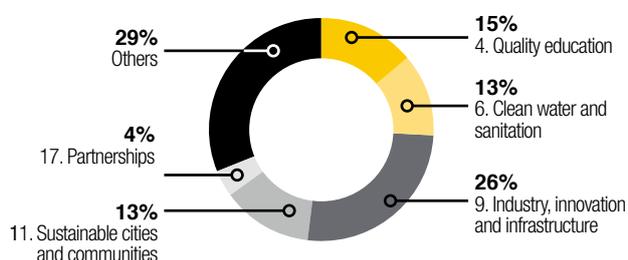
PROJECTS BY CONTRIBUTION TYPE



COMMUNITY INVESTMENT BY COUNTRY



INVESTMENT BY SDG



Responsible Tax Management

Transparency, responsible management

Ferrovial's tax contribution reached 2,087 million euros, in line with previous financial years, with special mention for that corresponding to employment, which stood at 1,156 million euros, and that arising from the company's activity, 636 million euros. The effective management of these tax obligations is based on the criteria of caution and transparency, as well as maximum cooperative compliance.

In 2010, Ferrovial agreed to comply with the Contributor's Good Practices Code promoted by the Spanish Tax Agency, and included these recommendations in all its activities worldwide through its Policy of Compliance and Good Practices in Taxation. Finally, in February 2015 the Board of Directors approved Ferrovial's Tax Policy, in compliance with the provisions of Article 529 ter of the Corporate Company Law.

PRINCIPLES

- **Transparency:** Ferrovial is committed to not making use of companies registered in tax havens of other jurisdictions lacking transparency, except when the activity, a Construction project for example, is located within the territory of these jurisdictions. In this case, information will be provided for the corresponding authorities in accordance with legislation.
- **Compliance:** correct payment within the deadline of all applicable taxes, in compliance with the law in each country.
- **Professional behaviour:** management of taxes and their inherent risk by a team of professionals in the Tax Department with the support of external consultants.
- **Efficiency:** management consistent with business strategy, maximizing value for shareholders.
- **Cooperation:** good relationships with the authorities with proactive management of taxation to avoid conflict.
- **Sustainability:** establishing procedures and policies to manage tax risks.
- **Participation:** contributing its international knowledge in taxation to legislative processes.
- **Market price:** in all transfers made between Ferrovial companies.



*Incurred, paid and collected.

TAX RISK PREVENTION

In line with the recommendations in the Contributor's Good Practices Code, the company will:

- Promote measures to prevent and reduce tax risks.
- Avoid conflicts arising from the interpretation of regulations by consulting the tax authorities and prior assessment agreements.
- Collaborate with the corresponding administrations in the detection of fraudulent tax practices with the aim of eliminating them.
- Provide any information and documentation required by the administrations as quickly and as comprehensively as possible.
- Resort to adversary procedure to reach agreement with tax administrations.

THE ROLE OF THE BOARD

The Board of Directors, via the Chairman, Chief Executive Officer and Senior Management, will encourage compliance with the principles and good practices relating to taxation. It will undertake the approval of control policy and tax risk management, as well as those operations that involve special tax risk.

When the annual accounts are drawn up, the Board will be informed on the tax policies applied during the financial year and on the effective compliance with the commitments included in the Contributor's Good Practices Code and this will be included in the Annual Report on Corporate Governance. In compliance with these commitments, Ferrovial has presented the so-called "transparency report" for 2018 to the Spanish tax authorities (as it did in 2017), having received a very favorable assessment from these authorities in terms of the company's collaboration and transparency. For further information, please see section 6.6 of the Consolidated Annual Accounts.

TAX CONTRIBUTION BY MARKET 2019 AND 2018*

The following tables show the amounts (in €m) paid by Ferrovial in 2019 and 2018, respectively. They are aggregate figures based on its percentage of participation or ownership of the assets. Notably, the main assets integrated by equity accounting are 43.23% in the case of 407 ETR (Canada), 25% for Heathrow and 50% for AGS (United Kingdom). A distinction is made between taxes paid (obligations assumed by Ferrovial) and taxes collected (derived from its activity but borne by others).

2019 (M€)					2018 (M€)				
MARKET	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	TOTAL	MARKET	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	TOTAL
	Corporate Tax ⁽³⁾	Rest				Corporate Tax ⁽³⁾	Rest		
Spain	15	367	438	819	Spain	9	357	396	762
United Kingdom	32	167	333	532	United Kingdom	24	163	411	598
Australia ⁽⁴⁾	1	89	264	354	Australia ⁽⁴⁾	6	89	258	353
America ⁽⁵⁾	80	23	47	150	America ⁽⁵⁾	70	22	79	171
Poland	6	31	150	187	Poland	7	24	136	167
Rest of Europe	10	8	26	44	Rest of Europe	12	9	53	73
Others (<1%)	0	0	0	0	Others	0	0	3	3
TOTAL	144	685	1,258	2,087	TOTAL	128	663	1,335	2,127

(1) Taxes borne by Ferrovial derived from its activity and operations, which represent a direct cost (e.g. Corporate Tax, non-deductible VAT, Employment Taxes (Employer), Local Taxes, etc.).

(2) Taxes collected by Ferrovial and paid to public finances on behalf of third parties (e.g. Employment Taxes (Employee), net VAT, Withholding Taxes, etc.).

(3) Excluding the main assets integrated by equity accounting mentioned above, Ferrovial's payments on Corporate Tax are as follows: (a) In 2019: Spain (15), Chile (11), Portugal (9), Poland (6) and Republic of Ireland (2); and (b) In 2018: Spain (9), Portugal (9), Poland (7), Australia (6) and Republic of Ireland (3).

(4) Includes Australia and rest of the islands of the Pacific.

(5) Includes United States of America, Canada, Brazil, Chile, Colombia, Mexico, Peru and Puerto Rico.

*Further information in notes 2.10 and 5.3 of the Consolidated Annual Accounts.

