

## Cintra Infrastructures SE

Annual Report and Financial Statements

**30 December 2016**

Company registration number: SE000099

THURSDAY



\*L6FYA2RE\*

LD4

28/09/2017

#240

COMPANIES HOUSE

---

## **Cintra Infrastructures SE**

### **Annual Report and Financial Statements 2016**

---

#### **Contents**

|   |           |
|---|-----------|
| <b>General information</b>                      | <b>3</b>  |
| <b>Strategic Reports</b>                        | <b>4</b>  |
| <b>Directors' Report</b>                        | <b>9</b>  |
| <b>Statement of Directors' responsibilities</b> | <b>12</b> |
| <b>Independent auditor's report</b>             | <b>13</b> |
| <br>  |           |
| <b>Income Statement</b>                         | <b>15</b> |
| <b>Statement of comprehensive Incomes</b>       | <b>16</b> |
| <b>Statement of financial position</b>          | <b>17</b> |
| <b>Statement of changes in Equity</b>           | <b>18</b> |
| <br>  |           |
| <b>Notes to the financial statements</b>        | <b>19</b> |

# Cintra Infrastructures SE

## Annual Report and Financial Statements 2016

---

### General information

#### Board of Directors

Íñigo Meirás Amusco (resigned on 30 November 2016)

Enrique Díaz-Rato Revuelta (appointed on 22 April 2016)

Santiago Ortiz Vaamonde (resigned on 30 November 2016)

Ernesto López Mozo (resigned on 30 November 2016)

Javier Romero Sullá (appointed on 30 November 2016)

Francisco Jose Clemente Sanchez (appointed on 30 November 2016)

#### Company registration number

SE0000099

#### Registered address

The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX44DQ, United Kingdom

#### Main Bankers

BBVA, Paseo de Recoletos 10, ala sur Pl. Baja, 28001 Madrid, Spain

Banco Santander, Plaza de Canalejas 1, 28014 Madrid, Spain

#### Auditor

Deloitte LLP

Statutory Auditors

2 New Street Square

London

EC4A3BZ

#### Web

<http://www.ferrovial.com/en/>

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006. The following report describes the situation as of 31/12/2016, without prejudice that the facts arising after that date are included, only if relevant to this report, in the section Events after the Balance sheet date

The economic recovery has been very positive on the good behaviour on Cintra's assets. This good global performance once again reflects both the quality of assets as well as the results of management, directed at providing a high-quality service to users and improving the profitability of highways via innovation and active project management.

#### Highway operations.

##### Spain:

- During 2016, and continuing with the group restructuring process started in 2015, some investments in Spain have been sold to Cintra Infraestructuras España, S.L. (100% Ferrovial group company). The units sold are: Autopista del Sol, S.A., Bip & Drive, S.A., Serranopark, S.A., Cintra Servicios de Infraestructuras, S.A., Cintra Inversiones, S.L., Cintra Autopistas integradas, S.L.
- Inversora Autopistas Sur, S.L. (Radial 4)**, a company undergoing voluntary bankruptcy since 4 February 2013, is currently conducting bankruptcy proceedings. The joint phase of bankruptcy proceedings have come to an end at the beginning of 2017.
- Inversora de Autopista Madrid Levante, S.L. (AP36)**, the Company is undergoing bankruptcy proceedings since December 2012 and during 2016 has continued with liquidation phase of the process.
- In **Autema**, decree 161/2015 was published in the Official Gazette of the Generalitat on 16 July 2015, which unilaterally approves the modification to the administrative concession contract for the Tarrasa-Manresa highway. On October 9, 2015, the Company lodged an appeal against the new decree 161/2015 before the High Court of Justice of Catalonia (TSJC), which was received for processing on 13 October. Since 4 January 2016, the new rates (discounts) corresponding to the new decree have applied.

The Company believes that there are very strong arguments to conclude that the Administration, on ruling on Decree 161/2015, has very clearly exceeded its limits of authority for modifying contracts, which led to this Decree being appealed before the Catalonia High Court of Justice. After Autema established its appeal on 21 October 2016 following the end of the financial year, on 21 March 2017 Autema was notified that the Generalitat de Catalunya and the Consell Comarcal del Bages, a local authority which appeared as a co-defendant in the proceedings, had responded to the appeal.

##### United States:

- For the **Chicago Skyway Highway**, the sale of 55% was closed on 25 February 2016. The operation had been agreed upon on 13 November 2015 with the consortium Calumet Concession Partners LLC, made up of the Canadian pension funds OMERS, the Canada Pension Plan Investment Board and the Ontario Teachers' Pension Plan. In addition, Cintra's partners in the concession, Macquarie Atlas Roads and Macquarie Infrastructure Partners, also sold their 45% share.
- The SH130 motorway has continued during 2016 under a bankruptcy process, and on June 2017 the Company has been sold as part of the Company's exit process of the motorway.

##### Portugal:

- Buyout of minority shareholders of Norte and Algarve:** In February 2016, the minority shareholders of Norte Litoral AENL were bought out (except for a residual share for each one). In May 2016, the purchase of Algarve (except for the minority shareholder J Gomes and a residual share for each other minority shareholder) and Algarve International took place (except for the minority shareholder J Gomes).
- Sale of Norte and Algarve shares:** In June 2016, a portion of the shares that Cintra holds in Norte Litoral AENL, Algarve and Algarve International were sold to the Dutch fund DIF for 156 million euros, with Cintra remaining the primary manager of the companies with a share of 49% in Norte Litoral and 48% in Algarve. The process for the authorisation and approval from financial and administrative entities to complete the operation is currently underway. Financial entities have approved the operation for AENL, whereas Algarve / Algarve International are still waiting for official approval from lenders (BEI and Syncora).

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

2016

### Highways under construction:

#### USA

The highways that are currently under construction whose operations launch is expected during the following corporate years are:

- **NTE 35W:** the progress of design and construction work as of December 2016 is 71.9% of the total cost of the project, which amounts to \$1.007 billion. Progress is being made as planned with respect to the schedule of work, with complete opening being planned for mid-2018. The opening of segment 3B is expected in May 2017.

On June 21, 2016, the DFPS (Dallas Police Fire Pension System) sold the entirety of its share (10%). Following this operation, shareholder percentages are the following: Cintra: 53.651% (previously 50.10%), Meridiam 17.4949% (previously 13.94%) and APG 28.8399% (previously 25.96%).

- **I-77:** On November 16, 2015, construction work officially started. The progress of design and construction work as of December 2016 was 23.7% of the total cost of the project, which amounts to \$444 million. Progress is being made as planned in the schedule of work, with final opening being planned for the end of 2018. The partial opening of one section (6.8 miles) is expected at the end of November 2017. Partial opening does not affect the date of the end of the concession (50 years following Substantial Completion).

On June 1, 2016, a group opposing the project presented a resolution to cancel the concession contract to the Senate Transportation Committee. The Senate did not process this resolution, thus discarding this request.

- **Transform I-66 Project (Virginia, USA):** Cintra was awarded this project and the closing of the business deal was signed on December 8, with financial closing planned for the 3rd quarter of 2017. This is a "Managed Lanes" type concession project with a dynamic rating scheme located to the west of the American capital Washington D.C.

### Tendering of highway new projects

In North America, the definition of the new government team's Infrastructure Plan is awaited. In general, a slight rise is observed in the promotion activities of different governments, mainly due to the lack of resources to pay for new projects following the deficits incurred over the past years. In any event, the North American market and the United States in particular continues to be very erratic. In many cases, the lack of support from the different stakeholders implies long development processes, delays in tender processes and even the cancellation of projects.

- **Central 70 (Denver, Colorado, USA):** Work is being carried out on preparing the bid for this project whose payment mechanism is via a payment regime based on availability. The date for submitting a bid is established as July 2017.
- **LAX: Automated People Mover:** In addition, Cintra has prequalified for this project at Los Angeles International Airport (California, USA). This project consists of the design, construction, financing, operation and maintenance of light rail that will connect the terminals of this airport, and compensation for the contract during the operation will follow an availability payment regime. The date for submitting the bid is planned for December 2017.
- **Segment 3C of the project North Tarrant Express (Texas, USA):** Bilateral negotiations are also taking place with the Texas Department of Transportation (TxDOT). This consists of the expansion of segment 3B toward the north, rebuilding existing "general-purpose" lanes and adding two new "managed lanes" per direction. This project is being negotiated as an addendum to the concession contract for 3A and 3B and commercial closing is hoped to be reached during the first half of 2017.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

Given the straightforward nature of the business as at 30 December 2016, the company's directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the Company.

Cintra is exposed to a variety of risks stemming from the nature of its business and the countries in which it operates. Risk is managed centrally by the Risk Unit of Ferrovial. To gain a better understanding, details of principal risks and uncertainties are contained in the Integrated Report of the ultimate parent (Ferrovial S.A).

The Company identifies and assesses these risks, then proactively implements the appropriate measures to mitigate the probability of their occurrence and/or potential impact, in accordance with the established strategic objectives. Similarly, thanks to an effective and efficient management of specific risks, new business opportunities can be detected.

### Main risks

These are the principal risks facing the company, as described in the ultimate Parent Company's Annual Report 2016:

- **Strategic risks.** Risk related to the market and the environment in which the Company operates and stemming from the regulatory and legislative framework in effect and from alliances with partners, as well as those associated with the organisation of the Company and its relationship with external agents.
- **Compliance risks.** Risks associated with the fulfilment of obligations stemming from applicable legislation, from third-party contracts, and from obligations imposed internally by the companies, primarily through their codes of ethics and of conduct
- **Financial risks.** Risks associated with changes in financial figures, access to financial markets, cash flow management, the reliability of financial information, as well as those of a tax nature.
- **Operational risks.** Risks associated with production processes, service provision, revenue generation and costs incurred. The Company pays particular attention to risks related to weaknesses or delays in the provision of services for customers and users and to occupational risks.

The main risks affecting Cintra's strategy and therefore its capacity to create value are inherent to the markets in which it operates, the most noteworthy of which are listed below:

**Increased competition in the markets in which the Company operates,** which may undermine its profitability and ability to create value in activities with substantial execution risks.

The financial crisis in emerging countries, as a result of a slowdown in growth and lower commodities prices, has reduced the demand for infrastructures in these regions. This circumstance heightens the risk of competitors concentrating in the remaining international markets, thus placing pressure on prices and margins.

The Company studies the competitive climate of the target geographic areas, has a procedure in place for approving investment and disinvestment operations and establishes limits on the acceptable risk per project type. Once an investment decision has been made, the risks are monitored throughout the life of the projects, so as to proactively detect any new risks arising.

**Economic stagnation and tax consolidation:** the impact that these situations may have on public investment capacity.

The potential worsening of the macroeconomic data in the countries where Cintra Infraestructures' activity is based and the tax consolidation policies implemented in those countries reduce the financial capacity of public authorities and the confidence of private investors. All of this could reduce demand and margins or lead to an increase in disputes with customers.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

This risk is mitigated by a selective-internationalisation strategy focusing on geographic areas with a high degree of legal certainty and which are expected to enjoy socio-economic and tax-regulation stability, most notably the United Kingdom, Australia and Canada.

In addition, the Company conducts ongoing business opportunity studies by activity and geographic area, to predict any upcoming changes and/or decreases in demand.

**Changes that modify the legal and regulatory environment** in which the Company operates, limiting its ability to run the business and turn a profit.

The Company continuously monitors the regulatory and legislative process affecting its activities in order to proactively anticipate possible changes and manage them appropriately, while maximising the potential opportunities resulting from such changes.

The Company also evaluates and monitors trends in the emerging risks that may negatively affect the achievement of the strategic objectives, in order to adapt its strategy in a timely fashion. The most noteworthy of these risks include natural disasters or disasters caused by human action, terrorism in any form, humanitarian crises, protectionist and anti-globalisation political movements that discourage international investment and pose a risk to the free market and technological obsolescence, among others.

Lastly, in addition to what is mentioned above, the current context of global economic, social and political uncertainty may heighten some risks now considered unlikely or insignificant.

#### Financial risks

The Group's businesses are exposed to various financial risks, the most significant of which are interest rate risks, exchange rate risk, credit risk, liquidity risk, inflation risk and equity risk. Cintra Infrastructures' policies for managing each of these risks are detailed below:

- **Interest rate risk.** The Group practices comprehensive asset and liability management, ensuring active risk management and allowing it to optimise the cost of financing, volatility in the income statement, the level of required liquidity and fulfilment of business commitments. This management focus aims to minimise the variation in capital owing to mismatches between assets and liabilities.
- **Exchange rate risk.** Cintra Infrastructures has significant investments in countries using currencies other than the euro, most notably in pounds sterling, Australian dollars and Canadian dollars.

In general, exchange rate risk is centrally managed by the Ferrovial S.A. Finance Department, which arranges hedges to cover the forecast cash flows over the coming years as well as for dividends, contributions to equity on new projects and intergroup loans.

- **Credit and counterparty risk.** In managing risk stemming from the placement of investments in financial products and the arranging of derivatives, the Group continually monitors the ratings of its counterparties, establishing diversification criteria and minimum rating requirements for financial counterparties.

Regarding the risk associated with trade receivables as well as other accounts receivable, the Company has a broad range of customers, most of which are public institutions. In this regard, the Group also has sound control mechanisms that minimise the impact of these risks by monitoring receivables from existing and potential customers.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

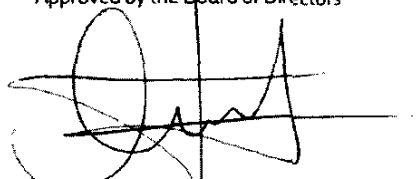
- **Liquidity risk.** The Group manages liquidity risk by maintaining adequate cash reserves by reviewing the forecast and actual cash flows.
- **Capital management.** The Company capital management objective is to safeguard the capability to continue managing its recurring activities as well as to continue growing in new projects, maintaining an optimum relationship between capital and debt, thus creating value for shareholders.

One of the Company's objective regarding its level of financial debt is to maintain a low level of borrowing. Consequently, the Group finances its growth primarily through its internal cash flow.

RENTAL INCOME FROM OPERATING ASSETS

In April 2017, 51% of Norte Litoral was sold for 104 million euros, which has generated a gain for Cintra of 61 million euros.

Approved by the Board of Directors



Francisco Clemente Sánchez  
Director  
25 September 2017



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

The Directors hereby present their annual report together with the financial statements of the Cintra Infrastructures SE (Cintra or The Company) for the year ended at 30 December 2016. Cintra Infrastructures SE is the parent of a group whose primary subsidiaries are detailed in Note 16 to the financial statements.

The registered office is The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX44DQ, United Kingdom. The Company was incorporated under the Spanish Law on 8 June 2009 and was registered as a European company on 26 April 2016 under register number SE000099 in the Company House (see note 1).

Cintra Infrastructures SE is dedicated to the bidding, design, construction, execution, operation, management, administration and upkeep of all types of infrastructures and works, public and private, within the international scope of Ferrovial Group. This Group has been changing as part of the Ferrovial Group's corporate restructuring carried out during the year 2015 in order to reorganize together some of the international activities in a single subsidiary.

#### **People**

Cintra provides its employees with undertakings that encourage them to perform better every day, as well as, unique training in decision-making and in assuming controlled risks.

Cintra aims to measure and increase the level of commitment of its professionals, with a view to enhanced performance. As such, it promotes the mobility of talent, ensuring that the most capable professionals are placed in the locations and on the projects that require their expertise, in line with the Company's priorities and those of its employees.

#### **Employee remuneration policies**

Cintra is committed to its employees and to retaining talent. This is reflected in Ferrovial Group policies, which are benchmarked against those of our competitors in each of the main markets in which it operates.

Cintra considers that the current annual variable remuneration model is appropriate for the objectives and needs of the Company. This system is based on a series of performance-tied indicators and on the achievement of specific, pre-determined and quantifiable economic-financial, industrial and operating targets in line with the Company's strategy.

#### **Health and safety**

Safety is a key factor for achieving corporate excellence. The Company works hard to create risk-free environments for everyone. Two principles govern the actions in this area: the aspirational objective of "Target Zero" (zero accidents every day) and that any accident can be avoided.

To this end, the Company has established a number of safety requirements for all its projects and in every country where it operates. Furthermore, it has defined Group-wide safety requirements that apply to all the workplaces of the business areas. The Company also focuses its efforts on occupational health and safety training in order to progressively involve its employees in the common goal of creating risk-free work environments.

#### **Human rights**

Ferrovial Group is committed to minimising risks and maximising controls in order to ensure that human rights are respected throughout the organisation and throughout the supply chain, by performing exhaustive checks throughout the entire value chain.

Furthermore, the Company supports diversity management as a business, social and legal imperative, in addition to complying with current regulations on equal opportunity on the basis of merit. This applies to appropriate training, career development and promotion for all employees, regardless of physical ability, gender, sexual orientation, religion, age or ethnic origin or any other unfair discriminatory reason. The services of any existing employees who became disabled during their period of employment are retained wherever possible.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### Innovation

Innovation in highways projects efforts mainly focus centre on the optimisation of traffic models, new payment methods, relationship models and services for users, and solutions that boost operating efficiency.

#### Operational and financial efficiencies

Cintra's highways aims to maximise operating cash flows by efficient management and innovation, incorporating the most advanced technology possible and the search for synergies with the company's other highways, while always guaranteeing user satisfaction and responding to their needs. Cintra also aims to find sources of finance for its projects that optimize cash shareholder return, while adapting as far as possible to the generation of project cash flows. In order to maximize operating cash flows, Cintra uses Big Data techniques to understand driver behaviour better, with a twin goal, which is improving the reliability of traffic estimations and new project revenues. In this sense, for example the traffic study on the I-77 toll road has used new ways of collecting data of traffic congestions and travel pattern through GPS technology never used before. This provided information on congestion and the movement of users which was more detailed and reliable than the result generated in previous projects. It allowed connectivity to be improved, thus increasing use of the highway.

#### Environment and natural capital

The Company is aware of its responsibility to address climate change and is firmly committed to reduce the environmental impact of all its activities. Likewise, it encourages the generation of new ideas and business models to be able to offer its customers innovative solutions with a lower impact in the highways.

The Group's commitment to the environment takes shape through four priority objectives:

- Reducing its carbon footprint
- Biodiversity and natural capital
- Reduction of the environmental impact of the Company's activity

#### Social capital

Cintra creates value for society by reducing territorial imbalances in the places where it operates. The nature of its businesses allows the Company to play a key role in reducing territorial imbalances: it contributes to the advancement and development of the communities and countries where it operates by creating jobs, increasing purchases from local suppliers, paying taxes and transferring its capacities and know-how as well as innovation and technology.

#### Results and dividends

The income statement appears on page 15 and shows a profit after tax for the year of 100,368,057 euros (2015: 92,837,217 euros); total revenue of 115,397,882 euros (2015: 35,183,500 euros).

The Company's operating profit was 108,508,534 euros (2015: operating profit of 102,656,728 euros).

The Company did not distribute dividends in 2016 nor 2015.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

The following persons served as Company Directors in 2016:

- Íñigo Meirás Amusco (resigned on 30 November 2016)
- Enrique Díaz-Rato Revuelta (appointed on 22 April 2016)
- Santiago Ortiz Vaamonde (resigned on 30 November 2016)
- Ernesto López Mozo (resigned on 30 November 2016)
- Javier Romero Sullá (appointed on 30 November 2016)
- Francisco Jose Clemente Sanchez (appointed on 30 November 2016)

No contributions have been made to political parties in the current year or the previous year.

On the basis of the information available to them, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

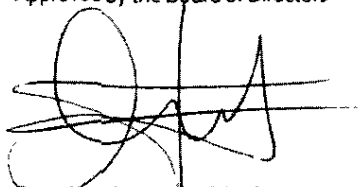
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP was appointed as auditor and has expressed its willingness to continue in office as auditors. A resolution to reappoint this firm will be proposed at the next Annual General Meeting.

Approved by the Board of Directors



**Francisco Clemente Sánchez**

Director

25 September 2017

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101, 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgments and accounting estimates that are reasonable and prudent;*
- *state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Cintra Infrastructures SE

## Annual Report and Financial Statements 2016

---

### **Independent auditor's report to the members of Cintra Infrastructures SE**

We have audited the financial statements of (name of company) for the year ended 30 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of financial position, the Statement of Changes in Equity, and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in [the Strategic Report and] the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements..

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
25 September 2017

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

12 months period

For the year ended 30 December 2016

| €  | Note | 30/12/2016         | 31/12/2015         |
|--|------|--------------------|--------------------|
| Revenues   | 4    | 54,290,654         | 34,980,473         |
| Personnel Expenses   | 6    | 850,703            | (1,608,063)        |
| Other operating expenses   | 7    | (1,270,591)        | (428,273)          |
| Impairment of investments  | 8    | (2,880,079)        | 43,435,983         |
| Provisions   | 9    | (3,589,381)        | 26,073,581         |
| <b>Operating profit</b>  |      | <b>47,401,306</b>  | <b>102,453,701</b> |
| Finance incomes  | 10   | 77,957             | 1,970,308          |
| Finance costs  | 11   | (14,529,476)       | (19,383,733)       |
| Exchange Differences   | 12   | (1,852,678)        | 444,453            |
| Profit on sale of the investments  | 13   | 61,107,228         | 203,027            |
| Other gains and losses from derivatives results                            | 14   | 12,891,489         | 8,766,796          |
| <b>Financial result</b>  |      | <b>57,694,520</b>  | <b>(7,999,149)</b> |
| <b>Profit before taxation</b>  |      | <b>105,095,826</b> | <b>94,454,552</b>  |
| Tax  | 15   | (4,727,769)        | (1,617,335)        |
| <b>Profit for the financial year attributable to owners of the Company</b> |      | <b>100,368,057</b> | <b>92,837,217</b>  |

Operating profit are all derived from continuing operations.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

For the year ended 30 December 2016

| €  | Note   | 30/12/2016          | 31/12/2015         |
|--|--------|---------------------|--------------------|
| <b>Profit for the year</b>   | 28     | <b>100,368,057</b>  | <b>92,837,217</b>  |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                      |        |                     |                    |
| <b>Cash flow hedges:</b>   |        |                     |                    |
| (Losses)/ gains arising during the period  | 29     | (31,674,486)        | 32,928,206         |
| Less: reclassification adjustments for (losses) included in profit                         | 29/ 14 | 11,841,398          | (12,194,572)       |
| Income tax relating to items that may be reclassified subsequently to profit or loss       | 29     | 4,958,272           | (5,183,407)        |
| <b>Other comprehensive income for the period net of tax</b>                                |        | <b>(14,874,816)</b> | <b>15,550,227</b>  |
| <b>Total comprehensive income for the period attributable to the owners of the Company</b> |        | <b>85,493,241</b>   | <b>108,387,444</b> |



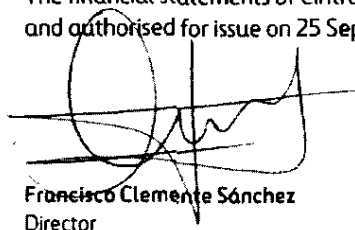
# Cintra Infrastructures SE

## Annual Report and Financial Statements 2016

As at 30 December 2016

| €   | Note | 30/12/2016           | 31/12/2015           |
|---|------|----------------------|----------------------|
| <b>Non-current assets</b>                           |      | <b>862,701,190</b>   | <b>1,343,030,908</b> |
| Investments in subsidiaries                         | 16   | 810,086,188          | 1,299,318,341        |
| Investment in associates                            | 17   | 12,666,685           | 14,501,069           |
| Other investments                                   |      | 370                  | 370                  |
| Deferred tax assets                                 | 18   | 39,761,174           | 29,480,569           |
| Loans to related parties                            | 19   | 186,773              | (269,441)            |
| <b>Current assets</b>                               |      | <b>381,681,790</b>   | <b>416,149,286</b>   |
| Other investments                                   | 31   | -                    | 76,820,631           |
| Derivative financial instruments                    | 21   | -                    | 4,848,691            |
| Loans to related parties                            | 19   | 373,482,423          | 299,763,448          |
| Trade and other receivables                         | 20   | 5,509,360            | 8,034,884            |
| Cash and bank balances                              |      | 2,690,007            | 26,681,632           |
| <b>Total assets</b>                                 |      | <b>1,247,364,797</b> | <b>1,759,180,194</b> |
| <b>Current liabilities</b>                          |      | <b>353,951,122</b>   | <b>329,310,584</b>   |
| Trade and other payables                            | 22   | 10,725,243           | 12,336,748           |
| Current tax liabilities                             | 15   | 16,102,885           | 932,537              |
| Deferred income                                     |      | -                    | 14,383               |
| Borrowings  | 23   | 323,642,816          | 310,826,132          |
| Other debts   |      | -                    | 5,200,784            |
| Derivative financial instruments                    | 21   | 3,480,178            | -                    |
| <b>Net current assets</b>                           |      | <b>27,732,476</b>    | <b>86,838,702</b>    |
| <b>Total assets less current liabilities</b>        |      | <b>890,433,666</b>   | <b>1,429,869,610</b> |
| <b>Non-current liabilities</b>                      |      | <b>378,930,757</b>   | <b>428,217,610</b>   |
| Borrowings  | 23   | 220,621,148          | 254,067,092          |
| Long term provisions                                | 24   | 95,438,814           | 105,785,308          |
| Deferred tax liabilities                            | 18   | 62,870,795           | 68,365,210           |
| <b>Total liabilities</b>                            |      | <b>735,861,888</b>   | <b>758,195,867</b>   |
| <b>Net assets</b>                                   |      | <b>511,502,909</b>   | <b>1,001,652,000</b> |
| <b>Equity</b>                                       | 25   |                      |                      |
| Share capital                                       | 26   | 130,391,904          | 130,391,904          |
| Share premium account                               | 27   | 784,948,220          | 1,360,590,552        |
| Retained earnings                                   | 28   | (402,390,656)        | (502,758,713)        |
| Cash flow hedge reserve                             | 29   | (1,446,559)          | 13,428,257           |
| <b>Equity attributable to owners of the Company</b> |      | <b>511,502,909</b>   | <b>1,001,652,000</b> |

The financial statements of Cintra Infrastructure SE (registered number S00099) were approved by the board of directors and authorised for issue on 25 September 2017. They were signed on its behalf by:

  
Francisco Clemente Sánchez  
Director

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

As at 30 December 2016

| €   | Share capital      | Share premium account | Retained earnings    | Cash flow hedge reserve | Total                |
|---|--------------------|-----------------------|----------------------|-------------------------|----------------------|
| <b>Balance at 1 January 2015</b>                      | <b>130,391,904</b> | <b>1,360,590,552</b>  | <b>162,211,833</b>   | <b>(2,121,970)</b>      | <b>1,651,072,319</b> |
| Profit for the period                                 | -                  | -                     | 92,837,217           | -                       | 92,837,217           |
| Other comprehensive income for the period             | -                  | -                     | -                    | 15,550,227              | 15,550,227           |
| <b>Total comprehensive income</b>                     | -                  | -                     | <b>92,837,217</b>    | <b>15,550,227</b>       | <b>108,387,444</b>   |
| <b>Merger with Group Company (Laertida, S.A.) (*)</b> | -                  | -                     | <b>(757,807,763)</b> | -                       | <b>(757,807,763)</b> |
| <b>Profit Distribution</b>                            | -                  | -                     | -                    | -                       | -                    |
| <b>Balance at 31 December 2015</b>                    | <b>130,391,904</b> | <b>1,360,590,552</b>  | <b>(502,758,713)</b> | <b>13,428,257</b>       | <b>1,001,652,000</b> |
| Profit for the period                                 | -                  | -                     | 100,368,057          | -                       | 100,368,057          |
| Other comprehensive income for the period             | -                  | -                     | -                    | (14,874,816)            | (14,874,816)         |
| <b>Total comprehensive income</b>                     | -                  | -                     | <b>100,368,057</b>   | <b>(14,874,816)</b>     | <b>85,493,241</b>    |
| <b>Reduction of share premium</b>                     | -                  | <b>(575,642,332)</b>  | -                    | -                       | <b>(575,642,332)</b> |
| <b>Profit Distribution</b>                            | -                  | -                     | -                    | -                       | -                    |
| <b>Balance at 30 December 2016</b>                    | <b>130,391,904</b> | <b>784,948,220</b>    | <b>(402,390,656)</b> | <b>(1,446,559)</b>      | <b>511,502,909</b>   |

(\*) During 2015 the Company had carried out the merger by absorption of its wholly owned subsidiary Laertida S.L., head of its business in the US. The accounting date of the merger was 2 January 2015.

# Cintra Infraestructuras SE

## Annual Report and Financial Statements 2016

---

### Notes to the Financial Statements

#### For the year ended 30 December 2016

##### 1. General Information

The Company was incorporated under the Spanish Law on 8 June 2009 under the Company name of Cintra Infraestructuras, S.A., and was then registered as a European company on 30 July 2015, changing its name to Cintra Infraestructuras, S.E.

On 22 April 2016 the Company was incorporated in the United Kingdom under the Companies Act 2006 as an European Company and is registered in England and Wales. The address of the Company's registered office is shown on page 3.

The Company has tax office address in Spain, at Plaza Manuel Gomez Moreno 2 and N8267093F company tax identification number.

The nature of the Company's operations and its principal activities are set out in the Directors' report on page 6.

These financial statements are presented in Euros because that is the currency of the primary economic environment in which the Company operates.

The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Ferrovial, S.A. The group accounts of Ferrovial, S.A. are available to the public and can be obtained as set out in note 37.

During 2016 the Company, as a result of his change in the registered office from Spain to the United Kingdom, has changed the applying legislation from IFRS to apply Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

##### **Adoption of new and revised Standards**

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

##### **Change in year end reference date**

The Company has changed its year reference date from 31 December 2016 to 30 December 2016. However the Company is including all journal entries dated 31 December 2016 in the 2016 Financial Statements.

##### 2. Significant accounting policies

##### **Basis of accounting**

##### Transitioning from EU-adopted IFRS

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, in the year ended 30 December 2016 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 'Reduced Disclosure Framework'. The financial statements have therefore been prepared in accordance with FRS 101. This transition is not considered to have had a material effect on the financial statements.

##### Reason of transition to FRS 101

On 22 April 2016, the Company transferred its registered office from Spain to the United Kingdom, and from that date the Companies Act 2016 applies, consequently, the directors decided to change to FRS 101, in line with the Companies Act as they have not changed their accounting standards in the period of five years preceding the first day of this financial year.

##### Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (IFRS) were for the year ended 31 December 2015 and the date of transition to FRS 101 was therefore 1 January 2016.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

### 2. Significant accounting policies (continued)

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Ferrovial, S.A.

The financial statements have been prepared on the historical cost basis, except for the certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 and measurements that have some similarities to fair value but are not fair value such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

#### **Going concern**

On the basis of the information available to them, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

Cintra cash balance decreased by 26,681 thousand euros during the year, totalling up to 2,690 thousand euros at December 2016. This amount is decreased by Financial Loans to/from Group companies.

#### **Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

#### **Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for at cost less, where appropriate, provisions for impairment.

#### **Dividend and interest revenue**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate

# Cintra Infrastructures SE

## Annual Report and Financial Statements 2016

---

### 2. Significant accounting policies (continued)

applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Foreign currencies

The financial statements are presented in euros, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

#### Borrowing costs

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

### 2. Significant accounting policies (continued)

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 2. Significant accounting policies (continued)

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

##### *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition, it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement.

##### *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

### 2. Significant accounting policies (continued)

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

#### **Reclassification of financial assets**

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

#### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 2. Significant accounting policies (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

#### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 2. Significant accounting policies (continued)

##### *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

##### *Derivative financial instruments*

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 21.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### *Embedded derivatives*

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### *Hedge accounting*

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 21 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in note 29.



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying the Company's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant.

##### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### **Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes, such as long terms credits and debits, derivatives, etc. The Company has developed several procedures and IT tools to help the Company to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Financial department team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

##### **Impairment of investments in subsidiaries**

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the reporting date was 810,086,188 euros with an impairment loss recognised in 2016 of 2,867,779 euros (note 8 and 16).

##### **Provisions**

The Company is the sole partner of Cintra Inversora de Autopistas de Cataluña, S.L. (CINCA), a company that has an indirect holding of 76.28% over Autema. In addition, the Company has granted a loan to CINCA for 158 million euro. This loan is currently partially impaired and therefore covered by a provision of 31,273,024 euros (note 9 and 19). In the estimate of the recoverable value of the equity loan granted to Cintra Inversora Autopistas de Cataluña, S.L., a model that takes into consideration the entirety of the lifespan of the Autema concession was used, as this is a business with very distinct investment and growth phases, with there thus existing visibility to use a specific economic financial plan during the lifespan of the concession. Therefore, no residual values are estimated in this valuation. The forecasts used have been updated based on the historical evolution and specificities of the concession assets, using long-term modelling tools to estimate traffic, out of the ordinary maintenance, etc.

Impairment has been calculated as the difference between the book value of the loan granted and the current value of future cash flows that have been estimated will be received, discounting them at the effective interest rate calculated at the time of their initial recognition.

Specifically, at the end of the 2016 corporate year, the recoverable value of the loan granted was calculated as the greater of the fair value minus estimated sales costs or the value in use. In the model, a Ke constant discounting rate of 9,21% and a market premium of 6% are used.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 4. Revenues

An analysis of the Company's revenue is as follows:

| €                                      | 2016              | 2015              |
|--|-------------------|-------------------|
| Services with group companies          | -                 | 2,854,408         |
| Dividends received from subsidiaries   | 36,595,827        | 17,425,014        |
| Interest on loans with group companies | 11,054,281        | 8,346,098         |
| Other revenues with group companies    | 6,640,546         | 6,354,953         |
| <b>Revenues</b>                        | <b>54,290,654</b> | <b>34,980,473</b> |

2015 services correspond to the bidding projects of the highways SH183 and I77 both in the US:

| €                                      | 2016 | 2015             |
|--|------|------------------|
| Cintra US Holding Corp – Proyect SH183 | -    | 946,969          |
| Cintra I-77 Corp – Proyect I-77        | -    | 1,883,949        |
| <b>Service to subsidiaries</b>         |      | <b>2,854,408</b> |

The detail of the dividends received during 2016 and 2015 is as follows:

| €  | 2016              | 2015              |
|--|-------------------|-------------------|
| Autoestrada do Algarve – Via do infante – Sociedade concessionária - , S.A. (Portugal) | 12,609,985        | 10,396,350        |
| Vialivre, S.A. (Portugal)  | 1,147,985         | 638,704           |
| Auto-estradas Norte Litoral, S.A. (Portugal)   | 22,239,998        | 6,002,401         |
| Algarve international Bv (Netherlands)   | 597,859           | 387,559           |
| <b>Dividends received from subsidiaries</b>  | <b>36,595,827</b> | <b>17,425,014</b> |

Interest on loans with group companies, comprises all the finance incomes from loans to group companies;

| €  | 2016              | 2015             |
|--|-------------------|------------------|
| Autopista Madrid Sur, S.A. (Spain)                       | 59,538            | 70,331           |
| Inversora de Autopista Madrid Sur, S.L (Spain).          | 793,787           | 761,848          |
| Autopista Terrasa Manresa, S.A (Spain)                   | 1                 | 67               |
| Cintra Inversiones, S.L. (Spain)                         | 56,642            | 17,409           |
| Cintra Internacional, S.L. (Spain)                       | 37,837            | 88               |
| Cintra Servicios de Infraestructuras, S.A. (Spain)       | 2,893             | 7,788            |
| Serranopark, S.A. (Spain)                                | 508,915           | 217,653          |
| Cintra Inversora de Autopistas de Cataluña, S.A. (Spain) | 8,824,294         | 6,861,687        |
| Austopista del Sol, S.A (Spain)                          | -                 | 68               |
| Autopista Alcalá O'Donell (Spain)                        | -                 | 85               |
| Cintra US Services (USA)                                 | 408               | 1,151            |
| Skyway Concession Co (USA)                               | -                 | 98               |
| Cintra Global Ltd (UK)                                   | 126               | -                |
| Laertida, S.A. (Spain)                                   | -                 | 2,799            |
| Ferrovial, S.A (Spain)                                   | 240,384           | 397,090          |
| Ferrofin, S.L. (Spain)                                   | 518,739           | -                |
| Ferrovial Aeropuertos Internacional, S.A. (Spain)        | 243               | 415              |
| <b>Total Group Companies</b>                             | <b>11,043,807</b> | <b>8,338,577</b> |
| Autopista Madrid Levante, S.A. (Spain)                   | -                 | 87               |
| Inversora de Autopista Madrid Levante, S.A. (Spain)      | -                 | 9                |
| Autovia de la Almazora, S.A. (Spain)                     | 10,474            | 7,425            |
| <b>Total Associates Companies</b>                        | <b>10,474</b>     | <b>7,521</b>     |
| <b>Interest on loans with group companies</b>            | <b>11,054,281</b> | <b>8,346,098</b> |

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

### 4. Revenues (continued)

Other operating revenues include incomes for the guarantees that the Company contract for guarantying group company projects and are detailed below:

| €  | 2016             | 2015             |
|--|------------------|------------------|
| Autopista del Sol, S.A (Spain)                   | 179,718          | -                |
| Autovía de la plata, S.L. (Spain)                | 103,637          | 152,96           |
| Serranopark, S.A (Spain)                         | 9,036            | -                |
| Auto-estrada Norte Litoral, S.A (Portugal)       | 14,463           | -                |
| I77 Mobility partners (US)                       | 3,571,846        | 2,491,276        |
| NTE M.P. SEGMENTS 3 (US)                         | 2,057,416        | 2,546,003        |
| LBJ Infrastructures LLC (US)                     | -                | 417,252          |
| Zero Bypass Limited (Slovakia)                   | 420,002          | -                |
| Scot Roads Partnerships (UK)                     | 67,252           | 323,939          |
| M8 M73 M 74 Scotland Gantries (UK)               | 217,176          | -                |
| 407 East Development Group General (Canada)      | -                | 176,034          |
| Blackbird Infrastructures 407 Cintra GP (Canada) | -                | 195,035          |
| 407 ETR Concession Company (Canada)              | -                | 52,454           |
| <b>Other Revenues Group Companies</b>            | <b>6,640,546</b> | <b>6,354,952</b> |

### 5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's financial statements were 30,000 euros (2015: 14,000 euros).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company were nil (2015: nil).

### 6. Personnel costs

The average monthly number of employees was:

|  | 2016<br>Number | 2015<br>Number |
|--|----------------|----------------|
| Graduates of higher and intermediate grade | 4              | 4              |
| Administrative                             | 1              | -              |
| <b>Total Staff</b>                         | <b>5</b>       | <b>4</b>       |

Their aggregate remuneration comprised:

| €                           | 2016           | 2015               |
|-----------------------------|----------------|--------------------|
| Wages and salaries          | (245,959)      | (198,644)          |
| Social security costs       | (64,337)       | (57,707)           |
| Performance shares cost     | 1,160,999      | (1,351,712)        |
| <b>Total personnel cost</b> | <b>850,703</b> | <b>(1,608,063)</b> |

The personnel cost in 2016 is positive since the previous years cost per performance shares has been transferred to another group company.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 7. Other operating expenses

The breakdown of other operating expenses for the 2015 and 2016 financial years is as follows:

| €                                     | 2016               | 2015             |
|---------------------------------------|--------------------|------------------|
| Group companies' expenses             | (944,072)          | (4,690,379)      |
| Third parties' expenses               | (97,507)           | (465,783)        |
| Other taxes (includes tax provisions) | (229,012)          | 4,727,889        |
| <b>Total operating expenses</b>       | <b>(1,270,591)</b> | <b>(428,273)</b> |

Other taxes in 2016 mainly include provisions which the Company records as VAT, during the financial year 213,569 euros were recorded.

The detail of the services provided by group companies is as follows:

| Companies  | 2016           | 2015             |
|--|----------------|------------------|
| Cintra Servicios de Infraestructuras, S.A. (Spain) | 940,000        | 2,877,871        |
| Cintra US LLC (USA)                                | -              | 1,750,096        |
| Eurolink Motorway Operation-M3 (Ireland)           | -              | 45,000           |
| Ferrovial, S.A. (Spain)                            | 4,072          | 7,754            |
| Ferrovial Internacional S.L (Spain)                | -              | 9,657            |
| <b>Total group companies</b>                       | <b>944,072</b> | <b>4,690,379</b> |

The group company expenses for the 2016 are mainly provided by Cintra Servicios de Infraestructuras, S.A. (and in 2015 also by Cintra US).

Both, the third party expenses and the group company expenses correspond to legal, technical, financial, administrative and system services received by the Company as support for finalised project bidding, asset management of its investment portfolio and the administration of the Company itself.

#### 8. Impairment of investments

Impairment of investments from subsidiaries and associates for 2016 and 2015 are as follows:

| €  | 2016               | 2015              |
|--|--------------------|-------------------|
| Autopista del Sol, S.A. (Spain)                    | -                  | 54,064,348        |
| Cintra Servicios de Infraestructuras, S.A. (Spain) | -                  | (2,379,743)       |
| Cintra Inversiones, S.L. (Spain)                   | -                  | (5,057,199)       |
| Euroscut Azores, S.A. (Portugal)                   | (2,850,177)        | (3,269,843)       |
| Autostrada Poludnie, S.A. (Poland)                 | (17,602)           | 559,018           |
| <b>Subsidiaries investments impairment</b>         | <b>(2,867,779)</b> | <b>43,916,581</b> |
| Autovía de la Almazora, S.A. (Spain)               | (12,300)           | (480,598)         |
| <b>Associated investments impairment</b>           | <b>(12,300)</b>    | <b>(480,598)</b>  |
| <b>Total impairments</b>                           | <b>(2,880,079)</b> | <b>43,435,983</b> |

More information is disclosed in note 16 and 17.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 9. Provisions

Provisions for loans and other risk for 2016 and 2015 are as follows:

|  | 2016                | 2015               |
|--|---------------------|--------------------|
| Serranopark, S.A (Spain)                                 | 5,490,136           | (459,906)          |
| Cintra Inversora de autopistas de Cataluña, S.A. (Spain) | (17,264,293)        | 20,915,268         |
| <b>Loans provisions group companies (Note 19)</b>        | <b>(11,774,157)</b> | <b>20,455,362</b>  |
| Autopistas Madrid-Sur, S.L (Spain)                       | (65,051)            | (124,812)          |
| Inversora Autopistas Madrid-Sur, S.L (Spain)             | (800,350)           | (1,469,608)        |
| <b>Loans provisions Associates companies (Note 19)</b>   | <b>(865,401)</b>    | <b>(1,594,420)</b> |
| Cintra Autopistas Integradas, S.A. (Spain)               | 6,200,000           | -                  |
| Serrano Park, S.A (Spain)                                | -                   | 3,750,000          |
| Euroscut Azores, S.A. (Portugal)                         | 2,850,177           | 3,462,639          |
| <b>Other risk provisions Group companies (Note 28)</b>   | <b>9,050,177</b>    | <b>7,212,639</b>   |
| <b>Total Provisions</b>                                  | <b>(3,589,381)</b>  | <b>26,073,581</b>  |

#### 10. Finance Incomes

Finance incomes for 2016 and 2015 are as follows:

| €                           | 2016          | 2015             |
|-----------------------------|---------------|------------------|
| Interest receivable         | 20,976        | 1,444,294        |
| Bank deposits               | 56,768        | 78,547           |
| Other loans and receivables | 213           | 447,467          |
| <b>Total finance income</b> | <b>77,957</b> | <b>1,970,308</b> |

#### 11. Finance costs

Finance cost for 2016 and 2015 are as follows:

| €                                     | 2016                | 2015                |
|---------------------------------------|---------------------|---------------------|
| Interest payable to group companies   | (7,769,079)         | (10,922,207)        |
| Interest payable on other liabilities | (1,727,291)         | (1,463,022)         |
| Interest on guarantees                | (5,033,106)         | (6,998,503)         |
| <b>Total interest payable</b>         | <b>(14,529,476)</b> | <b>(19,383,732)</b> |

"Interest payable on other liabilities" comprises the accrued interest from tax inspection deeds.

The interest guarantees contain costs invoiced by other group companies for 2,476,669 euros (and 5,372,422 euros in 2015) costs from third parties of 2,556,437 euros (1,626,061 euros in 2015). (See note 4 and note 32).

Detail of interest guarantees invoiced by group companies in 2016 and 2015:

| €  | 2016             | 2015             |
|--|------------------|------------------|
| Ferrovial, S.A.  | 2,205,395        | 5,311,634        |
| Ferrovial Agroman, S.A.                                      | 271,274          | 60,808           |
| <b>Total guarantees interest invoiced by group companies</b> | <b>2,476,669</b> | <b>5,372,442</b> |



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 11. Finance Cost (continued)

The "Interest payable to group companies" includes the finance costs company group borrowings (see note 23), the detail is as follows:

| €   | 2016             | 2015              |
|---|------------------|-------------------|
| Cintra Inversora de Autopistas de Cataluña, S.L.U. (Spain)                    | 2,556            | 8,239             |
| Inversora de Autopistas de Cataluña, S.L.U. (Spain)                           | 1,090            | 5,725             |
| Autopista del Sol, S.A. (Spain)   | 12,445           | -                 |
| Cintra Inversiones, S.L. (Spain)  | 7,636,328        | 9,970,889         |
| Cintra Servicios de Infraestructuras, S.L. (Spain)                            | 2,110            | 3,408             |
| Cintra Infraestructuras Internacional, S.L.U. (Spain)                         | -                | 216               |
| Cintra Autopistas Integradas, S.A. (Spain)                                    | 154              | 545               |
| Laertida, S.L. (Spain)  | -                | 2,799             |
| Serranopark, S.A. (Spain)   | 41,211           | 48,220            |
| Autopistas Alcalá O'Donnell, S.A. (Spain)                                     | 38               | 50                |
| Cintra Global Ltd (UK)  | 43               | 58                |
| Autoestrada do Algarve - Via do Infante - Sociedade Concessionaria (Portugal) | 1                | 1                 |
| Cintra Servicios Sucursal Portugal (Portugal)                                 | -                | 215               |
| Eurolink Motorway (Ireland)   | -                | 31                |
| Skyway Concession Company, LLC. (USA)   | -                | 30,605            |
| NTE Mobility Partners (USA)   | -                | 26,865            |
| Cintra ITR LLC (USA)  | 271,259          | 429,616           |
| Cintra Texas Corp (USA)   | -                | 1,727             |
| Cintra TX 56, LLC (USA)   | -                | 268               |
| Cintra US Services LLC (USA)  | -                | 1,106             |
| Cintra US LLC (USA)   | 659              | -                 |
| 407 Toronto Highway BV (Netherlands)  | -                | (471)             |
| Ferrovial, S.A. (Spain)   | (200,860)        | 163,732           |
| Ferrovial Aeropuertos, S.A. (Spain)   | 257              | 446               |
| Ferrovial Agromán, S.A. (Spain)   | 1,788            | 227,915           |
| <b>Total group companies</b>  | <b>7,769,079</b> | <b>10,922,205</b> |
| Autopista Madrid Sur, S.A. (Spain)  | -                | 2                 |
| <b>Total associates companies</b>   | <b>-</b>         | <b>2</b>          |
| <b>Total group companies and associates</b>                                   | <b>7,769,079</b> | <b>10,922,207</b> |

#### 12. Exchange differences

| €                           | 2016               | 2015           |
|-----------------------------|--------------------|----------------|
| Exchange differences        | (1,852,678)        | 444,453        |
| <b>Exchange differences</b> | <b>(1,852,678)</b> | <b>444,453</b> |

The exchange differences are generated by bank balances, loans and suppliers in foreign currencies.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 13. Profit on sale of investments

| €                                | 2016       | 2015    |
|----------------------------------|------------|---------|
| Profit on sale of the investment | 61,107,228 | 203,027 |

Incomes from sales in 2016 of 61,107,228 euros was made up of the following items:

- Profit from the sale of Ausol, 55,401,659 euros (see note 16)
- Profit from the sale of Bip&Drive 2,705,569 euros (see note 17)
- Reverse of the risk provision from the sale of Cintra Chile 3,000,000 euros (see note 24)

#### 14. Other gains and losses from derivatives results

| €   | 2016              | 2015             |
|---|-------------------|------------------|
| Gains arising on derivatives in a designated fair value hedge accounting relationship | 11,841,398        | 12,194,569       |
| Gains / (loss) arising on non-hedge accounting derivatives                            | 1,050,091         | (3,427,773)      |
| <b>Other Gains and losses from derivatives</b>  | <b>12,891,489</b> | <b>8,766,796</b> |

Gains arising on Exchange rates derivatives during 2016 has been 11,841,398 euros (2015: 12,194,569 euros) mainly covers funds from dividends and foreing investments.

#### 15. Taxation

The Company files consolidated tax returns as part of the consolidated Spanish tax group headed by Ferrovial, S.A.

Corporation tax is calculated at 25% (2015: 28%) of the estimated taxable for the year.

Analysis of the charge in the year

| €                                      | 2016               | 2015               |
|--|--------------------|--------------------|
| Current Income tax                     | (16,102,885)       | (932,537)          |
| Deferred Income tax                    | 11,351,908         | 523,937            |
| Current tax adjustments of prior years | 806,352            | 11,265             |
| Deferred tax djustments of prior years | (806,352)          | (1,149,566)        |
| Adjustments of previous years          | -                  | (1,138,301)        |
| Tax-rate change                        | 87,152             | (54,158)           |
| Withholding tax other countries        | (63,946)           | (16,279)           |
| <b>Total taxation tax</b>              | <b>(4,727,769)</b> | <b>(1,617,338)</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 15. Taxation (continued)

The charge for the year can be reconciled to the profit in the income statement as follows:

| €  | 2016               | 2015               |
|--|--------------------|--------------------|
| Profit/ (Loss) on ordinary activities before taxation                                | 105,095,826        | 94,454,552         |
| Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax | (26,273,957)       | (26,447,275)       |
| <b>Adjusted for:</b>   |                    |                    |
| Incomes not taxable in determining taxable profit                                    | 25,138,308         | 20,182,851         |
| Expenses not deductible for tax purposes   | (3,615,327)        | (451)              |
| Adjustments of previous years  | -                  | 4,717,974          |
| Tax-rate change  | 87,152             | (54,158)           |
| Withholding tax other countries  | (63,945)           | (16,279)           |
| <b>Tax charge</b>  | <b>(4,727,769)</b> | <b>(1,617,338)</b> |

#### Reconciliation of accounting profit / (loss) and taxable income/ (tax loss)

The reconciliation between accounting profit / (loss) and taxable income/ (tax loss) is as follows:

| €  | 2016       |               |                     | 2015      |              |                  |
|--|------------|---------------|---------------------|-----------|--------------|------------------|
|  | Increase   | Decrease      | Total               | Increase  | Decrease     | Total            |
| Accounting profit/(loss) for the year before tax | -          | -             | 105,095,826         | -         | -            | 94,454,554       |
| Permanent differences                            | 14,461,309 | (100,553,232) | (86,091,923)        | 1,611     | (72,081,611) | (72,080,000)     |
| Temporary differences                            | 62,843,268 | (17,435,633)  | 45,407,635          | 3,129,548 | (22,173,610) | (19,044,062)     |
| <b>Tax base (taxable profit/(loss))</b>          | <b>-</b>   | <b>-</b>      | <b>64,411,538</b>   | <b>-</b>  | <b>-</b>     | <b>3,330,492</b> |
| <b>Current income tax</b>                        | <b>-</b>   | <b>-</b>      | <b>(16,102,885)</b> | <b>-</b>  | <b>-</b>     | <b>(932,537)</b> |

During 2016 the permanent differences adjustments increases due mostly to the reverse of the fiscal impairments (11,563,611 euros) and decreases due to dividends (-36,595,827 euros) and sales exempt results of Ausol and Bip&Drive results of (-58,107,227 euros).

In 2016, the Company opted to apply the tax regime established in articles 107 and 108 of Corporate Income Tax Law 27/2014, of 27 November (Ley del Impuesto sobre Sociedades, LIS). The application of said regime affects the taxation of possible dividends and gains obtained by the Company's shareholders. Taxable yet exempt income amounted to 36,595,827 euros in 2016, (17,425,014 euros in 2015). The information necessary for the application of this regime is detailed below.

| €   | 2016              | 2015              |
|---|-------------------|-------------------|
| Autoestrada do Algarve - Via do Infante - Sociedade Concessionaria, S.A. (Portugal) | 12,609,985        | 10,396,350        |
| Auto-estrada Norte Litoral, S.A. (Portugal)   | 22,239,998        | 6,002,401         |
| Vialivre, S.A. (Portugal)   | 1,147,985         | 638,704           |
| Algarve international BV (Netherlands)  | 597,859           | 387,559           |
| <b>Dividends</b>  | <b>36,595,827</b> | <b>17,425,014</b> |

In 2016, the Company did not distribute dividends against taxable yet exempt income.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 15. Taxation (continued)

In 2016, no taxes were paid abroad on account of dividend repatriation from an external source. No gains were obtained that could be considered exempt under article 21 of the Ley de Impuestos sobre Sociedades (note 25).

Under the new regime stated above, the Company must separate "taxable yet exempt reserves" generated from investments in the equity of non-resident operating companies (representing at least 5% of the capital of these companies or whose acquisition value was over 20 million euros) and of permanent establishments abroad, from the rest of reserves.

For the purposes of classification, the Company has used the following criterion:

During 2016, dividends received from non-resident companies for the amount of 36,595,827 euros were classified as taxable yet exempt reserves.

Temporary differences are generated by the movements in the credits provisions (such like the provision increase of the credit to Cintra Inversora de Auopistas de Cataluña, S.A. for the amount of 17,264,293 euros and the excess of the provision of the credit to Serranopark, S.A. in 5,490,136 euros) and the partial (one five) reverse of the fiscal investment impairment in Inversora Madrid Sur, S.L. and Inversora Madrid Levante, S.L. (44,713,574 euros).

#### Details of deferred taxes during 2016 and 2015

| Assets   | 2016              | 2015              |
|--|-------------------|-------------------|
| Tax credits for deductions                       | 3,994,541         | 3,994,541         |
| Non-deductible accounting provisions             | 35,284,447        | 24,651,740        |
| Forwards   | 482,186           | 834,288           |
| <b>Final balance</b>                             | <b>39,761,174</b> | <b>29,480,569</b> |
| <br>   |                   |                   |
| Liabilities                                      | 2016              | 2015              |
| Forwards   | -                 | 5,494,415         |
| Mergerwith Laertida, S.L. (accounting provision) | 62,870,795        | 62,870,795        |
| <b>Final balance</b>                             | <b>62,870,795</b> | <b>68,365,210</b> |

#### Years open for review and tax audits

Under current legislation, taxes cannot be deemed definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year examination period has expired. At 30 December 2016, the Company has the financial year 2012-2016 open to possible inspection. The Company's Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any liabilities that might arise would not have a material effect on the accompanying financial statements.

The Company is currently not subject to any audit.

The Directors state that there are no significant contingencies of a tax nature at the close of the 2016 financial year, other than the ones described in note 24.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 16. Investments in subsidiaries

The movement of investments in subsidiaries during 2016 and 2015 are as follows:

| €                                | 2016               | 2015                 |
|----------------------------------|--------------------|----------------------|
| <b>Cost</b>                      |                    |                      |
| At 1 January                     | 1,408,458,521      | 2,083,911,766        |
| Additions                        | 50,279,328         | 690,521,773          |
| Disposals                        | (565,070,844)      | (1,365,975,018)      |
| At 30 December                   | 893,667,005        | 1,408,458,521        |
| <b>Provisions for impairment</b> |                    |                      |
| At 1 January                     | (109,140,180)      | (392,989,114)        |
| Written off                      | (2,867,779)        | (10,706,785)         |
| Written back                     | 28,427,142         | 294,555,719          |
| At 30 December                   | (83,580,817)       | (109,140,180)        |
| <b>Carrying amount</b>           |                    |                      |
| At 31 December                   | 1,299,318,341      | 1,690,923,920        |
| <b>At 30 December</b>            | <b>810,086,188</b> | <b>1,299,318,341</b> |

Note 38 includes details of all related undertakings and forms part of these financial statements.

Below are the transactions with regard to inversions:

|  | % 2016  | 2015                 | Additions         | Disposals            | 2016               |
|--|---------|----------------------|-------------------|----------------------|--------------------|
| Cintra Autopistas Integradas, S.A. (Spain)                               | 0%      | 20,990,200           | -                 | (20,990,200)         | -                  |
| Cintra Inversiones, S.L. (Spain)   | 0%      | 320,291,219          | -                 | (320,291,219)        | -                  |
| Cintra Servicios de Infraestructuras, S.L. (Spain)                       | 0%      | 20,781,069           | -                 | (20,781,069)         | -                  |
| Cintra Inversora Autopistas de Cataluña, S.A (Spain)                     | 100.00% | 6,020                | -                 | -                    | 6,020              |
| Autopista del Sol, S.A. (Spain)  | 0%      | 198,777,347          | 4,231,009         | (203,008,356)        | -                  |
| Auto-estrada Norte Litoral, S.A. (Portugal)                              | 100.00% | 66,860,115           | 16,228,075        | -                    | 83,088,190         |
| Autoestrada do Algarve - Via do infante - Sociedade Concessionaria, S.A. | 96.99%  | 22,931,611           | 6,751,832         | -                    | 29,683,443         |
| Euroscut Açores, S.A. (Portugal)   | 89.20%  | 62,185,019           | 2,850,157         | -                    | 65,035,176         |
| Via Livre, S.A. (Portugal)   | 84.04%  | 42,02                | -                 | -                    | 42,020             |
| Algarve Internacional BV (Netherlands)                                   | 97.00%  | 213,86               | 400,000           | -                    | 613,860            |
| Autostrada Poludnie, S.A. (Poland)                                       | 93.68%  | 19,081,017           | -                 | -                    | 19,081,017         |
| Cintra UK 177 Ltd (UK)   | 100.00% | 1,777,251            | -                 | -                    | 1,777,251          |
| Ferrovial Holding US Corp (USA)  | 100.00% | 674,521,773          | 19,818,255        | -                    | -                  |
| <b>Total investments in subsidiaries</b>                                 |         | <b>1,408,458,521</b> | <b>50,279,328</b> | <b>(565,070,844)</b> | <b>893,667,005</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 16. Investment in subsidiaries (continued)

The explanation of the movements during the 2016 financial year is as follows:

- On 8 March, the Company increased its capital in Autopista del Sol, S.A. by an amount of 4,231,009 euros.
- On 26 April, the Company sold its 80% share in Autopista del Sol, S.A. to Cintra España, S.L. for an amount of 203,008,341 euros, generating a profit of 55,401,659 euros.
- On 14 January, the Company bought 24.46% of Auto-estradas Norte Litoral S.A. for an amount of 16,228,075 euros from minority shareholders, coming to hold a percentage share of 99.99%.
- On 10 May, the Company bought 19.99% of Autoestradas do Algarve - Via do Infante - Sociedade Concessionaria, S.A. for an amount of 6,751,832 euros from the minority shareholders of the Company Autoestradas do Algarve - Via do Infante - Sociedade Concessionaria S.A., coming to hold a 96.99% share in the concessionaire.
- On 4 February, the Company made a capital contribution to Euroscut Azores, S.A. for an amount of 2,850,157 euros.
- On 10 May, the Company bought out the minority shareholders of the Company Algarve International BV, coming to hold a percentage share of 96.77% and on November 2, the Company bought out the minority shareholders of the Company Algarve International BV, coming to hold a percentage of 97.00%.
- On 18 January, the Company sold its 100% share in Cintra Autopistas Integradas, S.A. to Cintra España, S.L. for an amount of 1 euros. The investment was impaired in previous years in 20,990,200 euros so that this sale hasn't produced any impact in the Income Statement.
- On 18 January, the Company sold its 100% share in Cintra Inversiones, S.L. to Cintra España, S.L. for an amount of 317,911,476 euro. The investment was impaired in previous years in 2,379,742 euros so that this sale hasn't produced any impact in the Income Statement.
- On 18 January, the Company sold its 100% share in Cintra Servicios de Infraestructuras, S.A. to Cintra España, S.L. for an amount of 15,723,870 euros. The investment was impaired in previous years in 5,057,199 euros so that this sale hasn't produced any impact in the Income Statement.
- Up until May 30, various capital contributions have been made to Ferrovial Holding US Corp. for a total amount of 19,818,254.77 euros for the purpose of investing these funds in the purchase of shares of the Company NTE 35W.

Below are the details of transactions with regards to portfolio provisions for the corporate year:

|   | € | %       | 2015          | Aditions    | Disposals  | 2016         |
|---|---|---------|---------------|-------------|------------|--------------|
| Cintra Autopistas Integradas, S.A. (Spain)            |   | 0%      | (20,990,200)  | -           | 20,990,200 | -            |
| Cintra Inversiones, S.L. (Spain)                      |   | 0%      | (2,379,742)   | -           | 2,379,743  | -            |
| Cintra Servicios de Infraestructuras, S.L. (Spain)    |   | 0%      | (5,057,199)   | -           | 5,057,199  | -            |
| Cintra Inversora Autopistas de Cataluña, S.L. (Spain) |   | 100.00% | (6,020)       | -           | -          | (6,020)      |
| Euroscut Açores, S.A. (Portugal)                      |   | 89.20%  | (62,185,019)  | (2,850,157) | -          | (65,035,176) |
| Autostrada Poludnie, S.A. (Poland)                    |   | 93.68%  | (18,521,999)  | (17,622)    | -          | (18,539,621) |
| Total subsidiaries impairment                         |   |         | (109,140,180) | (2,867,779) | 28,427,142 | (83,580,817) |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 16. Investment in subsidiaries (continued)

- The Euroscut Açores motorway has been affected by various outside factors which have made it difficult for the project to generate sufficient cash flows to deal with the future payment of specific commitments. This has mainly been due to the fact that during the first and second year of Concession operation, the traffic recorded a decline of 32% and 34% respectively, in comparison with traffic planned in the bid, mainly due to the financial crisis.

As a result of the foregoing, on 26 June 2013 the Company started arbitration proceedings leading to the recognition of its right to financial compensation due to the unforeseeable decline in traffic compared to its bid, along with the Administration granting the concession's refusal to recognise it.

The Arbitration Court gave its ruling on 6 July 2016, without no appeal allowed, in which it recognises financial compensation for the Concessionaire amounting to:

- 4.8 million euros for damages suffered in 2012 and 2013.
- the 45% difference between worst-case scenario planned traffic and actual traffic for the period between 1 January and 30 June 2014.
- the interest applicable to the amounts indicated in a) and b) above.

After the end of the financial year, on 11 April 2017 the concessionaire received the compensation amount from the Government (7,135,550 euros). Nevertheless, on the date of issuing this report, the amount corresponding to the interest is pending payment (955,954 euros).

- During 2016 Cintra has sold Cintra Autopsitas Integradas, S.A., Cintra Inversiones, S.L. and Cintra Servicios de Infraestructuras, S.A. and has applied their impairments.

#### 17. Investment in associates

The movements for investments in associated companies during the 2016 and 2015 corporate year are the following:

| €                                 | 2016              | 2015              |
|-----------------------------------|-------------------|-------------------|
| <b>Cost</b>                       |                   |                   |
| At 1 January 2016                 | 264,556,860       | 22,061,897        |
| Additions                         | -                 | 242,494,963       |
| Disposals                         | (11,464,924)      | -                 |
| At 30 December 2016 (31 Dec 2015) | 253,091,936       | 264,556,860       |
| <b>Provisions for impairment</b>  |                   |                   |
| At 1 January 2016                 | (250,055,791)     | (9,642,840)       |
| Written off                       | (12,300)          | -                 |
| Written back                      | 9,642,840         | (240,412,951)     |
| At 30 December 2016 (31 Dec 2015) | (240,425,251)     | (250,055,791)     |
| <b>Carrying amount</b>            |                   |                   |
| At 31 December 2015               | 14,501,069        | 12,419,057        |
| <b>At 30 December 2016</b>        | <b>12,666,685</b> | <b>14,501,069</b> |

Note 38 includes details of all related undertakings and forms part of these financial statements.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 17. Investment in associates (continued)

Transactions from the 2016 corporate year are the following:

| €   | %      | 2015               | Disposals           | 2016               |
|---|--------|--------------------|---------------------|--------------------|
| Serranopark, S.A (Spain)                                  | 0.00%  | 9,642,840          | (9,642,840)         | -                  |
| Bip & Drive, S.A. (Spain)                                 | 0.00%  | 1,822,084          | (1,822,084)         | -                  |
| Autovia de la Plata, S.A (Benavente Zamora (A66)) (Spain) | 25.00% | 11,531,253         | -                   | 11,531,253         |
| Autovia del Almanzora, S.A. (Spain)                       | 23.75% | 1,628,330          | -                   | 1,628,330          |
| Inversora Autopistas de Levante, S.L (Spain)              | 51.84% | 50,097,881         | -                   | 50,097,881         |
| Inversora Autopista del Sur, S.L. (Spain)                 | 55.00% | 189,834,472        | -                   | 189,834,472        |
| <b>Total cost of associates</b>                           |        | <b>264,556,860</b> | <b>(11,464,924)</b> | <b>253,091,936</b> |

- On 18 January, the Company sold its 25% share in Bip & Drive, S.A. to Cintra España, S.L. for a value of 4,527,653 euros and a profit in the Income Statement of 2,705,569 euros.
- On 27 December, the Company sold its 50% share in Serrano Park, S.A. to Cintra España, S.L. for an amount of 1 euros

During 2016 the Company has done the next provisions movements in its associated investments:

| €  | 2016 % | 2015                 | Disposals        | 2016                 |
|--|--------|----------------------|------------------|----------------------|
| Serranopark, S.A (Spain)                     | 0.00%  | (9,642,840)          | 9,642,840        | -                    |
| Autovia del Almanzora, S.A. (Spain)          | 23.75% | (480,598)            | (12,300)         | (492,898)            |
| Inversora Autopistas de Levante, S.L (Spain) | 51.84% | (50,097,881)         | -                | (50,097,881)         |
| Inversora Autopista del Sur, S.L. (Spain)    | 55.00% | (189,834,472)        | -                | (189,834,472)        |
| <b>Impairments</b>                           |        | <b>(250,055,791)</b> | <b>9,630,540</b> | <b>(240,425,251)</b> |

- The impairment in **Inversora Autopistas de Levante, S.L. (AP36)** is related to the bankruptcy proceedings of the Company it should be noted that during the 2016 financial year they have continued in the liquidation phase after starting this phase through a decree dated February 2015 by the Madrid 2nd Trade Court, which rejected the agreed proposal by the public entity SEITTSA as it contained faults which cannot be resolved.

The decree opening the liquidation phase was appealed by the State Lawyer before the Madrid Provincial Court and finally on 7 December 2016 the Provincial Court ruled on the appeal, maintaining that the SEITTSA agreement contains faults which cannot be resolved and consequently it must continue with the Company's liquidation once the liquidators present the required liquidation plan. Nevertheless, this obligation is currently de facto suspended given that the court has not required the liquidators to present this Liquidation Plan.

- The bankruptcy proceedings for **Inversora de Autopistas del Sur, S.L.** continued throughout 2016 during the common phase, with the bankruptcy incidents being handled during the financial year yet to be resolved. Nevertheless, after the end of the financial year on 24 March 2017, the Decree which ended the common phase of the bankruptcy proceedings and opened the agreement phase was served, resolving the majority of the pending bankruptcy incidents.

On 12 April 2017, the Insolvent parties requested opening of the liquidation phase before the Madrid 4th Trade Court and on 17 May 2017 the Insolvent Parties were informed of a Decree which agreed upon the opening of the liquidation phase, approving the termination of the directors of both companies and their automatic substitution with the bankruptcy administration which have become liquidators.

During the 2016 financial year, the State Administration was subrogated in the position of various expropriated creditors, after having satisfied, in accordance with legal rulings, the fair prices and interest on arrears fixed by the Courts for expropriation cases where the State's liability has been declared.



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 17. Investment in associates (continued)

- During 2016 Cintra has sold Serranopark, S.A. and has applied the impairment provision.

The Company had during 2016 and 2015 the next equity commitments not disbursed in associated investments:

|                                    | %      | 2015               | Disposals      | 2016               |
|------------------------------------|--------|--------------------|----------------|--------------------|
| Bip & Drive, S.A. (*)              | 0.00%  | (585,926)          | 585,926        | -                  |
| Autovia del Almanzora, S.A.        | 23.75% | (2,586,375)        | -              | (2,586,375)        |
| <b>Total associates impairment</b> |        | <b>(3,172,301)</b> | <b>585,926</b> | <b>(2,586,375)</b> |

(\*) Bip & Drive, S.A. has been sold during 2016.

#### 18. Deferred Taxes

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

| Deferred tax assets                  | 2015              | Movements         | 2016              |
|--------------------------------------|-------------------|-------------------|-------------------|
| Deferred asset tax for deductions    | 3,994,541         | -                 | 3,994,541         |
| Impairment provisions non-deductible | 24,651,740        | 10,632,707        | 35,284,447        |
| Derivatives (forwards)               | 834,288           | (352,102)         | 482,186           |
| <b>Total</b>                         | <b>29,480,569</b> | <b>10,280,605</b> | <b>39,761,174</b> |

| Deferred tax liabilities                  | 2015              | Movements          | 2016              |
|---|-------------------|--------------------|-------------------|
| Derivatives (forwards)                    | 5,494,415         | (5,494,415)        | -                 |
| Deferred tax - Merger with Laertida, S.L. | 62,870,795        | -                  | 62,870,795        |
| <b>Total</b>                              | <b>68,365,210</b> | <b>(5,494,415)</b> | <b>62,870,795</b> |

The deferred tax assets mentioned above have been recorded in the accompanying balance sheet as the Directors of the Company consider that, based on the best estimate of the Company's future results, these assets are likely to be recovered.

The main deferred tax asset balances correspond to (note 15):

- Deferred tax accounting provision of 35,284,447 euros, mainly due to loan losses to group companies.
- Tax credits for deductions, which have not yet been used by the Company, amounting to 3,994,541 euros.

As regards the balances of deferred tax liabilities, they correspond to (note 15):

- Tax provisions integrated into the Company after the merger with Laertida, S.L., for impairment of the investment in Cintra US Holding, which have been applied and which generate the corresponding deferred tax liabilities (62,870,795 euros).

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

### 18. Deferred Taxes (continued)

The Company has the following credit taxes for losses and allowances unrecognised, they all come from the merger with Laertida in 2015.

#### *Unrecognised deferred tax assets*

|      | Tax credits for tax losses<br>(euros) | Period usable |
|------|---------------------------------------|---------------|
| 2008 | 13,472,542                            | Do not expire |
| 2009 | 21,053,404                            | Do not expire |
| 2010 | 17,118,457                            | Do not expire |
|      | <b>51,644,403</b>                     |               |

|      | Tax credits for allowances<br>(euros) | Period usable |
|------|---------------------------------------|---------------|
| 2005 | 54,527,413                            | 2020          |
| 2006 | 70,660,230                            | 2021          |
| 2007 | 6,712,663                             | 2022-2025     |
| 2008 | 2,153,761                             | 2023-2026     |
| 2009 | 1,217,437                             | 2024-2027     |
| 2010 | 2,764,469                             | 2025-2028     |
|      | <b>138,035,973</b>                    |               |

### 19. Loans to related parties

The summary of debts to group and associated companies over the long and short term for the 2016 and 2015 corporate years is the following:

| €  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Loans to related parties (non-current assets)</b> | <b>186,773</b>     | <b>(269,441)</b>   |
| Long-term loans                                      | 186,773            | 11,456,771         |
| Impairment in long-term loans                        | -                  | (11,726,212)       |
| <b>Loans to related parties (current assets)</b>     | <b>373,482,423</b> | <b>299,763,449</b> |
| Short-term loans                                     | 177,108,593        | 167,430,975        |
| Impairment in short-term loans                       | (49,623,312)       | (31,493,618)       |
| Current accounts with group companies                | 245,997,142        | 163,826,092        |
| <b>Total debts to group companies</b>                | <b>373,669,196</b> | <b>299,494,008</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 19. Loans to related parties (continued)

##### a) Loans to group and associated companies

The net final balance of loans as of 30 December 2016 and 2015 is the following:

| €  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Long-term loans</b>                               | <b>186,773</b>     | <b>(269,440)</b>   |
| Serranopark, S.A.                                    | -                  | (444,768)          |
| Autovia del Almanzora, S.A.                          | 186,773            | 175,328            |
| <b>Short-term loans</b>                              | <b>127,485,281</b> | <b>135,937,358</b> |
| Inversora de Autopistas del Sur, S.L.-1              | -                  | 6,566              |
| Inversora de Autopistas del Sur, S.L.-2              | -                  | -                  |
| Inversora de Autopistas del Sur, S.L.-3              | -                  | -                  |
| Inversora de Madrid Levante, S.L.                    | -                  | -                  |
| Autopista Madrid Sur, S.L.                           | -                  | 5,513              |
| Cintra Inversora de Autopistas Cataluña S.L.         | 127,500,001        | 135,939,999        |
| Current account Inversora Autopista Madrid Sur, S.A. | (14,720)           | (14,720)           |
| <b>Total credits</b>                                 | <b>127,672,054</b> | <b>135,667,918</b> |

The loan transactions before impairment with group and associated companies as of 30 December 2016 are the following:

|  | 2015               | Drawdowns /<br>Capitalization<br>Interest /<br>amortized cost | Loan transfer       | 2016               |
|--|--------------------|---|---------------------|--------------------|
| <b>Long-term loans</b>                       | <b>11,456,772</b>  | <b>520.360</b>  | <b>(11,790,359)</b> | <b>186,773</b>     |
| Serranopark S.A.                             | 11,281,444         | 508,915   | (11,790,359)        | -                  |
| Autovia del Almanzora S.A.                   | 175,328            | 11,445  | -                   | 186,773            |
| <b>Short-term loans</b>                      | <b>167,430,975</b> | <b>9,677,619</b>  | <b>-</b>            | <b>177,108,594</b> |
| Inversora de Autopista Madrid Levante S.L.   | 2,751,530          | -   | -                   | 2,751,530          |
| Inversora de Autopistas del Sur S.L. - 1     | 10,297,282         | 557,585   | -                   | 10,854,867         |
| Inversora de Autopistas del Sur S.L. - 2     | 2,817,527          | 197,287   | -                   | 3,014,814          |
| Inversora de Autopistas del Sur S.L. - 3     | 602,783            | 38,915  | -                   | 641,698            |
| Autopista Madrid Sur S.L.                    | 1,013,123          | 59,538  | -                   | 1,072,661          |
| Cintra Inversora de Autopistas Cataluña S.L. | 149,948,730        | 8,824,294   | -                   | 158,773,024        |
| <b>Total credits</b>                         | <b>178,887,747</b> | <b>10,197,979</b>   | <b>(11,790,359)</b> | <b>177,295,367</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 19. Loans to related parties (continued)

For loans that are partially or completely impaired, the impairment transactions for the 2016 corporate year are as follows:

|  | 2015                | Allotment /<br>Reversal | 2016                |
|--|---------------------|-------------------------|---------------------|
| <b>Long-term loans</b>                               | <b>(11,726,212)</b> | <b>11,726,212</b>       | <b>-</b>            |
| Serranopark, S.A.                                    | (11,726,212)        | 11,726,212              | -                   |
| <b>Short-term loans</b>                              | <b>(31,493,618)</b> | <b>(18,129,694)</b>     | <b>(49,623,312)</b> |
| Inversora de Autopista Madrid Levante, S.L.          | (2,751,530)         | -                       | (2,751,530)         |
| Inversora de Autopistas del Sur, S.L. - 1            | (10,290,719)        | (564,148)               | (10,854,867)        |
| Inversora de Autopistas del Sur, S.L. - 2            | (2,817,527)         | (197,287)               | (3,014,814)         |
| Inversora de Autopistas del Sur, S.L. - 3            | (602,781)           | (38,914)                | (641,695)           |
| Autopista Madrid Sur, S.L.                           | (1,007,610)         | (65,052)                | (1,072,662)         |
| Cintra Inversora de Autopistas Cataluña S.L.         | (14,008,731)        | (17,264,293)            | (31,273,024)        |
| Current account Inversora Autopista Madrid Sur, S.A. | (14,720)            | -                       | (14,720)            |
| <b>Total credits</b>                                 | <b>(43,219,830)</b> | <b>(6,403,482)</b>      | <b>(49,623,312)</b> |

Interest transactions for the 2016 corporate year are as follows:

|  | 2015 | Accrual (*) | Collections | Retention | Capitalisation/<br>Amortised cost | 2016 |
|--|------|-------------|-------------|-----------|-----------------------------------|------|
| Inversora de Autopistas del Sur, S.L. - 1    | -    | 557,585     | -           | -         | (557,585)                         | -    |
| Inversora de Autopistas del Sur, S.L. - 2    | -    | 197,287     | -           | -         | (197,287)                         | -    |
| Inversora de Autopistas del Sur, S.L. - 3    | -    | 38,915      | -           | -         | (38,915)                          | -    |
| Autopista Madrid Sur, S.L.                   | -    | 59,538      | -           | -         | (59,538)                          | -    |
| Cintra Inversora de Autopistas Cataluña S.L. | -    | 8,824,294   | -           | -         | (8,824,294)                       | -    |
| Serranopark, S.A.                            | -    | 508,915     | -           | (32,862)  | (476,053)                         | -    |
| Autovía del Almanzora, S.A.                  | -    | 11,445      | -           | (1,095)   | (10,350)                          | -    |
| <b>Total</b>                                 | -    | 10,197,979  | -           | (33,957)  | (10,164,022)                      | -    |

(\*) Accruals includes amortised cost

The conditions of loans are the following:

#### ➤ Serranopark, S.A.

- Type: Subordinated equity loan
- Date formalised: 28/02/2011
- Maturity date: 31/12/2034, the same as the maturity of senior debt for the Company Serranopark, S.A.
- Balance: the available balance as of 31/12/2016 is 0 euros. Given that the Company sold its share in the Company Serranopark, S.A. to Cintra España, S.L. in December 2016, the rights and obligations of the shares were transferred to the purchasing company.
- Interest rate: Fixed rate: 6 month Euribor +3%; Variable rate: 20% of the surplus cash flow. At the 6-month CAP Euribor plus 5%.
- Interest: 172,956 euros have accrued (508,915 euros including amortized cost) and 140,094 euros have been capitalised minus the 19% retention.
- Serranopark, S.A. was sold during 2016 and its loans were also transferred to the new shareholder. The loan provision has been partially reverted.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 19. Loans to related parties (continued)

##### ➤ Almanzora, S.A.

- Type: Subordinated loan
- Date formalised: 1/06/2012
- Maturity date: 31/12/2017
- Balance: the balance as of 31/12/2016 is 186,773 euros.
- Interest rate: 6 month Euribor rate plus 3.5%
- Interest: interest accrued for 5,761.40 euros (11,445 euros including amortized cost), 4,666.73 euros of which have been capitalised minus the 19% retention.

##### ➤ Inversora Madrid Levante, S.L.

- Type: Subordinated equity loan
- Date formalised: 30/07/2004
- Maturity date: 4/12/2012 (date of the declaration of bankruptcy proceedings)
- Balance: the available balance as of 31/12/2016 is 2,751,530 euros
- Interest rate: 50% of excess cash flows
- Interest: no interest is currently accrued due to being involved in bankruptcy proceedings.
- Provision: This loan has been impaired as its borrower is undergoing voluntary bankruptcy and there are doubts with regards to its recoverability. Because of this, it is completely covered by a provision for 2,751,530 euros.

##### ➤ Inversora de Autopistas del Sur, S.L - 1

- Type: Subordinated loan
- Date formalised: 24/11/2009 (effective as of 27/01/2009)
- Maturity date: 04/10/2012 (date of the declaration of bankruptcy proceedings)
- Balance: the balance available as of 31/12/2016 is 10,854,866.89 euros, an amount which is greater than the limit due to the capitalisation of interest.
- Interest rate: 3 month Euribor plus 3% plus 2% interest for tardiness.
- Interest: interest accrued for 557,585 euros, which has been capitalised during the corporate year.
- Impairment: This loan has been completely impaired due to the fact that the borrower is undergoing voluntary bankruptcy proceedings and there exist doubts with respect to its recoverability. The amount of the provision is 10,854,867 euros.

##### ➤ Inversora de Autopistas del Sur, S.L - 2

- Type: Subordinated loan
- Date formalised: 27/07/2011
- Maturity date: 04/10/2012 (date of the declaration of bankruptcy proceedings)
- Balance: the balance available as of 31/12/2016 is 3,014,813.85 euros, an amount which is greater than the limit due to the capitalisation of interest.
- Interest rate: 3 month Euribor plus 4.5% plus 2% interest for tardiness.
- Interest: 197,287 euros have been accrued, which have been capitalised during the corporate year.
- Impairment: This loan has been completely impaired due to the fact that the borrower is undergoing voluntary bankruptcy proceedings and there exist doubts with respect to its recoverability. The amount of the provision is 3,014,814 euros.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 19. Loans to related parties (continued)

##### ➤ Inversora de Autopistas del Sur, S.L. – 3 / Autopista Madrid Sur, S.A

- Type: Subordinated loan granted to Inversora de Autopista del Sur, S.L. and to Autopista Madrid Sur, S.A.
- Date formalised: 15/9/2011
- Maturity date: 04/10/2012 (date of the declaration of bankruptcy proceedings)
- Balance: the balance available as of 31/12/2016 is 1,714,357 euros, because of which it is not available in its entirety.
- Interest rate: 3 month Euribor plus 4.5% plus 6.5% interest for tardiness.
- Interest: 98,453 euros have been accrued (38,915 euros Inversora de Autopista del Sur, S.L. and 59,538 euros Autopista Madrid Sur, S.A.), which have been capitalised during the corporate year.
- Impairment: This loan has been completely impaired due to the fact that the borrower is undergoing voluntary bankruptcy proceedings and there exist doubts with respect to its recoverability. Because of this, it is covered by a provision for 1,714,357 euros.

##### ➤ Cintra Inversora de Autopistas de Cataluña, S.L.U

- Type: Equity loan
- Date formalised: 7/5/2008
- Maturity date: 31/12/2016
- Balance: the balance available as of 31/12/2016 is 158,773,024 euros, an amount which is greater than the limit due to the capitalisation of interest.
- Interest rate: Fixed Rate: EURIBOR minus 1%; Variable rate: 40% of the financial earnings from the loan with Inversora de Autopistas de Cataluña. At the 1 year CAP Euribor plus 5%.
- Interest: 8,824,294 euros have been accrued, which have been capitalised during the corporate year.
- Impairment: This loan is currently partially impaired and therefore covered by a provision of 31,273,024 euros. In the estimate of the recoverable value of the equity loan granted to Cintra Inversora Autopistas de Cataluña, S.L., a model that takes into consideration the entirety of the lifespan of the Autema concession was used, as this is a business with very distinct investment and growth phases, with there thus existing visibility to use a specific economic financial plan during the lifespan of the concession. Therefore, no residual values are estimated in this valuation. The forecasts used have been updated based on the historical evolution and specificities of the concession assets, using long-term modelling tools to estimate traffic, out of the ordinary maintenance, etc.

Impairment has been calculated as the difference between the book value of the loan granted and the current value of future cash flows that have been estimated will be received, discounting them at the effective interest rate calculated at the time of their initial recognition.

Specifically, at the end of the 2016 corporate year, the recoverable value of the loan granted was calculated as the greater of the fair value minus estimated sales costs or the value in use. In the model, a  $K_e$  constant discounting rate of 9.21% and a market premium of 6% are used.

The impairment test considers the scenario in which the dispute in which the Company Autopista Terrassa-Manresa is involved is resolved in favour of the Company based on an external judgement from legal advisers that states that there exist solid arguments to sustain that the publication of the new Decree implies an excess of jurisdiction with respect to the legal authority to modify the concession regime by the government granting the concession.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 19. Loans to related parties (continued)

The details of the Court proceedings regarding Decree 161/2015 expanded with Decree 337/2016 modifying the foregoing: In January 2015, the Generalitat de Catalunya notified Autema of its intention to modify the project's concession system, established pursuant to Decree 137/1999, changing from a system where the Generalitat undertakes to pay the concessionaire company the difference between the tolls levied and the operating surplus fixed in the Economic & Financial Plan, to a system where the concessionaire's payment will depend on the number of infrastructure users, with the Generalitat subsidising the toll portion paid by the user. On 14 July 2015, the Generalitat de Catalunya officially published Decree 161/2015 which contains the modification to the motorway concession contract. The Company believes that there are very strong arguments to conclude that the Administration, on ruling on Decree 161/2015, has very clearly exceeded its limits of authority for modifying contracts, which led to this Decree being appealed before the Catalonia High Court of Justice. After Autema established its appeal on 21 October 2016 following the end of the financial year, on 21 March 2017 Autema was notified that the Generalitat de Catalunya and the Consell Comarcal del Bages, a local authority which appeared as a co-defendant in the proceedings, had responded to the appeal.

Furthermore, it should be noted that on 30 December 2016, the Generalitat de Catalunya's published its Decree 337/2016 in the Official Gazette, which modifies Decree 161/2015 and extends the discount system. Given the connection between both decrees, after the end of the financial year on 23 February 2017 the Company presented an appeal to extend the proceedings covering Decree 161/2015 to this new Decree and the Catalonia HCJ agreed to this extension. Autema is waiting for time to present an appeal against this new Decree 337/2016.

#### b) Current accounts with group and associated companies

As of 30 December 2016, and 31 December 2015, this balance is the following:

|   | 2016               | 2015               |
|---|--------------------|--------------------|
| Autopista Terrasa Manresa, S.A. (Spain)                                       | -                  | 32                 |
| Ferrovial Aeropuertos Internacional, S.L. (Spain)                             | 86                 | 86,300             |
| Cintra Inversiones, S.L. (Spain)  | -                  | 4,463,380          |
| Cintra Servicios Infraestructuras, S.A. (Spain)                               | 14,429             | 10,098             |
| Euroscut Azores, S.A. (Portugal)  | -                  | 3                  |
| Autoestrada do Algarve - Via do infante - Sociedade Concessionaria (Portugal) | 9                  | 9                  |
| Auto-estradas Norte Litoral, S.A. (Portugal)                                  | 297                | 297                |
| Eurolink Motorway (Ireland)   | 7,782              | 7,782              |
| Skyway Concession Company (USA)   | 27,908             | 27,908             |
| Cintra US Services (USA)  | -                  | 40,671             |
| Cintra Texas Corp (USA)   | 1,726              | 1,727              |
| Cintra ITR LLC (USA)  | -                  | 9,995              |
| Cintra Skyway LLC (USA)   | -                  | 187                |
| Ferrovial, S.A. (Spain)   | 245,798,278        | 159,114,885        |
| <b>Total Group Companies</b>  | <b>245,850,515</b> | <b>163,763,274</b> |
| Inversora Madrid Sur (Spain)  | 516                | -                  |
| Autopista Madrid Levante S.A. (Spain)   | 2,973              | 1,911              |
| Inversora de Autopista Madrid Levante, S.L. (Spain)                           | 1,908              | 1,097              |
| Autopista Madrid Sur, S.A. (Spain)  | 54,500             | 56,820             |
| <b>Total Associates Companies</b>   | <b>59,897</b>      | <b>59,828</b>      |
| <b>Total Current Accounts</b>   | <b>245,910,326</b> | <b>163,682,979</b> |

The current accounts with group and associated companies were bearing interest at market interest rate and had no fixed repayment date.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 20. Trade and other receivables

| €   | 2016             | 2015             |
|---|------------------|------------------|
| Amounts owed by group companies (Clients) | 1,697,422        | 3,282,266        |
| Other receivables                         | 3,798,841        | 4,752,566        |
| VAT                                       | 3,748,970        | 4,044,484        |
| Corporate Tax (foreign withholding tax)   | 47,790           | 482,268          |
| Others                                    | 2,081            | 225,814          |
| Prepayments and accrued income            | 13,097           | 52               |
| <b>Included in current assets</b>         | <b>5,509,360</b> | <b>8,034,884</b> |
| <b>Included in non-current assets</b>     | <b>-</b>         | <b>-</b>         |
| <b>Total trade and other receivables</b>  | <b>5,509,360</b> | <b>8,034,884</b> |

The VAT receivable is made up of refunds due by the Spanish Tax Authority in relation to the years 2009, 2010, 2011 and 2012.

Below are the details of Group Company Clients for the years 2016 and 2015:

| €  | 2016             | 2015             |
|--|------------------|------------------|
| Cintra Servicios de Infraestructuras, S.A. (Spain)   | 15,140           | 1,610,461        |
| Autopista Terrasa-Manresa, S.A. (Spain)              | -                | 33,144           |
| Autopista del Sol, S.A. (Spain)                      | 179,718          | 30,357           |
| Laertida, S.A. (Spain)                               | -                | (936)            |
| Serranopark, S.A. (Spain)                            | 9,036            | -                |
| 407 EAST Development Group (Canada)                  | -                | 52,453           |
| OM&R 407 East Development GP (Canada)                | 52,453           | 231,336          |
| Auto-Estradas Norte Litoral, S.A. (Portugal)         | 14,463           | (666)            |
| Sucursal Portugal, S.A. (Portugal)                   | -                | 63,268           |
| Cintra US Services, LLC (USA)                        | 2,597            | 73,753           |
| LBJ Infrastructure LLC (USA)                         | -                | 14,615           |
| ITR Concession Company LLC (USA)                     | -                | 2,597            |
| NTE 3S LLC (USA)                                     | 153,194          | (1,866)          |
| I-77 Mobility Partners LLC (USA)                     | 620,807          | 644,986          |
| BlackBird Infrastructure 407 Cintra G. Partner (USA) | -                | 195,035          |
| Cintra Global Holding, LTD (UK)                      | -                | 33,364           |
| Scot Roads Partnership Project Ltd (UK)              | 22,772           | 54,635           |
| Zero Bypass Limited (Slovakia)                       | 420,002          | -                |
| Ferrovial, S.A. (Spain)                              | (87,859)         | (87,859)         |
| Ferrovial Corporación, S.A. (Spain)                  | 7,513            | 7,513            |
| Ferrovial Aeropuertos, S.A. (Spain)                  | 43,148           | 43,148           |
| Ferrovial Agromán, S.A. (Spain)                      | 226,288          | 226,288          |
| Ferrovial Agromán Ireland (Ireland)                  | 18,150           | 18,150           |
| <b>Total Group Companies Clients</b>                 | <b>1,697,422</b> | <b>3,243,776</b> |
| Autopista Madrid Sur, S.A. (Spain)                   | -                | 38,489           |
| <b>Total Associates Companies Clients</b>            | <b>-</b>         | <b>38,489</b>    |
| <b>Total Companies Clients</b>                       | <b>1,697,422</b> | <b>3,282,266</b> |



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 21. Derivative financial instruments

The details of derivatives with respect to the nature of the contract:

| €   | 2016               | 2015             |
|---|--------------------|------------------|
| <b>Derivatives that are designated and effective as hedging instruments carried at fair value</b> |                    |                  |
| Forward foreign currency contracts  | (527,181)          | 5,461,323        |
| <b>Financial assets carried at fair value through profit or loss (FVTPL)</b>                      |                    |                  |
| Held for trading derivatives that are not designated in hedge accounting relationships:           |                    |                  |
| Foreign currency options  | (3,275,358)        | -                |
| Deliverable Forward   | 322,361            | (612,632)        |
|   | <b>(3,480,178)</b> | <b>4,848,691</b> |

#### 22. Trade and other payables

| €   | 2016              | 2015              |
|---|-------------------|-------------------|
| Trade payables  | 12,106            | 68,568            |
| Amounts owed to group companies (suppliers)                   | 4,285,066         | 12,220,989        |
| Corporate Tax (consolidated tax returns, anticipated refunds) | 6,372,425         | -                 |
| Other taxation and social security                            | 33,454            | 27,259            |
| Other payables  | 20,384            | 19,932            |
| <b>Total</b>  | <b>10,725,243</b> | <b>12,336,748</b> |

Transactions carried out between group companies are due to services received as support for tendering, support for the management of assets and the costs of providing guarantees for different projects.

Below are the details of group company suppliers for the years 2016 and 2015:

| €  | 2016             | 2015              |
|--|------------------|-------------------|
| Cintra Servicios de Infraestructuras, S.L. (Spain)     | 34,893           | 367,502           |
| Autopista Alcalá O'Donnell, S.A. (Spain)               | 620              | 620               |
| Cintra US Holding (USA)                                | -                | 5,328             |
| Amey Ventures LTD (UK)                                 | 9,316            | 9,316             |
| Ferrovial, S.A. (Spain)                                | 3,336,254        | 10,938,109        |
| Ferrovial Corporación, S.A. (Spain)                    | 353,596          | 353,596           |
| Ferrovial Aeropuertos, S.A. (Spain)                    | 19,019           | 19,019            |
| Ferrovial Agromán, S.A. (Spain)                        | 519,048          | 519,048           |
| Ferrovial Internacional, S.L.U. (Spain)                | 11,686           | 11,686            |
| <b>Total Group Companies</b>                           | <b>4,284,432</b> | <b>12,224,224</b> |
| Intervial Chile, S.A. (Chile)                          | 542              | 542               |
| Autopista Madrid-Levante, S.A. (Spain)                 | -                | -                 |
| <b>Total Associated</b>                                | <b>542</b>       | <b>542</b>        |
| Exchange rate differences                              | 92               | -3,777            |
| <b>Total group and associated companies' suppliers</b> | <b>4,285,066</b> | <b>12,220,989</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 23. Borrowings

This note refers to both the loans received from group and associated companies as well as the current accounts that the Company maintains with group and associated companies.

| Company                               | Balance at 31/12/2015 | Transfers           | Dispositions       | Amortizations        | Amortised cost | Capitalisations  | Change differences | Balance at 31/12/2016 |
|---------------------------------------|-----------------------|---------------------|--------------------|----------------------|----------------|------------------|--------------------|-----------------------|
| Cintra Inversiones, S.L.1             | 254,067,092           | (40,000,000)        | -                  | -                    | 50,942         | 3,753,114        | -                  | 217,871,148           |
| Autovía de la plata                   | -                     | -                   | 2,750,000          | -                    | -              | -                | -                  | 2,750,000             |
| <b>Drawn down and long-term int.</b>  | <b>254,067,092</b>    | <b>(40,000,000)</b> | <b>2,750,000</b>   | <b>-</b>             | <b>50,942</b>  | <b>3,753,114</b> | <b>-</b>           | <b>220,621,148</b>    |
| Cintra Inversiones, S.L.2             | 284,682,416           | 40,000,000          | 50,419,571         | (110,651,524)        | -              | 3,832,344        | -                  | 268,282,807           |
| Serranopark, S.A                      | 1,492,606             | (1,473,466)         | -                  | (54,328)             | -              | 35,189           | -                  | -                     |
| Cintra ITR                            | 24,141,854            | -                   | -                  | (23,961,072)         | -              | 267,064          | (447,846)          | -                     |
| <b>Current accounts</b>               | <b>502,972</b>        |                     | <b>54,855,229</b>  |                      |                |                  |                    | <b>55,358,201</b>     |
| <b>Drawn down and short-term int.</b> | <b>310,819,848</b>    | <b>38,526,534</b>   | <b>105,274,800</b> | <b>(134,666,925)</b> | <b>-</b>       | <b>4,134,597</b> | <b>(447,846)</b>   | <b>323,641,008</b>    |
| <b>Total Loans EG</b>                 | <b>564,886,940</b>    | <b>(1,473,466)</b>  | <b>108,024,800</b> | <b>(134,666,925)</b> | <b>50,942</b>  | <b>7,887,711</b> | <b>(447,846)</b>   | <b>544,262,156</b>    |

The detail of interest flows corresponding to 2016 is as follows:

| €  | Initial Balance | Expenses         | Capitalisation     | Withholdings   | Payment of interest | Final balance |
|--|-----------------|------------------|--------------------|----------------|---------------------|---------------|
| Cintra Inversiones, S.L. (long-term) (Spain)             | -               | 3,832,344        | (3,832,344)        | -              | -                   | -             |
| Cintra Inversiones, S.L. (short-term) (Spain)            | -               | 3,753,114        | (3,753,114)        | -              | -                   | -             |
| Serranopark, S.A. (Spain)                                | 6,284           | 41,210           | (35,189)           | (8,254)        | (4,052)             | -             |
| Cintra ITR LLC (USA)                                     | -               | 267,064          | (267,064)          | -              | -                   | -             |
| <b>Total Group Companies</b>                             | <b>6,284</b>    | <b>7,893,732</b> | <b>(7,887,711)</b> | <b>(8,254)</b> | <b>(4,052)</b>      | <b>-</b>      |
| Sociedad Concesionaria Autovía de la plata, S.A. (Spain) | -               | 1,808            | -                  | -              | -                   | 1,808         |
| <b>Total Associated Companies</b>                        | <b>-</b>        | <b>1,808</b>     | <b>-</b>           | <b>-</b>       | <b>-</b>            | <b>1,808</b>  |
| <b>Drawn down and short-term int. total</b>              | <b>6,284</b>    | <b>7,895,540</b> | <b>(7,887,711)</b> | <b>(8,254)</b> | <b>(4,052)</b>      | <b>1,808</b>  |

#### a) Loans received from Group companies

The details of loan conditions are as follows:

##### ➤ Cintra Inversiones, S.L. - 1

- **Type:** Line of Credit
- **Formalisation date:** 31/12/2011
- **Maturity date:** 31/12/2016
- **Balance:** the balance drawn down at 31/12/2016 is 228,282,807 euros. On 30/09/15 the limit was extended to 300,000 euros.
- **Interest Rate:** interest fixed by the Ferrovial, S.A. Economic and Financial Department.
- **Interest:** interest has been accrued for 3,832,344 euros and it has been fully capitalised.

### **23. Borrowings (continued)**

#### **➤ Cintra Inversiones, S.L. - 2**

- **Type:** Line of Credit
- **Formalisation date:** 18/11/2013
- **Maturity date:** 31/12/2016
- **Balance:** the balance drawn down on 31/12/2016 is 257,450,720 euros, an available amount higher than the limit due to interest capitalisation.
- **Interest Rate:** interest fixed by the Ferrovial, S.A. Economic and Financial Department.
- **Interest:** interest has been accrued for 3,753,114 euros and it has been fully capitalised, with the amortised cost at 420,428 euros.

#### **➤ Serranopark, S.A.**

- **Type:** Loan
- **Formalisation date:** 13/02/2014
- **Maturity date:** 22/12/2016
- **Balance:** the balance drawn down at 31/12/2016 is 0 euros. As the Company sold its holding in the Company Serranopark, S.A. in December 2016 to Cintra España, S.L., the rights and obligations of this holding were transferred to the buying company, and the unpaid or capitalised accrued interest was also transferred.
- **Interest Rate:** 3 month Euribor + 3.10%
- **Interest:** accrued for 41,210 euros and 35,189 euros net of withholding have been capitalised.
- Serranopark, S.A. has been sold to another group company during 2016, and all its loans and borrowings have been also transferred to the buyer company.

#### **➤ Cintra ITR**

- **Type:** Line of Credit
- **Formalisation date:** 27/05/2015
- **Maturity date:** 01/12/2016
- **Balance:** the balance drawn down at 31/12/2016 is 0 euros.
- **Interest Rate:** interest fixed by the Ferrovial, S.A. Economic and Financial Department., with the average rate at 1.8725%
- **Interest:** interest has been accrued for 267,064 euros and it has been fully capitalised.

#### **➤ Autovía de La Plata**

- **Type:** Loan
- **Formalisation date:** 19/12/2016
- **Maturity date:** 31/12/2037
- **Balance:** the balance drawn down at 31/12/2016 is 2,750,000 euros. The loan is divided into four sections from its concession date, with the first at 2,750,000 euros which is drawn down on the date of signing the contract; the second for 1,070,707 euros which will be drawn down on 31/01/2017; the third for 1,286,441 euros which will be drawn down on 31/07/2017 and the fourth and final for 345,674 euros which will be drawn down on 31/01/2018.
- **Interest Rate:** 2% fixed interest rate.
- **Interest:** interest has been accrued for 1,808 euros.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### b) Current accounts with Group and Associated companies

The balance of the current accounts is as follows at 30 December 2016 and 2015:

| €   | Balance<br>31/12/2016 | Balance<br>31/12/2015 |
|---|-----------------------|-----------------------|
| Autopista Alcalá-O'Donnell (Spain)  | -                     | 143                   |
| Cintra Servicios Infraestructuras, S.L. (Spain)                                     | 14,429                | 14,429                |
| Cintra Autopistas Integradas S.A.U. (Spain)   | -                     | 31,812                |
| Autoestrada do Algarve - Via do Infante - Sociedade Concessionaria, S.A. (Portugal) | 9                     | 9                     |
| Auto-estradas Norte Litoral, S.A. (Portugal)  | 297                   | 297                   |
| Cintra Sucursal Portugal (Portugal)   | -                     | 31,442                |
| Eurolink Motorway (Ireland)   | 7,782                 | 7,782                 |
| Skyway Concession Company (USA)   | 27,908                | 27,908                |
| Cintra US Services LLC (USA)  | -                     | 30,253                |
| Cintra Texas Corp (USA)   | 1,727                 | 1,727                 |
| Ferrovial, S.A. (Spain)   | 54,942,075            | -                     |
| Ferrovial Agromán, S.A. (Spain)   | 363,974               | 362,186               |
| <b>Total Group Companies</b>  | <b>55,358,201</b>     | <b>507,988</b>        |
| Inversora de Autopistas de Madrid Sur, S.L. (Spain)                                 | -                     | 1,267                 |
| <b>Total Associated Companies</b>   | <b>-</b>              | <b>1,267</b>          |
| <b>Total Current Accounts</b>   | <b>55,358,201</b>     | <b>509,256</b>        |

#### 24. Provisions

| Item                        | 31/12/2015         | Provisions       | Reversals/<br>Applications | Merger   | 31/12/2016        |
|-----------------------------|--------------------|------------------|----------------------------|----------|-------------------|
| Tax provision               | 78,785,130         | 1,703,684        | -                          | -        | 80,488,814        |
| Provision for liabilities   | 27,000,177         | -                | (12,050,177)               | -        | 14,950,000        |
| <b>Long-term provisions</b> | <b>105,785,307</b> | <b>1,703,684</b> | <b>(12,050,177)</b>        | <b>-</b> | <b>95,438,814</b> |

Tax provision of 80,488,814 euros includes a provision for the Inspection Act on Corporate Income Tax for the years 2003-2005 amounting to 72,243,413 euros (2015: 70,563,336 euros) and a provision for 2009 to 2016 VAT for amount of 8,245,401 euros (2015: 8,221,794 euros).

The Company, on 19 February 2010, requested the suspension of the Corporate Tax Act with the provision of guarantees to the Unit of the Regional Inspectorate of Madrid, using this verification report through an Administrative Economic Claim which is expected to Resolution in the long term. As a result of this claim, bank guarantees have been formalized in the name of Ferrovial, S.A. As taxable person, amounting to 58,690,914 euros plus interest for late payment resulting in the suspension, as well as any surcharges that may be incurred. On 24 May 2010, the sanction resolution was confirmed for an amount of 11,315,981 euros, which the Company appealed and was rectified in 2015 to 7,308,006 euros, since the claim to the penalty has been partially estimated.

The provision for the 2003-2005 Corporate Income Tax Inspection Act of 72,243,412 euros is made up of tax installment of 45,329,927 euros, interests of 19,605,478 euros and a fine of 7,308,006 euros.

The VAT provision of 8,245,401 euros includes the appealed minutes of 5,480,548 euros for the years 2009-2011 and its interest for late payment and the provision for the years 2012-2016 of 2,764,853 euros.

The Tax provision has increased in 2016 by 1,703,684 euros, mainly due to interest accrued for the VAT provisions (23,607 euros) and 1,680,076 euros interest accrued on the Corporation Tax Inspection claim.

On the other hand, the provision for liabilities has decreased by 12,050,177 euros due to the reversal of the provision of 3,000,000 euros in relation to the sale in Chile, 6,200,000 euros due to the reversal of the M203 bonds and 2,850,177 euros for the Azores reversals.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 25. Equity

| €   | 2016               | 2015                 |
|---|--------------------|----------------------|
| Share Capital                                     | 130,391,904        | 130,391,904          |
| Share Premium Account                             | 784,948,220        | 1,360,590,552        |
| Profit and loss reserve                           | 355,417,107        | 255,049,050          |
| Profit and loss reserve from 2015 Laertida Merger | (757,807,763)      | (757,807,763)        |
| Cash flow hedge reserve                           | (1,446,560)        | 13,428,257           |
| <b>Total</b>                                      | <b>511,502,908</b> | <b>1,001,652,000</b> |

During 2016, the company was incorporated in the United Kingdom under the Companies Act 2006, the Legal reserves accumulated under the Spanish law have been netted with the profit and loss reserve in order to comply with the Companies Act 2006.

In accordance with the Spanish Law, the Company must allocate a figure equal to 10% of the profit for the year to the legal reserve until it reaches at least 20% of its share capital. The legal reserve may be used to increase capital in the part of its balance that exceeds 10% of the capital already increased. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital, this reserve may only be used for the compensation of losses and provided that there are no other reserves available sufficient for this purpose.

As of 31 December 2015, the legal reserve amounted to 41,492,738 euros, exceeding 20% of the share capital, since the legal reserves provided by Laertida, SL merger increased the legal reserve for 10,739,867 euros.

#### 26. Share capital

|   | 2016        | 2015        |
|---|-------------|-------------|
| <b>Authorised:</b>                      |             |             |
| 130,391,904 ordinary shares of 1 € each | 130,391,904 | 130,391,904 |
| <b>Issued and fully paid:</b>           |             |             |
| 130,391,904 ordinary shares of 1 € each | 130,391,904 | 130,391,904 |

The Company has one class of ordinary shares which carry no right to fixed income.

The Company is not listed on the Stock Exchange and its sole member is Ferrovial International Ltd.

The capital at 30 December 2016 is represented by 130,391,904 shares, represented by registered, equal, accumulable and indivisible securities and with a nominal value of one euro each.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 27. Share premium account

|   | Share premium<br>€ |
|---|--------------------|
| Balance at 1 January and 31 December 2015 | 1,360,590,552      |
| Premium arising on issue of equity shares | -                  |
| Expenses of issue of equity shares        | -                  |
| Reduction of Premium Account              | (575,642,332)      |
| <b>Balance at 30 December 2016</b>        | <b>784,948,220</b> |

Cintra's shareholder decided that after the sales of the investments of the restructuring process in 2016, the Company had an excess of share premium and decided to reduce its amount on 31 March 2016 for the total of 575,462,332 euros to remunerate its shareholder.

The shares of the Company has a premium per share of 6.02 euros.

#### 28. Profit and loss reserves

| €  | Total                |
|--|----------------------|
| <b>Balance at 1 January 2015</b>           | <b>162,211,833</b>   |
| Merger with Group Company (Laertida, S.A.) | (757,807,763)        |
| Profit for the period 2015                 | 92,837,217           |
| <b>Balance at 1 January 2016</b>           | <b>(502,758,713)</b> |
| <b>Profit for the period 2016</b>          | <b>100,368,057</b>   |
| <b>Balance at 30 December 2016</b>         | <b>(402,390,656)</b> |

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 28. Profit and losses reserves (continued)

The profit and loss of the period of 2016 and 2016 are as follows:

| €  | Total              |
|--|--------------------|
| Balance at 1 January 2015                                    | 82,127,546         |
| Dividends paid   | -                  |
| Net profit for the year                                      | 92,837,217         |
| Profit Distribution  | (82,127,546)       |
| Capital contribution for equity-settled share-based payments | -                  |
| <b>Balance at 1 January 2016</b>                             | <b>92,837,217</b>  |
| Dividends paid   | -                  |
| Net profit for the year                                      | 100,368,057        |
| Profit Distribution  | (92,837,217)       |
| Other incomes  | -                  |
| Capital contribution for equity-settled share-based payments | -                  |
| <b>Balance at 30 December 2016</b>                           | <b>100,368,057</b> |

#### 29. Cash flow hedge reserve

| €   | Total              |
|---|--------------------|
| Balance at 1 January 2015   | (2,121,970)        |
| Income tax related to gains/(losses) recognised in other comprehensive income | (5,183,409)        |
| Transfer to income  | 20,733,636         |
| <b>Balance at 1 January 2016</b>  | <b>13,428,257</b>  |
| Foreign currency forward contracts  | (19,833,089)       |
| Income tax related to gains/(losses) recognised in other comprehensive income | 4,958,273          |
| <b>Balance at 30 December 2016</b>  | <b>(1,446,559)</b> |

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the income statement, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

#### 30. Other investments.

##### Categories of financial instruments held at fair value

| €                                     | 2016 | 2015       |
|---------------------------------------|------|------------|
| <b>Financial assets at fair value</b> | -    | 76,820,631 |
| At fair value through profit or loss  | -    | 76,820,631 |

The financial assets existing at 2015 corresponded to short term deposits which reached maturity in 2016.

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 31. Contingent liabilities

The financial risks to which the Company is exposed include those derived from the guarantees and bonds required in order for the Company to undertake its activities.

##### a) Letter of credits

Cintra is secured with third parties to cover potential risks and to guarantee compliance with specific contractual obligations.

Formalisation of the bond can take place, either with its own lines, essentially to guarantee its own portfolio projects, or otherwise to guarantee projects of other companies in the Ferrovial Group, and in some cases, it has underwritten insurance policies.

The Company also has bonds made available corresponding to lines from other companies in the Ferrovial Group.

The bonds at 30 December 2016 and 2015 where the lines are owned by Cintra can be classified by purpose as follows:

| Concept  | Type | Guarantor  | 2016               | 2015               |
|--|------|--|--------------------|--------------------|
| Operation 407 EAST                                   | T    | Santander  | 562,204            | 530,734            |
| Capital contributions 407 EAST                       | E    | ING  | 2,964,398          | 10,576,142         |
| 407 East Operation and Maintenance Contingent Equity | E    | BBVA   | 10,446,548         | 9,861,789          |
| Aportaciones Deuda Subordinada MB                    | E    | ING  | 9,108,776          | 10,553,602         |
| Construction, conservation y operation M-203         | T    | Santander  | 6,180,970          | 6,180,970          |
| Process TSJ Madrid M-203                             | E    | Bankia   | 180                | 180                |
| Operation Serranopark                                | T    | Bankia   | 1,101,955          | 1,101,955          |
| Equity NTE SG3                                       | E    | ING  | 40,984,808         | 39,781,591         |
| Equity NTE SG3                                       | E    | Deutsche Bank  | 8,885,282          | 8,624,431          |
| Equity NTE SG3                                       | E    | BBVA Compass Bank  | 11,239,932         | 9,587,276          |
| Equity I-77  | E    | Deutsche Bank  | -                  | 32,204,959         |
| Equity I-77  | E    | BBVA Compass Bank  | 33,179,016         | 32,204,960         |
| Act VAT 2011   | E    | Banco Popular  | 2,319,217          | 2,319,217          |
| Contingent Equity Ausol                              | E    | BBVA   | 34,154,457         | -                  |
| Equity D4R7  | E    | Barclays   | 40,235,738         | -                  |
| Fiscal appeal Portuguese treasury                    | E    | Popular  | 2,275,450          | -                  |
| Administrative issues                                | E    | BBVA   | 145,489            | 282,48             |
| Administrative issues                                | E    | Popular  | 24                 | -                  |
| Administrative issues                                | E    | Barclays   | 41,186             | 40,381             |
| <b>Total Third parties</b>                           |      |  | <b>204,029,426</b> | <b>164,030,487</b> |
| Contingent Capital Contribution 407 EAST             | E    | Ferrovial, S.A.  | -                  | 11,244,987         |
| Capital Contribution NTE SG3                         | E    | Ferrovial, S.A.  | 11,237,021         | 57,974,859         |
| Contingent Capital Contribution Blackbird            | E    | Ferrovial, S.A.  | 16,757,510         | 15,819,486         |
| Capital Contribution I-77                            | E    | Ferrovial, S.A.  | 143,608,379        | 150,352,232        |
| Corporate tax Cintra 2003-2005                       | E    | Ferrovial, S.A. / F. Agromán / Ferrovial Servicios / Ferroses Infraestructuras | 57,419,039         | 57,419,039         |
| <b>Total Group Companies</b>                         |      |  | <b>229,021,949</b> | <b>292,810,603</b> |
| <b>Total</b>   |      |  | <b>433,051,375</b> | <b>456,841,090</b> |

T: Technical; E: Economic



## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

#### 31. Contingent liabilities (continued)

The costs incurred in the 2016 financial year for available bonds on its own lines was 2,605,544 euros, those for the 2015 year amounted to 1,626,049 euros, with the average rates applied for economic bonds for concessions and others at 1.27% for 2016 and 1.04% for 2015 and for technical bonds for tenders and concessions at 0.60% in 2016 and 0.40% in 2015.

The costs incurred as a result of bonds on behalf of other Group companies are invoiced in compliance with the terms agreed in each case, and have led to a cost in the 2016 financial year of 2,476,669 euros. This cost was 5,372,442 euros in 2015.

The letters of credit were presented for the payment of fees and fulfilment of obligations in accordance with the terms established in the various concession contracts of investee companies, amounting to 376,696,123 euros in 2016 and 402,761,287 euros in 2015. These bonds serve to guarantee subsequent processes in the construction and operation of the concession-holding companies.

Finally, there are other bonds of different types, with the most relevant being those established by the Inspection Report for 57,419,039 euros, the same as 2015.

The Company is of the opinion that any liabilities not foreseen at 30 December 2016 and which could be based on the guarantees presented, should these occur, would not be significant. Except those which are provisioned, Cintra 2003-2005 Corporation Tax Inspection Report, 2011 VAT report, and M-203 construction, operation and maintenance (Note 24).

In addition to the bonds, the Company also holds insurance policies to deal with potential risks and to guarantee its obligations.

#### b) Guarantees

Cintra has a series of guarantees corresponding to its investment in projects, the most relevant of which at 30 December 2016 are detailed below:

| Project                           | Purpose   | 2016              | 2015              |
|-----------------------------------|---|-------------------|-------------------|
| Auto-Estradas Norte Litoral, S.A. | Limited guarantee to cover expropriation additional costs (1)   | 1,917,829         | 1,076,763         |
| 407 East Extension                | Contingent capital to possibly cover a cash deficit for O&M and Renovation  | 12,078,926        | 11,402,792        |
| Blackbird                         | Contingent capital to possibly cover a cash deficit for O&M and Renovation  | 2,400,145         | 2,265,793         |
| R4 Madrid Sur                     | Concession termination guarantee  | 14,950,000        | 14,950,000        |
| Serrano Park                      | Guarantee to re-establish minimum coverage ratios (RCSD and LLR) (2)  | 2,309,530         | 3,795,000         |
| Euroscut Azores                   | Capital contribution guarantee in the event of a concessionaire asset imbalance situation between 2014 and 2017                                       |                   | 2,936,428         |
| Autopista del Sol, S.A.           | Guarantee to cover Debt Service for a cash deficit up to €30.4M. Also covers early amortisation on maturity up to €18M. Combined maximum limit €30.4M |                   | 30,400,000        |
| <b>Total</b>                      |   | <b>33,656,430</b> | <b>66,826,776</b> |

1 The current estimate is that the contingency will disappear in the year 2016. Subject to court rulings.

2 There is a Ferrovial counter-guarantee. This guarantee is provisioned.

In the long-term provisions heading in the balance sheet, R4 at 14,950,000 euros are provisioned (see note 24).

## Cintra Infrastructures SE

### Annual Report and Financial Statements 2016

---

#### 32. Laertida Merger 2015

During fiscal year 2015, the company continued with the corporate restructuring process of the Ferrovial Group and carried out the merger by absorption of its wholly owned subsidiary Laertida S.L., head of its business in the United States. The accounting date of the merger had been 1 January 2015.

The merger in 2015 led to a decline in the Company's assets of 465 million euros, an increase in liabilities of 287 million euros and a decrease in shareholders' equity of 752 million euros (758 million euros corresponding to equity and 5 million euros corresponding to the changes due to changes in value).

#### 33. Events after the balance sheet date

In April 2017, 51% of Norte Litoral was sold for 104 million euros, which has generated a gain of 61 million euros.

#### 34. Related party transactions

The main balances for the 2016 and 2015 financial years between the Company and its shareholder and group of companies are detailed under Notes 16 and 17, loans and items receivable, debts and items payable under Notes 19, 20, 22 and 23, and the revenue and expenses incurred during the financial year in Note 4 and 7.

#### Remuneration of the Board of Directors and Members of the Executive Management Committee

##### Remuneration of Directors

The Board of Directors is made up of four people, all male, the same as in 2015.

The Company's Board of Directors have not received remuneration for their duties during 2016 or 2015.

During the 2016 financial year there were no life insurance or medical assistance insurance policies given to members of the Board of Directors, nor in 2015.

On 30 December 2016, there were no loans granted to members of the Board of Directors pending repayment, nor in 2015.

##### Remuneration of Executive Management

The Company does not hold any executive management contract with its staff, and additionally during the financial year ending 30 December 2016 it had no staff in the Company which could be classified as executive management.

During the 2016 financial year, the Company's management work was carried out through a service contract provided by its parent company Ferrovial S.A., through Cintra Servicios. Having paid the sum of 395,000 euros for these services in 2016 and 1,978,946 euros in 2015, these figures also include the cost of services provided by members of the Board of Directors who are part of the company's Executive Management Committee.

#### 35. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Ferrovial, S.A., a Company incorporated in Spain. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Ferrovial International Ltd, a Company incorporated in Great Britain The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom. Copies of the group financial statements of Ferrovial International Ltd are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Company's immediate controlling party is Ferrovial International Ltd.

## Cintra Infrastructures SE Annual Report and Financial Statements 2016

---

### **36. Information on the ultimate parent**

Ferrovial, S.A. registered in Spain is considered to be the ultimate controlling party and the parent of the group, a company registered in Spain which is the only Group in which the Company is consolidated. Copies of its accounts are available from:

General Secretariat  
Ferrovial, S.A.  
Príncipe de Vergara, 135  
28002 Madrid  
Spain

# Cintra Infrastructures SE

## Annual Report and Financial Statements 2016

### 37. Subsidiaries and associates companies detail

#### Group Companies

| Group Companies                | Company                                       | Auditor  | Parent Company                               | % Equity<br>Direct or indirect | Registered office  |
|--------------------------------|---|----------|--|--------------------------------|--|
| <b>SPAIN</b>                   |   |          |  |                                |  |
|                                | Cintra Inversora Autopistas de Cataluña, S.A. | Deloitte | Cintra Infraestructuras, S.E.                | 100,00%                        | Plaza Manuel Gomez Moreno, 2, Madrid, Spain                        |
|                                | Inversora Autopistas de Cataluña, S.A.        | Deloitte | Cintra Inversora Autopistas de Cataluña, S.A | 100,00%                        | Plaza Manuel Gomez Moreno, 2, Madrid, Spain                        |
|                                | Autopista Terrosa Manresa, S.A.               | Deloitte | Inversora Autopistas de Cataluña, S.A.       | 76,28%                         |  |
| <b>PORTUGAL</b>                |   |          |  |                                |  |
|                                | Autoestradas Norte, S.A.                      |          | Cintra Infraestructuras, S.E.                | 100,00%                        | Rua de Agra Nova, n.º 704, Avelada, Vila do Conde Portugal         |
|                                | Autoestradas do Algarve, S.A.                 | Deloitte | Cintra Infraestructuras, S.E.                | 96,99%                         | Avda. Liberdade nº245, Lisboa, Portugal                            |
|                                | Euroscut Azores S.A.                          | Deloitte | Cintra Infraestructuras, S.E.                | 89,20%                         | Rua Joaquim Marques nº25, Ribeira Grande, Açores, Portugal         |
|                                | Vialibre, S.A.                                | Deloitte | Cintra Infraestructuras, S.E.                | 84,04%                         | Rua de Agra Nova, n.º 704, Vila do Conde, Portugal                 |
| <b>NETHERLANDS</b>             |   |          |  |                                |  |
|                                | Algarve International B.V.                    | Deloitte | Cintra Infraestructuras, S.E.                | 97,00%                         | Nantaweg, 165 Telestone, 8, Amsterdam, Netherlands                 |
| <b>POLAND</b>                  |   |          |  |                                |  |
|                                | Autopista Poludnie, S.A.                      | Deloitte | Cintra Infraestructuras, S.E.                | 99,68%                         | Marszałkowska n° 82, Warsaw, Poland                                |
| <b>USA</b>                     |   |          |  |                                |  |
|                                | Ferrovial Holding US Corp                     |          | Cintra Infraestructuras, S.E.                | 100,00%                        | 1209 Orange Street, Wilmington, Delaware 19801                     |
|                                | Actividad Autopista                           |          |  |                                |  |
|                                | Cintra Holding US Corp.                       |          | Ferrovial Holding US Corp                    | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | Cintra Texas Corp.                            |          | Cintra Holding US Corp                       | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | Cintra US Services, LLC                       |          | Cintra Texas Corp                            | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | Cintra Skyway LLC                             |          | Cintra Holding US Corp                       | 100,00%                        | 233 North Michigan Avenue, Suite 1980, Chicago, Illinois 60601     |
|                                | Cintra ITR LLC                                |          | Cintra Holding US Corp / Cintra Texas Corp   | 49% / 1%                       | Chevy Chase Dr. Chase Park One, Suite 500 Austin, Texas, USA       |
|                                | Cintra Texas 56, LLC                          |          | Cintra Holding US Corp                       | 100,00%                        | 10800 N US 183 Hwy MB, Buda, 78610, Texas                          |
|                                | Cintra LB3, LLC                               |          | Cintra Holding US Corp                       | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | LB3 Infrastructure Group Holding LLC          |          | Cintra LB3, LLC                              | 51,00%                         | 4545 LB3 Freeway, Dallas, 75244 Texas                              |
|                                | LB3 Infrastructure Group                      | Deloitte | LB3 Infrastructure Group Holding LLC         | 100,00%                        | 4545 LB3 Freeway, Dallas, 75244 Texas                              |
|                                | Cintra NTE, LLC                               |          | Cintra Holding US Corp                       | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | NTE Mobility Partners Holding, LLC            |          | Cintra NTE, LLC                              | 56,67%                         | 9001 Airport Freeway, Suite 600, North Richland Hills, 76180 Texas |
|                                | NTE Mobility Partners, LLC                    | Deloitte | NTE Mobility Partners Holding, LLC           | 100,00%                        | 9001 Airport Freeway, Suite 600, North Richland Hills, 76180 Texas |
|                                | Cintra NTE Mobility Partners Seg 3 LLC        |          | Cintra Holding US Corp                       | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | NTE Mobility Partners Seg 3 Holding LLC       |          | Cintra NTE Mobility Partners Seg 3 LLC       | 53,66%                         | 9001 Airport Freeway, Suite 600, North Richland Hills, 76180 Texas |
|                                | NTE Mobility Partners Seg 3 LLC               | Deloitte | NTE Mobility Partners Seg 3 Holding LLC      | 100,00%                        | 9001 Airport Freeway, Suite 600, North Richland Hills, 76180 Texas |
|                                | Cintra Toll Services, LLC                     |          | Cintra Holding US Corp                       | 100,00%                        | 9600 Great Hills Trail, Suite 250E, Austin, Texas 78759            |
|                                | Cintra I-77 Mobility Partners LLC             |          | Cintra Holding US Corp                       | 100%                           | ORANGE STREET County of Newcastle, Wilmington, USA                 |
|                                | I-77 Mobility Partners Holding LLC            |          | Cintra I-77 Mobility Partners LLC            | 50,10%                         | ORANGE STREET County of Newcastle, Wilmington, USA                 |
|                                | I-77 Mobility Partners LLC                    |          | I-77 Mobility Partners Holding LLC           | 100%                           | ORANGE STREET County of Newcastle, Wilmington, USA                 |
| <b>Construction Activities</b> |   |          |  |                                |  |
|                                | Webber Management Group, LLC                  | Deloitte | Novarex S.A.U. (a)                           | 100,00%                        | HUGHES LANDING SUITE 1200, n° 1725, The Woodlands, USA             |
|                                | Southern Crushed Concrete, LLC                | Deloitte | Novarex S.A.U. (a)                           | 100,00%                        | HUGHES LANDING SUITE 1200, n° 1725, The Woodlands, USA             |
|                                | Ferrovial Agroman Texas, LLC                  | Deloitte | Ferrovial Agroman US Corp.                   | 100,00%                        | 9600 Great Hills Trail, Suite 250W, Austin USA                     |
|                                | Ferrovial Agroman 56, LLC                     | Deloitte | Ferrovial Agroman Texas, LLC                 | 100,00%                        | 9600 Great Hills Trail, Suite 250W, Austin USA                     |
|                                | Webber, LLC                                   | Deloitte | Ferrovial US Construction Corp               | 100,00%                        | HUGHES LANDING SUITE 1200, n° 1725, The Woodlands, USA             |
|                                | Webber Barrier Services, LLC                  | Deloitte | Webber, LLC                                  | 100,00%                        | HUGHES LANDING SUITE 1200, n° 1725, The Woodlands, USA             |
|                                | Bluebonnet Constructors, LLC                  | Deloitte | Ferrovial Agroman Texas, LLC                 | 60,00%                         | NE LOOP 820, SUITE 102, n° 6851, North Richland Hills, USA         |
|                                | Bluebonnet Constructors, LLC                  | Deloitte | DBW Construction, LLC                        | 40,00%                         | NE LOOP 820, SUITE 102, n° 6851, North Richland Hills, USA         |
|                                | Trinity Infrastructure, LLC                   | Deloitte | Ferrovial Agroman Texas, LLC                 | 60,00%                         | 5520 LB3 Freeway, Suite 150, Dallas USA                            |
|                                | Trinity Infrastructure, LLC                   | Deloitte | DBW Construction, LLC                        | 40,00%                         | 5520 LB3 Freeway, Suite 150, Dallas USA                            |
|                                | DBW Construction, LLC                         | Deloitte | Webber, LLC                                  | 100,00%                        | HUGHES LANDING SUITE 1200, n° 1725, The Woodlands, USA             |
|                                | Ferrovial Agroman Indiana, LLC                | Deloitte | Ferrovial Agroman US Corp                    | 100,00%                        | 9600 Great Hills Trail, Suite 250W, Austin USA                     |
|                                | US 460 Mobility Partners LLC                  | Deloitte | Ferrovial Agroman Southeast LLC              | 70,00%                         | HARBOUR VIEW BLVD, SUITE 120, n° 7025, Suffolk, USA                |
|                                | Ferrovial Agroman US Corp                     | Deloitte | Ferrovial US Construction Corp               | 100,00%                        | Wilmington-Newcastle, EEUJ   |
|                                | Central Texas Mobility Constructors, LLC      | Deloitte | Webber LLC                                   | 55,00%                         | NEW TRAILS DRIVE, SUITE 200, n° 9903, The Woodlands, USA           |
|                                | North Tarrant Infrastructure LLC              | Deloitte | Ferrovial Agroman Texas LLC                  | 75,00%                         | NORTH FREEWAY, n° 4282, Fort Worth, Texas, USA                     |
|                                | Ferrovial Agroman Southeast, LLC              | Deloitte | DBW Construction, LLC                        | 25,00%                         | NORTH FREEWAY, n° 4282, Fort Worth, Texas, USA                     |
|                                | Ferrovial US Construction Corp                | Deloitte | Ferrovial Agroman US Corp                    | 100,00%                        | PERIMETER CENTER EAST, SUITE 290, n° 47, Atlanta, USA              |
|                                | Sugar Creek Construction LLC                  | Deloitte | Ferrovial Holding US Corp                    | 100,00%                        | 9600 Great Hills Trail, Suite 250W, Austin USA                     |
|                                | Cintra ITR LLC                                | Deloitte | Ferrovial Agroman Southeast, LLC             | 70,00%                         | LAKEVIEW ROAD, SUITE 250, n° 6135, Charlotte, Virginia, USA        |
|                                | Cintra ITR LLC                                | Deloitte | Ferrovial Agroman US Corp                    | 44,00%                         | 7700 CHEVY CHASE DR. BLDG. 500, n° 78752, Austin USA.              |
|                                | Cintra ITR LLC                                | Deloitte | Webber, LLC                                  | 6,00%                          | 7700 CHEVY CHASE DR. BLDG. 500, n° 78752, Austin USA.              |
| <b>UK</b>                      |   |          |  |                                |  |
|                                | Cintra UK I-77 Limited                        |          | Cintra Infraestructuras, S.E.                | 100,00%                        | EDMUND HALLEY ROAD, Oxford, UK                                     |

## Cintra Infraestructuras SE

### Annual Report and Financial Statements 2016

#### Associates Companies

| Company                                  | Auditor     | Parent Company                           | % Equity | Registered office                           |
|--|-------------|--|----------|---|
| <b>Spain</b>                             |             |  |          |   |
| A-334 Autovía de Almazora                | Ernst&Young | Cintra Infraestructuras, S.E.            | 23,75%   | Calle de la Escusa, Nº 3, Seville, Spain    |
| A-66 Benavente – Zamora                  | Deloitte    | Cintra Infraestructuras, S.E.            | 25,00%   | Plaza Manuel Gomez Moreno, 2, Madrid, Spain |
| Inversora de Autopistas del Sur, S.L     | Deloitte    | Cintra Infraestructuras, S.E.            | 55,00%   | Plaza Manuel Gomez Moreno, 2, Madrid, Spain |
| Autopista Madrid Sur C.E.S.A.            | Deloitte    | Inversora de Autopistas del Sur, S.L     | 100,00%  | Plaza Manuel Gomez Moreno, 2, Madrid, Spain |
| Inversora de Autopistas del Levante, S.L | Deloitte    | Cintra Infraestructuras, S.E.            | 51,84%   | Plaza Manuel Gomez Moreno, 2, Madrid, Spain |
| Autopista Madrid Levante, C.E.S.A.       | Deloitte    | Inversora de Autopistas del Levante, S.L | 100,00%  | Plaza Manuel Gomez Moreno, 2, Madrid, Spain |