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Investor Day – April 2010

IMPACT FROM APLICATION OF IFRIC 12

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abertis: Impact from application of IFRIC 12

1. **Accounting standards applicable to abertis**
2. Overview of IFRIC 12
3. Main ramifications for **abertis**

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Accounting standards applicable to abertis

	Individual	Consolidated
Until 2004	Spanish GAAP + concession sector adaptation	Spanish GAAP + concession sector adaptation
2005 to 2007	Spanish GAAP + concession sector adaptation	IFRS
2008 & 2009	New Spanish GAAP + transitory provisions	IFRS
2010	New Spanish GAAP + transitory provisions	IFRS + IFRIC 12
?	New Spanish GAAP + concession sector adaptation	IFRS + IFRIC 12

Accounting standards applicable to abertis

	Individual	Consolidated
Until 2004	Spanish GAAP + concession sector adaptation	Spanish GAAP + concession sector adaptation

- Application of the main local accounting standards of the parent company to prepare the consolidated financial statements (converting statements of foreign companies to local GAAP)
- Hard to compare between groups in different countries
- In Spain, the sector-adapted accounting standards stipulated:
  - Capitalisation of borrowing costs (construction) and deferral of its registration in P/L according to the business plan revenues.
  - Deferral of allocations to reversion fund according to the business plan revenues

Accounting standards applicable to abertis

	Individual	Consolidated
2005 to 2007	Spanish GAAP + concession sector adaptation	IFRS

- In 2005 IFRS became mandatorily applicable to listed groups (presenting 2004 for comparative purposes)
- Greater comparability between groups in different countries...albeit with choices in terms of applicable standards
- Main consequences of application of IFRS on the consolidated financial statements:
  - Borrowing costs not capitalised (accrual). Impact at **abertis** not that significant
  - Elimination of reversion fund, replaced by depreciation and amortisation charges over useful life or concession term (in general on straight-line basis)
  - Goodwill no longer amortised in P/L (except goodwill impairment charges)
  - Market valuation of derivative instruments

Accounting standards applicable to abertis

	Individual	Consolidated
2008 & 2009	New Spanish GAAP + transitory provisions	IFRS

- 2008: New General Chart of Accounts in Spain (New Spanish GAAP) presenting 2007 for comparative purposes
- The new local GAAP essentially adapt IFRS to local individual accounting standards, with exception of transition provisions:
  - Capitalisation of borrowing costs allowed temporarily (until sector adaptation endorsed)

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Accounting standards applicable to abertis

	Individual	Consolidated
2010	New Spanish GAAP + transitory provisions	IFRS + IFRIC 12

- IFRS interpretation applicable to Service Concession Arrangements
- First published in 2006 but compulsory application from 2010 (voluntary in 2009).
- Applies to:
  - Public-to-private concession arrangements
  - Infrastructure for the provision of a public service
  - Where the grantor controls:
    - Services to be provided, users of the service and price (controls or regulates)
    - Any residual interest in the infrastructure at the end of the term of the arrangement (revertible)

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Accounting standards applicable to abertis

	Individual	Consolidated
?	New Spanish GAAP + concession sector adaptation	IFRS + IFRIC 12

- Theoretical adaptation of IFRIC 12 to local GAAP applicable to individual financial statements
- Uncertainty regarding the final content of the sector adaptation and the planned application date

Accounting standards applicable to abertis

	Individual	Consolidated
Until 2004	Spanish GAAP + concession sector adaptation	Spanish GAAP + concession sector adaptation
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abertis: Impact from application of IFRIC 12

1. Accounting standards applicable to **abertis**
2. **Overview of IFRIC 12**
3. Main ramifications for **abertis**

Overview of IFRIC 12

Construction or upgrade services

- Capital expenditure is no longer classified as property, plant & equipment and reclassified as either:
  - An intangible asset. Operator receives right to charge users of the public service. Operator assumes operational and demand risk.
  - A financial asset. Operator has unconditional contractual right to receive cash or another financial asset for the construction services (receive amounts directly from the grantor or shortfall between received from users and guaranteed amounts). Operator does not assume operational or demand risk.
  - Mixed model. Combination of the two approaches.

Overview of IFRIC 12

Operating services

- IFRIC 12 stipulates the upfront recognition of provisions (resurfacing, maintenance, repair and overhaul) for major infrastructure maintenance obligations which formerly were recognised either as an expense when incurred or were capitalised and subsequently depreciated.
- Upon initial recognition, the provision shortfall (depending on how far into the maintenance cycle the company is) is charged against equity (expenses that will not be registered in the income statement in the future).

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abertis: Impact from application of IFRIC 12

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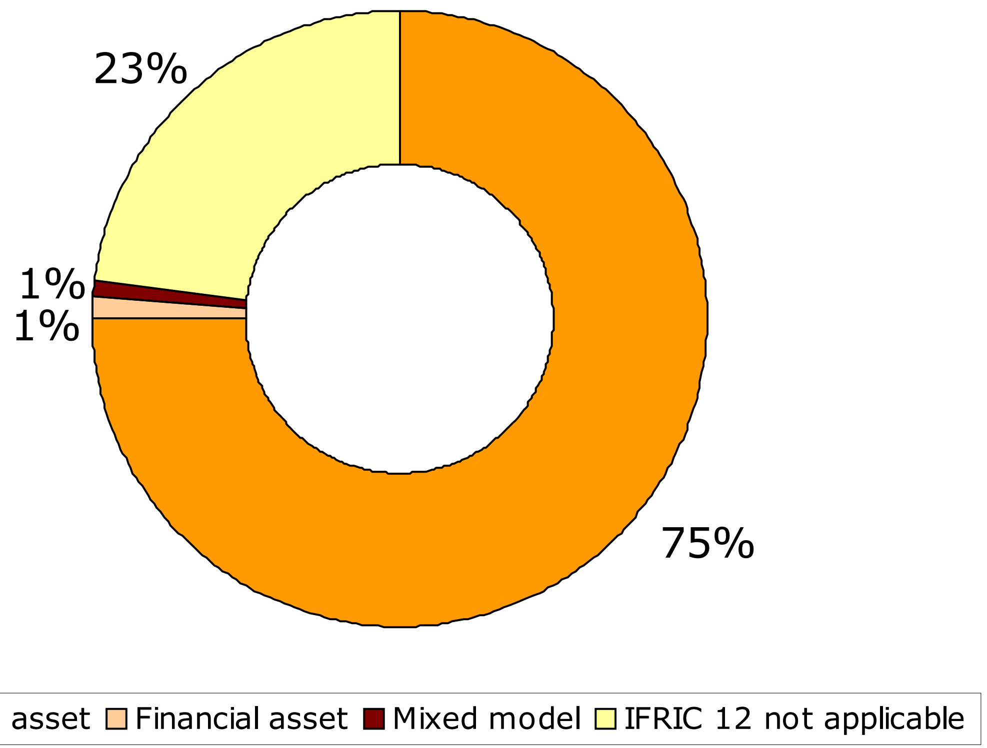
Main ramifications for abertis

Companies affected

On transition date, IFRIC 12 affects 37 companies out of a group total of 158 (23%). These 37 companies account for 77% of total revenue:

	% of total revenue
Intangible model	75%
Financial model	1%
Mixed model	1%
IFRIC 12 not applicable	23%
	100%



Main ramifications for abertis

Impact by sector

Controlled concessionaires recognised as intangible assets (except Elqui mixed and Convenio AP7 financial asset)

Not affected by IFRIC 12

Not affected by IFRIC 12 (except CODAD - financial asset)

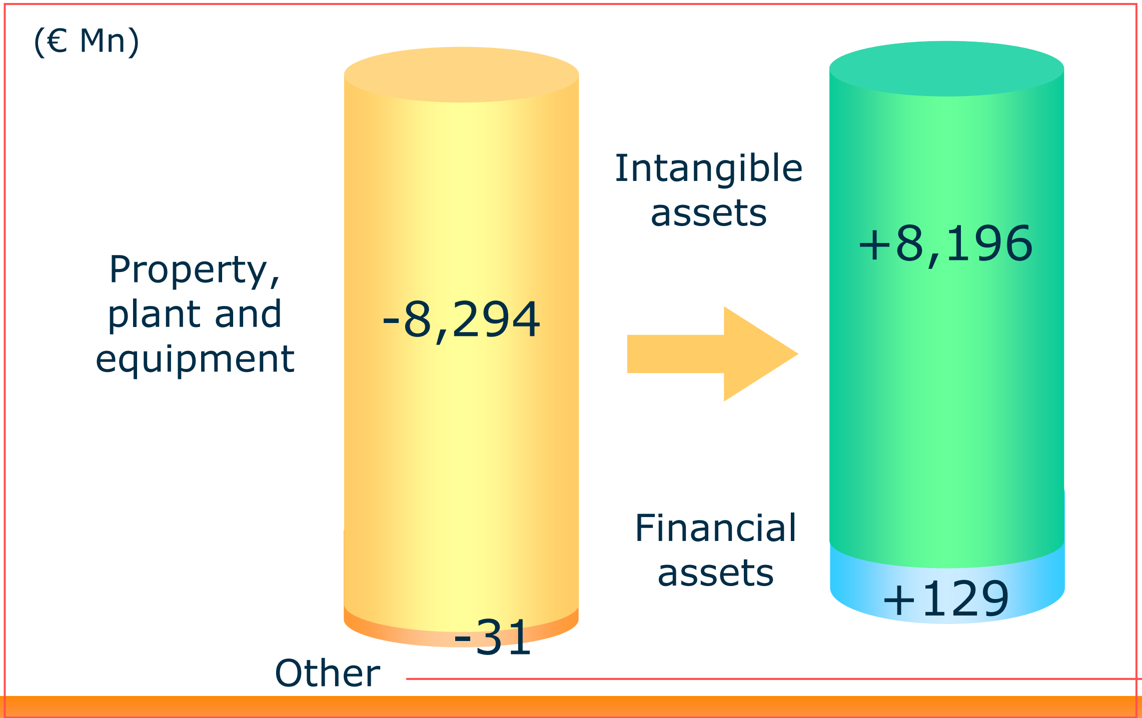
Partially affected. Most car parks operated under concession agreements treated as intangible assets

Not affected by IFRIC 12

Main ramifications for abertis

First-time application

- Transition date: 1 January 2009 (due to presentation of comparative 2009 financial statements)
- Reclassification of assets:



Impact on depreciation not significant (still straight-line)

Net effect of amounts recognised in equity (reversal of capitalisation of **sanef** resurfacings), deferred taxes, capitalisation of financial assets and others

See complete detail of effects on the balance sheet of page 19

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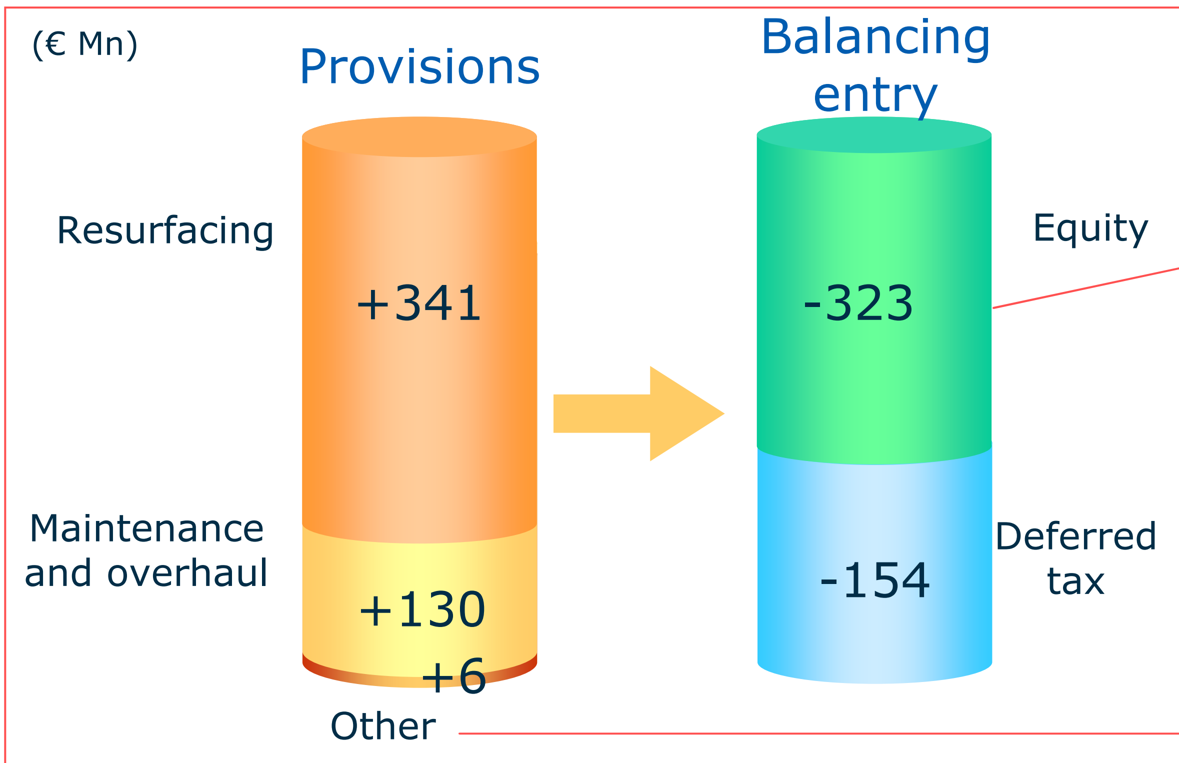
Main ramifications for abertis

First-time application

- Recognition of provisions for future infrastructure maintenance obligations:



-234 Parent
-89 Minorities

Other: includes equity method and other lesser impacts

See complete detail of effects on the balance sheet of page 19

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Main ramifications for abertis

First-time application

(€ Mn)

	31/12/08 (IFRS)	Transition adjust.	01/01/09 (IFRIC 12)
Property, plant and equipment	10.239	(8.297)	1.942
Intangible assets	7.561	8.134	15.695
Other non current assets	3.193	350	3.543
Current assets	1.227	(1)	1.226
Total assets	**22.221**	**186**	**22.407**

	31/12/08 (IFRS)	Transition adjust.	01/01/09 (IFRIC 12)
Equity			
Parent company	3.373	(269)	3.104
Minorities	1.406	(127)	1.279
Financial borrowings	14.358	0	14.358
Provisions	185	567	752
Other payables	2.899	15	2.914
Total equity and liabilities	**22.221**	**186**	**22.407**

Main ramifications for abertis

FY09 income statement
(€ Mn)

	YE 2009 NIIF	Provisions: Spain (ex AP7)	Provisions: Sanef	Financial asset /mixed	Other	Total adjust. IFRIC 12	YE 2009 (IFRIC 12)	Var
Revenue	3.935	0	0	(31)	0	(31)	3.904	-0,8%
Operating expenses	(1.500)	(3)	(33)	(8)	(3)	(48)	(1.548)	3,2%
EBITDA	**2.435**	**(3)**	**(33)**	**(39)**	**(3)**	**(79)**	**2.356**	**-3,3%**
Depreciation and amortisation	(952)	0	30	13	(2)	41	(911)	
EBIT	**1.483**	**(3)**	**(4)**	**(26)**	**(5)**	**(38)**	**1.445**	**-2,6%**
Net financial result	(573)	(11)	(15)	20	(8)	(14)	(587)	
Share profit/loss equity methoc	78	0	0	(1)	0	(1)	77	
PROFIT BEFORE TAX	**988**	**(14)**	**(18)**	**(7)**	**(13)**	**(53)**	**936**	**-5,3%**
Tax	(266)	4	6	1	3	14	(252)	
PROFIT FOR YEAR	**722**	**(10)**	**(12)**	**(7)**	**(10)**	**(38)**	**684**	**-5,3%**
Minority interests	(69)	0	6	0	3	9	(60)	
ATTRIBUTABLE TO PARENT	**653**	**(10)**	**(6)**	**(7)**	**(7)**	**(29)**	**624**	**-4,5%**

Main ramifications for abertis

FY09 income statement

	YE 2009 NIIF	Provisions: Spain (ex AP7)	Provisions: Sanef	Financial asset /mixed	Other	Total adjust. IFRIC 12	YE 2009 (IFRIC 12)	Var
Revenue	3.935	0						
Operating expenses	(1.500)	(3)						
EBITDA	**2.435**	**(3)**						
Depreciation and amortisation	(952)	0						
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Net financial result	(573)	(11)						
Share profit/loss equity metho	78	0						
PROFIT BEFORE TAX	**988**	**(14)**						
Tax	(266)	4						
PROFIT FOR YEAR	**722**	**(10)**						
Minority interests	(69)	0						
ATTRIBUTABLE TO PARENT	**653**	**(10)**						

Insignificant difference between prevailing upfront recognition of provisions and former annual accrual for resurfacing and overhaul work

Effect of annual discounting to present value of non-current provisions

Main ramifications for abertis

FY09 income statement
(€ Mn)

	YE 2009 NIIF	Provisions: Spain (ex AP7)	Provisions: Sanef	Financial asset /mixed	Other	Total adjust. IFRIC 12	YE 2009 (IFRIC 12)	Var
Revenue			0					
Operating expenses			(33)					
EBITDA			**(33)**					
Depreciation and amortisation			30					
EBIT			**(4)**					
Net financial result			(15)					
Share profit/loss equity metho			0					
PROFIT BEFORE TAX			**(18)**					
Tax			6					
PROFIT FOR YEAR			**(12)**					
Minority interests			6					
ATTRIBUTABLE TO PARENT			**(6)**					

Effect of annual discounting to present value of non-current provisions

Reclassification of capitalised resurfacing obligations (D&A charge) to annual provision charge

Insignificant difference between prevailing upfront recognition of provisions and former annual accrual and amortisation of resurfacing and overhaul obligations

Main ramifications for abertis

FY09 income statement
(€ Mn)

	YE 2009 NIIF	Provisions Spain (ex AP7)	Provisions Sanef	Financial asset /mixed	Other	Total adjust. IFRIC 12	YE 2009 (IFRIC 12)	Var
Revenue				(31)				
Operating expenses				(8)				
EBITDA				**(39)**				
Depreciation and amortisation				13				
EBIT				**(26)**				
Net financial result				20				
Share profit/loss equity metho				(1)				
PROFIT BEFORE TAX				**(7)**				
Tax				1				
PROFIT FOR YEAR				**(7)**				
Minority interests				0				
ATTRIBUTABLE TO PARENT				**(7)**				

See Convenio AP7 detail

Loss of revenue and ebitda due to the register of **elqui** (mixed model) and **codad** (financial asset)

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Main ramifications for abertis

FY09 income statement

(€ Mn)

The annual impact of -29 is reduced until its change of sign in approximately 2015.

∑ annual future impacts= +269 (initial equity impact at **abertis** level)

YE	Provisions	Financial	Total adjust. IFRIC 12	YE 2009 (IFRIC 12)	Var
			(31)	3.904	-0,8%
			(48)	(1.548)	3,2%
			(79)	**2.356**	**-3,3%**
			41	(911)	
			(38)	**1.445**	**-2,6%**
			(14)	(587)	
			(1)	77	
			(53)	**936**	**-5,3%**
			14	(252)	
			(38)	**684**	**-5,3%**
			9	(60)	
			(29)	**624**	**-4,5%**

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Main ramifications for abertis

Specific treatment of Convenio AP-7

- The investment made (€500Mn) is reclassified as a financial asset
- The annual accrual of the amount receivable is amended in one way:

	2009	
	IFRS	IFRIC12
Compensation 2% margin differential	73	73
Compensation for depreciation	4	0
Financial compensation	5	5
Total compensation	82	78
Registered depreciation	-4	0
Net effect in P/L	78	78

Elimination of fixed asset that generated depreciation remuneration

And is replaced by an account receivable for the total amount of the investment made

Main ramifications for abertis

B/S 31 December 2009	31/12/09 (IFRS)	Transition	2009	Total IFRIC12	31/12/09 (IFRIC 12)
Property, plant and equipment	10.801	(8.297)	(320)	(8.617)	2.184
Intangible assets	8.705	8.134	183	8.317	17.022
Other non current assets	3.886	350	171	521	4.407
Current assets	1.245	(1)	9	8	1.253
Total assets	**24.637**	**186**	**43**	**229**	**24.866**

	31/12/09 (IFRS)	Transition	2009	Total IFRIC12	31/12/09 (IFRIC 12)
Equity	5.762	(396)	(32)	(428)	5.334
Parent company	4.292	(269)	(24)	(292)	4.000
Minorities	1.470	(127)	(8)	(135)	1.335
Financial borrowings	14.932	0	0	0	14.932
Provisions	243	567	84	651	894
Other payables	3.701	15	(9)	6	3.707
Total equity and liabilities	**24.637**	**186**	**43**	**229**	**24.728**

Main ramifications for abertis

Cash flow 09

	2009 (IFRS)	2009 (IFRIC 12)	Var.
Ebitda	2.435	2.356	(79)
+ Net financial result	(573)	(587)	(14)
- Tax	(266)	(252)	14
Other adjustments	(45)	(14)	31
Net cash flow	1.551	1.503	(48)
- Operative capex	(233)	(185)	48
Free cash flow	1.318	1.318	0

Main ramifications for abertis

<u>Summary</u>

- IFRIC 12 affects accounting treatment of operations but not cash flows
- It does not affect the entire **abertis group**, although it does affect the highest contributing business
- Application of the financial asset treatment is very limited (this approach has the bigger impact on financial headings due to elimination of revenue and EBITDA which are reclassified as loan receipts)
- Overall, the main consequence is the reclassification of assets and the recognition of new provisions for future infrastructure maintenance work (initial shortfall net of tax charged against equity). 1 January 09 equity impact: -8%
- FY09 income statement impact: revenue -0.8%, EBITDA -3.3% and net profit -4.5%