Abertis Infraestructuras, S.A.

Financial Statements for the year ended 31 December 2018 and Directors' Report, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Abertis Infraestructuras, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Abertis Infraestructuras, S.A. (the Company), which comprise the balance sheet as at 31 December 2018, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2018, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of ownership interests in, and loans to, Group companies and associates	
Description	**Procedures applied in the audit**
The Company has ownership interests in the share capital of Group companies and associates that are both listed and not listed on regulated markets, and has granted loans thereto, as detailed in Note 8 to the financial statements. The measurement of the recoverable amount of those ownership interests and loans requires the use of significant estimates and judgements by management, both when choosing the valuation method and discounting future cash flows and when taking into consideration the key operating assumptions used for each method in question. As a result of the foregoing, as well as the significance of the investments held, which amounted to EUR 11,995 million at year-end, this matter was determined to be a key matter in our audit.	Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the process to assess the impairment of the investments in Group companies and associates, as well as tests to verify that the aforementioned controls operate effectively. In particular, we obtained the measurement of the recoverable amount of the aforementioned ownership interests and loans performed by the Company's management, and verified both the appropriateness of the valuation method used in relation to the investment held and the clerical accuracy of the calculations made. We also assessed the reasonableness of the main assumptions taken into consideration in the calculations, mainly those referring to projected future cash flows and discount rates.

Impairment of ownership interests in, and loans to, Group companies and associates	
Description	**Procedures applied in the audit**
	In addition, we involved internal valuation specialists in the process to assess the assumptions and methodologies used by the Company and, in particular, those related to the discount rates applied. We also analysed the reasonableness of the operating assumptions projected (primarily, traffic, tolls, operating costs and reinvestment disbursements), as well as whether the assumptions included in the previous year's analysis are consistent with the actual operating data. We also took into consideration the ability to repay the loans and to pay dividends based on historical information and the potential restrictions under existing agreements that prevent the payment of dividends in the future. Lastly, we checked that Note 8 to the accompanying financial statements contains the disclosures required by the applicable accounting regulations relating to the assessment of the recoverable amount of those assets and, in particular, the main assumptions used in the preparation of the impairment tests.

Other Information: Directors' Report

The other information comprises only the directors' report for 2018, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility relating to the information contained in the directors' report is defined in the audit regulations in force, which establish two distinct levels:

a) A specific level that applies to certain information included in the Annual Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the directors' report and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this part of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have checked that the non-financial information described in section a) above is presented in the separate "integrated annual report" report to which a reference is included in the directors' report, that the information in the ACGR, discussed in the aforementioned section, is included in the director's report and that the other information in the directors' report is consistent with that contained in the financial statements for 2018 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is on pages 6 and 7 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Directors

The opinion expressed in this report is consistent with the content of our additional report to the Company's directors dated 19 February 2019.

Engagement Period

The Annual General Meeting held on 13 March 2018 appointed us as auditors for a period of one year from the year ended 31 December 2017.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the financial statements uninterruptedly since the year ended 31 December 2012.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21.443

19 February 2019

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's directors with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with them to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

ABERTIS INFRAESTRUCTURAS, S.A.

Financial Statements and Directors' Report
for the year ended 31 December 2018

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheets as at 31 December
(in thousands of euros)

ASSETS	**Notes**	**2018**	**2017**
NON-CURRENT ASSETS			
Intangible assets	6	**2,667**	**2,525**
Computer software		2,667	2,525
Property, plant and equipment	7	**12,467**	**14,108**
Land and buildings		8,089	8,174
Plant and other items of property, plant and equipment		4,378	5,934
Non-current investments in Group companies and associates	8	**11,755,165**	**12,381,771**
Equity instruments		7,427,588	7,639,838
Loans to companies	19-c	4,327,577	4,741,933
Non-current financial assets	9	**46,527**	**20,639**
Derivative financial instruments	10	45,348	19,458
Other financial assets		1,179	1,181
Deferred tax assets	16-d	**37,391**	**42,002**
TOTAL NON-CURRENT ASSETS		**11,854,217**	**12,461,045**
CURRENT ASSETS			
Trade and other receivables		**702,457**	**119,276**
Trade receivables from Group companies and associates	19-c	6,299	3,766
Sundry accounts receivable		581	2,187
Employee receivables		9	60
Current income tax assets		695,457	113,148
Other tax receivables		111	115
Current investments in Group companies and associates	8 & 19-c	**389,713**	**247,401**
Loans to companies		239,374	242,466
Other financial assets		150,339	4,935
Current financial assets	9	**39,868**	**43,580**
Derivative financial instruments	10	37,978	41,825
Other financial assets		1,890	1,755
Current prepayments and accrued income		**66**	**36**
Cash and cash equivalents	11	**1,133,310**	**10,788**
TOTAL CURRENT ASSETS		**2,265,414**	**421,081**
TOTAL ASSETS		**14,119,631**	**12,882,126**

The accompanying balance sheets should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheets as at 31 December
(in thousands of euros)

EQUITY AND LIABILITIES	Notes	2018	2017
EQUITY			
Shareholders' equity	12	**7,125,240**	**5,083,264**
Share capital		2,734,696	2,971,144
Reserves		1,983,942	3,212,215
(Treasury shares)		(156)	(1,168,679)
Profit for the year		2,406,758	274,897
(Interim dividend)		-	(206,313)
Valuation adjustments		**(13,659)**	**318**
Hedges	10	(13,659)	318
TOTAL EQUITY		**7,111,581**	**5,083,582**
NON-CURRENT LIABILITIES			
Long-term provisions		**86,563**	**9,135**
Long-term employee benefit obligations	14	8,384	5,956
Other provisions	15	78,179	3,179
Non-current payables	13	**5,574,758**	**6,764,299**
Debt instruments and other marketable securities		4,155,111	4,511,161
Bank borrowings		1,365,000	1,940,000
Obligations under finance leases		66	329
Derivative financial instruments	10	54,575	30,697
Other financial liabilities		6	282,112
Non-current payables to Group companies and associates	19-c	**278,462**	**263,011**
Deferred tax liabilities	16-d	**159,047**	**140,561**
TOTAL NON-CURRENT LIABILITIES		**6,098,830**	**7,177,006**
CURRENT LIABILITIES			
Current payables	13	**746,538**	**478,257**
Debt instruments and other marketable securities		442,792	179,038
Bank borrowings		7,735	256,705
Obligations under finance leases		265	403
Derivative financial instruments	10	6,043	42,111
Other financial liabilities		289,703	-
Current payables to Group companies and associates	19-c	**124,721**	**51,328**
Trade and other payables		**37,961**	**91,953**
Sundry accounts payable		15,031	49,301
Remuneration payable		3,250	26,934
Other tax payables		17,958	14,381
Other payables		1,722	1,337
TOTAL CURRENT LIABILITIES		**909,220**	**621,538**
TOTAL EQUITY AND LIABILITIES		**14,119,631**	**12,882,126**

The accompanying balance sheets should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of profit or loss for the years ended 31 December (in thousands of euros)

STATEMENTS OF PROFIT OR LOSS	Notes	2018	2017
Revenue	17-a	**1,011,541**	**406,376**
Services		48,083	35,910
Income from investments in equity instruments of Group companies and associates	19-c	963,458	370,466
Other operating income		**3,059**	**26,263**
Non-core and other current operating income		3,059	26,263
Staff costs	17-b	**(34,112)**	**(31,090)**
Wages, salaries and similar expenses		(22,338)	(23,908)
Employee benefit costs		(11,774)	(7,182)
Other operating expenses		**(38,184)**	**(59,790)**
Outside services		(38,016)	(57,454)
Taxes other than income tax		(168)	(2,336)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions		-	-
Depreciation and amortisation charge		**(2,865)**	**(3,402)**
Impairment and gains or losses on disposals of non-current assets	17-c	**1,641,210**	**(2,795)**
Impairment and other losses		77,550	(2,795)
Gains or losses on disposals and other		1,563,660	-
PROFIT FROM OPERATIONS		**2,580,649**	**335,562**
Finance income	17-d	**150,912**	**187,834**
From marketable securities and other financial instruments		150,912	187,834
Group companies and associates	19-c	144,437	181,858
Third parties		6,475	5,976
Finance costs	17-d	**(212,651)**	**(241,594)**
On debts to Group companies and associates	19-c	(15,690)	(16,862)
On debts to third parties		(196,961)	(224,732)
Changes in fair value of financial instruments	17-d	**9,225**	**32,240**
Held-for-trading financial assets/liabilities and other		9,225	32,240
Exchange differences	17-d	**(56,954)**	**(43,630)**
FINANCIAL LOSS		**(109,468)**	**(65,150)**
PROFIT BEFORE TAX		**2,471,181**	**270,412**
Income tax	16-b	**(64,423)**	**4,485**
PROFIT FOR THE YEAR		**2,406,758**	**274,897**

The accompanying statements of profit or loss should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of recognised income and expense
for the years ended 31 December
(in thousands of euros)

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

	Notes	2018	2017
Profit per statement of profit or loss		**2,406,758**	**274,897**
Income and expense recognised directly in equity		**(13,825)**	**235**
Arising from cash flow hedges	10	(18,433)	344
Arising from actuarial gains and losses and other adjustments		-	(23)
Tax effect		4,608	(86)
Transfers to profit or loss		**(152)**	**(29)**
Arising from cash flow hedges	10	(202)	(39)
Tax effect		50	10
TOTAL RECOGNISED INCOME AND EXPENSE		**2,392,781**	**275,103**

The accompanying statements of recognised income and expense should be read in conjunction with the Notes included on pages 10 to 121.

Abertis Infraestructuras, S.A.

Statements of changes in total equity for the years ended 31 December
(in thousands of euros)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Registered share capital	Reserves	(Treasury shares)	Prior years' profits/ losses	Profit for the year	(Interim dividend)	Valuation adjustments	TOTAL
2016 ENDING BALANCE	**2,971,144**	**3,741,137**	**(1,211,544)**	**-**	**159,262**	**(136,814)**	**89**	**5,523,274**
Total recognised income and expense	-	(23)	-	-	274,897	-	229	**275,103**
Transactions with shareholders								
- Capital increases	-	-	-	-	-	-	-	**-**
- Dividends paid	-	(556,281)	-	(136,814)	-	(206,313)	-	**(899,408)**
- Treasury share transactions (net)	-	-	42,865	-	-	-	-	**42,865**
Other changes in equity	-	27,382	-	136,814	(159,262)	136,814	-	**141,748**
2017 ENDING BALANCE	**2,971,144**	**3,212,215**	**(1,168,679)**	**-**	**274,897**	**(206,313)**	**318**	**5,083,582**

The accompanying statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of changes in total equity for the years ended 31 December
(in thousands of euros)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Registered share capital	Reserves	(Treasury shares)	Prior years' profits/ losses	Profit for the year	(Interim dividend)	Valuation adjustments	TOTAL
2017 ENDING BALANCE	**2,971,144**	**3,212,215**	**(1,168,679)**	**-**	**274,897**	**(206,313)**	**318**	**5,083,582**
Total recognised income and expense	-	-	-	-	2,406,758	-	(13,977)	**2,392,781**
Transactions with shareholders								
- Capital reduction	-	-	-	-	-	-	-	**-**
- Dividends paid	-	(396,152)	-	(206,313)	-	-	-	**(602,465)**
- Treasury share transactions (net)	(236,448)	(932,231)	1,168,523	-	-	-	-	**(156)**
Other changes in equity	-	100,110	-	206,313	(274,897)	206,313	-	**237,839**
2018 ENDING BALANCE	**2,734,696**	**1,983,942**	**(156)**	**-**	**2,406,758**	**-**	**(13,659)**	**7,111,581**

The accompanying statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of cash flows for the years
ended 31 December
(in thousands of euros)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		**122,311**	**426,145**
Profit for the year before tax		2,471,181	270,412
Adjustments:			
Depreciation and amortisation charge	6 & 7	2,865	3,402
Impairment losses	17-c	(77,550)	2,795
Changes in allowances		-	
(Gains) Losses on derecognition and disposal of			-
non-current assets	17-c	(1,563,660)	-
Finance income	17-d	(150,912)	(187,834)
Finance costs	17-d	212,651	241,594
Exchange differences	17-d	56,954	43,630
Changes in fair value of financial instruments	17-d	(9,225)	(32,240)
Changes in working capital:			
Trade and other receivables		(876)	2,809
Other current assets (1)		(150,030)	(760)
Trade and other payables		(10,844)	4,976
Other non-current assets and liabilities		-	2
Other cash flows from operating activities:			
Interest paid		(221,615)	(263,168)
Interest received		145,677	177,784
Income tax recovered (paid)		(582,305)	160,544
Other amounts paid (received)		-	2,199
CASH FLOWS FROM INVESTING ACTIVITIES		**2,264,711**	**(1,818,970)**
Payments due to investment			
Group companies and associates	8	(300,125)	(2,774,932)
Intangible assets	6	(1,312)	(1,157)
Property, plant and equipment	7	(55)	(119)
Other financial assets		-	(35)
Other assets		-	(24,707)
Proceeds from disposal			
Group companies and associates	8	2,566,203	959,915
Intangible assets	6	-	-
Property, plant and equipment	7	-	1
Other financial assets		-	-
Non-current assets classified as held for sale		-	-
Other assets		-	22,064

The accompanying statements of cash flows should be read in conjunction with the Notes included on pages 10 to 121.

Abertis Infraestructuras, S.A.

Statements of cash flows for the years
ended 31 December
(in thousands of euros)

	Notes	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		**(1,264,500)**	**717,059**
Proceeds and payments relating to equity instruments:			
Disposal of treasury shares	12-a	(156)	375
Proceeds and payments relating to financial liability instruments:		-	
Proceeds from issue of:			
Debt instruments and other marketable securities	13	549,800	100,000
Bank borrowings	13	1,727,956	2,140,000
Borrowings from Group companies and associates	19-c	16,675	-
Repayment and redemption of:			
Debt instruments and other marketable securities		(649,800)	(787,552)
Bank borrowings		(2,542,956)	(10,410)
Borrowings from Group companies and associates	19-c	(1,393)	(66,999)
Dividends and returns on other equity instruments paid:			
Dividends	12-b	(364,626)	(658,355)
Effect of foreign exchange rate changes		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**1,122,522**	**(675,766)**
Cash and cash equivalents at beginning of year	11	10,788	686,554
Cash and cash equivalents at end of year	11	1,133,310	10,788

(1) Includes the variation associated with the uncollected dividend described in Note 8.

The accompanying statements of cash flows should be read in conjunction with the Notes included on pages 10 to 121.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE FINANCIAL STATEMENTS FOR 2018

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Company") was incorporated in Barcelona on 24 February 1967. Its registered office is at Paseo de la Castellana, 39 (Madrid).

The company object of **Abertis** is the construction, upkeep and operation (or simply the upkeep and operation) of toll roads under concession arrangements; the management of road concessions in Spain and abroad; the construction of road infrastructure; the operation of service areas; ancillary activities for the construction, upkeep and operation of toll roads and service stations; and any other activity related to transport and communications and/or telecommunications infrastructure for the mobility and transport of people, goods and information, with such authorisation as might be required therefor. It also includes the preparation of studies, reports, designs and contracts, as well as the management and provision of advisory services in relation to the aforementioned activities.

The Company may carry on its company object, especially its concession activity, directly or indirectly through its ownership interests in other companies, subject, in this respect, to the legal provisions in force at any given time.

Abertis is the head of a group (see Note 8) engaging in the management of mobility and communications infrastructure, and currently operates in two sectors: toll road concessions and telecommunications concessions. In 2017 the Group decided to discontinue the satellite telecommunications business carried on by part of the Group of which the parent is Hispasat, S.A. and, in addition, on 12 July 2018, it sold the terrestrial telecommunications business, carried on through the investment held in Cellnex Telecom, S.A.

In accordance with current legislation, **Abertis** prepares consolidated financial statements separately. The consolidated financial statements of the Abertis Group for 2018 were formally prepared by its directors at the Board of Directors Meeting held on 19 February 2019.

Also, the consolidated financial statements for 2017 were approved by the shareholders at the Annual General Meeting of Abertis Infraestructuras, S.A. held on 13 March 2018 and were filed at the Madrid Mercantile Registry.

Also, since 29 October 2018 the Company (majority owned by Abertis Participaciones, S.A.U., whose sole shareholder is the Spanish company Abertis HoldCo, S.A. -see Note 12-) and the other Group companies have formed part of the Atlantia Group, the parent of which is Atlantia, S.p.A. (with registered office at Via Antonio Nibby, 20, Rome, Italy) which, in turn, belongs to the group headed by Edizione, S.r.l. (with registered office at Piazza del Duomo 19, Treviso, Italy).

The main aggregates in the consolidated financial statements for 2018, prepared in accordance with Final Provision Eleven of Law 62/2003, of 30 December, applying International Financial Reporting Standards as adopted by European Union Regulations, are as follows:

	2018
Total assets	28,643,497
Equity (of the Parent)	4,121,874
Equity (of non-controlling interests)	1,803,758
Consolidated operating income	5,255,381
Profit for the year attributable to the Parent	1,681,371
Profit for the year attributable to non-controlling interests	153,372

The figures contained in all the financial statements forming part of the annual financial statements (balance sheet, statement of profit or loss, statement of changes in equity, statement of cash flows) and in the notes to the financial statements are expressed in thousands of euros (the euro is the Company's presentation and functional currency), unless otherwise indicated.

2. BASIS OF PRESENTATION

a) Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code, the Spanish Limited Liability Companies Law, the Law on structural changes to companies formed under the Spanish Commercial Code and all other Spanish corporate law.

- The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, Royal Decree 1159/2010, of 17 September and Royal Decree 602/2016, of 2 December, making certain amendments to the Spanish National Chart of Accounts, together with the rules approved by the Spanish National Securities Market Commission.

- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, the Spanish Securities Market Law and the rules issued by the Spanish National Securities Market Commission.

- All other applicable Spanish accounting legislation.

b) Fair presentation

These financial statements, which were prepared on the basis of the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein. They were prepared by the Company's directors in order to present fairly its equity and financial position, the results of its operations, the changes in its equity and its cash flows in 2018, in accordance with the aforementioned legislation in force.

The Company's financial statements will be submitted for approval at the Annual General Meeting by the legally established deadline. The Company's directors consider that these financial statements will be approved without any changes.

The Company's financial statements for the year ended 31 December 2017 were approved by the shareholders at the Annual General Meeting held on 13 March 2018.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. However, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing these financial statements, the Company's directors were required to make certain accounting estimates and to consider certain factors on which to make judgements. These estimates and judgements, which are assessed on an ongoing basis, are based on historical experience and other factors including expectations regarding future events that are considered to be reasonable in view of the circumstances.

The principal estimates and judgements made in preparing the financial statements related to:

- The useful lives of intangible assets and property, plant and equipment (see Notes 4.1, 4.2, 6 and 7).

- Impairment of intangible assets and property, plant and equipment (Notes 4.1, 4.2, 4.3, 6 and 7).

- The recoverable amount of equity investments in Group companies and associates and of the loans granted to them (see Notes 4.6 and 8).

- The fair value of derivatives and other financial instruments (see Notes 4.7 and 10).

- The assumptions used in determining pension and other obligations to employees (see Notes 4.11 and 14).

- The estimate of the income tax expense and the method used to recognise deferred taxes, and the recoverability of deferred tax assets (see Notes 4.10 and 16).

- The evaluation of lawsuits, provisions, obligations and contingent assets and liabilities at year-end (see Note 4.12).

Although the estimates used were based on the best information available at the date of authorisation for issue of these financial statements, any change in estimates in the future would be applied prospectively from that time, and the effect of the change in the estimates would be recognised in the statement of profit or loss for the period in question.

e) Comparative information

The information relating to 2017 contained in these notes to the financial statements is presented for comparison purposes with that relating to 2018.

f) Changes in accounting policies

In 2018 there were no significant changes in accounting policies with respect to those applied in 2017.

g) Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2017.

h) Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

3. PROPOSED DISTRIBUTION OF PROFIT

The proposed distribution of the profit for 2018 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

Basis of distribution (Profit)	**2,406,758**
Distribution:	
Dividends	875,103
To voluntary reserves	1,531,655
	2,406,758

The Board of Directors proposes to distribute a 2018 dividend charged to the profit of the financial year of EUR 875.103 thousand representing 0.96 euros gross for each of the currently existing and outstanding shares entitled to receive a dividend at the date of its payment. This dividend includes the proportional attribution of the one that in its case would correspond to the existing treasury shares. The dividend will be paid once obtained a rating equal to or above BBB in a Rating Evaluation Services (RES) provided by Standard & Poor´s and the CEO of **Abertis** has verified the fulfilment of this precedent condition. If S&P rating is below BBB, the Board of Directors shall then revise the proposal of application of results and/or shall take any other measures consistent with the Shareholders' Agreement.

This BOD resolution shall be submitted for its approval to the Annual General Shareholders´ Meeting.

The detail of the dividend for the years 2018 and 2017 would be as follows:

	2018		**2017**	
Dividends paid	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.96	875,103	0.21	206,313
2nd payment	-	-	-	-
With a charge to profit	0.96	875,103	0.21	206,313
1st payment	-	-	0.19	189,840
2nd payment	-	-	0.40	396,152
With a charge to unrestricted reserves	-	-	0.59	585,992
1st payment	**0.96**	**875,103**	**0.40**	**396,153**
2nd payment	**-**	**-**	**0.40**	**396,152**
Total dividend paid	**0.96**	**875,103**	**0.80**	**792,305**

At 31 December 2018, no interim dividend had been paid out of the profit for 2018.

If on the dividend distribution date the Company were to hold shares that did not carry dividend rights, the amount corresponding to those shares would be transferred to voluntary reserves.

4. ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing the financial statements for 2018 and 2017, in accordance with the regulatory financial reporting framework applicable to the Company described in Note 2-a, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are stated at acquisition or production cost less accumulated amortisation and any impairment losses, and their useful life is evaluated on the basis of prudent estimates.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable, as described in Note 4.3.

a) <u>Computer software</u>

Computer software relates mainly to the amounts paid for title to or the right to use computer programs, only when the software is expected to be used over several years.

It is stated at acquisition cost and is amortised on a straight-line basis over its useful life (between three and five years).

Staff costs and other expenses directly attributable to intangible assets are capitalised as part of the acquisition cost until the assets are ready for their intended use.

Computer software maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

4.2 Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost less the related accumulated depreciation and any impairment losses recognised, as indicated in Note 4.3. This cost has been revalued pursuant to Royal Decree-Law 7/1996. The Company elected not to avail itself of the asset revaluation regulated by Law 16/2012.

Staff costs and other expenses directly attributable to property, plant and equipment are capitalised as part of the acquisition cost until the assets are ready for their intended use.

The costs of renewal, expansion or improvement of items of property, plant and equipment are capitalised to the asset only when this leads to increased capacity or productivity or to a lengthening of the useful lives of the property, plant and equipment and provided that it is possible to ascertain or estimate the carrying amount of the items that are derecognised because they have been replaced.

The costs of major repairs are capitalised and depreciated over the estimated useful life thereof, whereas recurring upkeep and maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

Depreciation of property, plant and equipment, except for land which is not depreciated, is calculated systematically using the straight-line method over the estimated useful life of the respective assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

	Depreciation rate
Buildings and other structures	2 - 8 %
Plant and other items of property, plant and equipment	5 - 30 %

When the carrying amount of an asset exceeds its estimated recoverable amount, its carrying amount is reduced immediately to its recoverable amount, and the impact is recognised in the statement of profit or loss for the year (see Note 4.3).

4.3 Impairment losses on non-financial assets

At each reporting date the Company assesses whether there is any indication that any of the assets may have become impaired. Whenever there are indications of impairment, the Company estimates the recoverable amount of the asset, which is understood to be the higher of fair value less costs to sell and value in use.

In assessing the recoverable amount of an asset, the estimated future cash inflows are discounted to their present value using a discount rate that reflects the long-term time value of money and the risks specific to the asset and, where applicable, any costs to sell.

Where the asset itself does not generate cash flows that are independent from other assets (the case of goodwill), the Company estimates the recoverable amount of the cash-generating unit (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) to which the asset belongs. If a cash-generating unit becomes impaired, the carrying amount of any goodwill assigned to it is written down first, followed by that of the other assets in proportion to each asset's carrying amount with respect to the total carrying amount of the cash-generating unit.

Impairment losses (carrying amount of the asset higher than its recoverable amount) are recognised in the statement of profit or loss for the year.

With the exception of goodwill, the impairment losses on which are irreversible, at each reporting date, if the Company has recognised impairment losses on assets in prior years, it is assessed whether there are indications that such losses have ceased to exist or have been reduced, and, where appropriate, the recoverable amount of the impaired asset is estimated.

An impairment loss recognised in prior periods is only reversed if there has been a change in the estimates used to determine the recoverable amount of an asset since the most recent impairment loss was recognised. If this is so, the carrying amount of the asset is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss for the year.

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases:

a) <u>Operating leases</u>

Expenses resulting from operating leases are charged to income in the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

At 2018 year-end the main operating leases related to the properties at which the Company carries on its activities, and the Company had not contracted with tenants for significant minimum lease payments.

b) <u>Finance leases</u>

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the statement of profit or loss for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

4.5 Cash and cash equivalents

For the purposes of determining the statement of cash flows, “Cash and Cash Equivalents” includes the Company’s cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

4.6 Financial assets

In general terms, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, the fees paid to tax advisers and other professionals relating to the acquisition of the investment are recognised directly in profit or loss.

The financial assets held by the Company are classified as:

a) Loans and receivables

Loans and receivables are financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

"Loans and Receivables" relates mainly to:

- Loans granted to Group companies, associates or related parties, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

- Deposits and guarantees, which are recognised at their nominal value, which does not differ significantly from their fair value.

- Trade receivables, which are measured at their face value, which approximates their fair value on initial recognition. This value is reduced, where necessary, by the corresponding allowance for doubtful debts (impairment loss on the asset) whenever there is objective evidence that the amount owed will only be partially collected or will not be collected at all, and this amount is charged to the statement of profit or loss for the year.

At each reporting date the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected.

b) Equity investments in Group companies, associates and jointly controlled entities

Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

They are measured at cost less any accumulated impairment losses and are adjusted, if they have been designated a hedge of a net investment in a foreign operation, by the portion of the hedge that meets the criteria to be considered effective. However, where the Company holds an investment in the investee prior to its classification as a Group company, jointly controlled entity or associate, the cost of the investment is considered to be its carrying amount prior to its classification as such. Any previous valuation adjustments recognised directly in equity are retained in equity until the related investments are derecognised.

If there is objective evidence that the carrying amount of an investment is not recoverable, an impairment loss is recognised for the difference between its carrying amount and its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use, measured mainly as the amount expected to be received from the dividends of the investee. Unless there is better evidence of the recoverable amount, the impairment loss on these investments is estimated based on the value of the equity of the investee, adjusted by the amount of the unrealised gains on acquisition that continue to exist at the date of subsequent measurement. Impairment losses and any reversals of impairment losses are recognised in the statement of profit or loss for the year in which they arise.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

The assets designated as hedged items are subject to hedge accounting measurement requirements (see Note 4.7).

4.7 Financial derivatives and hedge accounting

The Company uses derivative financial instruments to manage its financial risk arising mainly from fluctuations in interest rates and exchange rates (see Note 5). These derivative financial instruments, whether classified as hedges or not, are stated at their fair value (on both initial recognition and subsequent measurement), which is the market value at the reporting date for quoted instruments, or valuations based on an analysis of discounted cash flows using assumptions based mainly on the market conditions at the reporting date for unquoted derivative instruments.

At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objectives and the strategy for undertaking various hedges. The Company also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged items.

The fair value of the derivative financial instruments is disclosed in Note 10.

The criteria used to account for these instruments are as follows:

a) <u>Fair value hedges</u>

Changes in the fair value of designated derivatives that meet the conditions to be classified as fair value hedges of assets or liabilities are recognised in the statement of profit or loss for the year under the same heading as the change in the fair value of the hedged asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by Company to convert fixed-rate borrowings into floating-rate borrowings.

b) <u>Cash flow hedges</u>

The effective portion of the gain or loss on the measurement of derivatives classified as cash flow hedges, net of the related tax effect, is recognised in equity under "Hedges" until the underlying matures or is sold or it is no longer probable that the transaction will take place, at which point the accumulated gains or losses recognised in equity are transferred to the statement of profit or loss for the year.

Any ineffective portion of the gain or loss on the remeasurement of derivatives is recognised directly in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments".

These hedges relate mainly to derivative financial instruments arranged by Company to convert floating-rate borrowings into fixed-rate borrowings.

c) Hedge of a net investment in a currency other than the euro

In order to reduce foreign currency risk, the Company finances its main foreign investments in the same functional currency as that in which they are denominated. This is done by obtaining financing in the corresponding currency or by entering into cross currency interest rate swaps.

Hedges of net investments in foreign operations relating to subsidiaries, jointly controlled entities and associates are treated as fair value hedges of the foreign currency component.

Changes in the fair value of designated derivatives that meet the conditions to be classified as hedges of net investments in currencies other than the euro are recognised in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments", together with any change in the fair value of the hedged investment in the subsidiary, jointly controlled entity or associate attributable to the hedged risk.

d) Derivatives that do not qualify for hedge accounting

If a derivative does not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the derivative are recognised directly in the statement of profit or loss for the year.

e) Fair value and fair valuation measurement techniques

Fair value is defined as 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.

Classification of derivative financial instruments as current or non-current items in the balance sheet depends on whether at year-end the hedging relationship expires at less than or more than one year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

At 31 December 2018 and 2017, the Company had designated certain derivative financial instruments as hedges. In the case of the effective portion of cash flow hedges, changes in fair value were recognised in equity, and in the case of the other hedges, such changes were recognised in the statement of profit or loss.

Changes in the fair value of the other derivatives arranged that did not meet all the aforementioned requirements to qualify for hedge accounting, irrespective of the type of instrument, were recognised in the statement of profit or loss.

4.8 Equity

The costs relating to the issuance of new shares or options are recognised directly in equity as a reduction of reserves.

If treasury shares are acquired, they are recognised under "Treasury Shares", are deducted from equity and are measured at their acquisition cost (including any directly attributable incremental costs) without recognising any valuation adjustment.

When these shares are sold or reissued, any amount received is taken, net of directly attributable incremental transaction costs and of the related income tax effect, to equity.

4.9 Financial liabilities

This category includes trade and non-trade payables. These payables are classified as current liabilities unless the Company has the unconditional right to defer repayment of the debt for at least twelve months from the reporting date.

Trade payables maturing within twelve months where there is no contractual interest rate are stated, on both initial recognition and subsequent measurement, at face value when the effect of not discounting the cash flows is not material.

Borrowings are recognised initially at fair value, including the costs incurred in obtaining them. In subsequent periods, they are measured at amortised cost, i.e., any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if material, is recognised in the statement of profit or loss over the term to maturity of the debt using the effective interest rate.

If existing debts are renegotiated, it is considered that there is no substantial modification of the terms of the financial liability when the lender in the new loan is the same as that which granted the initial loan, the characteristics of the financial liability do not differ significantly from those of the initial loan and the present value of the cash flows, including net commissions and fees, does not differ by more than 10% from the discounted present value of the remaining cash flows of the original financial liability calculated using that same method.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.10 Income tax

The income tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Both the current and deferred tax expense (tax income) are recognised in profit or loss. However, the tax effect relating to items recognised directly in equity is also recognised in equity.

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable

on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.
Deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts.

The recoverability of deferred tax assets is assessed when they arise, and at the end of each reporting period, based on the Company's earnings performance projected in its business plan and in that of the tax group to which the Company belongs.

The Company files consolidated income tax returns as part of the consolidated tax group of which it is the Parent. In this connection, taking into consideration the private legal nature of the consolidation agreement, the tax group companies recognise the related income tax refundable or payable for the year as accounts receivable from or payable to, respectively, Abertis Infraestructuras, S.A., the Parent of the tax group.

The income tax expense is determined by taking into account, in addition to the aforementioned parameters to be considered for the purposes of individual taxation, and the Resolution of 9 February 2016 of the Spanish Accounting and Audit Institute (ICAC) establishing the rules for the recognition, measurement and preparation of financial statements to account for income tax, the following items:

- The permanent and temporary differences arising as a result of the elimination of results in the process used to calculate the consolidated taxable profit or tax loss.
- The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performs the activity or obtains the income required to qualify for the tax credit or tax relief.
- The portion of the tax losses reported by certain companies in the tax group that has been offset by the other companies in that group, as indicated above, gives rise to an account receivable with the parent of the tax group. The portion of the tax losses that has not been offset by the companies in the tax group are recognised by the company reporting them as a deferred tax asset as indicated above.

4.11 Employee benefits

Under the respective collective agreements, the Company has the following obligations to employees:

a) Post-employment obligations

- Relating to defined contribution employee benefit instruments (occupational pension plans and group insurance policies).

- Defined benefit obligations relating to bonuses or retirement benefits.

In relation to the defined contribution employee benefit instruments, the Company makes fixed contributions to a separate entity and does not have any legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The annual expense recognised is the contribution corresponding to the year.

Where the Company assumes certain actuarial and investment risks relating to defined benefit obligations, the liability recognised in the balance sheet is the present value of the obligations at the reporting date. Also, the asset recognised is the fair value of any plan assets at that date less any amounts relating to past service costs not yet recognised.

The projected unit credit method is used to determine both the present value of the defined benefit obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur, and are not presented in the statement of profit or loss but rather in equity in the statement of recognised income and expense.

Past service costs are recognised as an expense on a straight-line basis over the average period remaining until the date on which the employee's right to receive the benefits vests. However, where benefits are irrevocable immediately after the introduction of, or any change to, a defined benefit plan, the past service costs will be recognised immediately.

The coverage of obligations through contributions to an insurance policy in which the legal or constructive obligation to pay the benefits is retained is, in any case, treated as a defined benefit.

b) Other long-term benefits

The Company has obligations to certain employees in relation to a multi-year incentive plan tied to the degree of achievement of certain business and social responsibility objectives. The cost of the plan is charged to the statement of profit or loss as staff costs on an accrual basis based on the probability that the objectives established will be fulfilled.

c) Termination benefits

The Company recognises these benefits when it is demonstrably committed to terminate serving employees.

4.12 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation, whether legal, contractual or constructive, as a result of past events with respect to which it is probable that an outflow of resources will be required to settle the obligation and the amount thereof can be estimated reliably.

Provisions are measured at the present value of the disbursements which are expected to be required to settle the obligation. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Provisions for obligations maturing within one year for which the effect of discounting is not material are not discounted.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset, provided that it is virtually certain that reimbursement will be received.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognised, but rather are disclosed (see Note 18).

4.13 Classification of financial assets and liabilities as current or non-current items

In the balance sheet, financial assets and liabilities maturing within no more than twelve months from the reporting date are classified as current items and those maturing within more than twelve months are classified as non-current items.

4.14 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income is recognised using the effective interest method.

Dividend income is recognised in the statement of profit or loss when the right to receive payment has been established. However, if the dividends are paid out of profit earned unequivocally prior to the date of acquisition, they are not recognised as income, but rather the carrying amount of the related investment is reduced.

The Company centralises a portion of the financing transactions of the Group of which it is the Parent and, therefore, the finance income associated with loans granted to the other investees is considered to be a component of the financial profit or loss so that it presents fairly the Company's operations.

4.15 Transactions in currencies other than the euro

Transactions in a currency other than the euro are translated to the Company's functional currency (the euro) using the exchange rates prevailing at the date of the transactions. The exchange gains and losses arising on settlement of these transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in a currency other than the euro are recognised in profit or loss.

4.16 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

For balance sheet presentation purposes, in addition to the companies considered to be Group companies with respect to the group of which **Abertis** is Parent, the direct or indirect subsidiaries of Edizione, S.r.l. are considered to be Group companies (see Note 1), associates of the subsidiaries of Edizione, S.r.l. are considered to be associates and, lastly, companies that have significant influence over Abertis HoldCo, S.A., sole shareholder of the majority shareholder Abertis Participaciones, S.A.U. (see Note 1) and Edizione, S.r.l. are deemed to be other related companies (see Note 12-a).

4.17 Activities affecting the environment

Each year, payments made in order to comply with legal environmental requirements are either recognised as an expense or an investment, depending on their nature. The amounts capitalised are amortised over the years of useful life of the related asset.

Also, a provision for environmental contingencies and charges is recognised if there are obligations relating to the protection of the environment.

In view of the business activity carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The activities of the Company and the Group of which it is Parent are exposed to various financial risks: foreign currency risk, interest rate risk, credit risk, liquidity risk and inflation risk. The Company uses derivative financial instruments to hedge a portion of these risks.

The financial risk management of the companies belonging to the Abertis Group is controlled by management of the Group’s Financial Area, subject to authorisation from the CEO of **Abertis**, in the framework of the corresponding policy approved by the Board of Directors.

a) Foreign currency risk

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk on the net assets in the Company's transactions in currencies other than the euro is managed primarily through borrowings denominated in the corresponding foreign currencies and/or cross currency interest rate swaps.

The foreign currency risk hedging strategy in the Company's investments in currencies other than euro should aim to hedge this risk, and should be implemented within a reasonable time frame, based on the market and after an assessment of the impact of the hedge.

b) Interest rate risk

The Company's interest rate risk arises from non-current borrowings.

The borrowings issued at floating rates expose the Company to interest rate risk on its cash flows, whereas the borrowings arranged at a fixed rate expose the Company to interest rate risks in relation to fair value.

The purpose of interest rate risk management is to achieve a balance in the debt structure that makes it possible to minimise volatility in the statement of profit or loss over a multi-year time horizon.

In this connection, based on various estimates and objectives regarding the debt structure, in order to manage the interest rate risk on the cash flows, hedging transactions are carried out through the arrangement of derivative financial instruments consisting of floating-to-fixed interest rate swaps. These swaps have the economic effect of converting borrowings bearing floating interest rates into borrowings bearing fixed rates, so the Company undertakes with other parties to exchange, at certain intervals, the difference between fixed interest and floating interest calculated on the basis of the main notional amounts arranged.

Also, in order to comply with the aforementioned policy, the Company is able to arrange fixed-to-floating interest rate swaps to hedge fair value interest rate risk.

c) Credit risk

Credit risk arises mainly from cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions, as well as other debts, including outstanding accounts receivable and committed transactions.

Derivative transactions and cash transactions are only performed with banks of proven creditworthiness acknowledged by international rating agencies. The rating of each entity is reviewed periodically to ensure active management of counterparty risk.

The credit limits were not exceeded in the reporting periods and management does not expect any losses to arise from the default of any of the counterparties indicated.

d) Liquidity risk

The Company manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit facilities and the ability to settle market positions. Management of **Abertis**' Financial Area has the objective of maintaining flexible financing through the availability of the credit lines arranged.

e) Inflation risk

The revenue of most of the toll road concessions arises from tolls tied directly to inflation. Consequently, a scenario of increased inflation would lead, a priori, to an increase in the fair value of these projects.

In this connection, in relation to Royal Decree 55/2017, of 3 February, implementing Law 2/2015, of 30 March, on the de-indexing of the

Spanish economy, it is considered that the aforementioned Royal Decree will not have any impact on the tolls applicable to the Spanish concessions operated by the Abertis Group, since, in general, the Royal Decree does not apply to concession arrangements already in force.

5.2 Fair value measurement

The fair value of the financial instruments traded in active markets is based on the market prices at the reporting date.

The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Company employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date.

6. INTANGIBLE ASSETS

The detail of "Intangible Assets" and of the changes therein is as follows:

	Computer software	Total
At 31 December 2016		
Cost	7,569	7,569
Accumulated amortisation	(4,577)	(4,577)
Carrying amount	**2,992**	**2,992**
2017		
Beginning carrying amount	2,992	2,992
Additions	1,157	1,157
Disposals (net)	-	-
Amortisation charge	(1,624)	(1,624)
Ending carrying amount	**2,525**	**2,525**
At 31 December 2017		
Cost	8,726	8,726
Accumulated amortisation	(6,201)	(6,201)
Carrying amount	**2,525**	**2,525**
2018		
Beginning carrying amount	2,525	2,525
Additions	1,312	1,312
Amortisation charge	(1,170)	(1,170)
Ending carrying amount	**2,667**	**2,667**
At 31 December 2018		
Cost	10,038	10,038
Accumulated amortisation	(7,371)	(7,371)
Carrying amount	**2,667**	**2,667**

a) Other disclosures

In 2018 and 2017 no significant impairment losses on intangible asset items were either recognised or reversed.

At 31 December 2018, fully amortised intangible assets in use amounted to EUR 6,506 thousand (2017: EUR 3,012 thousand) and related in full to computer software.

At 31 December 2018, no significant intangible asset items were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its intangible assets are subject.

7. PROPERTY, PLANT AND EQUIPMENT

The detail of "Property, Plant and Equipment" and of the changes therein is as follows:

	Land and buildings	Plant and other items of property, plant and equipment	Total
At 31 December 2016			
Cost	10,356	11,758	22,114
Accumulated depreciation	(2,055)	(4,291)	(6,346)
Carrying amount	**8,301**	**7,467**	**15,768**
2017			
Beginning carrying amount	8,301	7,467	15,768
Disposals (net)	(1)	-	(1)
Additions	-	119	119
Depreciation charge	(126)	(1,652)	(1,778)
Carrying amount	**8,174**	**5,934**	**14,108**
At 31 December 2017			
Cost	10,355	11,877	22,232
Accumulated depreciation	(2,181)	(5,943)	(8,124)
Carrying amount	**8,174**	**5,934**	**14,108**
2018			
Beginning carrying amount	8,174	5,934	14,108
Additions	41	14	55
Depreciation charge	(126)	(1,570)	(1,696)
Carrying amount	**8,089**	**4,378**	**12,467**
At 31 December 2018			
Cost	10,396	11,891	22,287
Accumulated depreciation	(2,307)	(7,513)	(9,820)
Carrying amount	**8,089**	**4,378**	**12,467**

At 31 December 2018, "Land and Buildings" included EUR 4,148 thousand relating to the cost of land and EUR 6,248 thousand relating to the cost of buildings (31 December 2017: EUR 4,148 thousand and EUR 6,207 thousand, respectively). The accumulated depreciation relating to this heading corresponds in full to buildings.

The additions in 2018 and 2017 relate mainly to the acquisition of management items required for the ordinary activity of the Company.

a) Other disclosures

In 2018 and 2017 no significant impairment losses on separate items of property, plant and equipment had been either recognised or reversed.

At 31 December 2018, fully depreciated property, plant and equipment in use amounted to EUR 3,498 thousand (31 December 2017: EUR 1,305 thousand).

At 31 December 2018, no significant items of property, plant and equipment were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its property, plant and equipment are subject.

8. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The most significant information in relation to Group companies, jointly controlled entities and associates at the end of 2018 and 2017 is as follows:

	Balance at 31/12/17	**Additions (charge for the year)**	**Disposals (reductions)**	**Balance at 31/12/18**
Investments in Group companies and associates	8,935,614	24,820	(315,400)	8,645,034
Impairment losses	(1,295,776)	-	78,330	(1,217,446)
Loans to Group companies and associates	4,741,933	284,743	(699,099)	4,327,577
Total non-current	**12,381,771**	**309,563**	**(936,169)**	**11,755,165**
Loans to Group companies and associates and other financial assets	247,401	174,249	(31,937)	389,713
Total current	**247,401**	**174,249**	**(31,937)**	**239,713**

	Balance at 31/12/16	Additions (charge for the year)	Disposals (reductions)	Transfers	Balance at 31/12/17
Investments in Group companies and associates	6,337,192	2,755,432	(195,712)	38,702	8,935,614
Impairment losses	(1,359,677)	-	63,901	-	(1,295,776)
Loans to Group companies and associates	5,542,296	-	(761,661)	(38,702)	4,741,933
Total non-current	**10,519,811**	**2,755,432**	**(893,472)**	**-**	**12,381,771**
Loans to Group companies and associates and other financial assets	437,736	37,229	(227,564)	-	247,401
Total current	**437,736**	**37,229**	**(227,564)**	**-**	**247,401**

The detail of the direct and indirect ownership interests in Group companies and associates, together with the carrying amounts thereof, the breakdown of their equity and of the dividends received from them is presented in the Appendix.

a) Equity instruments

The main additions in 2018 relate to the following transactions:

- In 2018 the Company subscribed various capital increases carried out by the investee Abertis Internacional, S.A. (a wholly-owned investee of **Abertis**), for a total of EUR 21,220 thousand. In turn, these funds were used, on the one hand, to acquire the 26% of Jadcherla Expressways Private Limited (JEPL) not controlled by the Company and, on the other hand, to subscribe the capital increase of Abertis India Toll-Road Services LLP. Indirect ownership interests in both of these companies are held through Abertis India, S.L. (a company wholly owned by Abertis Internacional, S.A.).

- On 15 October 2018, non-refundable monetary contributions totalling EUR 510 thousand were made to the investee Partícipes en Brasil, S.A., without giving rise to any change in the percentage of ownership held in this investee (51%). These contributions were made to finance the ordinary activities of Partícipes en Brasil, S.A. and its investees Partícipes en Brasil II, S.L. and Arteris, S.A.

Also, the disposals in 2018 were due mainly to:

- In the framework of the tender offer for shares of **Abertis** described in Note 12, in 2018 the divestment was completed of the full amount of the investee Cellnex Telecom, S.A. (Cellnex), the ownership interest in which at 31 December 2017 was 34% with a carrying amount of EUR 138,969 thousand. In this connection, the main milestones of the aforementioned process that took place in 2018 were as follows:
  - On 14 March 2018 the Italian company Atlantia, S.p.A. (Atlantia) published a relevant event communication announcing the agreement reached with Hochtief Aktiengesellschaft (Hochtief) and ACS, Actividades de Construcción y Servicios, S.A. (ACS) whereby, if the tender offer for shares of **Abertis** launched by Hochtief were completed successfully, Atlantia would be entitled to demand that Hochtief take the measures required for **Abertis** to sell all or a portion of its ownership interest in Cellnex to Atlantia or to such company as Atlantia might designate. This possible sale would be effected in the following terms:
    - i. The selling price for the shares of Cellnex would be their average market price in the six months prior to the settlement of the Hochtief tender offer, with a floor of EUR 21.20 per Cellnex share and a cap of EUR 21.50 per Cellnex share (adjusted by such gross dividends as might be paid after the date of the agreement).
    - ii. 29.9% or 34% of the share capital of Cellnex would be transferred, as decided by Atlantia.
    - iii. This sale would have to be settled in the two months following the settlement of the Hochtief tender offer, which took place on 18 May 2018.
  - On 23 March 2018, Atlantia published a new relevant event communication announcing its decision to exercise the aforementioned call option and, in addition, to enter into a put option agreement with Edizione S.r.L. (Edizione) whereby Atlantia acquired the option to sell to Edizione shares representing the 29.9% stake in Cellnex that Atlantia would obtain prior to the execution of the aforementioned call option agreement. This sale would be effected for a price of EUR 21.50 gross per share (adjusted by the amount of the gross dividends distributed). This put option did not place any restriction on Atlantia's right to receive and accept, as the case may be, other offers for, or expressions of interest in, Cellnex shares.
  - On 16 April 2018, Atlantia published a new relevant event communication announcing that it had not received any offers for the shares of Cellnex on which it held a call option that bettered that made

by Edizione and, therefore, that it had decided to exercise its put option vis-à-vis Edizione in relation to shares representing 29.9% of the share capital of Cellnex.

  - On 5 June 2018, **Abertis** sold shares representing 4.1% of the share capital of Cellnex to qualified investors through an accelerated bookbuilt offering. Through this offering, **Abertis** sold 9,499,013 Cellnex shares for a price, net of fees and commissions, of EUR 22.45 per share (EUR 213,253 thousand).
  - Lastly, on 12 July 2018 **Abertis** completed the sale of shares representing 29.9% of the share capital of Cellnex to the Italian company ConnecT S.p.A. (Connect, a subsidiary of Edizione S.r.l.). Specifically, **Abertis** sold 69,273,289 Cellnex shares for a price of EUR 21.50 per share (EUR 1,489,376 thousand).
  - In this connection, the execution of the aforementioned agreements for the sale of 34% of the share capital of Cellnex gave rise to a cash inflow totalling EUR 1,702,629 thousand and the recognition of a net gain of EUR 1,563,660 thousand in the Company's statement of profit or loss for 2018 (see Note 17-c).

- In 2018 the investee Holding d'Infraestructures de Transport S.A.S paid to **Abertis** dividends totalling EUR 800,000 thousand, of which EUR 120,997 thousand were recognised with a credit to the ownership interest held since they corresponded to profits earned unequivocally prior to the date of acquisition.
- The reimbursement of contributions of Abertis Puerto Rico and Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) amounting to EUR 2,584 thousand and EUR 6,643 thousand, respectively. These reimbursements were recognised with a credit to the ownership interest held since they did not correspond to profits earned by the investee since its incorporation.
- In 2018 the investees Abertis USA Corp and APDC Participações, S.A. were dissolved without giving rise to a material impact.

Lastly, in 2018 the hedges of net investments in foreign operations relating to Inversora de Infraestructuras, S.L. (Invin), Partícipes en Brasil and Metropistas reduced the cost of the investment by EUR 21,077 thousand in the case of Invin (2017: reduction of EUR 15,966 thousand), by EUR 24,346 thousand in the case of Partícipes en Brasil (2017: reduction of EUR 38,219 thousand) and increased it by EUR 1,780 thousand in the case of Metropistas (2017: reduction of EUR 7,283 thousand). These changes were recognised with a balancing entry in the statement of profit or loss for the year resulting from the exchange rate effect on the effective portion of the hedge, with the aforementioned impact offset by the effect of the hedges arranged (see Note 10).

The main changes recognised in 2017 were as follows:

- In 2018 the Company, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infraestructures de Transport S.A.S. (Hit, a company that controls 100% of Sanef) for a total of EUR 2,214 million. As a result of the acquisition of this additional ownership interest, **Abertis** now directly owns all the shares of Hit.

- In 2018 the Company increased capital several times at the investee Abertis Internacional, S.A. (a wholly-owned investee of **Abertis**), for a total of EUR 315,050 thousand. These capital increases were performed so that Abertis Internacional, S.A. could finance the acquisition of an additional percentage of A4 Holding, S.p.A. and of the Indian companies Trichy Tollway Private Limited (TTPL) and Jadcherla Expressways Private Limited (JEPL) through the wholly-owned investee Abertis India, S.L.

- In 2018 the Company made various non-refundable monetary contributions totalling EUR 190,014 thousand to the investee Partícipes en Brasil, S.A., without giving rise to any change in the percentage of ownership of this investee (51%). These contributions were made to finance the ordinary activities of Partícipes en Brasil, S.A. and its investees Partícipes en Brasil II, S.L. and Arteris, S.A., and to be able to acquire Via Paulista (through its investee Arteris, S.A.).

- On 16 May 2017, all the shares of Eurotoll S.A.S. were acquired from the Group company Sanef, S.A. for EUR 17,928 thousand. This acquisition includes a variable price based on certain events for a maximum of EUR 47 million, although, since the future disbursement thereof has not been considered to be probable, on initial recognition of the investment it was not recognised.

- On 10 May 2017, share capital was increased by EUR 11,947 thousand at the investee Autopistas de Puerto Rico y Compañía, S.E.

- On 13 June 2017, share capital was increased by EUR 6,820 thousand at the investee Autopistas Metropolitanas de Puerto Rico, LLC, which did not lead to a change in the percentage of ownership therein (51%).

- On 9 June 2017, receivables amounting to EUR 38,702 thousand were contributed to Inversora de Infraestructuras, S.L. (Invin), which related to a portion of the collection rights held by **Abertis** vis-á-vis the company in relation to the existing intra-Group loan.

Also, the disposals in 2017 were due mainly to:

- The reimbursement of contributions of Abertis Puerto Rico amounting to EUR 7,042 thousand. These reimbursements were recognised with a credit to the ownership interest held since they did not correspond to profits earned by the company since its incorporation.

- The reimbursement of contributions of Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) amounting to EUR 4,100 thousand. These reimbursements were recognised with a credit to the ownership interest held since they did not correspond to profits earned by the company since its incorporation.

- Airport Concessions and Development Limited (ACDL) was dissolved on 24 December 2017 (registration at the Mercantile Registry took place in 2018). This investment had been written down virtually in full, leaving a carrying amount of EUR 2,604 thousand on a gross investment of EUR 66 million, and the related impairment losses were recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the statement of profit or loss for 2017.

Also, the disposals in 2017 included the impacts generated in the year by the formalisation of the following transactions between Group companies:

- Abertis Mobility Services, S.L. (Sole Shareholder Company) was incorporated for EUR 3 thousand on 28 July 2017. This company was formed as a result of the decision to group together the Group's subsidiaries that provide mobility management services in a single company, centralising their management and improving the strategy and focus of the business that had hitherto been managed on a segregated basis. To achieve this objective, **Abertis** transferred, through a non-monetary contribution, title to all the shares of Emovis S.A.S. and Eurotoll, S.A.S., companies that carry on activities related to the provision of mobility management services, to Abertis Mobility Services, S.L. and, therefore, the latter became the owner of the shares of the two companies.

  In this regard, on 19 December 2017 **Abertis** contributed all the shares of Emovis, S.A.S. and Eurotoll, S.A.S. held by it, amounting to EUR 21,528 thousand and EUR 6,877 thousand, respectively (the carrying amounts thereof were EUR 43,000 thousand and EUR 17,928 thousand, respectively), corresponding to the value at which the investments in these Group companies were carried in the Group's consolidated financial statements. These non-monetary contributions had a negative impact of EUR 32,523 thousand, which was recognised under "Voluntary Reserves" in the accompanying balance sheet (see Note 11-b).

- On 12 June 2017, Inversora de Infraestructuras, S.L. (Invin) merged with Infraestructuras Americanas, S.L.U. through the absorption of the latter by the former, transferring all the assets and liabilities of the absorbed company en bloc to the absorbing company, Invin, with the concomitant dissolution without liquidation of Infraestructuras Americanas, S.L.U. Consequently, **Abertis** transferred the cost of the ownership interest that it had hitherto held in Infraestructuras Americanas, S.L.U., amounting to EUR 259,807 thousand, to Invin, for EUR 236,285 thousand, corresponding to the value at which this Group company had been carried in the Group's consolidated financial statements in accordance with the regulatory financial reporting framework applicable to the Company(see Note 2-a), giving rise to a negative impact on the Company's equity amounting to EUR 23,522 thousand, which was recognised under "Voluntary Reserves" in the accompanying balance sheet (see Note 12-b).

b) Loans to Group companies and associates

The loans to Group companies and associates (see Note 19-c) mature as follows:

	31 December 2018							
	Current	Non-current						
	2019	2020	2021	2022	2023	Subsequent years	Total	Total
Loans and other financial assets - Group companies and associates	389,713	-	-	3,573,924	-	753,653	4,327,577	4,717,290

	31 December 2017							
	Current	Non-current						
	2018	2019	2020	2021	2022	Subsequent years	Total	Total
Loans and other financial assets - Group companies and associates	247,401	3,972,409	-	-	-	769,524	4,741,933	4,989,334

The loans granted to Group companies and associates are automatically renewable in the short-term on the basis of the cash needs of the corresponding Group companies and associates and are arranged on an arm's length basis.

The main changes in 2018 relating to long-term loans to Group companies and associates were as follows:

- The additions to the loans granted to Group companies and associates relate mainly to the increase, for an additional amount of EUR 285 million, of the loan granted on 17 April 2018 to Abertis Telecom Satélites, S.A.U. to enable this company to complete the purchase agreement with Eutelsat for the acquisition of an additional 32.63% of the share capital of Hispasat, S.A. The acquisition of this additional ownership interest means that **Abertis**, acting through its wholly-owned Spanish subsidiary Abertis Telecom Satélites, S.A.U., now owns 89.68% of the shares of Hispasat, S.A. (until then 57.05% of the share capital had been held).

- The reductions in the loans granted to Group companies and associates relate mainly to the partial repayment of the loans granted to Abertis Autopistas España, S.A.U. and to Societat d'Autopistes Catalanes, S.A.U. for a total of EUR 678 million.

Also, the main changes in 2017 in the long-term loans to Group companies and associates were as follows:

- The reductions in the loans granted to Group companies and associates related mainly to the partial repayment of the loans granted to Abertis Autopistas España, S.A.U. and to the partial repayment of CLP 74 billion (approximately EUR 101 million) of the loan granted to Invin.

The main changes in 2018 relating to short-term loans to Group companies and associates relate mainly to the taxation on a consolidated basis of the tax group of which the Company is the parent (see Note 19-c) and to a dividend approved by the investee Abertis Autopistas España, S.A.U. at the end of 2018 which was receivable at 2018 year-end (see Note 19-c).

c) Impairment

As described in Note 4.6, at each reporting date the Company tests the investments recognised and, where appropriate, their recoverable amounts, to ascertain whether there are any indications of impairment in order to recognise any possible impairment losses.

To this end, firstly the recoverable amount of the investments was estimated on the basis of the equity of the related investees.

Where this method was used and it was disclosed that the carrying amount was higher, the carrying amount of a previously impaired asset was lower or other indications of impairment were identified, the recoverable amount of the investment was determined mainly on the basis of the present value of the future cash flows generated by the investment, calculated using an estimate of the investor's share of the cash flows expected to be generated by the investee, discounted at a market discount rate, or market value with reference to the price of recent similar transactions in the market less the costs associated with the sale.

The main steps carried out in order to determine the present value of the future cash flows arising from the investment were as follows:

- The time in which it is estimated that the investment will generate cash flows (concession term in the case of the investees that are toll road concession operators, most of which expire between 2 and 42 years) was determined.

- The revenue and expense projections used in the impairment tests of the previous year were reviewed to evaluate possible variances. In this regard, in the review of the 2017 impairment tests using the actual results for 2018 no significant variances were detected.

- Revenue and expense projections were prepared using the following general criteria:

    - In the case of revenue, in order to estimate changes in prices, the Company took into consideration the official CPI forecast of each country in which investments are made (considering, in the case of concession operators, the toll revision formulas established in the concession arrangements based on changes in the local CPI and/or any specific adjustments).

    - To estimate the activity of the toll road business (average daily traffic, or ADT), the reference used was the GDP growth forecasts made by the official agencies in each country (including any applicable corrections). The past performance of each investment with respect to GDP, the maturity of each infrastructure and other specific aspects that might affect the activity in the future are also taken into account.
    - Expenses were estimated on the basis of the foreseeable changes in the CPI, the envisaged activity and the operating efficiency plans implemented by the Group.

- The investment for future infrastructure maintenance and upgrade work was projected on the basis of the best estimates available and the Company's experience, taking into account projected activity.

- The cash projections obtained from the revenue and expense projection described above were discounted at the rate resulting from adding to the long-term cost of risk-free money, the risk premium assigned by the market to each country where the activity takes place, the risk premium assigned by the market to each business (at long term, in both cases) and the target market financial structure of the related cash-generating unit.

- For the purposes of estimating the Company’s share of the future cash flows generated by the investment, the investees’ sources of financing were taken into account.

The projections are generally based on the budget and on the most recent long-term projection available.

As a result of the aforementioned process for measuring the recoverable amount, at 31 December 2018 the Company considered it necessary to reverse impairment losses of EUR 77,550 thousand, mainly in relation to the investment held in the Argentine Group company Autopistas del Sol, S.A. (Ausol) (see Note 17-c).

On 24 July 2018, the agreement entered into between the investee Ausol and the Argentine government was completed giving rise, inter alia, to the acknowledgment of the measures, totalling USD 499 million, net of tax (approximately EUR 422 million at 31 December 2018), to restore the economic and financial feasibility of the concession, a plan for additional investment of USD 430 million (approximately EUR 364 million at 31 December 2018) to improve the existing network, a new tariff revision scheme and the abandonment of the proceedings between the parties. In addition, this agreement entails, among other risks, the assumption of the demand risk by the grantor, the extension of the concession arrangement until the end of 2030 and the remuneration of the compensation balance associated with the measures to restore the economic and financial balance at an explicit interest rate on the compensation balance and, lastly, the payment by the grantor of the amount of the compensation balance not recovered during the extension period. In this connection, for the purposes of measuring the recoverable value of the investment in the aforementioned investee, **Abertis** considered that the best evidence of the recoverable value is the equity of the investee as the agreement described above recognised the investee at its fair value.

In addition to the foregoing, at 31 December 2018, based on the analysis conducted to measure the recoverable amount, the Company did not consider it necessary to recognise or reverse any additional impairment losses.

Consequently, the total impairment recognised at 31 December 2018 amounted to EUR 1,217,446 thousand, of which EUR 765,592 relate to the impairment recognised in prior years at Abertis Autopistas España, S.A., EUR 370,284 thousand to Partícipes en Brasil, S.A., also recognised in prior years, EUR 69,998 thousand to the Argentine company Ausol (31 December 2017: EUR 147,548 thousand), EUR 7,942 thousand to Abertis Motorways UK, Ltd and EUR 3,630 thousand to Sociedade para Participação em Infraestructura, S.A.

Impairment at Abertis Autopistas España, S.A.

In relation to the ownership interest held in Abertis Autopistas España, S.A. and the impairment recognised thereon in 2015, several aspects relating to the wholly-owned investees Autopistas Concesionaria Española, S.A. (Acesa) and Autopistas Aumar, S.A.C.E. (Aumar) must be taken into account:

a) Autopistas, Concesionaria Española, S.A. (Acesa)

Acesa operates the administrative concession for the construction, maintenance and operation of the following stretches of toll road: a) AP-7 La Jonquera - Salou, b) AP-2 Zaragoza - Mediterráneo and c) AP-2 Molins de Rei - El Papiol. Royal Decree 457/2006 approved the Agreement between the Spanish Government and Acesato amend certain terms of this concession.

This Agreement envisages, inter alia, the building of an additional lane on certain stretches of the AP-7 toll road, implementing a closed-toll system and granting free transit and discounts in certain cases, as well as Acesa's waiver of its right to claim any possible indemnities as a result of the effect that the construction of second lanes on the N-II and CN-340 roads might have on traffic.

The Agreement establishes that the difference in revenue resulting from the variance between actual traffic and the amount of traffic specified in the Royal Decree until the end of the concession will be added to or subtracted from the investments made in the compensation account created to restore the economic and financial balance that was altered by the obligations assumed by Acesa. The adjusted amount in this compensation account will be received by the concession operator at the end of the concession, once the term of the concession has expired, if the economic and financial balance has not been restored.

The grantor thus secured the undertaking of the concession operator to carry out extension work not included in the concession arrangement, to waive any indemnity that it might be entitled to receive as a result of parallel roads and to give certain rebates and discounts. The grantor is not, however, required to make any payment for the projects and waivers, although it is required to assume a risk relating to the possibility that traffic might not exceed certain thresholds.

Previously, Royal Decree 457/2006 and the Agreement that it approved received favourable reports from the various technical services of the Ministries of Public Works and Finance as well as from the Government Advisory Council. Although the latter acknowledged the unique nature of this contractual amendment based on the transfer of traffic risk, it expressly stated that it did not object to it on legal grounds.

Following its approval, the Agreement was interpreted in the same way by both parties and both the review by the Regional Government Office of the toll road concession operators of the Ministry of Public Works ("Administrative Review") as well as the audits of the financial statements of Acesa for 2006 until 2010, confirmed that the calculation of the compensation and the accounting treatment of the compensation account provided for in the Agreement were correct.

However, although the Administrative Review of 2011 recognised the amounts accrued in the year and the compensation balance payable to Acesa at 31 December 2011, calculated using the same methodology, it raised questions as to the interpretation of the compensation for guaranteed revenue arising from the decrease in traffic as a result of the economic downturn and proposed that a provision be recognised for this revenue until these issues were clarified. Acesa filed an administrative appeal to a superior administrative body against this Administrative Review, which was dismissed in 2015. The ruling dismissing the appeal filed stated that any Administrative Review of Acesa would be in line with the decision of the Government Advisory Council requested in the framework of the Administrative Review of 2013 described below ("2014 decision of the Government Advisory Council"). Therefore, this ruling meant, on the one hand, not considering the guaranteed traffic compensation (and the related interest cost) as an integral part of the Agreement and, on the other, the existence of certain discrepancies in relation to the accounting treatment of the investments made and the recognition of the related interest cost. Acesa filed an appeal for judicial review at the Madrid High Court against that ruling which was upheld in full on 7 March 2017 and, therefore, rendered null and void the Administrative

Review of 2011 and, in the same way as the 2006 decision of the Government Advisory Council (therefore contradicting the 2014 decision of the Government Advisory Council), held that the AP-7 Agreement was valid and effective for all purposes. The Ministry of Public Works filed a cassation appeal against that judgment at the Supreme Court, against which Acesa has submitted pleadings on which a decision had not yet been handed down at the date of authorisation for issue of these financial statements, having set 26 February 2019 as the date for the vote and decision on this appeal.

Also, the Administrative Review for 2012 did not include any recommendation to recognise a provision, although it did reiterate the matters referred to in the Administrative Review for 2011.

The Administrative Review for 2013 informed Acesa that the Ministry of Public Works had requested an opinion from the Government Advisory Council with a view to resolving the differences of interpretation raised in the Administrative Review for 2011 and raising the possibility of unilaterally modifying the agreement entered into with Acesa.

Subsequently, the Administrative Reviews of 2014, 2015 and 2016 confirmed the stance adopted in the 2014 decision of the Government Advisory Council, in relation to both the balance of the compensation and the investments made and the related interest cost. Acesa filed appeals to a superior administrative body against these Administrative Reviews; however, since these appeals were not expressly resolved by the Government by the corresponding deadline, Acesa filed appeals for judicial review.

With respect to the 2014 Administrative Review, on 14 March 2018 the Madrid High Court upheld in full the accounting policy applied Acesa in relation to the aforementioned Agreement. The Ministry of Public Works filed a cassation appeal against this judgment, on which a judgment had not yet been handed down at the date of authorisation for issue of these financial statements.

With respect to the 2015 Administrative Review, as in relation to the 2014 Administrative Review, on 23 November 2018 the Madrid High Court upheld in full the accounting policy applied by **Acesa** in relation to the balance of the aforementioned Agreement. The Ministry of Public Works may file a cassation appeal against this judgment, which had not occurred at the date of authorisation for issue of these financial statements.

With respect to the Administrative Review of 2016, on 24 April 2018, Acesa filed the corresponding appeal for judicial review at the Madrid High Court on which a judgment had not been handed down at the date of authorisation for issue of these financial statements.

Also, it should be noted that on 19 July 2018 Acesa received the proposed Administrative Review of 2017, which is in line with the Administrative Reviews of 2014, 2015 and 2016 and, consequently, different stances were maintained with respect to the accounting treatment of the investments made and the related interest cost and tax effect (see section i) of this Note). In August 2018, Acesa filed the corresponding administrative appeal against that 2017 Administrative Review to a superior administrative body; however, at the date of authorisation for issue of these financial statements no decision had yet been handed down.

Moreover, in connection with the request submitted by the Ministry of Public Works to the Government Advisory Council within the framework of the Administrative Review of 2013 described above, in 2015 the Group was informed of the following opinions and reports issued at the request of the Ministry of Public Works:

i) Report from the Spanish State Legal Service as to whether the compensation formula could be revised ex officio in order to exclude the effect of the decrease in traffic resulting from the economic downturn and, if not, whether the Royal Decree and the Agreement could be amended unilaterally pursuant to the Spanish Toll Roads Law or the "rebus sic stantibus" clause.

The State Legal Service issued the requested report, stating that:

a) A review of the compensation formula governed by the Royal Decree and the Agreement was not warranted, since the amendment was contractually valid (as deemed by the 2006 opinion of the Government Advisory Council, insofar as it did not object on legal grounds to the exclusion of the risk corresponding to the concession operator) and because the four-year deadline for declaring it detrimental to the public interest had elapsed.

b) Unilaterally amending the Royal Decree and the Agreement which it approved would also not be warranted, either under the Toll Roads Law or under the "rebus sic stantibus" clause. Regarding the latter, the report stated that a decrease in traffic is not a wholly unforeseeable circumstance, given that the nature of this factor is to fluctuate and vary, especially over a period as lengthy as 16 years.

Accordingly, in 2014 the State Legal Service concluded, as had the Government lawyer for the Ministry of Public Works in 2006 and the opinion of the Government Advisory Council in 2006, that the Agreement approved by Royal Decree 457/2006 is valid and legally effective, and therefore it may not be unilaterally amended by the grantor.

ii) A new opinion from the Government Advisory Council, that concludes, among other aspects: (a) the concession operator does not have a vested right to the annual compensation balances and, consequently, any financial statements that include amounts accrued as a result of decreased toll road traffic should not receive a favourable review from the Regional Government Office for toll road concession operators; (b) the compensation system set forth in the Agreement does not cover possible compensation for decreases in toll road traffic other than decreases that are caused by the doubling of the N-II and CN-340 roads (which, in the opinion of the Government Advisory Council, has not occurred) and that exceed the maximum amount of the investments made; (c) since there has been no imbalance in the performance of the Agreement, the Agreement should not be unilaterally amended; and (d) in the case of the Agreement in question, the provisions set out in Directive 2014/23/EU of 26 February on the award of concession contracts must be taken into account.

The new decision of the Government Advisory Council in 2014 expressly rendered its previous 2006 decision null and void. It justified, from a legal standpoint, its change of stance on the basis that the novation agreement to amend the Agreement does not permit the traffic risk to be transferred, that the regulated participating loans subsequently rendered the forecasts of guaranteed traffic set forth in the Agreement void, and that Directive 2014/23/EU of 26 February on the award of concession contracts requires the concession operator to assume the demand risk. Accordingly, it did not accept the compensation balance for guaranteed traffic, which at 31 December 2018 stood at EUR 2,061 million, excluding the related tax effect (31 December 2017: EUR 1,767 million).

However, the Government Advisory Council does state that the concession operator may prepare and approve its financial statements as it deems fit. However, it emphasises that non-approval of the Administrative Review applies if the same accounting policy continues to be used, and that if the Ministry considers that the compensation account included the effect of the decrease in traffic it may amend Royal Decree 457/2006 and the Agreement using administrative powers, including the application of the "rebus sic stantibus" clause.

Also, in relation to the foregoing and in view of the differing interpretations made by the parties, on 29 June 2015 a request was submitted to the Spanish Cabinet through the Regional Government Office for toll road concession operators in Spain asking that it exercise its powers of interpretation regarding Acesa's concession arrangement, with respect to the correct understanding of the compensation clause included in the Agreement approved by Royal Decree 457/2006, in order to include the guaranteed traffic expressly agreed in the arrangement in the compensation account. In this connection, on 30 September 2015 Acesa filed an appeal for judicial review at the Supreme Court against the dismissal of the request submitted to the Spanish Cabinet due to administrative silence in relation to the query that had been filed.

As a result of the request submitted on 29 June 2015, the Regional Government Office for toll road concession operators in Spain initiated on 28 March 2017 a proceeding relating to the interpretation of the Agreement approved by Royal Decree 457/2006, and a reply brief was filed by Acesa and sent to the Government Advisory Council so that a decision could be handed down in in this regard. On 3 July 2017, the Spanish Cabinet announced that it had adopted a decision against the interpretation of the Agreement by Acesa. This decision confirms, therefore, the decision to reject the request for interpretation previously challenged at the Supreme Court and is perceived for legal purposes as being included in the obligation incumbent upon any government to decide on proceedings brought by the interested parties, since rejection by the administrative silence route does not release the Government from the obligation to comply with its duty to hand down an express decision.

In view of the above, Acesa requested the Supreme Court to extend the appeal to the content of the express decision issued by the Spanish Cabinet, which was accepted by the Supreme Court, giving rise to the reopening of the initial submissions proceeding at the Court. In this connection, 6 February 2019 was set as the date for the vote and decision on this appeal, although at the date of authorisation for issue of these financial statements no decision had been handed down on the aforementioned appeal. In any event, Acesa is, if possible, even more convinced after this of the soundness of its legal arguments, based on the Agreement itself that the granting authority and the concession operator signed for reasons of general interest.

With regard to the aforementioned decisions and the interpretation ruling issued by the Spanish Cabinet on 3 July 2017, it should be emphasised that the position of the State Legal Service-Government Legal Services Office is in line with the stance adopted in various external reports that the concession operator commissioned and made available to the grantor. These reports were issued by Government lawyers, lawyers of the Government Advisory Council and Parliament and jurists of recognised prestige and experience, such as Juan José Lavilla and José María Barrios (Clifford Chance), Benigno Blanco and Jesús Trillo-Figueroa (Iuris C.T.), Jordi de Juan, and Alicia de Carlos (Cuatrecasas Abogados and MA Abogados). The same stance was taken by the law firms Pérez-Llorca and Uría Menéndez in the legal report they issued at the request of CVC prior to the purchase of its package of shares in 2010. These reports also agreed with those issued by the

Government lawyers and by members of various governing bodies of the Company, i.e., Ricard Fornesa, Mónica López-Monís and Josep Maria Coronas.

In addition, the accounting policies applied by the Company received a favourable report from the current auditors (Deloitte) as well as the previous auditors (PWC), and from other accounting experts of recognised prestige, such as Enrique Ortega (Gómez Acebo & Pombo) and Sergio Aranda and Tamara Seijo (PWC).

Also, the statutory auditor's reports on the financial statements of Acesa for the years ended 31 December 2011, 2012, 2013 and 2014 were not qualified in this connection.

Acesa emphasises that, in addition to the rigour of, and agreement between, the various public and private opinions issued previously, including those of the Government Advisory Council in 2006 and of the State Legal Service-Government Legal Services Office in 2014, Royal Decree 457/2006 expressly acknowledges that when it came force "the configuration of the concession changed", based on the guaranteed traffic. Also, the participating loans referred to by the Government Advisory Council in its decision of 17 December 2014 and regulated by the Budget Laws did not refer to Acesa. There is no mechanism that enables the application thereof in its favour and they were unconnected with the effects of the Agreement. Furthermore, with respect to the 2014 Directive (also mentioned in the decision) it should be noted that its transposition in the past year 2017 into Spanish domestic legislation, under no circumstances, enables it to be applied retrospectively, an issue included in 2015 by Jordi de Juan, Alicia de Carlos and MA Abogados in their opinions, when they updated their reports in light of the new decision of the Government Advisory Council.

Despite the foregoing, considering that the stance of the Ministry of Public Works questions the guaranteed traffic compensation balance (and the recognition of the related interest cost), on which the parties have different interpretations, an impairment loss was recognised in 2015, amounting to EUR 982 million at 31 December 2014 and the compensation ceased to be recognised in profit or loss from 1 January 2015 onwards. This stance was maintained by the Group at the date on which these financial statements were authorised for issue and it is expected to continue to maintain it until the various court proceedings in progress have been resolved.

Lastly, in relation to the aspects of the balance on which the parties do not have differing interpretations regarding their validity, i.e., the investments made and the related interest cost, but with respect to which they do have differences regarding their accounting treatment, the treatment applied in previous years was maintained.

In any case and notwithstanding the impairment loss recognised in prior years, Acesa and **Abertis** understand that the legal grounds that have always supported the legal validity of the compensation balance remain sound. As they have always done, they will attempt to reach a solution with the Government which protects their interests and those of their shareholders and, if this were not possible, they will defend such interests as appropriate in court and all other instances of appeal.

b) Autopistas Aumar, S.A.C.E. (Aumar)

On 18 February 2011, Autopistas Aumar, S.A.C.E. -wholly owned by Abertis Autopistas España, S.A.U.- submitted a request to the Spanish Government for the restoration of the economic and financial feasibility of the AP7/AP4 concession which it managed as a result of the impacts on the economic basis of the contracts arising from the construction of roads running in parallel, which had not been subject to a waiver included in the Agreement approved by Royal Decree 457/2006 (see section a above).

To this end, Aumar requested the adoption of measures required to restore the economic and financial feasibility that had been lost in order to offset in full the losses suffered as a result of the loss of traffic and revenue; and, secondarily, if the measures requested were not adopted, the acknowledgement of its right to damages as a result of breach of the related contractual terms and conditions. The aforementioned damages should include the amount for the loss of revenue from 2002 to the end of the concession in 2019.

The request for the aforementioned restoration of the economic and financial feasibility was initially dismissed by the Regional Government Office for Spanish toll road concession operators. In view of this situation, Aumar filed an administrative appeal to a superior administrative body which was partially dismissed by the Secretary of State for Infrastructure and Transport on behalf of the Ministry of Public Works, due to a material lack of jurisdiction, since it was a matter submitted to the consideration and decision of the Spanish Cabinet.

In November 2014 Aumar received a proposal from the Ministry of Public Works dismissing its request for the restoration of the economic and financial feasibility, although it was granted a hearing. Aumar submitted the related pleadings at the hearing, defending the soundness of the grounds for its case based on the damage caused by actions taken by the Government that were unforeseen when the concession arrangement was entered into. Since the Spanish Cabinet did not hand down an express decision within the legally required period, on 22 July 2015 Aumar filed an appeal for judicial review at the Supreme Court, since it considered that there were sound legal arguments for defending its rights and legitimate interests, together with those of **Abertis** and its shareholders.

On 18 March 2016, the Spanish Cabinet handed down an express decision dismissing the claim for the restoration of the economic and financial feasibility submitted by Aumar. In this respect, the appeal for judicial review filed was extended to this express decision and no decision had yet been handed down in this proceeding at the date of authorisation for issue of these financial statements, having set 13 February 2019 as the date for the vote and decision on this appeal.

In this respect, the aforementioned appeal for judicial review was extended to this express decision and this appeal was at the evidence stage and no decision had yet been handed down at the date of authorisation for issue of these financial statements.

With regard to the aforementioned matters, the directors of **Abertis**, in the interests of prudence and without prejudice to the soundness of the above-mentioned legal arguments, in the assessment of the recoverable amount of Abertis Autopistas España, S.A.U., did not consider, on the one hand, any income associated with the compensation relating to the guaranteed revenue or the related interest cost associated with the Acesa Agreement or, on the other, any income associated with the claim for restoration of economic and financial feasibility filed by Aumar.

The impairment test performed as described above did not disclose any need to recognise any impairment losses on the related investments.

Other

It should be noted in relation to **Abertis's** investment in Metropistas (concession operator in Puerto Rico) that there has been a worsening of the macroeconomic situation in Puerto Rico since 2015, exacerbated at the end of 2017 by the major hurricanes that hit the island. Despite this, traffic, tolls (affected by the agreement reached in 2016 with the Puerto Rican Highway and Transportation Authority (Autoridad de Carreteras y Transportación, ACT) for the amendment of several provisions of the concession arrangement for the PR-5 and PR-22 toll roads which, among other aspects, resulted in an additional increase in the effective toll) and the main macroeconomic assumptions are better than those budgeted for the year and, furthermore, are better than those of the previous year. At the same time, the company has a solid financial structure (Metropistas has a credit rating of BBB- with a negative outlook, issued on 2 July 2015 by Standard and Poor's (ratified in January 2018), well above the credit rating of government institutions in Puerto Rico).

Also, it should be noted in relation to the investment held in Hit (parent of the Group's concession operators in France), and the concession investments held in Italy and Chile through Abertis Internacional, S.A. and Inversora de Infraestructuras, S.L. and Abertis Infraestructuras Chile, S.p.A., respectively, that the revenue recognised in 2018 exceeds the amounts budgeted and included in the impairment test of 2017 for this year, and the recoverable amount sufficiently exceeds the carrying amount of the investment held; accordingly, there is no indication of a significant risk of impairment arising from changes in the assumptions used.

Lastly, in relation to the impairment tests on the concessions in which Partícipes en Brasil, S.A. holds an interest through Arteris, S.A., it should be noted that the aggregates of the Arteris subgroup in 2018 are in line with the estimates considered for the 2017 impairment test and, in addition, the changes in 2018 in the traffic -having excluded the exceptional events in the year-, the tolls and the main macroeconomic assumptions were in line with those budgeted for the year.

d) Other disclosures

The Company does not have any obligations to its investees other than the financial investments made, with the exception of the matters discussed in Note 18 and the balances with those companies indicated in Note 19-c.

Lastly, it should be noted that various companies in which **Abertis** has direct and indirect ownership interests have financial debts that include certain guarantees for the lenders, which include pledges or promises to pledge the shares of these subsidiaries or the concession infrastructure operated by them for a total of EUR 4,208 million (2017: EUR 4,393 million).

9. NON-CURRENT AND CURRENT FINANCIAL ASSETS

The detail, by category, of the financial assets is as follows:

	Loans, receivables and other investments		Derivative financial instruments	
	2018	2017	2018	2017
Derivative financial instruments (Note 10)	-	-	83,326	61,283
Other current and non-current financial assets	3,069	2,936	-	-
Total	3,069	2,936	83,326	61,283

None of the unmatured loans and receivables were renegotiated in 2018.

"Other Financial Assets" includes mainly settlements of interest receivable on interest rate hedges. These balances are stated at their nominal value, which does not differ significantly from their fair value.

The carrying amounts of the financial assets are denominated mainly in euros.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The detail of the fair value of the derivative financial instruments at year-end is as follows:

	2018		**2017**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps:				
Cash flow hedges	260	18,472	424	-
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Cross currency interest rate swaps:				
Hedges of net investments in foreign operations	83,066	42,146	60,859	72,808
Derivatives not designated as hedges	-	-	-	-
Derivative financial instruments	**83,326**	**60,618**	**61,283**	**72,808**

The Company has arranged interest rate derivative financial instruments (cross currency interest rate swaps), in accordance with the financial risk management policy described in Note 5.

The detail of the derivative financial instruments at 31 December 2018 and 2017, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

31 December 2018	**Notional amount**	**2019**	**2020**	**2021**	**2022**	**2023**	**Subsequent years**	**Net fair value**
Interest rate swaps:								
Cash flow hedges	3,550,000	-	50,000	-	-	-	3,500,000	(18,212)
	3,550,000	**-**	**50,000**	**-**	**-**	**-**	**3,500,000**	**(18,212)**
Cross currency interest rate swaps:								
Hedges of net investments in foreign operations	731,812	292,562	260,000	139,250	40,000	-	-	40,920
	731,812	**292,562**	**260,000**	**139,250**	**40,000**	**-**	**-**	**40,920**

31 December 2017	**Notional amount**	**2018**	**2019**	**2020**	**2021**	**2022**	**Subsequent years**	**Net fair value**
Interest rate swaps:								
Cash flow hedges	50,000	-	-	50,000	-	-	-	424
	50,000	**-**	**-**	**50,000**	**-**	**-**	**-**	**424**
Cross currency interest rate swaps:								
Hedges of net investments in foreign operations	731,812	414,250	162,562	115,000	-	40,000	-	(11,949)
	731,812	**414,250**	**162,562**	**115,000**	**-**	**40,000**	**-**	**(11,949)**

a) Interest rate swaps

The notional principal amounts of the interest rate swaps outstanding at 31 December 2018 totalled EUR 3,550 million (2017: EUR 50 million), and the fixed interest rates ranged from 0.39% to 1.36% (2017: 1.67%) with the Euribor as the floating interest reference rate.

In December 2018 **Abertis**, in anticipation of future refinancing transactions to be carried out in the second half of 2019, arranged new interest rate swaps for a total of EUR 3,500 million, which were classified as hedges since the requirements for such classification were met given, inter alia, the highly probable nature of the hedged transactions, i.e. the aforementioned refinancing. These transactions would be performed between June and December 2019, and will expire between 2024 and 2031.

The impact on the statement of profit or loss of the settlements of these derivative financial instruments is recognised under "Finance Income" or "Finance Costs" (see Note 17-d).

The amount recognised as a financial liability at 31 December 2018 with a balancing entry in the statement of profit or loss for the period in relation to the ineffective portion of the cash flow hedge, of net investment hedges and the change in the fair value of derivative financial instruments not classified as hedges was EUR 0 thousand since none of the hedges were ineffective at that date (2017: EUR 0 thousand).

b) Cross currency interest rate swaps

At 31 December 2018, **Abertis** had hedges in Chilean pesos amounting to CLP 350,747,024 thousand, with an equivalent euro value of EUR 409,053 thousand. The hedges were instrumented in several cross currency interest rate swaps. These financial instruments are designated as hedges of net investments in various Chilean companies (Sociedad Concesionaria del Elqui, S.A., Gestora de Autopistas, S.A., Abertis Infraestructuras Chile Ltda, Rutas del Pacífico, S.A., Autopista Central, S.A. and Operadora del Pacífico, S.A.) through Inversora de Infraestructuras, S.L. These hedges expire between 2019 and 2021. In 2018 **Abertis** renewed hedges in Chilean pesos amounting to CLP 206,824,975 thousand (an equivalent euro value of EUR 239,250 thousand).

In addition, **Abertis** arranged several cross currency interest rate swaps to hedge its investment in the Arteris Group in Brazil. These hedges have a nominal value of BRL 912,979 thousand and an equivalent euro value of EUR 295,000 thousand. The hedges expire between 2019 and 2022. In 2018 **Abertis** renewed hedges in Brazilian real amounting to BRL 524,138 thousand (an equivalent euro value of EUR 175,000 thousand).

Lastly, **Abertis** holds cross currency interest rate swaps with a nominal value of USD 37,780 thousand and an equivalent euro value of EUR 27,759 thousand. These financial instruments are designated as hedges of net investments in Metropistas. These hedges will expire in 2019 and, therefore, at 2018 year-end they are recognised as current.

As described in Note 4.7-c, hedges of net investments in foreign operations at subsidiaries, jointly controlled entities and associates are accounted for as fair value hedges of the foreign currency component, i.e. the changes in fair value are recognised in profit or loss (see Note 17-d).

The amount recognised in this connection as net investment hedges instrumented in investments in Group companies under "Changes in Fair Value of Financial Instruments" in the statement of profit or loss (see Note 17-d) represented net finance income of EUR 40,104 thousand (2017: net finance income of EUR 65,313 thousand), offset by the related net decrease in the investment (see Note 8-a).

The settlements of these derivative financial instruments are recognised under "Finance Income" or "Finance Costs" (see Note 17-d).

c) Other disclosures

With regard to the derivative financial instruments arranged by the Company in force at 31 December, the detail of the expected net settlements, excluding credit risk adjustments, over the coming years is as follows:

	31 December 2018			**31 December 2017**		
	2019	2020-21	Subsequent years	2018	2019-20	Subsequent years
Projected net settlements (*)	9,745	(43,348)	52,732	(16,348)	(12,707)	12,552

(*) Excluding credit risk adjustments.

11. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2018 and 2017 is as follows:

	2018	**2017**
Cash on hand	18	24
Cash at banks	983,292	10,764
Bank deposits maturing within three months	150,000	-
Cash and cash equivalents	**1,133,310**	**10,788**

12. SHAREHOLDERS' EQUITY

a) Share capital, share premium and treasury shares

The detail of these line items and of the changes therein in 2018 and 2017 is as follows:

	Share capital	Treasury shares	Total
At 1 January 2017	2,971,144	(1,211,544)	1,759,600
Net change in treasury shares	-	42,865	42,865
At 31 December 2017	**2,971,144**	**(1,168,679)**	**1,802,465**
Redemption of treasury shares	(236,448)	1,168,679	932,231
Acquisition of treasury shares	-	(156)	(156)
At 31 December 2018	**2,734,696**	**(156)**	**2,734,540**

Share capital

At 31 December 2018 (as at 31 December 2017), the share capital of **Abertis** consisted of 911,565,371 fully subscribed and paid ordinary shares, all of the same class and series, represented by book entries, of EUR 3 par value each, and the changes therein in 2018 were as follows:

	Number of ordinary shares
	2018
At 1 January	990,381,308
Capital reduction	(78,815,937)
At 31 December	**911,565,371**

The Board of Directors is authorised to increase, at one or several times, the share capital through monetary contributions, up to a maximum amount of EUR 1,347,458 thousand before 1 April 2019.

In this connection, the Board of Directors of **Abertis** called a General Meeting of Abertis Infraestructuras, S.A. for 25 July 2018 at which, inter alia, the shareholders were asked to approve a reduction of the share capital of Abertis Infraestructuras, S.A. by EUR -236,448 thousand through the retirement of the 78,815,937 treasury shares held by the Company at 30 June 2018 amounting to EUR 1,168,679 thousand, which also had an impact of EUR -932,231 thousand on the Company's reserves (overall, no impact on the Company's equity).

On 25 September 2018, the Board of Directors, exercising the powers delegated to it by the Extraordinary General Meeting, resolved to perform the aforementioned capital reduction.

This capital reduction was performed with a charge to voluntary or unrestricted reserves, and the requisite reserve for retired capital was recognised for an amount equal to the par value of the treasury shares effectively retired (EUR 236 million), which will only become unrestricted if the requirements for capital reductions provided for in Article 335.c) of the Spanish Limited Liability Companies Law are met.

At the same meeting the shareholders approved the delisting of shares representing all the share capital of Abertis Infraestructuras, S.A. from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, a measure that was completed on 6 August 2018 when all the shares of **Abertis** were delisted from those Stock Exchanges. Until that date the shares had been traded on the Spanish Stock Market Interconnection System as they had been excluded from the IBEX-35 index on 9 May 2018 as a result of the tender offer (described below) in which **Abertis** was involved in the year.

The shares of Abertis are represented by book entries and, according to the information available, at 31 December 2018 and 31 December 2017 the shareholdings that had given rise to the appointment of directors were as follows:

	2018	**2017**
Abertis Participaciones, S.A.U. (1)	98.70%	-
Fundació Bancària Caixa d'Estalvis i Pensions de Barcelona "la Caixa" (2)	-	21.55%
	98.70%	**21.55%**

(1) Company wholly owned by Abertis HoldCo, S.A., in which Atlantia S.p.A., in turn, holds an ownership interest of 50% plus one share, Actividades de Construcción y Servicios, S.L. (ACS) holds an ownership interest of 30% and Hochtief Aktiengesellschaft holds an ownership interest of 20% minus one share.

(2) Per notification sent to **Abertis** in December 2017:

Ownership interest held through Criteria Caixa, S.A.U. (15.07%) and Inversiones Autopistas, S.A. (6.07%) and through a syndication agreement with G3T, S.L. (0.26%) and BCN Godia, S.L.U. (0.15%).

It should be noted that in addition to the ownership interests indicated, per notifications issued by the Spanish National Securities Market Commission (CNMV), at 31 December 2017 the following entities held significant ownership interests:

	2017 (*)
Blackrock, Inc. (1)	3.82%
Davidson Kempner Capital Management LP (2)	3.32%
Lazard Asset Management LLC (3)	2.87%
Capital Research and Management Company (3)	2.85%
	12.86%

(*) In the calculation of the percentages of the significant shares, the voting rights that could be acquired if the financial instrument was exercised or exchanged are not included.

(1) Per notification to the CNMV until the date of 31/12/17.

(2) Per notification to the CNMV until the date of 31/12/17. Davidson Kempner Capital Management LP is the investment manager of Burlington Loan Management DAC and exercises the voting rights inherent in its shares.

(3) Per notification to the CNMV until the date of 31/12/17.

Of note in 2018 were, on the one hand, the completion of the tender offer in which the Company had been engaged since 2017, and on the other the agreement for the merger of Abertis Infraestructuras, S.A. with its shareholder Abertis Participaciones, S.A.U. In this connection, the following should be noted:

Tender offer

Atlantia tender offer

On 15 May 2017 the Italian company Atlantia, S.p.A. announced its decision to launch a tender offer for all the shares of Abertis Infraestructuras, S.A.

Under the terms and conditions of this tender offer detailed in the prospectus authorised by the CNMV on 9 October 2017, Atlantia offered the shareholders of **Abertis** the possibility of choosing between the following three alternative types of consideration: (i) cash consideration consisting of the payment of EUR 16.50 per share of **Abertis**; (ii) consideration in the form of special shares of Atlantia (par value of EUR 1 per share) determined on the basis of a share exchange ratio of 0.697 special shares of Atlantia for every share of **Abertis**; and (iii) a combination of alternatives (i) and (ii). However, only the holders of a maximum of 230,000,000 shares of **Abertis** (23.22% of the total) could opt to receive the consideration in the form of special shares of Atlantia.

Also, the effectiveness of Atlantia's offer was conditional upon holders of a minimum of 100,000,000 shares of **Abertis** (10.10% of its share capital) accepting the consideration in the form of special shares of Atlantia. In addition, Atlantia made the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

On 18 October 2017, the Board of Directors of **Abertis** issued a detailed and reasoned report on Atlantia's tender offer in which it stated that it considered the offer to be positive from the industrial standpoint and the amount of the cash consideration to be reasonable on the basis of a fundamental analysis of **Abertis** (as also reflected by the fairness opinions received from AZ Capital, S.L., Citigroup Global Markets Limited and Morgan Stanley & Co. International, plc.). However, it was considered that there was room for improvement in Atlantia's offer, as also evidenced by the positive performance from the time the offer was announced: (i) of the price of the shares of **Abertis** and (ii) the difference in the share exchange ratio relative to the cash consideration.

Hochtief tender offer

On 18 October 2017, the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A., upon which the acceptance period for the aforementioned tender offer launched by Atlantia was suspended.

Under the terms and conditions of this tender offer detailed in the prospectus authorised by the CNMV on 12 March 2018, once considered the adjustment for the paid dividend to **Abertis** prior to the completeness of the tender offer, Hochtief also offered the shareholders of **Abertis** the possibility of choosing between the following three alternative types of consideration: (i) cash consideration that would consist of a payment of EUR 18.36 per share of **Abertis**; (ii) consideration in the form of ordinary shares of Hochtief based on a share exchange ratio of 0.1254 ordinary shares of Hochtief for each share of **Abertis**; and (iii) a combination of alternatives (i) and (ii). In this case, only 193,530,179 shares of **Abertis** (19.54% of the total) could opt for the shares of Hochtief, this being the maximum and minimum acceptances in the form of shares of Hochtief that Hochtief would permit. In other words, should the holders of more than 193,530,179 shares of **Abertis** opt for shares of Hochtief, the shares would be apportioned on a pro rata basis, and should the acceptance be lower, Hochtief would be entitled to withdraw its offer. In addition, Hochtief made the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

Also, Hochtief announced its intention to exercise its squeeze-out right if it achieved the legally required acceptance threshold and, if the threshold were not reached, its intention to exclude the shares of **Abertis** from trading.

The Board of Directors of **Abertis** also had to draft a detailed and reasoned report on the tender offer of Hochtief explaining, among other matters, its opinion regarding the pros and cons of the offer and the reasonableness of the price offered by Hochtief, although the report was ultimately prepared in connection with Hochtief's modified tender offer, as detailed below.

Modification of the Hochtief tender offer and withdrawal of the Atlantia tender offer

- On 14 March 2018, Hochtief announced changes to its tender offer, having reached a binding agreement in principle with Atlantia and Actividades de Construcción y Servicios, S.A. (ACS) to make a joint investment in **Abertis**; the agreement was simultaneously ratified and approved by the respective Boards of Directors of Hochtief, Atlantia and ACS on 14 March 2018.

  The agreement entered into was structured on the basis of the following principles:

  i. Modification of the consideration offered

     Hochtief modified its offer by eliminating the "consideration in the form of shares" (and the concomitant condition concerning the choice of this form of consideration by the holders of a specified percentage of the share capital of **Abertis**) and, therefore, the price of the tender offer, which remained unaltered at EUR 18.36 per **Abertis** share, became payable in full in cash.

  ii. Holding company

     Atlantia, ACS and Hochtief would contribute capital of approximately EUR 7,000 million to a jointly owned holding company that would subsequently acquire from Hochtief its entire ownership interest in **Abertis** for the same price as that paid by Hochtief in the tender offer and in subsequent share purchases (adjusted by such gross dividends as might be paid).

The share capital of this company would be owned as follows: (i) Atlantia 50% plus one share; (ii) ACS 30%; and (iii) Hochtief 20% minus one share. Also, the parties would enter into a shareholders agreement with a view to regulating their relationships as shareholders of the jointly owned holding company.

iii. Injection of capital and investment by Atlantia in Hochtief

Hochtief would increase capital by approximately 6.43 million shares, which would be subscribed in full by ACS for EUR 143.04 per share. Also, ACS would sell for the same price to Atlantia shares of Hochtief for a total value of up to EUR 2,442 million.

iv. Strategic cooperation agreement

Atlantia, ACS and Hochtief would enter into a long-term agreement with a view to maximising strategic relations and synergies between the parties and **Abertis** in new public-private partnerships in both projects at the tendering and construction phases and projects in the operating phase.

v. Withdrawal of the Atlantia tender offer

On the basis of the aforementioned agreements, Atlantia would withdraw its tender offer for **Abertis** shares described above.

As a result of all of the above, on 12 April 2018, on the one hand, Atlantia, by virtue of the aforementioned agreements, withdrew its voluntary tender offer for **Abertis** described above and, on the other, the CNMV authorised Hochtief's voluntary tender offer for **Abertis** shares, which became the only surviving tender offer. Also, the CNMV extended the period for accepting the Hochtief tender offer until 8 May 2018, the date on which it was completed.

Also, on 16 April 2018 the Board of Directors of **Abertis** issued a detailed and reasoned report on the modified tender offer of Hochtief stating that it considered the offer to be positive, highlighting that it deemed the amount of the cash consideration to be reasonable and included a share premium of 33% of the average **Abertis** share price in the six months preceding 13 April 2017 (the day before that on which the relevant event communication announcing the potential Atlantia tender offer following the speculation that had appeared in the press was published), considerations that were supported by the fairness opinions received from AZ Capital, S.L., Citigroup Global Markets Limited and Morgan Stanley & Co. International, plc. This report was published on 17 April 2018.

Lastly, on 14 May 2018 the CNMV published the result of the tender offer launched by Hochtief for all the shares of Abertis Infraestructuras, S.A., which had been accepted by holders of 780,317,294 shares, i.e., 78.79% of its share capital (85.60% if the 78,815,937 treasury shares held by **Abertis** at that date were disregarded).

Good 'til cancelled share purchase order and delisting

- Since the threshold of acceptances legally required to be able to exercise the squeeze-out right vis-à-vis the shareholders that had not accepted the tender offer was not reached, Hochtief triggered the call by **Abertis** of an EGM for 25 July 2018 which approved the delisting of the shares representing the entire share capital of **Abertis** from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The delisting from the four Stock Exchanges became effective on 6 August 2018.

  In accordance with the requirements provided for in the applicable legislation to be able to delist the shares, Hochtief had previously made a good 'til cancelled share purchase order of EUR 18.36 per share for a maximum of 52,612,289 shares of **Abertis** representing 5.31% of its share capital. This good 'til cancelled share purchase order, which commenced on 21 June 2018, resulted in the acquisition of an additional stake of 4.01% in **Abertis**, once it was completed on 27 July 2018. Therefore, at the date of authorisation for issue of these financial statements approximately 1.3% of the shares of **Abertis** were in the hands of other shareholders.

Retirement of treasury shares of Abertis

- Also, as described above, the Board of Directors meeting of Abertis held on 25 September 2018, exercising the powers granted to it by the EGM held on 25 July 2018, resolved to reduce the share capital of Abertis Infraestructuras, S.A. by EUR 236,448 thousand through the retirement of 78,815,937 treasury shares of EUR 3 par value each, representing 7.9581% of its share capital.

  The objective of the capital reduction was to retire the treasury shares held by **Abertis**.

*Incorporation of Abertis HoldCo, S.A. and of Abertis Participaciones, S.A. and transfer of the shares of **Abertis** to the latter*

- Lastly, Atlantia, ACS and Hochtief, pursuant to the resolutions adopted described above, contributed the shares of **Abertis** acquired as a result of the Hochtief tender offer to a jointly owned holding company with the following structure:

  1.- Atlantia, ACS and Hochtief incorporated a Spanish company, Abertis Holdco, S.A., in which Atlantia has an ownership interest of 50% plus one share, ACS has an ownership interest of 30% and Hochtief has an ownership interest of 20% minus one share. Equity of EUR 6,758.8 million has been contributed to Abertis HoldCo, S.A., and it currently has borrowings from the financing banks for a nominal amount of EUR 9,823.9 million.

  2.- In turn, that company, Abertis HoldCo, S.A., incorporated, as its sole shareholder, Abertis Participaciones, S.A.U., to which it contributed equity of EUR 16,519.6 million.

  3.- Hochtief sold to Abertis Participaciones, S.A., for cash, its entire ownership interest in **Abertis**, representing 98.7% of its share capital, for the same price as it had paid in its acquisition, i.e., EUR 18.36 per share. This sale was completed on 29 October 2018, the date on which control of Abertis was therefore transferred to Abertis HoldCo, S.A., which is in turn controlled by Atlantia.

Merger of Abertis Infraestructuras, S.A. and of Abertis Participaciones, S.A.U.

On 10 December 2018, the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. formally prepared the merger balance sheet and the draft terms of merger of the two companies in accordance with the provisions of Articles 30, 31 and the related provisions of Law 3/2009, of 3 April, on structural modifications of companies formed under the Spanish Commercial Code (the Structural Modifications Law), with the aim of simplifying the corporate structure, facilitating the allocation of resources and achieving a reduction in costs. The merger will be performed pursuant to Articles 22 et seq of the Structural Modifications Law. In particular, the planned merger will be carried out through the absorption of Abertis Participaciones, S.A.U., as the absorbed company, by Abertis Infraestructuras, S.A., as the absorbing company, with the dissolution without liquidation of the former and the transfer en bloc of its assets and liabilities to **Abertis** which will acquire by universal succession the rights and obligations of Abertis Participaciones, S.A.U. As a result of the merger, the shares of Abertis Participaciones, S.A.U., all of which are owned by its sole shareholder, Abertis HoldCo, S.A., will be retired. In addition, the aforementioned merger will be subject to the special tax regime established in Chapter VII of Title VII of Income Tax Law 27/2014, of 27 November. Lastly, the merger by absorption of Abertis Infraestructuras, S.A., as the Absorbing Company, and Abertis Participaciones, S.A.U., as the Absorbed Company, was approved on 8 February 2019 by the shareholders at the General Meeting of Abertis Infraestructuras, S.A. and by the sole shareholder of Abertis Participaciones, S.A.U.

Also, in 2017, it should be noted that in addition to the commencement of the tender offer on 23 January 2017, Inmobiliaria Espacio, S.A. (through its investee OHL Emisiones, S.A.U.) sold 24,759,486 shares of Abertis Infraestructuras, S.A. representing 2.5% of its share capital through, on the one hand, the private placement among institutional investors of 18,253,312 shares representing 1.8% of its share capital and, on the other, the sale of 6,506,174 additional shares representing 0.7% of its share capital. As a result of these transactions, Inmobiliaria Espacio, S.A. held a direct ownership interest of only 1.74% in the share capital of Abertis Infraestructuras, S.A., per the most recent notification sent to the CNMV, with no changes having been subsequently reported.

Treasury shares

Pursuant to the authorisations granted by the shareholders, in 2018 **Abertis**, as indicated in the preceding section, retired all the treasury shares that it had held at 2017 year-end (which represented 7.96% of the share capital of Abertis Infraestructuras, S.A.), with the concomitant capital reduction, and made several subsequent acquisitions.

In this regard, after the aforementioned competition of the aforementioned Hochtief's good 'til cancelled share purchase, the Company has acquired 8,500 treasury shares at a price of EUR 18.36 per share based on the authorization approved by the General Shareholders' Meeting on 25 July 2018, in which, among other agreements, the Company's Board of Directors was authorized for the derivative acquisition, directly or indirectly through other companies, of treasury shares for a maximum price of EUR 18.36 per share and for a maximum term of 5 years, that means until 25 July 2023.

As a result of the transactions carried out, the treasury shares held at 31 December 2018 represented 0.001% of the share capital of Abertis Infraestructuras, S.A. (7.96% at 2017 year-end).

In any case, the use of the treasury shares held at year-end will depend on such resolutions as might be adopted by the Group's governing bodies.

The changes in the treasury share portfolio in 2018 and 2017 were as follows:

	Number	Par value	Acquisition cost/Sales proceeds
At 1 January 2018	78,815,937	236,448	1,168,679
Amount retired (capital reduction)	(78,815,937)	(236,448)	(1,168,679)
Acquisition	8,500	26	156
At 31 December 2018	**8,500**	**26**	**156**

	Number	Par value	Acquisition cost/Sales proceeds
At 1 January 2017	81,706,775	245,120	1,211,544
Shares delivered / Other	(25,280)	(76)	(375)
Shares delivered as payment of the 2016 dividend with a charge to voluntary reserves [1]	(2,865,558)	(8,596)	(42,490)
At 31 December 2017	**78,815,937**	**236,448**	**1,168,679**

[1] On 3 April 2017, the shareholders at the Annual General Meeting of **Abertis** approved the distribution of a dividend of EUR 0.37 gross per share out of voluntary reserves, offering the shareholders the option of receiving it in cash or receiving it in the form of shares of Abertis Infraestructuras, S.A., using for this purpose treasury shares held by the Parent and cash. In this regard, the holders of 15.3% of the share capital of Abertis Infraestructuras, S.A. opted to receive the dividend in the form of treasury shares, which led to the delivery of 2.9 million treasury shares representing 0.29% of the share capital of Abertis Infraestructuras, S.A.

b) Reserves

The detail, by item, of the balances at 31 December 2018 and 31 December 2017 is as follows:

	2018	2017
Legal and bylaw reserves:		
- Legal reserve	594,229	581,858
	594,229	581,858
Other reserves:		
- Voluntary reserves	1,388,320	2,628,964
- Reserves for actuarial gains and losses	1,393	1,393
	1,389,713	2,630,357
	1,983,942	**3,212,215**

Legal reserve

Under Article 274 of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of a company's liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2018, the balance of this reserve had reached the legally required minimum.

Voluntary reserves

In 2018 in addition to the changes relating to the distribution of profit, of particular note is the negative impact on reserves of EUR 932,231 thousand due to the retirement of the treasury shares described above.

Also, in addition to the changes relating to the distribution of profit, of particular note is the positive impact on reserves of the EUR 61,749 thousand of the dividends paid corresponding to treasury shares and the negative impact of EUR 56,045 thousand corresponding, on the one hand, to the impact of the non-monetary contribution of the shares of Emovis S.A.S. and Eurotoll, S.A.S. to Abertis Mobility Services, S.L. (EUR 32,523 thousand) and, on the other, to the effect of the transfer of the ownership interest in Infraestructuras Americanas, S.L.U. to Inversora de Infraestructuras, S.L. as a result of the merger by absorption of the two companies (EUR 23,522 thousand), as described in Note 8-a to the accompanying financial statements.

Dividends

On 13 March 2018, the Annual General Meeting of **Abertis** approved the payment of a dividend out of voluntary reserves of EUR 0.40 gross per share of Abertis Infraestructuras, S.A., representing EUR 396,152 thousand.

Also, at 2017 year-end EUR 396,153 thousand, corresponding to a first payment of the 2017 dividend of EUR 0.40 gross per share and EUR 366,441 thousand relating to a final dividend for 2016 of EUR 0.37 gross per share, had been approved. In relation to the latter, as detailed in Note 12-a), the aforementioned Annual General Meeting held on 3 April 2017 resolved to offer the shareholders the choice of opting to receive the dividend in cash or to receive it in the form of shares of Abertis Infraestructuras, S.A. relating to treasury shares held by the Parent.

Consequently, the total dividend for 2017 totalled EUR 0.80 gross per share, representing EUR 792.305 million (dividend of EUR 722.978 million for 2016 relating to the distribution of a dividend of EUR 0.73 gross per share).

The detail of the dividends paid in 2017 and 2016 is as follows:

	2017		**2016**	
Dividends paid	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.21	206,313	0.14	136,814
2nd payment	-	-	-	-
With a charge to profit	0.21	206,313	0.14	136,814
1st payment	0.19	189,840	0.22	219,723
2nd payment	0.40	396,152	0.37	366,441
With a charge to unrestricted reserves	0.59	585,992	0.59	586,164
1st payment	**0.40**	**396,153**	**0.36**	**356,537**
2nd payment	**0.40**	**396,152**	**0.37**	**366,441**
Total dividend paid	**0.80**	**792,305**	**0.73**	**722,978**

13. NON-CURRENT AND CURRENT PAYABLES

The detail, by category, of the non-current and current payables is as follows:

	Accounts payable		**Derivative financial instruments**	
	2018	**2017**	**2018**	**2017**
Debt instruments and other marketable securities	4,597,903	4,690,199	-	-
Bank borrowings	1,372,735	2,196,705	-	-
Obligations under finance leases	331	732	-	-
Derivative financial instruments (Note 10)	-	-	60,618	72,808
Other financial liabilities	289,709	282,112		
Total	**6,260,678**	**7,169,748**	**60,618**	**72,808**

The detail, by maturity, of the accounts payable at the end of each year is as follows:

	31 December 2018							
	Current	Non-current						
	2019	2020	2021	2022	2023	Subsequent years	Total	Total
Debt instruments and other marketable securities	442,792	656,043	-	-	594,738	2,904,330	4,155,111	4,597,903
Bank borrowings	7,735	50,000	-	1,315,000	-	-	1,365,000	1,372,735
Obligations under finance leases	265	66	-	-	-	-	66	331
Other financial liabilities	289,703	-	-	-	-	6	6	289,709
Total	**740,495**	**706,109**	**-**	**1,315,000**	**594,738**	**2,904,336**	**5,520,183**	**6,260,678**

	31 December 2017							
	Current	Non-current						
	2018	2019	2020	2021	2022	Subsequent years	Total	Total
Debt instruments and other marketable securities	179,038	374,308	649,395	-	-	3,487,458	4,511,161	4,690,199
Bank borrowings	256,705	-	675,000	-	1,265,000	-	1,940,000	2,196,705
Obligations under finance leases	403	329	-	-	-	-	329	732
Other financial liabilities	-	282,087	-	-	-	25	282,112	282,112
Total	**436,146**	**656,724**	**1,324,395**	**-**	**1,265,000**	**3,487,483**	**6,733,602**	**7,169,748**

The carrying amounts and fair values of the non-current payables are as follows:

	Carrying amount		Fair value	
	2018	2017	2018	2017
Bank loans	1,365,000	1,940,000	1,370,766	1,944,685
Debt instruments and other marketable securities	4,155,111	4,511,161	4,366,405	4,933,427
Obligations under finance leases	66	329	66	329
Other financial liabilities	6	282,112	6	282,112
	5,520,183	**6,733,602**	**5,737,243**	**7,160,553**

The current financial liabilities are stated habitually at their nominal value, which does not differ significantly from their amortised cost and their fair value. The fair values are measured using cash flows discounted at a rate based on the interest rate of -0.115% (2017: -0.265%) to which the borrowings are subject.

The Company's borrowings are denominated in euros.

The Company has the following undrawn credit facilities:

	2018	2017
Floating rate:		
- maturing at less than one year	-	-
- maturing at more than one year	2,600,000	2,600,000
	2,600,000	**2,600,000**

At 2018 year-end the Company had credit facilities the limit of which amounted to EUR 2,600 million (2017: EUR 2,600 million). All of these facilities mature at more than one year. At the end of 2018 no amount had been drawn down against the credit facilities.

Of the EUR 2,600 million of the credit facilities, EUR 1,600 million (2017: EUR 1,600 million) can be drawn down in euros or in other currencies (for the related equivalent amount). The credit facilities denominated in euros bear interest at Euribor plus a spread and the credit facilities denominated in currencies other than the euro bear interest at Libor plus a spread.

In 2018 the main matters were as follows:

- **Abertis** arranged bank loans amounting to EUR 815 million, which mature between 2024 and 2025, against which no amounts had been drawn down at year-end. All the new borrowings were arranged at floating rates, calculated based on the corresponding Euribor rate plus a spread. In addition, commercial paper issues were launched in the period, which had been settled at the balance sheet date.

- EUR 915 million were repaid, of which EUR 100 million relate to the maturity of commercial paper, EUR 240 million to the maturity of a bilateral loan and EUR 575 million to the early repayment of bilateral loans.

- The Company took steps to optimise the Group's liquidity and to reduce finance costs by renegotiating credit facilities amounting to EUR 1,450 million. Accordingly, at 2018 year-end the average term of the total volume of credit facilities was 1.86 years.

The main matters relating to 2017 were as follows:

- **Abertis** arranged bank loans amounting to EUR 2,140 million, which mature between 2018 and 2022, and bear interest at a floating rate of Euribor plus a spread. In addition, a commercial paper issue maturing at four months was launched in 2017, of which one promissory note maturing in January 2018 remained outstanding at 2017 year-end.

- The Company redeemed EUR 785 million in relation to the maturity of a debenture issue and repaid early EUR 10 million in relation to bilateral loans.

- As in 2018, the Company took steps to optimise the Group's liquidity and to reduce finance costs by renegotiating credit facilities amounting to EUR 900 million; consequently, at 2017 year-end the average term of the total volume of credit facilities was 2.3 years.

a) Bank loans and bonds

At 31 December 2018, the outstanding bond issues and their corresponding rates were as follows:

- EUR 1,150,000 thousand at an annual rate of interest of 1.375%.
- EUR 500,000 thousand at an annual rate of interest of 1%.
- EUR 350,000 thousand at an annual rate of interest of 3.125%.
- EUR 700,000 thousand at 2.5%.
- EUR 364,100 thousand at 4.75%.
- EUR 600,000 thousand at 3.75%.
- EUR 610,900 thousand at 4.375%.
- EUR 125,000 thousand at 5.99%.
- EUR 30,000 thousand at 5.875%.
- EUR 160,000 thousand tied to Euribor.

Also, at the end of 2018 74% (2017: 64%) of the borrowings bore a fixed interest rate or a rate fixed through hedges.

The main bank loans at 31 December 2018 relate to those arranged in 2017 described above.

Lastly, it should be noted that in relation to the main financing agreements in force at the end of 2018, no financial assets of amounts material with respect to these financial statements had been pledged as security for liabilities or contingent liabilities (as at the end of 2017). There are no obligations or covenants associated with the financing agreements that at the date of these financial statements might give rise to the liabilities becoming immediately claimable by the lender.

In this regard, at the date of authorisation for issue of these financial statements, the clauses or obligations included in the bond and debenture issues had been fulfilled.

b) Other financial liabilities

"Current Liabilities - Other Financial Liabilities" includes mainly EUR 290 million relating to the present value of the deferred purchase price (EUR 282 million payable in 2017, classified as non-current liabilities), EUR 295 million payable in 2019, agreed with Capital Riesgo Global, S.A. (a Santander Group company) for the acquisition of all the shares of Infraestructuras Americanas, S.L.U. (IA, company merged in 2017 with Inversora de Infraestructuras, S.L.) (see Note 8-a).

c) Rating

At the date of formal preparation of these financial statements **Abertis** had a long-term "BBB" investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. In the latest report, dated October 2018, the "BBB" rating and "stable" outlook were ratified.

In addition, in the latest report, dated October 2018, **Abertis** was awarded a long-term "BBB" credit rating and a short-term "F3" credit rating by the international credit rating agency Fitch Ratings Ltd. The aforementioned latest report also revised the outlook from "negative" to "stable".

14. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

Among the obligations to its employees, the Company has defined contribution pension obligations and sponsors an occupational pension plan.

Also, the Company has defined contribution and/or defined benefit pension obligations, instrumented in the form of insurance policies, as provided for in the legislation governing the externalisation of pension obligations.

"Provisions for Long-Term Employee Benefit Obligations" on the liability side of the accompanying balance sheet includes EUR 6 thousand (2017: EUR 6 thousand) relating to the present value of the defined benefit pension obligations to the Company's employees instrumented in the form of insurance policies. The staff costs recognised in 2018 in relation to these obligations amounted to EUR 0 thousand (2017: EUR 2 thousand) (see Note 17-b).

Also, "Non-Current Assets - Other Financial Assets" on the asset side of the accompanying balance sheet includes EUR 14 thousand (2017: EUR 14 thousand) relating to the fair value of the plan assets. EUR 0 thousand (2017: EUR 0 thousand) were recorded under "Finance Income" in connection with the projected return on these assets.

The economic and actuarial information on the existing liability relating to the Company's pension obligations to its employees is as follows:

a) Defined contribution obligations

The staff costs recognised in the statement of profit or loss for the year in relation to defined contribution obligations totalled EUR 1,362 thousand (2017: EUR 1,996 thousand) (see Note 17-b).

b) Defined benefit obligations

Pension obligations have been externalised through insurance policies. However, the related balance sheet line item includes the hedging instruments (obligations and the related plan assets) in which the legal or constructive obligation to provide the benefits agreed upon is retained.

In relation to the Company's defined benefit obligations to its employees, the reconciliation of the beginning and ending balances of the actuarial value of these obligations is as follows:

	2018	2017
At 1 January	**6**	**101**
Current service cost (Note 17-b)	-	2
Actuarial (gains)/losses	-	(2)
Curtailments/settlements	-	(95)
At 31 December	**6**	**6**

The reconciliation of the beginning and ending balances of the actuarial fair value of the plan assets is as follows:

	2018	2017
At 1 January	**14**	**111**
Expected return on plan assets	-	-
Actuarial gains/(losses)	-	(2)
Curtailments/settlements	-	(95)
At 31 December	**14**	**14**

The actuarial assumptions (demographic and financial) used are the best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2018	2017
Annual discount rate	0.75%	0.50%
Expected return on plan assets	0.75%	0.50%
Percentage salary increase	2.00%	2.00%
Mortality tables	PERM/F 2000 P	PERM/F 2000 P
Disability tables	IPA 0M77	IPA 0M77

The expected general rate of return on the plan assets is the discount rate used to calculate the obligation.

c) Other obligations

Together with the aforementioned obligations, the Company has obligations to its employees tied to the degree of achievement of certain business objectives. At 31 December 2018, the change is due mainly to the recognition of the corresponding portion of the obligation related to the "2018-20 Incentive Plan" (see Note 19-a).

Also, in 2018 the "2015-2017 Incentive Plan", which at 2017 year-end was recognised under "Remuneration Payable" in the accompanying balance sheet, was settled.

15. OTHER PROVISIONS

At 31 December 2018, **Abertis** had recognised provisions to cover risks arising from the Company's normal operations.

16. INCOME TAX AND TAX MATTERS

a) Tax-related disclosures

The Company files consolidated income tax returns as the parent of the tax group. In this regard, as result of the change of shareholders described in Note-12, from 1 January 2019 the Company files consolidated income tax in a new tax group which the parent is Abertis HoldCo, S.A. (sole shareholder of the Company's majority shareholder).

The Company also files consolidated VAT returns, and is also the parent of this tax group.

At 31 December 2018, the Company had open for review by the tax authorities all the taxes applicable to it for which the statute of limitations period had not expired at that date.

In this regard, on July 2018 the Company has received notification of the commencement of general tax audits of the consolidated tax group in Spain for 2014 to 2016 in relation to income tax and for June 2014 to December 2016 for VAT.

On the other hand, during the year 2017, the Company signed, on a contested basis, tax assessments in relation to the individual and consolidated income tax for the years 2010 to 2013 and in relation to the VAT of the Group of entities from July 2011 to December of 2013. The Tax Group has filed the corresponding economic-administrative recourse against the aforementioned minutes that are pending resolution at the date of preparation of these financial statements.

In any case, **Abertis** considers that any tax audits under way, the proceedings associated with the tax assessments signed on a contested basis and possible differences in the way current tax legislation is interpreted in relation to the years open for review will not have a significant impact on the equity reflected in these financial statements.

Also, it should be noted that in 2007 the European Commission initiated an investigation procedure against the Kingdom of Spain in relation to State aid relating to Article 12.5 of the former Consolidated Spanish Income Tax Law. In this connection, the Commission adopted Decision 2011/5/EC of 28 October 2009 on acquisitions within the EU (First Decision) and Decision 2011/282/EU of 12 January 2011 on foreign shareholding acquisitions (Second Decision), stating that the deduction regulated by Article 12.5 of the Consolidated Spanish Income Tax Law constituted unlawful State aid. In addition to the foregoing, the Commission adopted Decision 2015/314/EU of 15 October 2014 also classifying as State aid the deductions that applied under Article 12.5 of the Consolidated Spanish Income Tax Law in the case of indirect acquisitions (Third Decision). On 1 April 2015, **Abertis** filed an action for annulment at the General Court of the European Union against the Third Decision of the Commission, a proceeding that was immediately stayed by the Court until judgments had been handed down on the appeals filed by the Commission against two judgments of the General Court on the Decisions of 2009 and 2011 on this issue.

Since the cassation appeals against the First and Second Decisions were upheld, in the first quarter of 2017 the General Court of the European Union ordered the end of the stay of all the actions for annulment against the Third Decision and the re-initiation of the proceedings affected, including that brought by **Abertis**. Therefore, on 24 March 2017 the European Commission lodged a defence with the General Court, following which **Abertis** lodged the related reply on 30 May 2017. At the end of this proceeding the General Court of the European Union must hand down a judgment analysing the solid legal grounds presented by **Abertis** against the Third Decision.

On 15 November 2018, the General Court dismissed the appeals against the First and Second Decisions of the Commission, upholding that the amortisation of goodwill for tax purposes constituted State aid incompatible with the internal market, although it confirmed the existence of legitimate expectations in the cases of acquisitions prior to 21 December 2017. These judgments may be appealed at the Court of Justice of the European Union.

The appeal filed by **Abertis** against the Third Decision is in progress at the same chamber of the General Court of the European Union and the aforementioned judgments do not prejudge the specific issues of a different nature raised by **Abertis** in its appeal against the Third Decision.

In any case, the resolution of this matter is not expected to have a negative impact on the Company's equity because either it has returned the corresponding amount plus late-payment interest, or because it had already recognised a deferred tax liability associated with the goodwill deducted to date which has not yet been actually returned to the Spanish tax authorities.

In 2002, 2003 and 2004 the Company performed various corporate transactions to which the special tax regime provided for in Chapter VIII of Title VII of Legislative Royal Decree 4/2004 (in 2002 and 2003 Chapter VIII of Title VIII of the Spanish Income Tax Law) was applied. The information relating to these transactions is disclosed in the financial statements for 2002, 2003 and 2004. The transactions were as follows:

- The non-monetary contribution to Autopistas Concesionaria Española, S.A. (Sole-Shareholder Company) of the line of business relating to the toll road concessions operated by the Company (2002) and the capital increase at the investee Abertis Logística, S.A. subscribed by the Company through the non-monetary contribution of shares of various investees (2002).

- The capital increase at the Company, in order to perform the share exchange established as the means of consideration in the takeover bid formulated by the Company for the shares of Ibérica de Autopistas, S.A. (2002).

- The merger by absorption of Aurea, Concesiones de Infraestructuras, S.A. (2003) and Ibérica de Autopistas, S.A. (2004) into Abertis Infraestructuras, S.A. and the consequent dissolution without liquidation of the former two companies.

b) Income tax expense

The standard income tax rate for 2018 was 25% (2017: 25%).

The reconciliation of the net recognised income and expense for the year to the taxable profit for income tax purposes is as follows:

2018	Income and expense recognised in profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Income and expense for the year			2,406,758			14
Income tax expense for the year	-	-	64,423	-	-	5
Permanent differences	91,677	(2,604,759)	(2,513,082)	-	-	-
Temporary differences:						
- arising in the year	6,178	(74,115)	(67,937)	-	(19)	(19)
- arising in prior years	1,503	(67,301)	(65,798)	-	-	-
Total			**(175,636)**			**-**
Tax loss to be included in the consolidated tax base			**(175,636)**			

2017	Income and expense recognised in profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Income and expense for the year			274,897			(206)
Income tax expense for the year	-	-	(4,485)	-	-	(76)
Permanent differences	33,580	(383,580)	(350,000)	-	(23)	(23)
Temporary differences:						
- arising in the year	1,823	(74,115)	(72,292)	303	-	303
- arising in prior years	1,503	(46,299)	(44,796)	-	-	-
Total			**(196,676)**			**(2)**
Tax loss to be included in the consolidated tax base			**(196,678)**			

The main components of the income tax expense for the year are as follows:

	2018		
	Profit or loss	Equity	Total
Current tax	28,254	-	**28,254**
Deferred tax	33,436	5	**33,441**
Adjustments to income tax	-	-	**-**
Prior years' taxes/other	2,733	-	**2,733**
Total	**64,423**	**5**	**64,428**

	2017		
	Profit or loss	Equity	Total
Current tax	(52,336)	(1)	**(52,337)**
Deferred tax	39,218	(75)	**39,143**
Adjustments to income tax	7,378	-	**7,378**
Prior years' taxes/other	1,255	-	**1,255**
Total	**(4,485)**	**(76)**	**(4,561)**

The income tax expense reflected in the Company's statement of profit or loss is calculated using the following parameters:

- The permanent differences were mainly considered to be the dividends from companies that satisfy the requirements established in Article 21 of the Spanish Income Tax Law (EUR 963,458 thousand), the inclusion in the tax base of the impairment for tax purposes of the ownership interest held by Abertis in Ausol (EUR 88,530 thousand) and the capital gain on the sale of the ownership interest in Cellnex (EUR 1,563,660 thousand). Also, the provision recognised to cover certain risks associated with the Company’s normal operations (EUR 75,000 thousand) was not considered to be deductible for tax purposes.

- The consolidated tax group assumed the right to fully offset the tax loss incurred in 2018 and to partially offset the tax loss incurred in 2015 that was not offset by the group in that period.

  Also, the consolidated tax group assumed the right to deduct the tax credits earned in 2018, and the resulting intra-Group account was recognised in the balance sheet.

  In this connection, the 2015 tax loss offset by the tax group in 2018 amounted to EUR 10,586 thousand (tax asset of EUR 2,646 thousand). Tax losses of EUR 538 thousand were also offset as a result of the adjustment of 2017 (tax asset of EUR 135 thousand). Also, the tax credits earned and deducted in 2018 amounted to EUR 2,837 thousand

and relate mainly to tax credits for taxes paid abroad and tax credits for donations.

- Taxes similar to income tax paid abroad and the adjustment to the income tax expense incurred in 2017 increased the income tax expense by EUR 2,733 thousand in 2018 (2017: EUR 1,256 thousand increase in the income tax expense).

Tax withholdings and pre-payments amounted to EUR 497,588 thousand (2017: EUR 44,172 thousand).

c) Current tax assets

At 31 December 2018, "Current Tax Assets" includes the amount to be recovered by **Abertis**, as the parent of the Spanish consolidated tax group, in relation to the income tax for 2017 amounted to EUR 112,885 thousand.

At 31 December 2018, this caption also includes the amount to be recovered by **Abertis,** as the parent of the Spanish consolidated tax group, in relation to income tax for 2018 amounting to EUR 582,572 thousand, associated mainly with the dividends received by the various companies and the gains obtained on the sale of Cellnex by Abertis Infraestructuras, S.A. This income is tax exempt but, in accordance with current legislation, it was considered taxable in the income tax prepayments of April, October and December 2018.

d) Deferred taxes

The detail of the deferred taxes is as follows:

	2018	2017
Deferred tax assets:	**37,391**	**42,002**
- Tax loss carryforwards	17,965	20,746
- Employee benefit obligations	10,872	14,673
- Other provisions	1,845	3,095
- Impairment of the ACDL/APDC/SPI investment portfolio	908	1,103
- Timing differences	94	110
- Inclusion of deductible impairment of financial assets	1,127	751
- Derivates	4,561	(57)
- Other	19	1,581
Deferred tax liabilities:	**(159,047)**	**(140,561)**
- Gains from transfer of concession operators	(70,734)	(70,734)
- Amortisation of financial goodwill	(59,292)	(40,763)
- Other	(29,021)	(29,064)
Deferred taxes	**(121,656)**	**(98,559)**

The changes in "Deferred Tax Assets" and "Deferred Tax Liabilities" in 2018 and 2017 were as follows:

	2018		2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	**42,002**	**(140,561)**	**61,234**	**(145,908)**
Amount charged/(credited) to profit or loss	(10,316)	(18,486)	(10,764)	(28,438)
Amount charged/(credited) to equity	-	-	-	-
Adjustments to income tax	-	-	(7,377)	-
Tax losses and tax credits	(2,647)	-	(1,765)	-
Other amounts charged/(credited) (adjustment prior year's income tax)	8,352	-	674	33,785
At 31 December	**37,391**	**(159,047)**	**42,002**	**(140,561)**

In accordance with the criteria detailed in Note 4.10, each company in the tax group recognised in its balance sheet as at 31 December 2015 the deferred tax asset corresponding to the portion of the tax losses that had not been offset by the other tax group companies. In this connection, at 31 December 2015 the Company recognised a deferred tax asset of EUR 23,168 thousand (individual tax loss of EUR 92,673 thousand), that was increased in the definitive declaration of the income tax of 2015 in July 2016 for a total amount of EUR 575 thousand. At 31 December 2018, deferred tax assets of EUR 17,965 thousand had not yet reversed, after having credited to profit or loss at the end of, and in the final returns for, 2016 and 2017, EUR 3,132 thousand, and at 2018 year-end EUR 2,647 thousand.

At 31 December 2018, the tax group's tax loss carryforwards, after considering the EUR 83,975 thousand offset in the year, total EUR 584 million (corresponding in full to the tax loss incurred in 2015).

The deferred tax assets indicated above were recognised in the accompanying balance sheet because the Company’s directors considered that, based on their best estimate of the consolidated tax group's future earnings and pursuant to Spanish Income Tax Law 27/2014, of 27 November and Resolution of 9 February 2016 of the Spanish Accounting and Audit Institute (ICAC), it is probable that these assets will be recovered. Specifically, the aforementioned Law eliminates the time limitation for offsetting tax losses.

The deferred tax liabilities recognised at 2018 year-end relate mainly to the tax effect associated with the gains obtained in the transfer of ownership interests in the Spanish toll road concession operators in 2011, which were eliminated when calculating the tax base of the consolidated tax group.

In accordance with Article 3 of Royal Decree-Law 3/2016, as in 2017, the Company included in its tax base for 2018 one-fifth of the amounts deducted in prior years in relation to the impairment for tax purposes of the ownership interests held in Terra Mítica. In this connection, **Abertis** reversed EUR 1,503 thousand and recognised the related deferred tax asset as it considered that this loss could be considered deductible for tax purposes on extinguishment of the investee.

Also, at 31 December 2018, **Abertis** included in its tax base the total impairment for tax purposes of the ownership interest held in Ausol amounting to EUR 88,530 thousand, since in 2018 Ausol's equity increased by an amount in excess of the total impairment loss yet to be included in the tax base.

Set forth below are the cumulative changes in the amounts deducted pursuant to the now repealed Article 12.3 of the Consolidated Spanish Income Tax Law:

Company	Total amounts deducted at 31/12/17	Inclusion of 1/5 deducted under Royal Decree-Law 3/2016	2017 income tax adjustment	Amounts to be recovered/ (included) at 31/12/18
AUSOL	(88,530)	88,530	-	-
TERRA MÍTICA	(4,507)	1,503	-	(3,004)
ACDL	-	(32,067)	32,067	-

17. INCOME AND EXPENSES

a) Revenue

As detailed in Note 1, **Abertis** operates in two sectors: toll road concessions and telecommunications concessions. As parent of the Group, the Company's revenue relates mainly to dividends and the provision of services to Group companies (see Note 19-c).

The breakdown, by geographical market, of the Company's revenue from its ordinary business activities in 2018 and 2017 is as follows:

Market	% 2018	2017
Spain	28.3	28.3
Other European countries	69.3	66.8
Latin America and the US	2.3	4.8
India	0.1	0.1
	100.00	**100.00**

b) Staff costs

The detail of "Staff Costs" in 2018 and 2017 is as follows:

	2018	2017
Wages and salaries	22,338	23,908
Social security contributions	2,415	2,499
Pension costs:		
- Defined contribution plans (Note 14-a)	1,362	1,996
- Defined benefit plans (Note 14-b)	-	2
Other obligations	5,000	-
Other	2,997	2,685
	34,112	**31,090**

The average number of employees, by category, in 2018 and 2017 was as follows:

	2018	2017
Permanent employees:		
- Directors	1	2
- Senior managers	20	21
- Middle management and junior managers	68	65
- Other employees	80	91
Temporary employees:	-	-
	169	**179**

Also, the headcount at the end of 2018 and 2017, by gender, was as follows:

	2018			2017		
	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Directors	1	-	1	2	-	2
- Senior managers	16	2	18	18	2	20
- Middle management and junior managers	35	31	66	39	31	70
- Other employees	25	60	85	29	65	94
Temporary employees:	-	-	-	-	-	-
	77	**93**	**170**	**88**	**98**	**186**

The average number of employees in 2018 and 2017 with a disability equal to or greater than 33%, by category, was as follows:

	2018	2017
Permanent employees:		
- Directors	-	-
- Senior managers	-	-
- Middle management and junior managers	-	-
- Other employees	2	2
Temporary employees:	-	-
	2	**2**

Also, it should be noted that the shareholders at the Extraordinary General Meeting held on 10 December 2018 set the number of members of **Abertis**'s Board of Directors at five or nine. At 31 December 2018, the aforementioned Board of Directors consisted of five members, with all the seats on the Board occupied.

c) Impairment and gains or losses on disposals of non-current assets

	2018	2017
Net change in impairment and other losses	77,550	(2,795)
Net gains on disposals of ownership interests	1,563,660	-
Total	**1,641,210**	**(2,795)**

The amount recognised under "Net Change in Impairment and Other Losses" relates to the reversal of impairment losses recognised in prior years on the ownership interest held in Ausol (see Note 8-c).

Also, "Net Gains on Disposals of Ownership Interests" relates to the net gain on the sale of 34% of the share capital of Cellnex (see Note 8-a).

The amount recognised in 2017 related mainly to the impairment loss recognised in relation to the dissolution of ACDL (see Note 8-a).

d) Finance income and costs

The detail of the finance income and costs in 2018 and 2017 is as follows:

	2018	2017
Interest on loans to Group companies and associates (Note 19-c)	144,437	181,858
Interest and other income	5,598	5,250
Income arising from settlement of derivative financial instruments	877	726
Finance income	**150,912**	**187,834**
Interest on loans from Group companies and associates (Note 19-c)	(15,690)	(16,862)
Interest on bank loans and other	(165,931)	(176,455)
Costs arising from settlement of derivative financial instruments	(31,030)	(48,277)
Finance costs	**(212,651)**	**(241,594)**

The detail of "Changes in Fair Value of Financial Instruments" in 2018 and 2017 is as follows:

	2018	2017
Gain/(Loss) on hedging instruments	9,225	32,240
	9,225	**32,240**

This heading includes mainly the net impacts of the hedge accounting applied to net investments in foreign operations (see Notes 8-a and 10).

In this connection, as in 2017, since the Company has hedges of net investments in foreign operations to hedge the risks arising from the investment in Chile, the change in fair value of which amounting to EUR 12,764 thousand (2017: EUR 10,178 thousand) was partially offset by the exchange differences (see detail below) on the loan granted to Invin in order to complete these acquisitions (see Note 8-b).

The detail, by class of financial instrument, of the exchange differences recognised in 2018 and 2017 is as follows:

	2018	2017
Transactions settled in the year:		
Trade receivables and transactions	98	(1,428)
	98	**(1,428)**
Outstanding and unmatured balances:		
Loans	(57,052)	(42,202)
	(57,052)	**(42,202)**
	(56,954)	**(43,630)**

e) Transactions in currencies other than the euro

The detail of the transactions performed in a currency other than the euro in 2018 and 2017 is as follows:

	2018	2017
Services received	6,625	1,963
Services rendered	17,362	14,305
	47,449	50,982

18. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

a) Contingent liabilities

At 31 December 2018, the Company had collateral and other guarantees to third parties amounting to EUR 77,357 thousand (2017: EUR 73,841 thousand), which relate mainly to guarantees provided by banks to the public authorities in connection with certain obligations (investments, operation of services, financing, taxes, etc.) arranged by the Company itself and by investees. No unforeseen significant liabilities are expected to arise as a result of these guarantees.

Also, the Company acts as guarantor in relation to the financing agreements arranged by Aulesa for EUR 28,573 thousand (2017: EUR 28,134 thousand) and Abertis Infraestructuras BV for an equivalent euro value of EUR 258,919 thousand (2017: EUR 248,137 thousand).

The Company also acts as guarantor in relation to the operating agreements arranged by Emovis for EUR 46,922 thousand (2017: EUR 49,687 thousand) and by Eurotoll EUR 5,034 thousand (2017: EUR 5,035 thousand).

Lastly, the Company guarantees the settlement of a derivative arranged by Abertis India, the fair value of which at 31 December amounted to an asset of EUR 9,736 thousand (2017: EUR 4,854 thousand).

Also, as part of the agreement with the French Government for the "Plan Relance" for French toll roads, the shareholders of the French concession operators resolved to create a fund to develop infrastructure of a clearly environmental nature ("Fonds de Modernisation Ecologique des Transports", FMET). Having obtained full ownership of the French subgroup Hit/Sanef, the contribution of **Abertis** as a shareholder thereof is estimated at around EUR 52 million, which will be paid as the various investment projects to be carried out are approved. In the year ended 31 December 2018, contributions of EUR 2,725 thousand were made in this connection (2017 year-end: EUR 1,375 thousand).

19. RELATED PARTY TRANSACTIONS

a) Directors and senior executives

The annual remuneration of the directors for their conduct of business as members of the Board of Directors of the Parent is fixed as a share of the net profit. It may only be received when the transfers to reserves and the minimum dividend payment established by law have been covered and under no circumstance may it, in aggregate, exceed 2% of the profit for the year. The Board of Directors may distribute this share of the net profit among its members in the manner and proportions it deems appropriate.

In 2018, mainly in the framework of the Group's change of shareholders detailed in Note 12-a, changes were made to the composition of the Board of Directors, effective 18 May 2018, which affect the comparability of the figures.

The remuneration earned by the directors of **Abertis** in 2018, in accordance with the remuneration policy approved by the shareholders at the Annual General Meeting of 3 April 2017, was as follows:

- The serving and former members of the Board of Directors, for discharging the duties inherent to their status as directors of Abertis

Infraestructuras, S.A., earned EUR 2,303 thousand (2017: EUR 2,595 thousand), and earned EUR 134 thousand as members of the Boards of Directors of other Group companies (2017: EUR 251 thousand).

- For performing senior management duties, the directors with executive functions (until 6 February 2018 the former CEO and from that date onwards the new Chief Executive-General Manager, who was appointed as the CEO on 10 December 2018) earned EUR 1,449 thousand (2017: EUR 2,486 thousand), corresponding to their annual fixed and variable remuneration, and EUR 249 thousand (2017: EUR 660 thousand) in contributions arising from employee benefit obligations.

  Also, in the first quarter of 2018 EUR 8,250 thousand were paid to the former CEO as a result of his attaining the multi-year targets established in the 2015-2017 Incentive Plan as a contribution to the employee welfare plan of which he was a beneficiary.

- In addition, the serving and former directors of Abertis Infraestructuras, S.A. earned, EUR 52 thousand (2017: EUR 64 thousand) as other remuneration in kind in relation to life and medical insurance policies.

The remuneration in 2018 of the senior executives, understood to be the general managers and similar employees of **Abertis** who in that year carried out management duties while reporting directly to the Board of Directors, the Executive Committee, the Chairman or the CEO of Abertis Infraestructuras, S.A., totalled EUR 2,520 thousand (2017: EUR 3,350 thousand). It should also be noted that in the first quarter of 2018 the senior executives received EUR 6,200 thousand for achieving the multi-year targets established in the 2015-2017 Incentive Plan.

Also, the senior executives earned as other benefits contributions related to employee benefit obligations and other remuneration in kind amounting to EUR 233 thousand and EUR 171 thousand, respectively (2017: EUR 358 thousand and EUR 168 thousand, respectively).

The post-employment benefits received by former senior executives totalled EUR 21 thousand in 2018 (2017: EUR 36 thousand).

Also, in accordance with the Company’s remuneration policy for 2018, 2019 and 2020, the Group has in place a new multi-year incentive plan named “ILP 2018-2020”, tied to the degree of attainment of the targets in the Group's three-year plan for 2018-2020.

Lastly, it should be noted that pursuant to Royal Decree 602/2016, of 2 December, details are provided of the disclosures required in relation to the amount of the directors' third-party liability insurance policies for damage caused or omissions, which totalled, following the various changes of control of **Abertis** that took place in the year, EUR 288 thousand (2017: EUR 63 thousand).

b) Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish Limited Liability Companies Law, the directors have not reported any direct or indirect conflict of interest that they (or any persons related to them) might have with the Company's interests.

c) Group companies and associates

The detail of the financial assets and liabilities, excluding equity instruments (see Note 8-b), held by the Company with Group companies and associates (see Note 4.16) is as follows:

	31 December 2018				
	Financial assets			**Financial liabilities**	
	Loans and other financial assets		**Trade receivables from Group companies and associates**	**Payables**	
	Non-current	**Current**	**Current**	**Non-current**	**Current**
Abertis Aut. España	2,540,752	167,567	90	-	32,726
Acesa	-	7,331	530	-	1,659
Aumar	-	16,627	326	-	1
Iberpistas	-	7	-	-	39,811
Castellana	-	5,942	125	-	4,547
Aulesa	-	127	6	-	1,064
Avasa	-	-	157	-	-
Societat Autopistes Catalanes	552,783	88,266	-	-	4,636
Aucat	-	6,005	105	-	2

	31 December 2018				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Infraestructures Viàries de Catalunya	-	1,247	126	-	11,944
Hit	-	-	42	-	-
Sanef	-	-	444	-	14
Emovis	-	7,350	487	-	-
Sapn	-	-	23	-	-
Tubacasa	-	-	-	-	1
Abertis Mobilities Services	-	-	-	-	3
Coviandes	-	-	111	-	-
Abertis tel. Satélites	480,389	9,119	-	-	8,327
Hispasat	-	-	305	-	-
Abertis Finance BV	-	60,000	-	261,787	3,361
Abertis Internacional	-	23	-	16,675	14,372
Invin (1)	753,012	-	-	-	-
Abertis Infraestructuras Chile	641	-	-	-	-
Abertis Autopistas Chile	-	-	70	-	-
Metropistas	-	55	9	-	-
Abertis Puerto Rico	-	-	15	-	-
Ausol	-	(15)	149	-	-
Arteris	-	-	424	-	1
Eurotoll	-	20,062	63	-	-
Autostrada	-	-	49	-	-
A4 Mobility	-	-	216	-	-
A4 Holding	-	-	1,847	-	-

	31 December 2018				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Abertis India	-	-	-	-	2,252
Jadche, JEPL	-	-	249	-	-
Trichy, TTPL	-	-	331	-	-
Total	**4,327,577**	**389,713**	**6,299**	**278,462**	**124,721**

(1) Balances in Chilean pesos translated to euros at the exchange rate prevailing at year-end.

	31 December 2017				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Abertis Aut. España	3,162,492	18,992	823	-	17,781
Acesa	-	17,606	-	-	22
Aumar	-	13,899	-	-	-
Iberpistas	-	3,917	-	-	7,827
Castellana	-	254	-	-	4,503
Aulesa	-	130	-	-	570
GCO	-	-	-	-	20
Societat Autopistes Catalanes	608,554	78,834	-	-	2,324
Aucat	-	6,312	-	-	-
Infraestructures Viàries de Catalunya	-	2,653	-	-	6,747
Túnels de Barcelona	-	-	-	-	1
Sanef	-	-	630	-	113

	31 December 2017				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Emovis	-	7,324	981	-	-
Sapn	-	-	40	-	-
Coviandes	-	-	113	-	-
Abertis tel. Satélites	195,646	2,756	54	-	1,931
Hispasat	-	-	309	-	-
Abertis Finance BV	-	74,157	-	263,011	3,333
Abertis Internacional	5,077	38	-	-	4,328
Invin (1)	769,523	-	-	-	-
Abertis Infraestructuras Chile	641	-	-	-	-
Abertis Autopistas Chile	-	-	(1)	-	-
Metropistas	-	56	1	-	-
TBI	-	-	18	-	259
Abertis Puerto Rico	-	-	69	-	-
Ausol	-	(15)	142	-	-
Autopista Los Libertadores	-	439	-	-	-
Abertis USA	-	-	-	-	1
Eurotoll	-	20,049	-	-	-
Autostrada	-	-	49	-	-
Infracom	-	-	29	-	-
A4 Mobility	-	-	240	-	-
A4 Holding	-	-	5	-	-
Abertis India	-	-	13	-	1,568
Jadche, JEPL	-	-	108	-	-
Trichy, TTPL	-	-	143	-	-
Total	**4,741,933**	**247,401**	**3,766**	**263,011**	**51,328**

(1) Balances in Chilean pesos translated to euros at the exchange rate prevailing at year-end.

The non-current balances payable to Abertis Infraestructuras Finance, B.V. have the same maturities (2024 and 2039) and amounts as the respective bond issues performed by the aforementioned investee.

Abertis Infraestructuras, S.A. has provided a full, unconditional guarantee in relation to the issues launched by Abertis Infraestructuras Finance, B.V.

The loans and borrowings between Group companies accrue interest at market rates and are arranged under market conditions, which are therefore reasonably considered to be equivalent to those to which might be agreed on by independent parties.

Also, all the commercial transactions are performed on an arm's length basis.

"Current Assets - Current Investments in Group Companies and Associates" and "Current Liabilities - Current Payables to Group Companies and Associates" include EUR 37,500 thousand (2017: EUR 45,093 thousand) (assets) and EUR 121,315 thousand (2017: EUR 47,579 thousand) (liabilities) of accounts receivable from and payable to Group companies as a result of the tax effect arising from the application of the consolidated tax regime (see Note 16).

Payables to Group companies and associates mature as follows:

31 December 2018

	Current	Non-current						
	2019	**2020**	**2021**	**2022**	**2023**	**Subsequent years**	**Total**	**Total**
Payable to Group companies and associates	124,721	-	-	16,675	-	261,787	278,462	403,183

31 December 2017

	Current	Non-current						
	2018	**2019**	**2020**	**2021**	**2022**	**Subsequent years**	**Total**	**Total**
Payable to Group companies and associates	51,328	-	-	-	-	263,011	263,011	314,339

The detail of the transactions carried out by the Company with Group companies and associates (see Note 4.16) in 2018 and 2017 is as follows:

	31 December 2018				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity investments	Services received	Interest paid
Abertis Autop. España	2,192	74,044	150,000	38	-
Acesa	5,317	-	-	37	-
Aumar	3,212	-	-	2	-
Iberpistas	23	-	-	-	-
Castellana	1,240	-	-	-	-
Avasa	1,580	-	-	-	-
Aulesa	65	-	-	-	-
Societat d'Autopistes Catalanes	-	15,465	91,401	-	-
Aucat	1,056	-	-	13	-
Infraestructures Viàries de Catalunya	1,255	-	-	12	-
HIT	-	-	679,004	-	-
Sanef	17,960	-	-	101	-
Emovis	150	320	-	-	-
Eurotoll	-	74	-	-	-
Tubacasa	-	-	-	20	-
A. Puerto Rico	-	-	-	17	-
Ausol	1,719	-	13,563	-	-
Coviandes	622	-	-	-	-
Cellnex	-	-	3,533	-	-
Abertis Telecom Satélites	73	10,501	-	-	-
Abertis Autopistas Chile	5,846	-	-	19	-
Invin	98	42,691	-	-	-
Abertis Finance BV	-	1,224	-	-	15,690
Abertis USA	-	-	167	22	-
Hispasat	19	-	-	-	-
Abertis Internacional	-	118	25,790	-	-

	31 December 2018				
	Revenue			Expenses	
	Services rendered and other income	**Interest received**	**Return on equity investments**	**Services received**	**Interest paid**
Arteris	947	-	-	-	-
Partícipes en Brasil	96	-	-	-	-
Partícipes en Brasil II	96	-	-	-	-
A4 Mobility	416	-	-	-	-
A4 Holding	3,700	-	-	-	-
Trichy,TTPL	188	-	-	-	-
Jadche, JEPL	141	-	-	-	-
Total	**48,011**	**144,437**	**963,458**	**281**	**15,690**

	31 December 2017				
	Revenue			Expenses	
	Services rendered and other income	**Interest received**	**Return on equity investments**	**Services received**	**Interest paid**
Abertis Autop. España	2,897	105,035	-	-	1
Acesa	5,072	-	-	30	-
Aumar	3,095	-	-	1	-
Iberpistas	1,018	-	-	-	-
Castellana	117	-	-	-	-
Avasa	1,492	-	-	-	-
Aulesa	61	-	-	-	-
GCO	-	-	-	20	-
Societat d'Autopistes Catalanes	-	17,857	91,874	-	-
Aucat	1,003	-	-	-	-
Infraestructures Viàries de Catalunya	1,174	-	-	-	-
Túnels de Barcelona	-	-	-	22	-
HIT	-	-	261,314	-	-
Sanef	10,588	-	-	334	-
Emovis	393	323	-	-	-

	31 December 2017				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity investments	Services received	Interest paid
Sapn	80	-	-	-	-
Eurotoll	-	49	-	-	-
A. Puerto Rico	102	-	-	-	-
Ausol	1,816	-	10,478	-	-
Coviandes	661	-	-	-	-
Cellnex	47	-	6,800	-	-
Abertis Telecom Satélites	72	5,683	-	-	-
Retevisión	314	-	-	-	-
On Tower Telecom	22	-	-	-	-
Tradia	216	-	-	-	-
Abertis Autopistas Chile	5,610	-	-	-	-
Invin	97	47,449	-	-	-
Autopista Los Libertadores	-	709	-	-	-
Infraestructura Dos Mil	-	(120)	-	-	-
Soc. Concesionaria Autopista del Sol	-	(33)	-	-	-
Metropistas	14	-	-	46	-
Abertis Finance BV	-	1,182	-	-	16,861
Abertis USA	-	-	-	95	-
Hispasat	1,004	-	-	-	-
Abertis Internacional	-	191	-	-	-
Arteris	1,069	3,533	-	-	-
Partícipes en Brasil	95	-	-	-	-
Partícipes en Brasil II	95	-	-	-	-
Autostrada	189	-	-	-	-
Infracom	51	-	-	-	-
A4 Mobility	240	-	-	-	-
A4 Trading	19	-	-	-	-
A4 Holding	365	-	-	-	-

	31 December 2017				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity investments	Services received	Interest paid
Trichy,TTPL	143	-	-	-	-
Jadche, JEPL	108	-	-	-	-
Abertis India	13	-	-	-	-
Total	**39,352**	**181,858**	**370,466**	**548**	**16,862**

d) Other related parties

Other related parties, as defined by the Spanish National Chart of Accounts, means those shareholders (in addition to the Group companies and subsidiaries mentioned in the preceding section) of Abertis Infraestructuras, S.A. with significant influence over the Company (see Note 4.16).

In this connection, it should be noted that:

- On the one hand, on 17 May 2018, with the settlement of the tender offer in which Abertis Infraestructuras, S.A. had been involved since 2017 (completed on 8 May 2018), a change of control took place at **Abertis** whereby CriteriaCaixa ceased to be a significant shareholder of **Abertis** and Hochtief, A.G. became a significant shareholder.

  In this regard, it should be noted that, as a result of the agreement for a joint investment in **Abertis** entered into by Hochtief, Atlantia and ACS, once the agreement was formalised on 29 October 2018, both Atlantia and ACS became significant shareholders of **Abertis**, and Atlantia is also the new majority shareholder (see Note 12-a).

  Therefore, following the various changes of control of **Abertis** that took place in the period, at 31 December 2018, **Abertis** has as significant shareholders Atlantia, ACS and Hochtief, in accordance with the description in Note-12.a.

- On the other hand, on 26 September 2017 there was a change of control at CaixaBank (a company with which **Abertis** holds balances and performs transactions) and, as a result, CriteriaCaixa, which at that moment was a significant shareholder of **Abertis**, no longer exercised either control or a significant influence over CaixaBank.

Therefore, from that date onwards, CaixaBank was no longer considered to be an entity related to **Abertis**. However, in accordance with the disclosures required by the legislation applicable to the Company, set forth below is a detail, for comparison purposes, of the transactions performed with CaixaBank until 26 September 2017. Accordingly, at 31 December 2018 (as at 2017 year-end), **Abertis** does not hold any balances with the related entity "la Caixa" in relation to: (i) bond issues, loans and credit lines received; (ii) financial swaps arranged; (iii) financing of retirement obligations; (iv) assets purchased and services received; (v) obligations and contingencies; and (vi) other items.

In addition to the dividends paid to shareholders, the breakdown of the balances held and transactions performed with significant shareholders is as follows:

i) Bond issues, loans and credit lines received, obligations and contingencies

At 31 December 2018, as at 31 December 2017, **Abertis** had not issued any bonds and had not arranged any loans or guarantee lines with related companies.

In 2018 no finance costs paid to or finance income received from related companies were recognised (2017: finance costs of EUR 8,931 thousand paid to and finance income of EUR 10 thousand received from the former related entity "la Caixa" until 26 September 2017).

ii) Financial swaps arranged

As in 2017, the Company has not arranged any financial swaps with related banks relating to foreign currency and/or interest rate hedges.

iii) Financing of employee benefit obligations

In 2018 the Company did not make any contributions to insurance policies that it may have arranged with any related company in order to meet the defined benefit obligations to the Group's employees (2017: until 26 September 2017, contributions of EUR 1,325 thousand to an insurance policy arranged with the then related entity "la Caixa"). Also, at 31 December 2018 and 2017 no plan assets associated with such policies were held.

iv) Assets purchased and services received

In 2018 (as in 2017) no assets were purchased from related parties.

Lastly, at 2018 year-end no services had been received from related companies (2017: EUR 218 thousand).

v) Others

As detailed in Note-8, on 12 July 2018, Abertis has sold the remaining 29.9% of the representative Cellnex's shares (69,273,289 shares) ti the Italian company ConnecT, S.p.A. (Connect, subsidiary of Edizione, S.r.l.) for a total amount of EUR 1,489,376 thousand (equal to a price of EUR 21.50 per share)

20. EVENTS AFTER THE REPORTING PERIOD

Other than the matters indicated in Note 13-a in relation to the approval on 8 February 2019 of the draft terms of the merger of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U., at the date of authorisation for issue of these financial statements for the year ended 31 December 2018 there had not been any events after the reporting period worthy of mention in relation hereto.

On February 12, 2019, Abertis has reached an agreement with Red Eléctrica Corporación for the sale of 89.68%, through the company Abertis Telecom Satélites, SA, of Hispasat for an amount of EUR 949 million.

21. OTHER DISCLOSURES

a) Fees paid to auditors

In 2018 the fees for financial audit and other services provided by Deloitte, S.L. amounted to EUR 822 thousand and EUR 227 thousand, respectively (2017: EUR 311 thousand and EUR 115 thousand, respectively).

Also, the fees billed by other companies that use the Deloitte name in relation to tax counselling and other services rendered to the Company amounted to EUR 102 thousand and EUR 79 thousand, respectively (2017: EUR 59 thousand and EUR 80 thousand, respectively).

b) Amendment or termination of agreements

There has been no conclusion, amendment or early termination of any agreement between the Company and any of its shareholders or directors, or any person acting on their behalf, in relation to transactions outside the ordinary course of the Company's business operations or transactions not performed on an arm's length basis.

c) Disclosures on the periods of payment to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

The following information is required by Additional Provision Three of Law 15/2010, of 5 July, amended by Final Provision Two of Law 31/2014, of 3 December, amending the Spanish Limited Liability Companies Law to improve corporate governance, in accordance with the Resolution of 29 January 2016 of the Spanish Accounting and Audit Institute on disclosures to be included in the notes to the financial statements in relation to the average period for payment to suppliers in commercial transactions, published in the Official State Gazette on 4 February 2016:

	2018	2017
Average period of payment to suppliers (no. of days)	20	22
Ratio of transactions settled (no. of days)	20	22
Ratio of transactions not yet settled (no. of days)	26	21
Total payments made	76,191	50,226
Total payments outstanding	1,705	7,737

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers that, because of their nature, are trade creditors for the supply of goods and services.

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Abertis Infraestructuras, S.A.

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for the year ended 31 December 2018

Direct investments in Group companies and associates

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period	Dividends received
				Carrying amount	%				
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Amsterdam (Netherlands)	Financial services	Deloitte	2,000	100%	18	5,386	83	-

Operation of toll roads:

Company	Registered office	Line of business	Auditor	Carrying amount	%	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period	Dividends received
Abertis Autopistas España, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Study, development and construction of civil infrastructure	Deloitte	1,107,881	100%	551,000	(249,034)	440,496	150,000
Societat d'Autopistes Catalanes, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	878,060	100%	1,060	793,539	105,097	91,041
Abertis Motorways UK, Ltd. (1)	Hill House, 1 Little New Street, London EC4A 3TR (UK)	Holding company	Deloitte	15,421	100%	11,179	9,277	1,409	-
Abertis Infraestructuras Chile SPA (Abertis Chile) (1)	Rosario Norte Nº 407, Las Condes Santiago de Chile (Chile)	Holding company	Deloitte	3	100%	13,130	(460)	(24)	-
Autopistas de Puerto Rico y Compañía, S.E. (APR) (1)	Montellanos Sector Embalse San José San Juan de Puerto Rico 00923 (Puerto Rico)	Infrastructure concession operator	Deloitte	22,489	100%	3,059	(53,285)	8,473	-
Inversora de Infraestructuras, S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	Holding company	Deloitte	749,059	71.84%	116,048	86,871	(1,983)	-

This Appendix is an integral part of Note 8 to the abridged financial statements for 2018 and should be read in conjunction therewith.

Conversion of amounts in foreign currencies at the reporting date exchange rates.

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for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period	Dividends received
				Carrying amount	%				
Concesionaria Vial de los Andes, S.A. (COVIANDES) (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Infrastructure concession operator	Deloitte	18,563	40.00%	7,367	19,873	6,335	-
Autopistas del Sol, S.A. (AUSOL) (1) and (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	Toll road concession operator	Deloitte	77,550	31.59%	23,021	6,735	181,338	13,563
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding company	Deloitte	2,959,239	100%	1,512,268	(376,198)	511,613	679,004
Holding d'Infrastructures de Transport 2, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding company	Deloitte	3,059	100%	3,060	(232)	(3)	-
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	Design, development, implementation and maintenance of technological solutions for the management of transport infrastructures	Deloitte	28,418	100%	1,003	27,400	(1)	-
Constructora de Infraestructura Vial, S.A.S. (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Construction	Deloitte	8	40.00%	13	25,799	(11,922)	-
Autopistas Metropolitanas de Puerto Rico, LLC (1)	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll road concession operator	Deloitte	248,640	51.00%	436,964	(93,812)	2,490	-

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Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period	Dividends received
				Carrying amount	%				
Sociedade Para Participação em Infraestructura, S.A. (1)	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	Operation of concessions	Deloitte	-	51.00%	5,064	(4,293)	(49)	-
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding company	Deloitte	786,944	51.00%	41,093	1,290,692	(1,478)	-
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	336,330	100%	33,687	258,604	40,148	25,790

Telecommunications:

Company	Registered office	Line of business	Auditor	Carrying amount	%	Share capital	Reserves	Profit / (Loss)	Dividends received
Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding (satellite telecommunicatio ns)	Deloitte	193,924	100%	242,082	62,485	10,647	-
				7,427,588					**959,758**

This Appendix is an integral part of Note 8 to the abridged financial statements for 2018 and should be read in conjunction therewith.

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Indirect ownership interest

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Through Abertis Autopistas España:								
Autopistas, Concesionaria Española, S.A. (ACESA)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	319,489	(219,431)	346,969
Autopistas AUMAR, S.A. Concesionaria del Estado (AUMAR)	Paseo de la Alameda, 36 Valencia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	213,596	99,880	146,270
Iberpistas, S.A. Concesionaria del Estado	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	54,000	65,991	200,961
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta Barcelona	Operation of service areas	Other auditors	50.00%	Abertis Autopistas España	2,070	7,661	514
BIP & Drive, S.A.	Paseo de la Castellana, 95, Torre Europa, planta 16- 28046 Madrid	Marketing of tags	Other auditors	35.00%	Abertis Autopistas España	4,613	3,138	421
Grupo Concesionario del Oeste, S.A. (GCO) (1) and (3)	Ruta Nacional nº7, km25,92 Ituzaingó (Argentina)	Toll road concession operator	Deloitte	42.87%	Acesa	39,819	(47,568)	141,330
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Autopista C-16, Km 41. Barcelona	Toll road concession operator	Deloitte	23.72%	Acesa	83,411	558,567	68,233

This Appendix is an integral part of Note 8 to the abridged financial statements for 2018 and should be read in conjunction therewith.

Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Ciralsa, S.A.C.E. (4)	Av. Maisonnave, 41 Alicante	Construction, upkeep and operation of toll roads	Deloitte	25.00%	Aumar	-	-	-
Castellana de Autopistas, S.A.C.E.	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Iberpistas	98,000	(15,214)	(59,310)
Autopistas de León, S.A.C.E. (AULESA)	Ctra. Santa María del Páramo s/n Villadongos del Paramo, León	Toll road concession operator	Deloitte	100%	Iberpistas	34,642	(10,548)	(1,169)
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	Toll road concession operator	Deloitte	100%	Iberpistas	237,095	45,844	59,053
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0,280. Madrid	Toll road concession operator	Deloitte	50.00%	Iberpistas	21,039	59,811	12,812
Alazor Inversiones, S.A. (4)	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Holding company	Deloitte	31.22%	Iberpistas	-	-	-
Infraestructuras y Radiales, S.A. (IRASA)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Iberpistas/ Avasa	-	-	-
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	Upkeep and maintenance of toll roads	Deloitte	25.00%	Trados 45	553	17	55
Accesos de Madrid, C.E.S.A. (4)	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Toll road concession operator	Deloitte	31.22%	Alazor Inversiones	-	-	-

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Abertis Infraestructuras, S.A.

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Autopista del Henares, S.A.C.E. (HENARSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Toll road concession operator	Deloitte	30.00%	Infraestructuras y Radiales	-	-	-
Erredosa Infraestructuras, S.A. (ERREDOSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Infraestructuras y Radiales	-	-	-

Through Societat Autopistes Catalanes:

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Autopistes de Catalunya, S.A. (AUCAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	96,160	48,219	42,218
Infraestructures Viàries de Catalunya, S.A. (INVICAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	92,037	(22,951)	68,355
Túnels de Barcelona i Cadí concesionaria de la Generalitat de Catalunya, S.L.	C. de Vallvidrera a San Cugat BV- 1462 Km 5,3 Barcelona	Toll road concession operator	Deloitte	50.01%	Infraestructuras Viàries de Catalunya, S.A.	60	55,657	20,935

Through Abertis Motorways UK Ltd (1):

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Road Management Group Ltd (RMG)	Cannon Place 78 Cannon Street London EC4N 6AF (UK)	Toll road concession operator	Other auditors	33.33%	Abertis Motorways Uk Limited	28,322	6,531	8,120

This Appendix is an integral part of Note 8 to the abridged financial statements for 2018 and should be read in conjunction therewith.

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for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Through Abertis Infraestructuras Chile e Inversora de Infraestructuras (1):								
Vías Chile, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Investment companies and letting agency of capital assets in general	Deloitte	80.53%	Abertis Chile/ Invin	54,063	134,246	(31,875)
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Management, upkeep and operation of roads, dual carriageways and toll roads	Deloitte	80.53%	Vías Chile, S.A	1,055	3,185	313
Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Vías Chile, S.A	55,372	112,910	20,758
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Vías Chile, S.A	64,181	178,014	52,444
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Vías Chile, S.A	44,633	(52,993)	3,263
Operadora Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Vías Chile, S.A	969	(389)	(210)
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Gesa/ Vias Chile	20,547	46,596	17,376
Sociedad Concesionaria Autopista del Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.53%	Gesa/ Vias Chile	25,120	23,033	25,540

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Operadora Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Vias Chile	2,361	(1,520)	(294)
Operadora Los Libertadores	Rosario Norte Nº407, Las Condes Santiago (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.53%	Vias Chile	1,540	(912)	(719)
Sociedad Concesionaria Autopista Central, S.A.	Rosario Norte Nº407, Las Condes Santiago (Chile)	Toll road concession operator	Deloitte	76.18%	Vias Chile/CK Chile	96,517	20,454	87,796
Operadora del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago (Chile)	Maintenance, operation and upkeep of roads	Deloitte	80.53%	Vias Chile	406	5,375	299
Central Korbana Chile, SPA.	El Bosque Central nº92, Las Condes Santiago (Chile)	Holding company	Deloitte	71.84%	Central Korbana, S.a.r.l.	84,275	(3,430)	56,364
Central Korbana, S.a.r.l.	19, rue Eugène Ruppert, L-2453 Luxembourg	Holding company	Deloitte	71.84%	Invin S.L.	17	(263,139)	250,616

Through Holding d'Inrastructures de Transport, S.A.S. (1):

SANEF, S.A. (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	100%	Holding d'Infrastructures de Transport, S.A.S	53,090	527,889	522,116
SAPN, S.A. (Société des autoroutes Paris-Normandie)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	99.97%	Sanef	14,000	232,726	122,310
Sanef Aquitaine, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Management and operation of toll roads	Deloitte	100%	Sanef	500	53	94

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the Financial Statements
for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Bip&Go, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Electronic toll device distributor	Deloitte	100%	Sanef	1	(1,963)	6,900
A'lienor, S.A.S.	40, rue de Liège 64000 Pau- (France)	Toll road concession operator	Deloitte	35.00%	Sanef	275,632	(82,357)	9,649
Leonord, S.A.S	Immeuble First Part Dieu - 2 avenue Lacassagne - 69003 LYON, (France)	Management of operating contracts	Other auditors	35.00%	Sanef	697	-	161
Leonord exploitation, S.A.S	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (Francia)	Management of operating contracts	Deloitte	85.00%	Sanef	40	26	21
SE BPNL	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	Maintenance, operation and upkeep of roads	Deloitte	100%	Sanef	40	9	506
Routalis, S.A.S.	11, avenue du Centre 78280 Guyancourt. (France)	Management of terrestrial transport infrastructure	Deloitte	30.00%	Sapn	40	4	1.234
Alis S.A.	Lieu-dit Le Haut Groth 27310 Bourg-Achard, (France)	Toll road concession operator	Deloitte	19.67%	Sanef / Sapn	2,850	(111,022)	16,166
Sanef 107.7 SAS	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (Francia)	Radio broadcasting service operator	Deloitte	100%	Sanef	15	812	286

Through Abertis Mobility Services (1):

Eurotoll, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (Francia)	Processing of toll road transactions	Deloitte	100%	Abertis Mobility Services	3,300	1,969	371

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Emovis, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (Francia)	Toll road systems operator and provider	Deloitte	100%	Abertis Mobility Services	11,782	5,606	5,997
Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137 (Hungría)	Processing of toll road transactions	Deloitte	100%	Eurotoll	17	256	(177)
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15, (Irlanda)	Toll road operator	Deloitte	100%	Emovis SAS	-	805	762
Emovis Operations Mersey Ltd	Hornbeam House, Hornbeam Park, Hookstone Road, Harrogate, (England)	Marketing of tags	Deloitte	100%	Emovis, SAS	-	5,374	269
Emovis Technologies US, Inc.	c/o The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, United States of America	Toll road systems provider	Deloitte	100%	Emovis SAS	1	(18,195)	1,638
Emovis Technologies UK Limited	5th Floor, Kinnaird House 1 Pall Mall East-London SW1Y 5AU (England)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	145	971	273
Emovis Technologies Chile, S.A.	4557 Calle El Rosal Huechurraba, Santiago, Chile	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	639	(86)	(13)
Emovis Technologies, d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	Toll road systems provider	Deloitte	100%	Emovis, SAS	319	550	395

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Emovis Technologies Ireland Limited	c/o David Ebbs & co, 31 Westland Square, Dublin 2 (Ireland)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	-	3.342	162
Emovis Technologies BC, Inc	1050 West Georgia Street 15th Floor, Vancouver (Canada)	Upkeep of toll road systems	Deloitte	100%	Emovis, SAS	288	864	(35)
Emovis Operations Leeds (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Toll road operator	Deloitte	100%	Emovis, SAS	-	12,244	819
Emovis Technologies Québec, Inc.	3700-800 Place Victoria Montréal Québec H4Z1E9 (Canada)	Toll road systems operator	Deloitte	100%	Emovis, SAS	-	(174)	27
Emovis TAG Limited (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Marketer of Tags in the UK	Deloitte	100%	Emovis, SAS	-	485	244
Trans- Canada Flow Tolling Inc.	1200, Waterfront Centre, 200 Burrard Street, Vancouver BC V6C3L6 (Canada)	Toll road operator	Other auditors	50.00%	Emovis, SAS	-	(117)	296
Emovis Operations Puerto Rico, Inc.	The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, United States of America	Toll system operator	Deloitte	100%	Emovis Technologies US, Inc.	1	67	187
Tolling Operations Puerto Rico, Inc.	c/o Strategic Solutions, Inc., 250 Munoz Rivera Ave., Suite 1500, SAN JUAN, 00918 (Puerto Rico)	Toll system operator	Other auditors	100%	Emovis SAS	-	-	-

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the Financial Statements
for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period

Through Abertis Internacional:

Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	Holding company	Deloitte	100%	Abertis Internacional	15,892	138,736	(2,403)
Abertis India Toll Road Services, LLP	Express Towers, 03rd Floor, Nariman Point, Mumbai- 400 021, India	Holding company	Deloitte	100%	Abertis Internacional/ Abertis India	2,321	(223)	(748)
Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	100%	Abertis India	26,127	(27,597)	848
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	100%	Abertis India	28,490	(11,610)	2,301
Abertis Italia, S.r.l.	Via Flavio Gioia 71, Verona	Holding company	Deloitte	100%	Abertis Internacional	341,000	299,701	46,024
A4 Holding, S.p.A.	Via Flavio Gioia 71, Verona	Holding company	Deloitte	90.03%	Abertis Italia	134,110	395,506	21,351
Autostrada Bs Vr Vi Pd SpA	Via Flavio Gioia 71, Verona	Toll road concession operator	Deloitte	90.03%	A4 Holding, S.p.A.	125,000	331,121	81,985
Serenissima Partecipazioni, S.p.A	Via Flavio Gioia 71, Verona	Construction and maintenance	Deloitte	90.03%	A4 Holding, S.p.A.	2,314	42,565	19,985

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
A4 Trading, S.r.l	Via Enrico Fermi 4, Verona	Parking facility maintenance and development consulting services	Deloitte	90.03%	A4 Holding S.p.A.	3,700	2,988	1,494
Globalcar Services, S.p.a.	Via Enrico Fermi 4, Verona	Lease of vehicles	Deloitte	59.42%	A4 Holding S.p.A.	2,000	3,223	571
A4 Mobility, S.r.l.	Via Antonio Meucci 14, Verona	Maintenance, operation and upkeep of infrastructure	Deloitte	90.03%	A4 Holding, S.p.A.	100	24,362	6,389
Pedemontana Veneta, S.p.A. (5)	Verona (VR) Via Flavio Gioia 71	Infrastructure management	Other auditors	28.74%	Autostrada Bs Vr Vi Pd S.p.A.	6,000	(168)	-
G.R.A. di Padova, S.p.A. (5)	Venezia (VE) Viale Ancona 26	Infrastructure management	Other auditors	30.52%	Autostrada Bs Vr Vi Pd S.p.A.	2,950	(790)	-
Rio de Vetrai, S.r.l. (5)	Milano (MI) Via Crocefisso 8	Construction and maintenance	Other auditors	45.01%	Serenissima Partecipazioni, S.p.A	100	1,107	-
C.I.S. S.r.l. in liquidazione- in concordato preventive (5)	Vicenza (VI) Contra Gazzolle 1	Construction and maintenance	Other auditors	22.71%	A4 Holding, S.p.A.	5,237	(6,157)	-
Mulhacen, S.r.l.	Via Enrico Fermi 4, Verona	Operations related to the bankruptcy agreement	Deloitte	90.03%	A4 Holding S.p.A.	10	-	(20)

Through Abertis Telecom Satélites

Hispasat, S.A.	Paseo de la Castellana, 39, 28046 Madrid	Operation of satellite communications systems	Deloitte	89.68%	Abertis Telecom Satélites, S.A.	121,946	418,182	13,783
Hisdesat Servicios Estratégicos, S.A.	Paseo de la Castellana, 143-Madrid	Marketing of space systems for governmental applications	Other auditors	38.56%	Hispasat, S.A.	108,174	87,515	2,751

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Hispasat Brasil, Ltda (1)	Praia do Flamengo, 200. Río de Janeiro - (Brazil)	Sale of satellite capacity/space	Deloitte	89.68%	Hispasat, S.A.	23,914	6,557	629
Hispasat Canarias, S.L.U.	Tomas Miller 47-49, Las Palmas de Gran Canaria	Sale and lease of satellites, and their space capacity	Deloitte	89.68%	Hispasat, S.A.	102,003	202,619	15,394
Grupo Navegación por satélites, sistemas y servicios, S.L.	Isaac Newton, 1 - Madrid	Operation of satellite systems	-	12.82%	Hispasat, S.A.	1,026	(91)	-
Consultek, Inc. (1)	1550 Cowper st. Palo Altos (EEUU)	Technical consultancy services	-	89.68%	Hispasat, S.A.	17	26	1
Hispasat México, S.A. de CV (1)	Agustín Manuel Chávez 1 - 001; Centro de Ciudad Santa Fe; 01210, México, D.F. (Mexico)	Use of the radio spectrum, telecommunications networks and satellite communications	Deloitte	89.68%	Hispasat, S.A.	6,713	866	481
Hispamar Satelites, S.A. (1)	Praia do Flamengo, 200. Río de Janeiro - (Brazil)	Sale of satellite capacity	Deloitte	72.60%	Hispasat, S.A./ Hispasat Brasil	21,267	21,097	2,153
Hispamar Exterior, S.L.U.	Paseo de la Castellana, 39, 28046 Madrid	Satellite telecommunications	Deloitte	72.60%	Hispamar Satélites	800	1,962	1,364

Through Partícipes en Brasil (1):

PDC Participações, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brail)	Operation of concessions	Deloitte	51,00%	Partícipes en Brasil, S.L.	136,886	3	(29)

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the Financial Statements
for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Partícipes en Brasil II, S.L.	Paseo de la Castellana 39, Madrid	Construction, upkeep and operation of toll roads under concession arrangements, or just their upkeep and operation and, generally, the management of road concessions in Spain and abroad	Deloitte	51.00%	Partícipes en Brasil, S.L.	3	847,210	(1,144)
Arteris Brasil, S.A.	Avenida Presidente Juscelino Kubitschek, 1455, 9º andar - CEP 04543-011 - Sao Paulo / SP (Brasil)	Holdings of non-financial institutions	Deloitte	41.97%	Partícipes en Brasil II/ PDC Participações, S.A.	1,148,481	342,981	79,118
Arteris Participações, S.A.	Avenida Presidente Juscelino Kubitschek, 1455, 9º andar - CEP 04543-011 - Sao Paulo / SP (Brasil)	Holding company	Deloitte	41.97%	Arteris Brasil, S.A.	16,616	(17,045)	18,665
Autovias, S.A.	Rodovia Anhanguera- SP 330 Km 312,2- Pista Norte- CEP 14079-000 (ciudad) Ribeirão Preto – (estado) SP. (Brasil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	28,725	5,369	173
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brasil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	22,232	(13,632)	32,372

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the Financial Statements
for the year ended 31 December 2018

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Concessionária de Rodovias do Inerior Paulista, S.A.	Rodovia Anhanguera- SP 330 Km 168 - Pista Sul- CEP 13602-040 (ciudad) Araras – (estado) SP. (Brasil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A./ Arteris Participações, S.A.	29,169	(7,217)	23,477
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	Concession and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	24,200	2,125	6,233
ViaPaulista, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	290,973	(1,883)	(9,897)
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow nº 4040 - Bairro Industrial - Rio Negro - CEP 83880-000 - (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	232,456	(36,692)	(12,342)
Autopista Fluminense, S.A.	Avda.Sao Gonçalo, nº 100, un 101 Bairro Boa Vista - Sao Gonçalo Shopping - RJ - CEP 24466-315 (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	206,523	(13,446)	(18,358)
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	315,343	(48,235)	(11,809)

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit / (Loss) for the period
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	261,540	34,351	(13,522)
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	Road construction and operation	Deloitte	41.97%	Arteris Brasil, S.A.	286,295	(17,567)	(5,423)
Latina Manutenção de Rodovias Ltda.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and repair of dual carriageways in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	6,987	8,560	(2,306)

(*) Including valuation adjustments and excluding non-controlling interests.
(1) Information in accordance with IFRSs.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average share price in the last quarter of 2018 was ARP 103.98. At the reporting date the share price was ARP 119,85. 49.92% of the voting rights are held.
(3) The shares of Gco are listed on the Buenos Aires Stock Exchange. The average share price in the last quarter of 2018 was ARP 36.56. At the reporting date the share price was ARP 35.00. Additionally, on November 8, 2018, the Group, in accordance with the requirements established by the National Securities Commission of Argentina, formalized a trust over 5.73% of the investment, established in the agreement, between other aspects, the cession to de fiduciary of the political and economic rights associated with the participation object of assignment. In this context, on November 27, 2018, after receiving the necessary authorization from the “DNV” of Argentina, ACESA, a subsidiary of the Group, sold 9,160,136 of its class A shares, representative of 5.73% of economic rights and of 7.58% of political rights, to TMF Trust Company (Argentina), S.A. (“TMF”). From a legal point of view, the economic rights corresponding to the shares have been irrevocably transferred to TMF and, therefore, the Group has

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

reduced its voting rights in GCO from the 57.7% until 49,99%. TMF is an independent, international and member of the TMF Group who will be responsible for transmitting the GCO shares to third parties.
(4) Information not available at 31 December 2018.
(5) Latest available information corresponding to 31 December 2017.

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Conversion of amounts in foreign currencies at the reporting date exchange rates.

Translation of a report issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

DIRECTORS' REPORT FOR 2018

1. DISCLOSURES REQUIRED UNDER ARTICLE 262 OF THE SPANISH LIMITED LIABILITY COMPANIES LAW

1.1. Situation of the entity

Abertis in 2018

Abertis is one of the world's leading toll road management groups in terms of kilometres managed, with more than 8,200 km of high-capacity, quality roads in 15 countries in Europe, the Americas and Asia, of which close to 7,800 kilometres are managed directly.

Abertis is the leading toll road operator in countries such as Spain, Chile and Brazil, and has a notable and significant presence in France, Italy, Puerto Rico and Argentina. The Group also has interests in the management of more than 400 km of roads in France, the UK and Colombia.

Abertis Infraestructuras, S.A. is the Parent of a Group in which in some cases it is the sole shareholder and in others it is the majority shareholder of the companies heading the various lines of business and geographical markets in which the Group operates. The structure of the Abertis Group at 31 December 2018 is summarised as follows:

The detail of the Group companies directly and indirectly owned by Abertis at 31 December 2017 and of the related percentages of ownership is shown in the Appendix to the financial statements.

It should also be noted that since 29 October 2018 **Abertis** and the other Group companies have formed part of the Atlantia Group, the parent of which is Atlantia, S.p.A. (with registered office at Via Antonio Nibby, 20, Rome, Italy), which, in turn, belongs to the group headed by Edizione, S.r.l. (with registered office at Piaza del Duomo 19, Treviso, Italy).

The **Abertis** Group provides services in the area of infrastructure management serving mobility and communications and, in accordance with its Plan, focuses its activities and growth on the toll roads industry. In this regard, highlight the following:

- In 2018 **Abertis** sold its 34% ownership interest in Cellnex Telecom, S.A. (Cellnex) for EUR 1,703 million, giving rise to a consolidated capital gain of EUR 605 million.

  Also, at the end of 2017 **Abertis** decided to discontinue the satellite telecommunications business carried on by the part of the Group of which the parent is Hispasat, S.A. (Hispasat). In this connection, it should be noted that, on 12 February 2019, **Abertis** reached an agreement for the sale of **Hispasat**.

Milestones in 2018

January

- Acquisition of an additional 6.47% of A4 Holding (**A4**), thereby giving **Abertis** an ownership interest of 90.03%.

February

- Appointment of José Aljaro as the new Chief Executive-General Manager to replace Francisco Reynés.

March

- Acquisition of an additional 26% of the Indian company Jadcherla Expressways Private Limited (JEPL), as a result of which **Abertis** attained an ownership interest of 100%.
- Completion of the agreement with the Chilean Government for the extension of the Autopista del Sol (Ruta 78) concession in exchange for new investments.
- Hochtief, ACS and Atlantia reached an agreement in principle for the joint acquisition of **Abertis** through an SPV.

April

- The CNMV authorised Hochtief's tender offer for **Abertis**.

May

- Hochtief AG controls 78.79% of the shares of **Abertis** after successfully completing the tender offer for all its shares.
- Appointment of Marcelino Fernández Verdes as the new Chairman of **Abertis** and the appointment of the new Board of Directors in order to adapt it to the new shareholder structure.

June

- Placement of 4.1% of Cellnex for EUR 213 million (EUR 22.45/shares), giving rise to a gain of EUR 196.5 million.
- Hochtief AG communicated the preparation of a good 'til cancelled share purchase order over the shares of **Abertis** that it did not control.

July

- Conclusion of the agreements to invest in the toll road network in Argentina in exchange for the extension of the concessions (Gco and Ausol) until the end of 2030.
- Sale of the remaining 29.9% of Cellnex for EUR 1,489 million (EUR 21.50/share), giving rise to a gain of EUR 1,367.2 million.

August

- Delisting of the shares of **Abertis**.

September

- Presentation in New York of the global alliance with Unicef to prevent traffic accidents involving children.

October

- Change of control at **Abertis**: completion of joint investment by Atlantia (the new majority shareholder), ACS and Hochtief.

December

- New Board of Directors as a result of the transformation of **Abertis**'s shareholder structure José Aljaro, new CEO.
- Cooperation agreement with the Spanish Ministry of Foreign Affairs and Fundació Joan Miró in relation to a travelling exhibition.

Strategic approach

Having more than satisfactorily fulfilled the 2015-17 Strategic Plan, in 2018 the Group continued to develop its operations based on the following main pillars: (i) promoting international growth; (ii) focusing on key areas; (iii) seeking efficiencies; and (iv) increasing shareholder returns.

i) Promoting growth

Abertis analyses all growth projects with strict financial discipline, from the perspective of the industrial role that characterises the Group. In this regard, only those projects that do not jeopardise either the Group's dividend policy or its financial strength are undertaken.

Abertis drives growth through three lines of action: growth based on existing assets; new acquisitions; and public-private partnerships.

In this regard, in 2018 the Group invested around EUR 950 million and has major investments planned for 2018-2020.

Growth in the existing asset base

In 2018 **Abertis** acquired an additional 6.47% of the share capital of the Italian company A4 Holding (A4) for EUR 33 million. With this transaction, **Abertis** completed the various agreements reached in 2017 to acquire various non-controlling interests in its subsidiary A4 (which, in turn, owns all the shares of the concession operator of the A4 and A31 toll roads) to push its ownership interest up to just over 90%, which entailed an investment of EUR 212 million between 2017 and 2018.

Also in 2018, **Abertis** acquired for EUR 15 million an additional 26% of the Indian concession operator Jadcherla Expressways Private Limited (JEPL), which holds the NH-44 toll road concession in the state of Telengana. With this transaction, **Abertis** obtained all of the shares of JEPL, thereby reinforcing its commitment to the Indian market.

Through these transactions **Abertis** has made progress towards implementing its strategy to achieve a greater balance in its global portfolio by growing in economies with stable legislative frameworks for concessions and a clear commitment to public-private partnerships in the toll road sector.

Lastly, it should be noted that, during 2018, the purchase commitment on Hispasat shares has been completed, through which an additional 32.63% of its shares capital has been acquired for EUR 293 million.

Public-private partnership agreements

The following agreements were of particular note in 2018:

- In March Sol, an **Abertis** group subsidiary in Chile, entered into an agreement with the Chilean Ministry of Public Works to make new investments in the Autopista del Sol (Ruta 78) toll road, in exchange for the extension of the current arrangement, which expires in May 2019, until March 2021.

The new investments, which will amount to around EUR 105 million, consist of the widening of the road through the construction of a third lane between the cities of Santiago de Chile and Talagante, in addition to other complementary works. The extensive investment plan along the entire toll road will make it possible to solve the problems arising from the increase in traffic in recent years, as well as to improve congestion and road safety. The construction work will foreseeably be competed in 2020.

In exchange, the concession period for Autopista del Sol was extended by 22 months until 2021. Autopista del Sol is the main road connection between the city of Santiago de Chile and the seaport of San Antonio, the largest in the country with an area of influence that extends from central Chile to the province of Mendoza in Argentina.

- Also, in July Gco and Ausol, subsidiaries of the **Abertis** group in Argentina, entered into agreements with the Argentine Ministry of Transport to carry out new investments in the respective concession operators for a total amount of USD 680 million (approximately EUR 594 million at 2018 year-end), in exchange for the extension of their respective current concession arrangements, which were to expire in December 2018 and 2020, respectively, until December 2030. These investments will be financed with the future revenue from these concessions as a result of the extension of the expiry dates of the current arrangements until 2030.

  In addition, these agreements involve the recognition of the outstanding measures to restore the economic and financial balance of Gco and Ausol for estimated amounts of USD 247 million and USD 499 million, respectively (approximately EUR 215 million and EUR 435 million), a more favourable toll review scheme and the cessation of proceedings between the parties.

- It should also be noted that on 24 July 2018, the memorandum of understanding entered into in January 2017 by Sanef and the French Government for the implementation of a new investment plan for the modernisation of its network was completed, whereby Sanef will invest EUR 122 million in various projects in exchange for an additional annual toll increase for 2019-2021 (0.225% for Sanef and 0.218% for Sapn).

Abertis thus continues to reinforce its commitment to public-private partnerships with a view to achieving solutions to create future value for the regions, through agreements with governments for new investments in exchange for extending the term of the concessions or through toll increases.

In this regard, **Abertis** continues to work to reach new and important agreements in most of the countries in which it operates, such as Spain, France, Italy, Brazil, Chile, Puerto Rico and Argentina, thus consolidating the Group's capacity to grow its portfolio of existing assets, increasing the average duration of its concessions through cooperation initiatives with local authorities that are advantageous for both parties.

ii) Focusing on key areas

Abertis has focused its business on the toll road industry, which at 2018 year-end (as at 2017 year-end) accounted for all of its revenue.

This process was substantially completed at the end of 2017 when **Abertis** began the process of selling Hispasat's operations, discontinuing the satellite telecommunications business. This process is expected to be completed early in 2019 following the agreement for the sale of His**pasat** entered into on 12 February 2019.

In 2018, in line with this objective, **Abertis** disposed of the 34.0% of Cellnex, giving rise to a gain of EUR 1,564 million, thereby completing the process of focusing solely on the toll road industry.

iii) Efficiencies

After completing the three-year efficiency plan for 2015-2017 (focused on the Group's businesses in France, Brazil and Spain) with cumulative savings of EUR 416 million, the Group intends to continue advancing in the endeavours made in recent years, not only at Corporate, but also at the various business units, with the aim of consolidating and improving the Ebitda margin of each of the Group's business units.

iv) Shareholder returns

On 13 March 2018, the shareholders at the Annual General Meeting of **Abertis** resolved to pay a second and final dividend with a charge to unrestricted voluntary reserves of EUR 0.40 gross per share, which was paid in March 2018.

Accordingly, the total 2017 dividend amounted to EUR 0.80 gross per share, representing EUR 792.3 million and an increase of 10% with respect to the total dividend distributed for 2016.

Also, the Board of Directors of Abertis Infraestructuras, S.A. has proposed to distribut a dividend with charge to voluntary reserves 2018 for an amount of EUR 875,193 thousand, which represents EUR 0.96 per share and an increase of 10.5% with respect to the total dividend distributed for 2017.

The detail of the dividends paid in 2017 and 2016 is as follows:

	2018		2017		2016	
Dividendo	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment	0.96	875,103	0.21	206,313	0.14	136,814
2nd payment	-	-	-	-	-	-
With a charge to profit	0.96	875,103	0.21	206,313	0.14	136,814
1st payment	-	-	0.19	189,840	0.22	219,723
2nd payment	-	-	0.40	396,152	0.37	366,441
With a charge to unrestricted reserves	-	-	0.59	585,992	0.59	586,164
1st payment	**0.96**	**875,103**	**0.40**	**396,153**	**0.36**	**356,537**
2nd payment	**-**	**-**	**0.40**	**396,152**	**0.37**	**366,441**
Total dividend paid	**0.96**	**875,103**	**0.80**	**792,305**	**0.73**	**722,978**

Shareholders: tender offers

As detailed in Note 12-a, 2018 was clearly marked by the completion of the tender offer in which Abertis Infraestructuras, S.A. had been involved since 2017. In this regard, it should be noted that:

<u>Atlantia tender offer</u>

- On 15 May 2017 the Italian company Atlantia, S.p.A. (Atlantia) announced its decision to launch a tender offer for all of the shares of Abertis Infraestructuras, S.A., the terms and conditions of which were described in the prospectus authorised by the Spanish National Securities Market Commission (CNMV) on 9 October 2017. Atlantia, which made the effectiveness of its tender offer conditional upon the acquisition of a minimum stake of 50% plus one share in **Abertis**, offered an alternative to the shareholders of **Abertis** (at their choice) of either a cash consideration of EUR 16.50 per **Abertis** share, or consideration of special shares of Atlantia based on an exchange ratio calculation which foresaw that for each share of **Abertis** that accepted the offer, 0.697 special shares of Atlantia would be delivered (subject to the holders of a minimum of 100,000,000 and a maximum of 230,000,000 shares of **Abertis** opting for the aforementioned exchange) or a combination of the two.

In this regard, on 18 October 2017 the Board of Directors of **Abertis** issued a detailed and reasoned report on the tender offer of Atlantia in which it stated that it considered the offer to be positive and attractive from the industrial standpoint and the amount of the consideration in cash to be reasonable on the basis of a fundamental analysis of **Abertis**, although it also stated that it considered that there was room for improvement in the cash offered.

Hochtief tender offer

- On 18 October 2017, the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A., upon which the acceptance period for the aforementioned tender offer launched by Atlantia was suspended.

  According to the terms and conditions of this tender offer detailed in the prospectus authorised by the CNMV on 12 March 2018, Hochtief, which also made its tender offer conditional on its acquiring a minimum of 50% plus one share of the shares of **Abertis** and was also offering the shareholders of **Abertis** the alternative (at their choice) of either a cash consideration of EUR 18.36 per share of **Abertis** or a consideration of ordinary shares of Hochtief based on an exchange ratio of 0.1254 ordinary shares of Hochtief for every share of **Abertis** , albeit only 193,530,179 shares of **Abertis** (maximum and minimum Hochtief share acceptances that Hochtief would allow and, therefore, should the holders of more than 193,530,179 shares of **Abertis** opt for shares of Hochtief, the shares would be apportioned on a pro rata basis, and should the acceptance be lower, Hochtief would be entitled to withdraw its offer), or a combination of the two.

  Also, Hochtief announced its intention to exercise its squeeze-out right if it achieved the legally required acceptance threshold and, if the threshold were not reached, its intention to exclude the shares of **Abertis** from trading.

  In this connection, the Board of Directors of **Abertis** also had to draft a detailed and reasoned report on the tender offer of Hochtief explaining, among other matters, its opinion regarding the pros and cons of the offer and the reasonableness of the price offered by Hochtief, although the report was ultimately prepared in connection with Hochtief's modified tender offer, as detailed below.

<u>Modification of the Hochtief tender offer and withdrawal of the Atlantia tender offer</u>

- On 14 March 2018, Hochtief announced changes to its tender offer, having reached a binding agreement in principle with Atlantia and Actividades de Construcción y Servicios, S.A. (ACS) to make a joint investment in **Abertis**. The agreement entered into was structured on the basis of the following principles:

  i. Change to Hochtief's tender offer

  In relation to the competing voluntary tender offer for the shares of **Abertis** launched by Hochtief as detailed above, Hochtief changed its offer so that it was paid in full in cash, maintaining the price of the cash consideration unchanged at EUR 18.36 for each share of **Abertis**.

  ii. Holding company

  Atlantia, ACS y Hochtief would contribute capital of approximately EUR 7,000 million to a jointly owned holding company that would subsequently acquire from Hochtief its entire ownership interest in **Abertis** for the same price as that paid by Hochtief in the tender offer (adjusted by such gross dividends that **Abertis** might pay).

  The share capital of this company would be owned as follows: (i) Atlantia 50% plus one share; (ii) ACS 30%; and (iii) Hochtief 20% minus one share. Also, the parties would enter into a shareholders agreement with a view to regulating their relationships as shareholders of the jointly owned holding company.

  iii. Injection of capital and investment by Atlantia in Hochtief

  Hochtief would increase capital by approximately 6.35 million shares, which would be subscribed in full by ACS for EUR 143.04 per share. Also, ACS would sell for the same price to Atlantia shares of Hochtief for a total value of up to EUR 2,411 million.

  iv. Strategic cooperation agreement

  Atlantia, ACS and Hochtief would enter into a long-term agreement with a view to maximising strategic relations and synergies between the parties and **Abertis** in new public-private partnerships in both projects at the tendering and construction phases and projects in the operating phase.

v. Withdrawal of the Atlantia tender offer

On the basis of the aforementioned agreements, Atlantia would withdraw its tender offer for **Abertis** shares described above.

- On 19 March 2018, after the official publication of the first announcement of the initial tender offer for the shares of **Abertis**, the CNMV announced that the period for accepting, at that time, the two competing tender offers, would be extended from 20 March 2018 to 18 April 2018, inclusive.
- As a result of all of the above, on 12 April 2018, on the one hand, Atlantia, by virtue of the aforementioned agreements, withdrew its voluntary tender offer for **Abertis** described above and, on the other, the CNMV authorised Hochtief's voluntary tender offer for **Abertis** shares, which became the only surviving tender offer. Also, the CNMV extended the period for accepting the Hochtief tender offer until 8 May 2018, the date on which it was completed.

  In this connection, on 17 April 2018 the Board of Directors of **Abertis** published a detailed and reasoned report on the modified tender offer of Hochtief stating that it considered the offer to be positive, highlighting that it deemed the amount of the cash consideration to be reasonable and included a share premium of 33% of the average **Abertis** share price in the six months preceding 13 April 2017.
- Lastly, on 14 May 2018 the CNMV published the result of the tender offer launched by Hochtief for all the shares of Abertis Infraestructuras, S.A., which had been accepted by holders of 780,317,294 shares, i.e., 78.79% of its share capital (85.60% if the 78,815,937 treasury shares held by **Abertis** at that date were disregarded).
- Since the legally required threshold of acceptances to be able to exercise the aforementioned right of squeeze-out was not reached, Hochtief called for the exclusion from trading of the shares representing the entire share capital of **Abertis**. Therefore, in accordance with the requirements provided for in the applicable legislation to be able to delist the shares, Hochtief had previously made a good 'til cancelled share purchase order of EUR 18.36 per share for a maximum of 52,612,289 shares of **Abertis** representing 5.31% of its share capital. This good 'til cancelled share purchase order, which commenced on 21 June 2018, resulted in the acquisition of an additional stake of 3.06% in **Abertis** once it was completed on 27 July 2018.

Incorporation of Abertis HoldCo, S.A. and of Abertis Participaciones, S.A. and transfer of the shares of Abertis to the latter

- Lastly, Atlantia, ACS and Hochtief, pursuant to the resolutions adopted described above, have contributed the shares of **Abertis** acquired as a result of the Hochtief tender offer to a jointly owned holding company with the following structure:

  1.- Atlantia, ACS and Hochtief incorporated a Spanish company, Abertis HoldCo, S.A., in which Atlantia has an ownership interest of 50% plus one share, ACS has an ownership interest of 30% and Hochtief has an ownership interest of 20% minus one share. Equity of EUR 6,758.8 million was contributed to Abertis HoldCo, S.A., and it currently has borrowings from the financing banks for a nominal amount of EUR 9,823.9 million.

  2.- In turn, that company, Abertis HoldCo, S.A., incorporated, as its sole shareholder, Abertis Participaciones, S.A., to which it contributed equity of EUR 16,519.6 million.

  3.- Hochtief sold to Abertis Participaciones, S.A., for cash, its entire ownership interest in **Abertis**, representing 98.7% of its share capital, for the same price as it had paid in its acquisition, i.e., EUR 18.36 per share. This sale was completed on 29 October 2018, the date on which control of **Abertis** was therefore transferred to Abertis HoldCo, S.A., which is in turn controlled by Atlantia.

Shareholders: merger of Abertis Infraestructuras, S.A. and of Abertis Participaciones, S.A.U.

As detailed in Note 12-a, on 10 December 2018 the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. formally prepared the merger balance sheet and the draft terms of merger of the two companies, with the aim of simplifying the corporate structure, facilitating the allocation of resources and achieving a reduction in costs. The planned merger will be carried out through the absorption of Abertis Participaciones, S.A.U., as the absorbed company, by Abertis Infraestructuras, S.A., as the absorbing company, with the dissolution without liquidation of the former and the transfer en bloc of its assets and liabilities to **Abertis** which will acquire by universal succession all the rights and obligations of Abertis Participaciones, S.A.U. As a result of the merger, the shares of Abertis Participaciones, S.A.U., all of which are owned by its sole shareholder, Abertis HoldCo, S.A., will be retired. Lastly, the merger by absorption of Abertis Infraestructuras, S.A., as the absorbing company, and Abertis Participaciones, S.A.U., as the absorbed company, was approved on 8

February 2019 by the shareholders at the General Meeting of Abertis Infraestructuras, S.A. and by the sole shareholder of Abertis Participaciones, S.A.U.

Stock market performance and profitability

In the framework of the tender offer launched by it, Hochtief announced its intention to exercise its squeeze-out right if it achieved the legally required acceptance threshold and, if the threshold were not reached, its intention to delist the shares of **Abertis**.

Therefore, since the threshold of acceptances legally required to be able to exercise the aforementioned squeeze-out right vis-à-vis the shareholders that had not accepted the tender offer was not reached, Hochtief triggered the call by **Abertis** of an EGM for 25 July 2018 which approved the delisting of the shares representing the entire share capital of **Abertis** from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The delisting from the four Stock Exchanges became effective on 6 August 2018.

Prior to that delisting, **Abertis**'s shares were listed on the four Spanish stock exchanges (Barcelona, Bilbao, Madrid and Valencia) and traded on the Spanish Stock Market Interconnection System. Until 9 May 2018, **Abertis** was included in the selective Spanish Ibex 35 index, which groups together the 35 main listed companies, a position it held for 26 years.

During the months of 2018 in which **Abertis**'s shares were listed, the performance of the share was clearly influenced by the aforementioned tender offer process (with joint investment between Atlantia, ACS and Hochtief) which offered a price of EUR 18.36 per share, so that it reached a maximum closing price on 1 February (EUR 19.64) coinciding with the all-time high adjusted by the scrip issues carried out and a minimum closing price on 17 May (EUR 18.155).

1.2. Corporate governance

The vision, mission and values of **Abertis** contribute to achieving the Parent's purpose and underlay its short-, medium- and long-term strategy.

The vision of **Abertis** is to be a leading global operator in infrastructure management serving mobility and communications.

The mission of **Abertis** is to sustainably and efficiently promote and manage infrastructure that contributes to the development of society in harmony with the well-being of its employees and long-term value creation for its shareholders.

Thus, **Abertis** has established the following values with a view to ensuring the integrity and sustainability of its operations:

- Leading on the basis of the principles of responsibility and trust in people.
- Finding solutions to develop infrastructure based on dialogue and cooperation with our stakeholders.
- Anticipating and adapting to the needs of our customers and users through innovation and continuous improvement.
- Promoting efficiency in our organisation based on a simple and pragmatic approach.
- Being transparent so that our thoroughness and credibility may be perceived.

Governance model

The structure of the governing bodies and the decision-making process constitute other strengths of the Group. This structure is described in detail in the annual corporate governance report (ACGR), which forms part of this directors' report.

The governance model is based on the Board of Directors and the various committees, and the top priorities are excellence in good governance, promoting corporate social responsibility and good corporate governance practices. In this regard, on 10 December 2018, the Extraordinary Shareholder's General Meeting of Abertis Infraestructuras, S.A. approved to modify the Company's bylaws to adapt them to the actual situation of the Group. As a result of the new shareholder structure of the Company, the aforementioned General Meeting resolved to amend the composition of the Board of Directors of the Company determining in section 23.c) of Company's bylaws that the Board of Directors will be able to create any specific Committee that consider appropriated and in particular the Audit Committee and the Appointment and Remunerations Committee. On 31 December 2018, the Board of Directors has not had the opportunity to set up the Committees of the Board of Directors, and is expected to do so in the coming months.

Following the successful completion, on 18 May 2018, of the aforementioned tender offer process, the Board of Directors of **Abertis**, in line with the recommendations of Good Corporate Governance and with the provisions of the Regulations of the Board of Directors, approved several changes in order to adapt its composition to the resulting shareholder structure of **Abertis**, with the entry of ten new proprietary directors of Hochtief (owner, at the aforementioned date, of 78.79% of the shares of **Abertis**) and the removal of five proprietary directors of the former shareholder Criteria Caixa, S.A.U., including the then Chairman of **Abertis**, Salvador Alemany, who was replaced by Marcelino Fernández Verdes. Also, five independent directors resigned.

Lastly, with the consummation on 29 October 2018 of the joint investment in **Abertis** between Atlantia, ACS and Hochtief detailed above, the renewal of the Board of Directors of **Abertis** was completed. Thus, the Extraordinary General Meeting held on 10 December 2018 approved the appointment of José Aljaro, Carlo Bertazzo, Giovanni Castellucci, Marcelino Fernández Verdes and Pedro López Jiménez as directors of **Abertis**.

The Board has thus reduced the number of members to five.

1.3. Compliance and effective risk management

Ethics and compliance

Abertis is fully committed to carrying on its activities honestly, with integrity and in accordance with law, whether in relations with its employees or with its other stakeholders. These behaviour guidelines are embodied in the Code of Ethics of the **Abertis** Group, a fundamental set of regulations for the Group. The Code of Ethics includes the principles and values that should guide the behaviour of the various stakeholders. In addition, labour-related sanctions have been established for employees that infringe these principles and values, as well as penalties of a commercial or administrative nature for the other stakeholders.

The Ethics and Crime Prevention Committees are entrusted with the management of ethics and the crime prevention model. The **Abertis** Group's compliance functions are responsible for the design, implementation and supervision of regulatory compliance and the implementation of the crime prevention model. The Audit and Control Committee of **Abertis** regularly monitors complaints and irregularities at all the Group companies.

On 31 December 2018, as a result of the aforementioned reasons the Audit and Control Committee has not been set up, being expected to be set up in the coming months.

All the Group companies have whistleblowing mechanisms for reporting irregularities of all kinds that guarantee confidentiality in the investigation and analysis of all communications received.

The corresponding Ethics and Crime Prevention Committees are responsible for investigating and proposing solutions in the event of any complaint or question about the Code of Ethics of the **Abertis** Group and/or its Local Codes of Ethics.

Risk control

The Group is exposed to various risks inherent to the various countries in which it operates that may prevent it from achieving its objectives. Therefore, **Abertis** has implemented a risk management model, approved and monitored from a general standpoint by the Audit and Control Committee or, where appropriate, directly by the Board of Directors in the exercise of these functions, applicable to all business units and corporate units in all the countries in which it carries on its business activities.

The members of the Parent's managing bodies undertake, on the one hand, to ensure that the Group's significant risks are duly identified, measured and prioritised and, on the other, to establish the basic mechanisms and principles for achieving a level of risk that makes it possible to: (i) achieve sustainable growth of value for the shareholder; (ii) protect the Group's reputation and promote good corporate governance practices; and (iii) provide a quality service in all the infrastructure operated by the Group.

The **Abertis** Group's risk management model aims, among other objectives, to ensure the achievement of the Group's main objectives, the main risks that may affect the achievement of these objectives and the corresponding control measures being as follows:

Type of risk	Main risks	Control measures
Environmental and regulatory risk and risks arising from the specific nature of the Group's businesses	• Decreases in demand due to the economic situation in certain countries. • Creation of alternative infrastructure. • Risks arising from the integration of acquisitions. • Changes in mobility. • Regulatory and socio-political changes. • Catastrophe risks.	• Internationalisation and selective growth policy and Investment Committees. • Cooperation with public authorities. • Efficiency plans. • Coordination to ensure adequate compliance with the local legislation in force and pre-emption of legislative changes. • Insurance coverage.
Financial risks	• Foreign currency risk. • Liquidity risk. • Cash flow interest rate risk. • Debt refinancing risk and changes in credit rating.	• Monitoring of interest rate and exchange rate management policy. • Monitoring and extension of debt maturities and monitoring of potential impacts of credit rating.
Industrial risks	• Customer and employee safety. • Risks of adaptation and rapid response to technological changes in operating systems and to the emergence of new technologies. • Construction project control risks. • Correct infrastructure maintenance and infrastructure quality risks. • Training and retention of talent risks. • Supplier dependence. • Interruption of business. • Environmental risks.	• Specific control policies, procedures, plans and systems for each business area. • Investment programme monitoring and control (OPEX and CAPEX Committees). • Road safety, operation and management system improvement plans (traffic, tunnels). • Risk monitoring, analysis and implementation of a corporate insurance programme. • Environmental management systems.
Financial reporting, fraud and compliance risk	• Integrity and security of financial reporting and operations. • Manipulation of information, corruption and misappropriation fraud. • Tax. • Compliance with legislation, internal regulations and contractual obligations.	• Internal Control over Financial Reporting (ICFR) system organisation and supervision model. • The compliance model in place at the Group.

The main risks that arose in 2018 related to political and social instability in some of the countries in which the Group operates (mitigated by internationalisation and geographical diversification), to the continuation of availability restrictions and the public and private financing conditions in certain countries (mitigated by strict financial discipline), to damage caused by adverse weather conditions (mitigated by a corporate insurance coverage and contingency plan policy) and to the reduction of the average life of the toll road concessions (mitigated by the achievement of new public-private partnerships in various countries in which the Group operates, such as France, Chile and Argentina).

1.4. Value creation in 2018

Changes in business performance and balance sheet

The financial statements of **Abertis** reflect the consequences of its investment and head of group activity, both from the point of view of the balance sheet (investments and financing) and the income statement (contributions via dividends from the different subsidiaries companies and costs of the financing and structure).

The balance sheet of **Abertis** is formed, basically, by the portfolio of shareholdings in companies as well as by the financing necessary for its acquisition through own funds and indebtedness.

Net financial debt with credit institutions (not including debts with group companies or other liabilities) during the period 2018 decreased by 2,039 million euros, reaching 4,838 million euros. The aforementioned decrease in net debt with credit institutions is mainly due to the impact of the sale of 34.0% of Cellnex for 1,703 million euros.

Due to its investment activity, and mainly in the concession businesses, **Abertis** is exposed to regulatory and financial risks: foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management programme takes into account the uncertainty in the financial markets and seeks to minimise the potential adverse effects on the Group's overall profitability by establishing financing and hedging policies consistent with the nature of its businesses.

In practice, this continues to lead to the existence of a sound financial structure, with a high average debt maturity and, following a policy of minimising exposure to financial risks. The percentage of debt bears interest at a fixed rate or at a rate fixed by derivative financial instruments is 74% at the end of the period (64% at the end of 2017).

The profit and loss account includes the incorporation of the results generated in the different Group companies through the dividend policy, the financial income from the financing granted and the costs derived from the corporation structure.

Main investments

The Group is continuing to focus its efforts on controlling operating costs to improve efficiency and on investing in the development and expansion of the capacity of its assets, having invested more than EUR 600 million in 2018 (excluding its investment in new inorganic growth projects), of which it invested approximately 51% in Brazil, 38% in France, 5% in Chile and 3% in Spain.

The main transactions in 2018 were as follows:

Toll roads

2018 was characterised by the consolidation of the organic and inorganic growth path of the business in Europe, the Americas and Asia, including most notably the transactions aimed at consolidating and strengthening the Group’s position at existing investees. Against the backdrop of the transactions to consolidate and strengthen the Group's position as a controlling shareholder with an industrial role, the following transactions are worthy of mention:

- In January, **Abertis**, through its wholly owned subsidiary Abertis Italia, S.A., completed the acquisition of an additional 6.47% of the share capital of A4 Holding, S.p.A. (A4) for a total of EUR 33 million, as a result of which it holds 90.03% of its share capital.

  With this transaction **Abertis** completed the various agreements entered into in 2017 to acquire non-controlling interests in its subsidiary A4 enabling it to achieve the aforementioned percentage of ownership.

- In March **Abertis**, acting through its wholly-owned Spanish subsidiary Abertis India, S.A., completed the acquisition of an additional 26% of the Indian company Jadcherla Expressways Private Limited (JEPL) for EUR 15 million, giving it an ownership interest of 100% in that company.

In parallel, and in order to increase the average life of the current portfolio of concessions, certain agreements were entered into, including most notably the following:

- In March Sol, an **Abertis** Group subsidiary in Chile entered into an agreement with the Chilean Ministry of Public Works to make new investments in the Autopista del Sol (Ruta 78) toll road amounting to approximately EUR 105 million, in return for an extension of the current contract, which expires in May 2019, to March 2021.

- In July **Abertis** (through its subsidiaries in Argentina Grupo Concesionario del Oeste, S.A., Gco and Autopista del Sol, S.A., Ausol) entered into agreements with the Argentine National Directorate of Roads (an agency reporting to the Argentine Ministry of Transport) to extend the respective concession arrangements until the end of 2030, in exchange for additional investments to improve the actual networks of the two concession operators amounting to USD 680 million (approximately EUR 594 million at 31 December 2018).

In addition to the investments for inorganic growth, **Abertis** has also been active in expanding the capacity of its toll roads.

In this regard, Sanef continues to work on improving its network within the framework of the agreement reached with the French Government in prior years to implement "Plan Relance" for French toll roads. This plan provides for improvements in the toll road network through investments of approximately EUR 600 million in the next five to six years in exchange for an extension of the concession terms (by two years for Sanef and by three years and eight months for Sapn). At the reporting date, investments amounting to EUR 266 million had been made.

It should be noted in this respect that in January 2017 Sanef entered into a memorandum of understanding with the French Government to launch a new investment plan to modernise its network, which was ultimately completed on 24 July 2018. Under the agreement, Sanef will invest EUR 122 million in various projects in exchange for an additional annual increase in tolls for 2019-2021 (0.225% for Sanef and 0.218% for Sapn).

This new plan will make it possible to improve the French road network around four basic objectives, namely to improve safety, traffic flow, service quality and environmental sustainability, while lending new impetus to the French economy through large-scale projects to create activity and employment and thus enhance France's business fabric.

The main projects planned include the construction of various road links, an increase in the number of parking spaces for high-occupancy cars and various programmes to protect the water resources of the network.

Arteris continues to carry out toll road extension and upgrade work, particularly in the case of the concession arrangements awarded by the Federal Government. Of particular note in the year was the work to recover road surfaces, widen lanes in Fluminense (on which progress continues to be made), and to continue with the work on the Florianópolis perimeter road, in Litoral Sul, under the terms of the respective concession arrangements. In relation to the concessions in the State of São Paulo, the new ViaPaulista concession is making progress with the initial road recovery work and the construction of operational bases and toll plazas, and is expected to commence operations at the end of this year. It should also be noted that on 17 May 2018 the Vianorte concession was returned to the grantor.

In Chile, the Group continues to negotiate with the Chilean Government the modification of some of the concession arrangements, so that the concession operators may make improvements to the toll road network through new investments in exchange for an extension of the concession term.

In Spain, as detailed in Note 8.c, the differences in interpretation continue to exist and, accordingly, the various court proceedings relating to the AP-7 Agreement are still in progress.

Also, regarding Aumar's request to the Spanish Government for the restoration of the economic and financial feasibility of the AP7/AP4 concession which it managed, given that the Spanish Cabinet did not issue an express resolution within the legally established period, on 22 July 2015 Aumar filed an appeal for judicial review at the Supreme Court, as it considered that there were sound legal arguments with which to defend its legitimate rights and interests and those of Abertis and its shareholders (see Note 8.c).

Credit quality management

Abertis has a credit rating assigned by the rating agencies Standard and Poor's and Fitch Ratings.

In this regard, **Abertis** has a long-term "BBB" Investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. In the latest report, dated October 2018, the "BBB" rating and "stable" outlook were ratified.

In addition, in the latest report, dated October 2018, **Abertis** was awarded a long-term "BBB" credit rating and a short-term "F3" credit rating by the international credit rating agency Fitch Ratings Ltd. The aforementioned latest report also revised the outlook from "negative" to "stable".

Abertis's policy is to maintain an Investment-grade credit rating.

1.5. Safe and innovative infrastructure

As one of the world's leading toll road operators, **Abertis** manages its infrastructure under four basic principles that interact with each other and make up its industrial model: road safety, the pursuit of intelligent solutions to boost efficiency and travelling comfort, innovation and the harnessing of the benefits provided by new technologies and a focus on all the Group’s stakeholders.

Road safety

Road safety

Abertis places maximum priority on maximising road safety, which it works towards through the global “Road Safety” programme. Through this programme, transversal teams from all disciplines and geographical areas work together at the Group to guarantee knowledge and application of the best practices in road safety on **Abertis**'s toll roads.

Abertis's Road Safety programme encompasses more than 60 years of knowledge and experience in the construction and management of toll roads, complying with the most stringent international standards. Thus, the Group follows the most widely recognised policies and procedures in the industry in order to ensure road safety in all areas of its activity.

The Group invests in intelligent engineering and technology to ensure that its customers have the best experience possible when traveling on its toll roads.

Abertis applies advanced construction and management practices, and cooperates with worldwide benchmark institutions and organisations with a global vision: to achieve the objective of zero fatalities on **Abertis**'s toll roads, with roads that are 100% safe.

Road Tech

Abertis concerns itself with the mobility of the future. It manages toll roads efficiently and in a modern way, innovating in technology and investing in intelligent engineering programs for a sustainable future. In line with this objective, **Abertis** has implemented the “Road Tech” programme, which seeks to capture **Abertis**'s vision of creating a future in which the world's roads provide all the social and economic benefits of mobility without jeopardising the environment, health or safety.

With the "Road Tech" programme, **Abertis** promotes projects aimed at meeting new mobility challenges, such as electric, connected or autonomous vehicles. The Road Tech programme is based on the following pillars:

- Solutions for smart roads and integrated mobility, such as the European project for cooperative transport and autonomous driving systems (C-Roads) and advanced communication solutions applied to mobility between vehicles and infrastructure (V2I connectivity) and application of the Internet of Things (IoT) to monitor the state of the infrastructure, as well as to improve service and optimise operations.
- Solutions for connected and autonomous vehicles, such as the project for the deployment of Cooperative Intelligent Transport Systems (C-ITS) in 3,000 vehicles and on 2,000 km of roads to exchange information on traffic conditions (SCOOP@F Project).
- Solutions for electric vehicles, such as the projects for the development of wireless on-road charging (Fabric) and electric corridors for heavy vehicles (E-way corridor).

Research and development activities

The Company has not carried out proper research and development activities.

The management team of **Abertis** has reached the conclusion that the management of the mobility of the future will bring important challenges but also great opportunities. Therefore, in recent years the Group has been working on its "Road Tech" strategic programme, by means of an intersection between road infrastructure and new technologies, with the objective of making the Group a platform for safer, smarter and more sustainable mobility.

1.6. Environmental contribution

The information on the environmental contribution is presented in the statement of non-financial information in the integrated annual report attached to this directors' report.

1.7. Human capital

The information on human capital is presented in the statement of non-financial information in the integrated annual report attached to this directors’ report.

1.8. Other disclosures

In accordance with Article 49 of the Spanish Commercial Code, the statement of non-financial information is presented in the integrated annual report attached to this directors’ report. That report was prepared in accordance with the standards of the full version of the Global Reporting Initiative (GRI) and with the International Integrated Reporting Council (IIRC) framework. This statement of non-financial information forms part of the directors’ report and is subject to the same approval, deposit and publication criteria as the directors’ report.

The annual corporate governance report and the corporate social responsibility report, which are part of the directors’ report, can be found in the appendices at the end of this report, and are also available on the websites of the Spanish National Securities Market Commission (CNMV) and the **Abertis** Group.

Use of financial instruments

In 2018 and 2017 Abertis maintained its policy regarding the use of financial instruments described in Note 10 to the accompanying financial statements.

Treasury shares

As indicated in Note 12-a, the Board of Directors meeting of **Abertis** held on 25 September 2018, exercising the powers granted to it by the EGM held on 25 July 2018, resolved to reduce the share capital of Abertis Infraestructuras, S.A. by EUR 236,448 thousand through the retirement of 78,815,937 treasury shares of EUR 3 par value each, representing 7.9581% of its share capital.

The objective of the capital reduction was to retire the treasury shares held by **Abertis**.

Also, in accordance with the authorisation approved by the shareholders at the Annual General Meeting, at year-end the Company held 8,500 treasury shares (0.001% of its share capital). The use to which the treasury shares will be put has not been decided upon and will depend on such resolutions as might be adopted by the Group's governing bodies.

The transactions involving treasury shares carried out in 2018 are disclosed in Note 12-a to the accompanying consolidated financial statements.

Events after the reporting period

There were no events after the reporting period other than those indicated in Note 20 to the consolidated financial statements.

Outlook

2018 was marked by the successful completion of the tender offer for all the shares of Abertis Infraestructuras, S.A. ultimately launched solely by Hochtief, which led to a joint investment by Atlantia (ultimately the new majority shareholder), ACS and Hochtief, as described in Note 12-a to the accompanying financial statements for 2018.

Thus, with the change in the shareholder structure of **Abertis** following the success of the tender offer for all its shares completed at the end of October with the aforementioned joint investment, and now that the 2015-2017 strategic plan has been completed, the coming months will see the identification (together with the new shareholders) of new challenges and opportunities so that in 2019 the Group can establish a new three-year plan.

The Group intends to continue to focus its energies on growth (with a clear commitment to international growth), a strategic priority that will be developed, either through new acquisitions or through the extension of existing concessions in exchange for new investments, all with the aim of enabling Abertis to continue to be one of the leading and benchmark Groups in the toll road infrastructure sector, without forgetting its vocation to serve customers, governments and society in general.

The Group will continue to analyse opportunities in its more traditional markets such as Europe and the Americas, seeking to promote in its portfolio a balanced mix between new concessions and other more mature ones, always remaining vigilant of new opportunities for the Group and its shareholders.

In addition, the Group will continue to work on the ambitious investment plans currently under way for improvements in Brazil, France or Italy.

In any case, in terms of activity, for 2019 consolidation, and the concomitant continuation of the growth path taken by the Spanish, French, Italian, Brazilian, Chilean, Puerto Rican and Indian toll roads are both foreseeable.

In the efficiency area, the Group will continue to make progress in the efforts made in recent years at both corporate and business unit level.

All of the foregoing without neglecting the aim to strengthen the Group's strategic programmes: Road Safety and Road Tech (applicable to all the Group's business units). In addition, in the CSR management field, the Group will update the materiality analysis including the new activities and geographical locations so as to continue to improve the Group's best practices in the CSR management area, through the implementation of the CSR Master Plan.

2. ANNUAL CORPORATE GOVERNANCE REPORT AND INTEGRATED ANNUAL REPORT

Set forth below is the annual corporate governance report and the integrated annual report for 2018 presented by the Board of Directors of Abertis Infraestructuras, S.A., consisting of 51 pages, numbered from 1 to 51, inclusive, and 176 pages, numbered from 1 to 176, inclusive, respectively.

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Madrid, 19 February 2019

APPENDIX II

ANNUAL CORPORATE GOVERNANCE REPORT FOR OTHER ENTITIES - OTHER THAN SAVINGS BANKS, STATE BUSINESS ENTITIES AND PUBLIC ENTITIES- THAT ISSUE SECURITIES MARKETABLE ON OFFICIAL MARKETS

ISSUER'S PARTICULARS

END DATE OF REFERENCE FINANCIAL YEAR	31/12/18

EMPLOYER ID NO. (C.I.F.)	A-08209769

COMPANY NAME
ABERTIS INFRAESTRUCTURAS, S.A.

REGISTERED OFFICE
PASEO DE LA CASTELLANA, 39, MADRID

A. OWNERSHIP STRUCTURE

A.1 Detail of the entity's most significant shareholders or unitholders at year-end:

Name or corporate name of shareholder or unitholder	% of share capital
Abertis Participaciones, S.A.U.	98.7%

Observations
Company wholly owned by Abertis Holdco, S.A., in which Atlantia S.p.A., in turn, holds an ownership interest of 50% plus one share, Actividades de Construcción y Servicios, S.A. (ACS) holds an ownership interest of 30% and Hochtief A.G. holds an ownership interest of 20% minus one share.

A.2 Indicate any relationships of a family, commercial, contractual or corporate nature existing between the significant shareholders or unitholders, insofar as they are known to the entity, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related parties	Type of relationship	Brief description
-	-	-

Observations
-

A.3 Indicate any relationships of a commercial, contractual or corporate nature existing between the significant shareholders or unitholders and the entity, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related parties	Type of relationship	Brief description
-	-	-

Observations
-

A.4 Indicate any restriction (in the bylaws or legislation or of any other nature) on the transfer of securities or voting rights. In particular, indicate the existence of any type of restriction that could hamper acquisition of control of the company through the purchase of its shares in the market, and those prior authorisation or communication regimes which are applicable to the company under industry legislation in relation to the acquisition or transfer of its financial instruments.

Yes ☐ No X

Description of the restrictions

B. GENERAL MEETING OR EQUIVALENT BODY

B.1 List the quorums for convening the General Meeting or equivalent body established in the bylaws. Describe how these differ from the system of minimum quorums established in the Spanish Limited Liability Companies Law (LSC) or in the applicable legislation.

The Company's bylaws have increased the quorums established in Articles 193 and 194 of the LSC.

Article 17 of the Company's bylaws establishes that the General Meeting, whether annual or extraordinary, is deemed to be validly convened at first call when the shareholders attending in person or by proxy hold at least eighty per cent (80%) of the subscribed share capital with voting rights plus two (2) shares.

The General Meeting is deemed to be validly convened at second call when the shareholders attending in person or by proxy hold at least fifty per cent (50%) of the subscribed share capital with voting rights.

Article 193 of the LSC establishes that the General Meeting of a public limited liability company is deemed to be validly convened at first call when the shareholders attending in person or by proxy hold at least twenty-five per cent (25%) of the subscribed share capital with voting rights, and that it is deemed to be validly convened at second call regardless of the capital of the attendees.

Article 194 of the LSC establishes the qualified quorum for convening the General Meeting in special cases, such as capital increases or reductions and any amendments to the Company bylaws, issues of debt instruments, the removal or limitation of new share pre-emption rights, etc., which will require at first call the attendance of shareholders in person or by proxy holding at least fifty per cent (50%) of the subscribed share capital with voting rights, and at second call at least twenty-five per cent (25%) of such capital.

B.2 Explain the system for adopting corporate resolutions. Describe how this differs from the system established in the LSC or in the applicable legislation.

The Company bylaws have increased the majorities required for the adoption of resolutions, established in Article 201 of the Spanish Limited Liability Companies Law.

Article 18 of the Company bylaws establishes that the resolutions are adopted by an absolute majority of the shares attending the General Meeting in person or by proxy, with one vote per share, except for the resolutions that must be approved by a greater majority in accordance with the Spanish Limited Liability Companies Law.

As an exception, the approval of resolutions relating to the following matters ("Reserved Matters"), when they must be submitted for the approval of the Company's General Meeting, require, in any case, the affirmative vote of at least sixty-five per cent (65%) plus one (1) share of the subscribed share capital with voting rights:

(i) amendment of the bylaws, including, but not limited to, any amendment of the structure of the managing body or of the number of members thereof, or any increase, reduction, variation or other change in the share capital

(ii) the issuance of any security, equity instrument or equity-related instrument, or of any other synthetic security or instrument (such as, among others, convertible debentures);

(iii) any merger, spin-off, segregation, transfer of assets and liabilities en bloc, international relocation of registered office or any other structural changes, except when such transactions only affect the Company and wholly-owned investees;

(iv) a request for admission to listing, the launch of a public offering or the subscription of all or a portion of the shares of the Company or of a controlled company;

(v) the distribution of dividends and/or reserves, when not performed at all times in line with the dividends policy approved by the Company's Board of Directors, and the approval of the amendment of the Company's dividends policy;

(vi) any M&A transaction (i.e. acquisitions, sales or capital investments in assets or investments in projects) the amount of which, in aggregate terms for an annual period, exceeds eighty million euros (EUR 80,000,000);

(vii) the approval or amendment of the financial or dividends policy of the Company and its Group; and

(viii) any related-party transaction.

Article 201 of the LSC establishes that the corporate resolutions of public limited liability companies are adopted by means of a simple majority of the votes of the shareholders attending the General Meeting in person or by proxy. In this case, the majority required by Abertis Infraestructuras, S.A. is an absolute majority, while that established by the LSC is a simple majority.

Also, Article 201 of the LSC establishes that, for the resolutions referred to in Article 194 of the LSC (qualified quorum for convening the General Meeting in special cases described in the preceding section), if the capital attending or represented by proxy exceeds fifty per cent (50%), the resolution may be adopted by means of an absolute majority. However, the affirmative vote of two thirds of the share capital present in person or by proxy at the General Meeting is required when at second call there are shareholders in attendance representing twenty-five per cent (25%) or more, but less than fifty per cent (50%), of the subscribed share capital with voting rights.

B.3 Briefly indicate the resolutions adopted at the General Meetings or other equivalent bodies in the year to which this report refers, and the percentage of votes with which the resolutions were adopted.

Three General Meetings were held in 2018, of which one was annual and two were extraordinary.

The resolutions adopted at the Annual General Meeting held on 13 March 2018 were as follows:

First point of the agenda: Both the separate and consolidated financial statements for 2017 and the respective directors' reports, which had been verified by the Company's auditors, were approved. The financial statements included the balance sheets, statements of profit or loss, statements of changes in equity, statements of cash flows and the notes to the financial statements, which disclosed a profit of EUR 274,897,385.05 in the separate financial statements.

This resolution was adopted by the affirmative votes of 99.97% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Second point of the agenda: The proposed distribution of profit for the year ended 31 December 2017 was approved, together with the payment of a second and final dividend for 2017 with a charge to unrestricted voluntary reserves amounting to EUR 396,152,523.20, which represented EUR 0.40 gross per share then existing and outstanding entitled to receive the dividend on the date of payment.

This resolution was adopted by the affirmative votes of 99.74% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Third point of the agenda: Management of the Company's Board of Directors in the year ended 31 December 2017 was approved.

This resolution was adopted by the affirmative votes of 99.84% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Fourth point of the agenda: In accordance with the proposal put forward by the Board of Directors, following a favourable report from its Nomination and Remuneration Committee, the appointment through co-optation of Francisco José Aljaro Navarro as executive director by the Board of Directors was ratified on 6 February 2018 for the four-year period stipulated in the bylaws, to cover the vacancy which arose on the Board following the end of tenure of the director Francisco Reynés Massanet, who had been appointed by the General Meeting held on 24 March 2015 for a period of four years.

This resolution was adopted by the affirmative votes of 99.59% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Fifth point of the agenda: In accordance with the proposal of the Board of Directors at the request of its Audit and Control Committee, Deloitte, S.L. was reappointed as the Company's auditor for both the separate and consolidated financial statements for the period of one year, i.e. for 2018.

This resolution was adopted by the affirmative votes of 99.64% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Sixth point of the agenda: The Board of Directors was empowered to sell to Red Eléctrica Corporación the 57.05% ownership interest in Hispasat, S.A. held by Abertis Telecom Satélites, S.A., a wholly-owned investee of Abertis Infraestructuras, S.A., and to accept the subrogation of the buyer to the legal position assumed by Abertis Infraestructuras, S.A. in accordance with the purchase agreement entered into with Eutelsat on 18 May 2017 for the acquisition of the latter's 33.69% ownership interest in Hispasat. All the foregoing was based on the assumption that Red Eléctrica would make the seller a binding purchase and subrogation offer.

This resolution was adopted by the affirmative votes of 99.75% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Seventh point of the agenda: The General Meeting was informed of the amendment of Article 15 of the Company's Board Regulations.

This point of the agenda was not put to a vote, due to it being informative in nature.

Eighth point of the agenda: The 2017 Annual Report on Directors' Remuneration, approved by the Board of Directors at the proposal of the Nomination and Remuneration Committee, was submitted to the shareholders for an advisory vote.

This resolution was adopted by the affirmative votes of 68.33% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

The resolutions adopted at the Extraordinary General Meeting held on 25 July 2018 were as follows:

First point of the agenda: Examination and approval of the delisting of the shares representing all the share capital of Abertis Infraestructuras, S.A. from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

This resolution was adopted by the affirmative votes of 99.99% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Second point of the agenda: Capital reduction through the retirement of treasury shares.

This resolution was adopted by the affirmative votes of 99.99% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Third point of the agenda: Examination and approval of the authorisation for the derivative acquisition and retirement of treasury shares.

This resolution was adopted by the affirmative votes of 99.99% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Fourth point of the agenda: Ratification of proprietary directors appointed by co-optation by the Board of Directors at the proposal of Hochtief Aktiengesellschaft on 18 May 2018 for the four-year period stipulated in the bylaws.

This resolution, as established in Article 197 bis of the LSC, was voted on separately, as it related to matters which were substantially separate, and was adopted in the following manner:

4.1.- The ratification of the appointment by co-optation of Marcelino Fernández Verdes as proprietary director at the proposal of Hochtief Aktiengesellschaft was adopted by the affirmative votes of 99.71% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

4.2., 4.3., 4.4., 4.5., 4.6., 4.7., 4.8., 4.9. and 4.10.- The ratification of the appointment by co-optation of Peter-Wilhelm Sassenfeld, Wilhelm Nikolaus Franziskus Pius Graf Von Matuschka, José Ignacio Legorburo Escobar, Ángel Manuel Muriel Bernal, Peter Hubert Coenen, Georg Johannes von Bronk, Javier Carreño Orgaz, Rudolf Christian Ferdinand Bräunig and Mischa Bastian Horstmann as proprietary directors at the proposal of Hochtief

Aktiengesellschaft was adopted by the affirmative votes of 99.65% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

The resolutions adopted at the Extraordinary General Meeting held on 10 December 2018 were as follows:

First point of the agenda: Amendment and consolidation of the bylaws.

This resolution, as established in Article 197 bis of the LSC, was voted on separately, as it related to matters which were substantially separate, and was adopted in the following manner:

1.1.- Amendment of the following articles of the bylaws relating to the General Meeting to adapt them to the new corporate situation resulting from the delisting of the shares representing all the share capital of Abertis Infraestructuras, S.A. from the Spanish stock exchanges, and to the Company's new shareholder structure: Article 13 ("General Meeting"), Article 14 ("Attendance at the General Meetings. Voting right. Representation"), Article 15 ("Types of General Meetings"), Article 16 ("Call and right to information"), Article 17 ("Quorums"), Article 18 ("Formation of the Board. Deliberations. Adoption of resolutions.") and Article 19 ("Minutes and certifications").

1.2.- Amendment of the following articles of the bylaws relating to the Board of Directors to adapt them to the new corporate situation resulting from the delisting of the shares representing all the share capital of Abertis Infraestructuras, S.A. from the Spanish stock exchanges, and to the envisaged new composition of the Board of Directors resulting from the Company's new shareholder structure: Article 21 ("Composition of the Board"), Article 22 ("Period of tenure of directors"), Article 23.a) ("Call and quorum of the Board meetings"), Article 23.b) ("Deliberation and adoption of resolutions"), Article 24 ("Powers of the Board"); elimination of Article 25 of the bylaws ("Directors' remuneration policy"); and amendment of Article 26 ("Directors' Remuneration") which, as a result of the foregoing elimination, shall be renumbered Article 25.

1.3.- Amendment of the following articles of the bylaws relating to the committees of the Board of Directors to adapt them to the new corporate situation resulting from the delisting of the shares representing all the share capital of Abertis Infraestructuras, S.A. from the Spanish stock exchanges, and to the envisaged new composition of the Board of Directors resulting from the Company's new shareholder structure: Article 12 ("Formation of the Company's will. Company management and representation") and Article 23.c) ("Board committees").

1.4.- Introduction of a new bylaw article to introduce submission to arbitration in corporate conflicts ("Arbitration").

1.5.- Amendment of the following articles of the bylaws to introduce improved wording which in no case alters the meaning of the article in force: Article 5 ("Object"), Article 11 ("Issues of debt instruments and other sources of financing") and Article 28 ("Accounting documents") which, as a result of the elimination of Article 25, will be renumbered Article 27; and introduction of a new Article 33 ("Defined terms").

1.6.- Renumbering and consolidation in a single text of the content of the bylaws, incorporating the amendments agreed upon by the General Meeting.

All the foregoing resolutions were adopted by the affirmative votes of practically 100% of the shares attending the General Meeting in person or by proxy.

Second point of the agenda: Set the number of members of the Board of Directors at five.

This resolution was adopted by the affirmative votes of practically 100% of the shares attending the General Meeting in person or by proxy.

Third point of the agenda: Vacation of office and appointment of directors.

This resolution, as established in Article 197 bis of the LSC, was voted on separately, as it related to matters which were substantially separate, and was adopted in the following manner:

3.1.- Vacation of office of all the members of the Board of Directors of Abertis Infraestructuras, S.A.

3.2.- Appointment of Francisco José Aljaro Navarro as Director.

3.3.- Appointment of Carlo Bertazzo as Director.

3.4.- Appointment of Giovanni Castellucci as Director.

3.5.- Appointment of Marcelino Fernández Verdes as Director.

3.6.- Appointment of Pedro José López Jiménez as Director.

All the foregoing resolutions were adopted by the affirmative votes of practically 100% of the shares attending the General Meeting in person or by proxy.

Fourth point of the agenda: Eliminate the Board Regulations as a result of the delisting of the shares representing all the Company's share capital.

This resolution was adopted by the affirmative votes of practically 100% of the shares attending the General Meeting in person or by proxy.

Fifth point of the agenda: Amendment of the remuneration policy approved on 3 April 2017 by the Company's General Meeting (2018-2020).

This resolution was adopted by the affirmative votes of practically 100% of the shares attending the General Meeting in person or by proxy.

B.4 Indicate whether, at the General Meetings or meetings of equivalent bodies held in the year, there was any point of the agenda that was not approved by the shareholders.

At the General Meetings held in 2018 there was no point in the agenda that was not approved by the shareholders.

B.5 Indicate the address of, and how to access, the corporate governance information page on the entity's website.

The section entitled "The Group" on the www.abertis.com website provides the information on corporate governance.

The information on the website is provided in Spanish and English.

C. ENTITY MANAGEMENT STRUCTURE

C.1 Board of Directors or managing body

C.1.1 Give details of the maximum and minimum number of directors or members of the managing body as established in the bylaws:

Maximum number of directors/members of the managing body	5 or 9
Minimum number of directors/members of the managing body	5 or 9
Number of directors/members of the managing body set by the General Meeting or Assembly	5

Observations
The bylaws do not establish a maximum or minimum number of members of the Board of Directors, but simply establish in Article 21 that the Board of Directors shall be formed by 5 or 9 members.

C.1.2 Fill in the following table on the members of the Board or managing body, and their status:

DIRECTORS/MEMBERS OF THE MANAGING BODY

Name or company name of director/member of the managing body	Representative	Most recent date of appointment
Marcelino Fernández Verdes		10/12/18
Francisco José Aljaro Navarro		10/12/18
Carlo Bertazzo		10/12/18
Giovanni Castellucci		10/12/18
Pedro José López Jiménez		10/12/18

Observations

C.1.3 Identify any Board or managing body members who hold office as directors, representatives of directors or executives at other entities forming part of the entity's group:

Name or company name of director/member of the managing body	Company name of group company	Position

Francisco José Aljaro Navarro	Sanef, S.A.	Director
Francisco José Aljaro Navarro	Partícipes en Brasil II, S.L.	Director acting severally
Francisco José Aljaro Navarro	Abertis Motorways UK Limited	Director
Francisco José Aljaro Navarro	Inversora de Infraestructuras, S.A.	Chairman
Francisco José Aljaro Navarro	Abertis Autopistas España, S.A.	Director acting severally
Francisco José Aljaro Navarro	Autopistas, Concesionaria Española, S.A.	Director acting severally
Francisco José Aljaro Navarro	Autopistes de Catalunya, S.A. Concessionària de la Generalitat de Catalunya	Director acting severally
Francisco José Aljaro Navarro	Infraestructures Viàries de Catalunya, S.A. Concessionària de la Generalitat de Catalunya	Director acting severally
Francisco José Aljaro Navarro	Autopistas Aumar, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Iberpistas, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Castellana de Autopistas, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Autopistas de León, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Societat d’Autopistes Catalanes, S.A.	Director acting severally
Francisco José Aljaro Navarro	Central Korbana, S.à.r.l	Class A director
Francisco José Aljaro Navarro	Abertis India, S.L.	Director acting severally
Francisco José Aljaro Navarro	Abertis Internacional, S.A.	Director acting severally
Francisco José Aljaro Navarro	Abertis Telecom Satélites, S.A.	Director acting severally
Francisco José Aljaro Navarro	Hispasat, S.A.	Representative of the director Abertis Telecom Satélites, S.A.
Francisco José Aljaro Navarro	Vías Chile, S.A.	Chairman
Francisco José Aljaro Navarro	Sociedad Concesionaria Autopista Central, S.A.	Direct shareholder
Francisco José Aljaro Navarro	Partícipes en Brasil, S.A.	Chairman
Francisco José Aljaro Navarro	Arteris, S.A.	Director
Francisco José Aljaro Navarro	Autopistas Metropolitanas de Puerto Rico, Llc	Chairman
Francisco José Aljaro Navarro	Abertis Mobility Services, S.L.	Director acting severally

Observations

C.1.4 Fill in the following table with the information relating to the number of female directors sitting on the Board of Directors and its committees, as well the changes in this connection in the last four years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	No.	%	No.	%	No.	%	No.	%
Board of Directors	0	0	6	40%	6	40%	4	25.57%
Executive Committee	N/A	N/A	2	22.22%	2	28.57%	1	16.66%
Audit and Control Committee	N/A	N/A	1	20%	2	40%	1	20%
Nomination and Remuneration Committee	N/A	N/A	3	60%	3	60%	2	40%
Corporate Social Responsibility Committee	N/A	N/A	3	60%	4	80%	2	50%

Observations

C.1.5 Indicate whether the company has diversity policies in relation to its managing and oversight bodies with regard to matters such as, for example, age, gender, disabilities and professional training and experience. Small and medium enterprises, in accordance with the definition in the Spanish Audit Law, must report, at least, the gender diversity policy that they have put in place.

Yes X No ☐ Partial policies ☐

If "yes", describe this diversity policy, its objectives, the related measures, the manner in which it has been applied and the outcome of its implementation in the year. Also, the specific measures adopted by the managing body and the Nomination and Remuneration Committee to achieve a balanced and diverse presence of directors must be indicated.

If the company does not apply a diversity policy, explain the reasons why.

The director selection and appointment policy approved by the Board of Directors on 15 December 2015 provides that the selection of candidates as directors shall be based on a prior analysis of the Company's needs, which must be conducted by the Board of Directors with the

assistance of and a report from the Nomination and Remuneration Committee, if such a committee exists, with a view to including different professional and management experience and competencies, and promoting diversity of knowledge, experience and gender, considering the weighting of the various activities conducted by Abertis, and taking into account areas or sectors that require specific development.

C.1.6 Complete the following table relating to the aggregate remuneration earned in the year by the directors or members of the managing body:

Type of remuneration	Thousands of euros	
	Company level	Group level
Fixed remuneration	1,081	
Variable remuneration	354	
Attendance fees		
Other remuneration	2,303	149
TOTAL:	3,738	149

Observations

C.1.7 Identify any senior executives who are not also directors or executive members of the managing body and indicate the total remuneration paid to them during the year:

Name or company name	Position
Arnaud Quémard	General Manager of Sanef
Anna Bonet Olivart	General Manager of Autopistas
Marta Casas Caba	Head of Legal advisory and general deputy secretary
Josep Maria Coronas Guinart	General Secretary
Luis Miguel de Pablo Ruiz	General Manager of Vías Chile
Carlos del Río Carcaño	General Manager of A4 Holding
Sebastián Morales Mena	Head of Business Development
Carlos Espinós Gómez	General Manager of Hispasat
Jordi Lagares Puig	Head of Audit, Risks and Compliance
Joan Rafel Herrero	Head of People and Organization

Total remuneration for senior executives (thousands of euros)	5,483

Observations

C.1.8 Indicate whether the bylaws or Board Regulations set a limited term of office for the directors or members of the managing body:

Yes ☐ No X

Maximum term of office (years)	

Observations

C.1.9 Indicate whether the separate and consolidated financial statements presented for authorisation for issue by the Board or managing body have been certified beforehand:

Yes X No ☐

Indicate, as appropriate, the person(s) who certified the entity's separate and consolidated financial statements for authorisation for issue by the Board or managing body:

Taxpayer identification number	Name	Position
10.563.170-Y	Marcelino Fernández Verdes	Chairman
30.474.764-V	Francisco José Aljaro Navarro	CEO
YA5530675	Carlo Bertazzo	Director
YB2353547	Giovanni Castellucci	Director
13.977.047-Q	Pedro José López Jiménez	Director

Observations

C.1.10 Explain any mechanisms established by the Board or managing body to prevent qualified auditor's reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting or equivalent body.

The Board of Directors ensures that the Company's financial statements and those of its Group are prepared in accordance with generally accepted accounting principles and standards in order to avoid a qualified auditor's report being issued thereon. Also, the Board of Directors holds regular meetings with the Company's external auditors to avoid discrepancies in the policies to be used in preparing the financial statements.

C.1.11 Is the secretary of the Board/managing body a director?

Yes ☐ No X

If the secretary is not a director, complete the following table:

Name or company name of secretary	Representative
Miquel Roca Junyent	

Observations

C.1.12 Indicate any mechanisms established to preserve the independence of the external auditor, financial analysts, investment banks and rating agencies, including details on how the legal provisions have been implemented in practice.

The Board of Directors receives information on matters which may jeopardise the external auditor's independence. Also, the Board oversees that the remuneration of the auditors for their work does not compromise its quality or independence. In particular, the Board must ensure that the Company and the external auditor comply with the legislation in force on the provision of non-audit services, the restrictions on the concentration of auditors' business, and in general, any other legislation on auditors' independence. The Company, on an annual basis, receives from the auditors or audit firms written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, in addition to information on additional services of any kind rendered and the related fees received from these entities by the aforementioned auditors or audit firms, or persons or entities related to them pursuant to the provisions of the Spanish Audit Law. The governing bodies pay particular attention to ensuring that the independence of any financial analysts, investment banks or rating agencies the Company might engage in the normal course of its business is not compromised.

C.2. Committees of the Board or managing body

C.2.1. List the committees of the Board or managing body:

Committee name	No. of members

Observations
On 10 December 2018, the Extraordinary General Meeting of Abertis Infraestructuras, S.A. resolved to amend the Company’s bylaws to adapt them to the new corporate situation following the delisting of the shares representing all the share capital of Abertis Infraestructuras, S.A. from the Spanish stock exchanges. Also, and as a result of the Company’s new shareholder structure, the aforementioned Extraordinary General Meeting resolved to change the composition of the Company’s Board of Directors, and it was established in Article 23.c) of the bylaws that the Board of Directors can incorporate any specialised

committees it deems appropriate, those specifically mentioned being the Audit and Nomination and Remuneration Committees. At 31 December 2018, the Board of Directors had not yet had the opportunity to form the committees of the Board of Directors, and envisaged that it would do so in the following months.

C.2.2 Give details of the committees of the Board or managing body, their members and the proportion of executive, proprietary, independent and other non-executive directors forming part of them (entities that do not have the legal form of a limited liability company shall not fill in the category of director in the corresponding table, and in the text section shall explain the category of each director based on their legal treatment and the manner in which they meet the conditions for forming the Audit and Nomination and Remuneration committees):

EXECUTIVE COMMITTEE

Name	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

AUDIT COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee, including any additional functions to those provided for by law, and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

Identify any directors who are a member of the Audit Committee and have been appointed taking into consideration their knowledge and experience in matters relating to accounting, audits or both, and provide information about the date on which the chairperson of this committee was appointed.

Name of experienced directors	
Date of appointment of chairperson	

Observations

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee, including any additional functions to those provided for by law, and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

NOMINATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee, including any additional functions to those provided for by law, and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee, including any additional functions to those provided for by law, and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

______ COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Observations

Explain the functions entrusted to this committee and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Give details of the transactions performed between the entity or group entities and the shareholders, cooperative members, holders of proprietary rights or any other type of rightholder at the entity.

Name or corporate name of significant shareholder	Name or corporate name of the group company or entity	Nature of relationship	Type of transaction	Amount (thousands of euros)
Criteria Caixa, S.A.	Abertis Infraestructuras, S.A.	Shareholders	Dividends and other profit distributed	59,706

Inversiones Autopistas, S.A.	Abertis Infraestructuras, S.A.	Shareholders	Dividends and other profit distributed	24,049
Autostrade per l'Italia Spa	Autostrada Bs Vr Vi Pd S.p.A	Contractual	Other: Balances receivable	42,713

Observations

D.2 Give details of the transactions performed between the entity or group entities and the directors or members of the managing body or executives of the entity.

Name or company name of the directors or executives	Name or company name of the related party	Relationship	Nature of transaction	Amount (thousands of euros)
-	-	-	-	-

Observations
-

D.3 Give details of the intra-group transactions.

Company name of group company	Brief description of the transaction	Amount (thousands of euros)

Observations
Based on the information reported by the companies, there are no significant transactions with other Group companies that are not eliminated on consolidation and do not form part of the Company's normal course of business.

D.4 Give details of the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the entity or its group and its directors, members of the managing body or executives.

Articles 28 et seq of the Board Regulations contain specific obligations regarding the duty of loyalty and information on shares of the Board members in the Company itself or on ownership interests held by them in other non-Group companies. In particular, the duty of loyalty obliges the members of the Board to adopt the measures required to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the interests of, and their duties to, the Company except in those cases in which the Company authorised the transaction with respect to which conflict arises.

The Directors must notify the other Directors and, where appropriate, the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company. The director in question shall refrain from involvement in resolutions or decisions on the transaction to which the conflict of interest relates and his vote shall be deducted when calculating the majority of votes whenever necessary.

In accordance with the Board Regulations, the duty to avoid conflicts of interest obliges the director to refrain from performing transactions with the Company other than ordinary transactions performed under standard customer conditions and of scant significance, i.e. where the related information is not necessary to present fairly the equity, financial position and results of the Company. Directors shall refrain from using the Company's name or invoking their position as director to unduly influence the performance of personal transactions, from taking advantage of social events, including confidential information of the Company for personal purposes and of the Company's business opportunities and obtaining advantages or remuneration from third parties other than the Company and its Group, associated with the discharge of their position, except in relation to actions of mere courtesy. The director shall also refrain from performing activities, as an independent professional or as an employee, that are in (current or potential) effective competition with the Company or that, in any other way, place them in situation of permanent conflict with the interests of the Company.

The provisions set out in this section shall also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.

The conflicts of interest are disclosed in the notes to the financial statements.

The Company may waive the prohibitions described above in certain cases, authorising a director or a related person to perform a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or compensation from a third party.

Where the subject-matter of the authorisation is exemption from the prohibition on obtaining an advantage or compensation from third parties, or where it relates to a transaction whose value exceeds 10% of the corporate assets, the authorisation must necessarily be resolved upon by the General Meeting.

In all other cases, the authorisation may be granted by the Board of Directors, provided that the independence of the Board members granting the exemption is guaranteed with respect to the exempt director. It shall also be necessary to ensure the harmless nature of the authorised transaction regarding assets and liabilities and, where appropriate, its performance on an arm's length basis and the transparency of the process.

The obligation not to compete with the Company may only be subject to exemption in the event that no damage is expected to arise at the Company or the expected damage is offset by the benefits expected to be obtained as a result of the exemption. The exemption shall be granted by means of an express individual resolution of the General Meeting. In any event, at the request of any shareholder, the General Meeting shall resolve on the removal of the director carrying on competing activities where the risk of damage to the Company is deemed significant.

Lastly, the Company's internal Code of Conduct in matters relating to securities markets, establishes that persons in conflict of interest situations shall act at all times with loyalty to the Company, irrespective of their interests as independent professionals or employees and shall refrain from taking part in or influencing decisions on the matters affected by the conflict. The aforementioned persons must also notify the Company of the possible conflicts of interest to which they are subject as a result of their family relationships, their personal assets, their activities outside of the Company or for any other reason.

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the entity's Risk Control and Management System.

The Board of Directors of Abertis Infraestructuras, S.A. is allocated the task of preparing the risk strategy, entrusting this function to the Audit and Control Committee, which establishes the Risk Control and Management Policy of the Abertis Group and supervises the risk management system and its commitment to the application of the tax best practices.
The Abertis Group implements a risk management model, approved and monitored by the Audit and Control Committee, and applicable to all the business and corporate units in all the countries where the Group carries on its activities. The risk management model covers all the Group's possible risks with the aim of ensuring achievement of the Group's main objectives.
Based on the directives defined by the Corporate Risk Control unit, each of the business and corporate units is responsible for preparing and maintaining its risk map which includes identification and assessment of the inherent and residual risks, of the control initiatives and activities implemented, those in charge thereof, and of the action plans defined to cover the residual risks.
The risk maps are checked and approved by the general managers of the business unit or by the managers of the corporate areas. The aforementioned risk maps are subject to periodic review by the Audit and Control Committee and the Management Committee which also monitor the main risks more frequently.

E.2 Identify the entity's bodies in charge of preparing and executing the Risk Control and Management System.

The members of the managing bodies undertake to ensure that the Group's significant risks are duly and acceptably identified, measured, prioritised and controlled, and to establish the basic mechanisms and policies required to achieve a level of risk that enables:

- The creation of value for shareholders.
- Protection of the Group's reputation, fostering of good Corporate Governance practices and commitment through the application of tax best practices.
- Provision of a quality service in all the Group-operated infrastructures.

The bodies responsible for definition, execution and oversight are as follows:

Board of Directors: retains ultimate responsibility for the definition of the risk strategy and of the risk control policy.

Audit and Control Committee: is responsible for supervision of the risk control systems, including approval of the model and periodic monitoring of the risks with varying frequencies based on the criticality and significance thereof.

Corporate Risk Control: is responsible for the preparation and update of the risk management policies, ensuring effective implementation of the model, establishing a common methodology for the identification, classification and assessment of risks, coordinating the update of the risk maps, implementing a monitoring and reporting system for the governing bodies and, in cooperation with the other areas of the Group, reviewing the control activities that mitigate the identified risks and monitoring of the action plans.

Business/corporate unit General Managers: are in charge of risk management in their respective areas of responsibility which includes the implementation of the risk policies defined, validation of the risk maps, and supervision of the implementation of control activities and action plans to mitigate risks.

Business/corporate unit risk coordinators: are responsible for coordinating implementation of each unit or area's risk management model which includes the identification and assessment thereof, as well as the implementation of a system for the control, monitoring and reporting of emerging risks to the Corporate Risk Control Unit. The risk coordinator, together with those in charge of each area, periodically prepares the risk updates and the detail of control activities, as well as information on the status of action plans.

Function supervisors: are those responsible for identifying risks in their respective areas and notifying their unit risk coordinator appropriately. They are also responsible for the identification and implementation of the control activities aimed at mitigating risks.

The responsibilities defined in the foregoing section are detailed in the "Framework Risk Management Policy" which is subject to review by and the approval of the Audit and Control Committee.

E.3 Indicate the main risks that might affect the achievement of the business objectives.

The business objectives may be adversely affected by the following main risks:

- Business environment-related risks inherent to economic performance, arising from decreased demand in certain countries, amendments to legislation (tax, legal and environmental), socio-political change, or adverse weather conditions.
- Specific risks arising as a result of the Group's business activities such as the maturity and term of concessions, agreements with public authorities, the performance of transactions on regulated markets, fulfilment of concession obligations and investment commitments and the entry into service of alternative infrastructures.
- Financial risks inherent to growth operations and investment financing processes, fluctuations in interest and exchange rates, rating control and refinancing needs.
- Operating risks relating to user and personnel safety, adaptation and swift response to technological changes in operating systems, control of construction projects, infrastructure maintenance, the security, integrity and confidentiality of financial and corporate information and business know-how, personnel selection and performance, training and retention of talent, fraud, supplier dependence and business interruption.

E.4 Identify whether the entity has risk tolerance levels.

Tolerance levels are defined in the risk assessment matrix which provides the basis for the assessment of the inherent and residual risks. Various scales of possible impacts are established taking into consideration economic and reputational criteria, or obligations relating to liability.

The parameters specified in the risk matrix are updated based on Group performance and subject to annual review and approval by the Audit and Control Committee.

Given the impact their possible materialisation might have on the achievement of objectives, specific tolerance levels are defined for the risks considered to be critical, indicating action guidelines, deadlines for achievement, the persons responsible and monitoring indicators, in addition to setting out the frequency and content of the information to be furnished to the governing bodies for monitoring and decision-making purposes.

A system of alerts has been set up for the remaining risks to ensure identification of material changes in measurement or significant control weaknesses outside the approved tolerance levels for the related risks.

E.5 Indicate any risks that arose during the year.

The risks identified in the risk maps of the various business or corporate units are, in the main, risks inherent to the business model and to the various activities carried on by the Abertis Group. Accordingly, to a certain extent the risks could arise in the course of each financial year.

The most significant risks to materialise in the current year were as follows:

- Political and social instability in certain countries in which the Group operates has given rise to uncertainty as to the potential impact on the performance of the Group’s activities; however, swift decision-making and the internationalisation and geographical diversification of the businesses has ensured that there was no significant impact on the Group.

- The ongoing restrictions on the availability and terms and conditions of public and private funding pose a risk in terms of the Group's growth strategy (financing of new growth transactions and investment commitments), but have been mitigated thanks to the Group's strict financial discipline with guidelines and limits defined by the governing bodies and comprehensive monitoring of the entire organisation.

- The significant expiries of certain toll road concessions in the short and medium term are being mitigated through agreements entered into with the grantors, such as that entered into in July 2018 for the extension of the concession term of the Gco and Ausol network in Argentina until 2030 in exchange for making investments to upgrade the road network for amounts of EUR ~215 million and EUR ~ 250 million, respectively.

E.6 Explain the response and oversight plans for the entity's main risks, as well as the procedures followed by the entity to ensure that the Board of Directors responds to the new challenges it faces.

The risk management model implemented by the Abertis Group sets out the level of oversight and the performance of specific initiatives or response plans for the main risks based on the assessment or the level of criticality thereof in order to ensure that risks are contained within the defined limits. A group of risks for priority monitoring is defined (at least each quarter) and the risks selected are reviewed by the Audit and Control Committee.

The response plans for the priority-monitoring risk group form part of the implementation of the specific initiatives for each of the aforementioned risks and include:

- Main milestones to be achieved
- Persons responsible for implementation and monitoring within the organisation
- Monitoring indicators
- Content and frequency of the information to be furnished to governing bodies to ensure prompt decision-making.

Risks of a strategic and business nature due to the economic environment, regulatory changes and the specific nature of the concession business are monitored by the management committees whereas financial and operating risks are, in the main, monitored by the corporate committees in coordination with the related committees of the various business units (security committees, operating committees, technical committees, etc.).

Response plans vary based on each risk type and address issues such as:

- The internationalisation and geographical diversification strategy due to the economic downturn in certain countries and periods, offset by increased demand in response to growth in other countries In 2018 Abertis continued to strengthen its international presence with new public-private partnerships and/or acquisitions in a significant portion of the countries in which it operates.

- Cost optimisation based on the definition, implementation and monitoring of the efficiency plans, which place special emphasis on optimising the operating costs and controlling the operating investments of all the business units within the Abertis Group.

- Dialogue with the parties involved in order to provide tailor-made solutions in the infrastructure industry, adapted to each country, and negotiations with public authorities, occasionally agreeing on specific investment commitments. Accordingly, in 2018 Abertis entered into an agreement through GCO and AUSOL, Abertis Group companies in Argentina, which envisages an investment plan to upgrade the road network in exchange for the extension of the current arrangements until the end of 2030.

- Definition of policies and procedures for the most important risks in order to control risk performance within the defined limits.

- Adhesion to the Code of Good Tax Practices with the aim of enhancing Abertis Group companies' corporate responsibility in addition to bringing greater stability to its economic results and greater legal certainty. The Abertis Group implemented the content of the Code of Good Tax Practices effectively.

- The maintenance of an appropriate insurance policy that guarantees coverage of the main types of damage, particularly catastrophes.

F. SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT RELATING TO FINANCIAL REPORTING (ICFR SYSTEM)

Describe the mechanisms comprising the entity’s systems of internal control and risk management relating to financial reporting (ICFR system).

F.1 The entity's control environment

Provide information, indicating salient features, on at least:

F.1.1. Bodies and/or functions responsible for: (i) the existence and maintenance of a suitable, effective ICFR system; (ii) its implementation; and (iii) its oversight.

The System of Internal Control over Financial Reporting (ICFR) of the Abertis Group ("the Group" or "Abertis") forms part of its general internal control system and consists of a set of processes performed by the Board of Directors, the Audit and Control Committee (ACC), senior executives and Group personnel, in order to provide reasonable assurance with regard to the reliability of the financial information disseminated in the markets.

The "Policy for the Definition of Responsibilities for the System of Internal Control over the Financial Reporting of the Abertis Group" establishes the following lines of responsibility and authority in relation to the ICFR system:

- Abertis' Board of Directors is ultimately responsible for all the regulated information the Group disseminates and, accordingly, for preparing the financial reporting (Article 4 of the Board Regulations) and ensuring that its ICFR system is adequate and effective.

- In accordance with the bylaws and the Board Regulations, the main responsibilities of the ACC include, inter alia:

  - Overseeing and analysing, prior to submission to the Board, the Group's statutory financial reporting process, reviewing correct compliance with the legislation in force and application of the accounting principles.

  - Overseeing the effectiveness and sufficiency of the Group's system of internal control and risk assessment, with the aim that any risk (operating, financial, technological, legal or reputational) with a significant impact on the Group's financial reporting may be identified, managed and mitigated, and communicated to the Board of Directors.

  - Overseeing the independence of the External Auditor, supervising its work.

  - Overseeing the work performed by the Corporate Risk Control and Internal Audit Department, ensuring its independence and verifying that the recommendations and corrective measures it makes are considered by management.

- The Corporate Management Control and Planning Department (reporting to General Financial Management) is responsible for the design, maintenance and implementation of the ICFR system.

- Abertis' Internal Audit function assumes the oversight of the ICFR system delegated by the ACC.

F.1.2. Indicate the following, if in place, particularly in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring procedures are in place to communicate this structure effectively throughout the entity:

Abertis' Board of Directors assigns responsibility for the design and review of the organisational structure to the Compensation and Organisation Department of the People and Organisation Area. This department define the general outline of the organisational structure, the distribution of responsibilities and the hierarchy of the job positions, as well as related legislation. The result of these mechanisms is documented in the form of organisational charts (organisational structure), the manuals of functions and job position descriptions (establishing allocation, distribution and segregation of functions) and maps of job position assessments (establishing the levels of responsibility).

The Group has an internal organisational chart that is found on the corporate intranet. It covers all the areas, locations and companies belonging to the Group and is basically organised by line of business and department (including those departments involved in the preparation, analysis and oversight of financial reporting). The organisational chart indicates responsibilities up to a certain management level and is supplemented with other more detailed organisational charts provided at department level.

With respect to the financial reporting process, in addition to the detailed organisational charts, manuals, internal policies and instructions are issued by the Corporate Management Control and Planning Department (included in the Group's unified reporting manual), which establish the specific guidelines and responsibilities at each reporting date (close procedures defining the main tasks both at corporate and subsidiary level), including most notably:

- "Group Reporting and Accounting Policies Handbook" (GRAPH): this handbook encompasses the accounting policies used by the Group to prepare its financial statements and its aim is to obtain consistent, uniform and comparable financial information for all the Group companies.

- "Close instructions": published every six months, establish the schedule to be followed by the Group companies when submitting the financial reporting and other procedures to be applied in the preparation of the Group's consolidated information.

- "Policy for Accounting Close at Subsidiaries": establishes the procedures to be followed to prepare the economic and financial information of the Group subsidiaries and the associated oversight procedures.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

Abertis has a Code of Conduct (Code of Ethics), approved by the Board of Directors which is adapted by each business unit, through the preparation of a Local Code of Ethics, when required by the national laws, customs and practices of the country where the business unit operates. In any event, the Local Codes of Ethics must follow the guidelines of the Group's Code of Ethics. Also, the Abertis business units with head offices in Spain are subject to the

Code of Ethics Regulations in Spain which regulate and prohibit any conduct that could imply criminal liability for legal entities.

Training is provided for new employees, and all employees are required to accept Abertis' Code of Ethics each year. Training is available on the company intranet and the Abertis website.

The core values and principles enshrined in the Code of Ethics are as follows: integrity, honesty, transparency, legal compliance, avoidance of conflicts of interest, treatment of information with the maximum strictness, appropriate use and protection of company assets, the guarantee of equal opportunities, non-discrimination of people and no reprisals against reports in good faith of breaches of the Group's Code of Ethics and its Local Codes of Ethics. Also the Code of Ethics provides that treatment of information must be truthful, so that the Group's economic and financial information reflects fairly its economic, financial and equity position, in accordance with generally accepted accounting principles and applicable international financial reporting standards.

The bodies in charge of investigating breaches and proposing corrective or disciplinary action are the Abertis Group's Ethical and Crime Prevention Committees and its Compliance functions. All the Group's Ethical and Crime Prevention Committees are presided over by the relevant Local Compliance Officer, in cooperation with the Chief Compliance Officer. The Group's Chief Compliance Officer is responsible for reporting to the Abertis ACC about all the instances of non-compliance detected either by the Ethical and Crime Prevention Committees or by the Group's Compliance functions. Also, these bodies have the cooperation of the Group's various management areas, including the Management Control Department of Abertis Infraestructuras, S.A., for monitoring compliance with its internal policies. This operating mechanism is described in the Group's Compliance Policy, published on the company intranet and the Abertis website, as well as in the Group's policies.

- Whistle-blowing channel, for reporting any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and irregular activities within the organisation to the Audit Committee, stating, as applicable, whether such reports are confidential.

The whistle-blowing channel is managed by the Group's Ethical and Crime Prevention Committees and facilitates the reporting of any irregularities of a financial, accounting or non-financial nature.

As established in the whistle-blowing channel procedure, breaches may be reported using an online form (available on the company intranet and on the Abertis website), by post or by email. Also, all Group rules establish the requirement to report any breach of the rules to the Chief Compliance Officer of Abertis. The ACC periodically monitors the reports of breaches and of how they are handled and resolved, as well as the detection of risks of non-compliance detected by the Group's corresponding Compliance functions.

- Training and periodic refresher courses for personnel involved in preparing and reviewing financial information or evaluating the system of ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

As regards training and periodic refresher courses, Abertis considers the development and ongoing training of its employees and executives, both at corporate and subsidiary level, in those issues affecting the preparation of the Abertis Group's consolidated financial information to be of crucial importance.

Abertis has a Training Plan for all of its employees, prepared by the Human Resources Department. The actions included in the Plan are linked to the Group's strategic objectives, as well as the Human Resources Department's strategy.

Abertis also considers that comprehensive, up-to-date training in relation to accounting rules and standards for preparing financial reporting, and capital market, tax and internal control regulations is necessary to ensure that the information reported to the markets is reliable and complies with current legislation.

With respect to the preparation and review of financial information, each year Abertis provides training in those areas identified by the Corporate Management Control and Planning Department in relation to:

- New regulations adopted (accounting, tax, capital markets and internal control) and applicable to the Group.
- Changes in the reporting methodology and/or in the IT systems.
- Individual initiative of team members of the Corporate Management Control and Planning Department.

Once the training requirements in the aforementioned areas have been identified, appropriate training activities are designed and carried out to fulfil the Group's annual training objectives in these areas.

In 2018 Abertis provided training activities by external experts and in-house training sessions for the personnel involved in the preparation and review of the financial reporting at corporate and subsidiary level. Training in 2018 was focused mainly on the accounting, tax and financial areas that may have the greatest impact on the preparation of the Group's consolidated financial reporting, in particular, in relation to IT systems, changes in tax legislation and latest developments adopted during the year in accordance with the EU-IFRSs.

In addition, in 2018 specific training was provided in the following areas:

- Accounting training on "New accounting standards on International Financial Reporting Standards (IFRSs), first application of IFRS 9, IFRS 15 and IFRS16) given by the Consolidation and Accounting Regulations Department.
- Tax courses given by the Corporate Tax Department, in particular, on the latest tax developments in 2018 in the main countries in which Abertis has a presence and international taxation.
- Courses given by the Compliance Department, specifically:
    - On-line training on the misuse of information for management personnel
    - Face-to-face and online training in relation to the Abertis Group's compliance model (model of criminal prevention, prevention of corruption, advocacy lobby, conflicts of interest ...)

- Legal alerts prepared by the Legal Advisory Department on the latest amendments to legislation applicable to Group companies.

The Corporate Management Control and Planning Department has subscriptions to a number of publications and journals on accounting and financial matters and to the website of the International Accounting Standards Board (IASB), which regularly sends new developments and other communications of interest which are analysed to ensure they are taken into consideration when preparing Abertis' financial information.

F.2 Assessment of financial reporting risks

Provide information on, at least:

F.2.1. The main features of the risk identification process, including risks of error or fraud, as regards:

- Whether the process exists and is documented:

Pursuant to the provisions of Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Securities Market Law and Spanish National Securities Market Commission (CNMV) Circular no. 7/2015, of 22 December, the Group has a system of Internal Control over Financial Reporting (ICFR) model.

The aforementioned model is documented in the "Policy for identification of risk of error in financial reporting of the Abertis Group" ("Risk Identification Policy"), which describes the process for identifying risks of material error or fraud in relation to the consolidated financial statements. The risk identification process is performed at least once a year.

Through application of the Risk Identification Policy, Abertis ensures that the risk identification process considers quantitative and qualitative variables (i.e. transaction complexity, risk of fraud, regulatory compliance or level of judgement required) when defining the scope of the Group's ICFR system.

As a result of applying the Risk Identification Policy, an ICFR risk matrix is drawn up for the consolidated group. The purpose of the matrix is to identify the accounts and disclosures which have an associated significant risk with a potential material impact on financial reporting. Once the scope of application of the Group's ICFR system has been defined, based on the identified risk matrix, the control activities required to mitigate the identified risks are designed.

The process of identifying risks of error in financial reporting is performed and documented each year by the Corporate Management Control and Planning Department.

- Whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and how frequently.

The Risk Identification Policy establishes that, following identification, risks are reviewed in order to analyse the potential risks of error in each of the financial reporting elements (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations) that might have a significant impact on the reliability of the financial reporting.

The risks of error identified in the financial reporting are classified as follows:

a) General risks

b) Risks relating to appropriate recognition of the Group's specific transactions

a. Significant transactions
b. Judgements and estimates
c. Lack of familiarity with agreements/contracts
d. Activities outsourced to third parties

c) Risks relating to the financial reporting preparation process

d) Risks relating to IT systems

Each of the aforementioned risks identified in the process of preparing the consolidated financial statements is associated with the processes and various financial areas deemed significant (in view of either their contribution to the consolidated financial statements or to other more qualitative factors) and to the Group companies within the scope of the ICFR system.

- Whether a specific process is in place to define the scope of consolidation, taking into account, inter alia, the possible existence of complex corporate structures, holding companies and special purpose vehicles.

The identification of the scope of consolidation is performed periodically to obtain an updated company map. Companies exercising direct or indirect control (power to govern the operating and financial policies of a subsidiary so as to obtain economic benefits from its activities) are considered when establishing the companies within the scope of the ICFR system. Therefore, the scope of the ICFR system excludes companies over which joint or significant influence is exercised, although general controls are performed in order to provide assurance on the reliability of the financial reporting furnished by these companies and included in the consolidated financial statements.

- Whether the process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

Abertis considers the possibility of risks of error arising in certain processes not associated with specific types of transactions to the extent that they may impact the financial statements (such as the close process, the IT system operating process and the judgements or key accounting policies review process). These processes include the consolidation process and, accordingly, the Group has established policies geared towards ensuring both correct configuration and execution of the process, as well as correct identification of the scope of consolidation.

- Indicate the entity's governing body that oversees the process.

As mentioned above in F.1.1., the ACC is responsible for oversight of the internal control and risk management system with the support of the Internal Audit function.

F.3 Control activities

Provide information, indicating the salient features, if available, on at least:

F.3.1. Procedures for reviewing and authorising financial information and the description of the ICFR system to be disseminated in the securities markets, indicating the persons responsible in that connection, as well as documentation describing the flows of activities and controls (including those addressing the risk of fraud) for the various types of transactions that may have a material effect on the financial statements, including the accounting close procedure and the specific review of the relevant judgements, estimates, valuations and projections.

The Group's "Review, Authorisation and Supervision of Financial Reporting Policy" establishes, inter alia, the scope (periodic regulated financial reporting and those responsible for the preparation thereof) and the review procedures of the ACC, which include reading and analysis of the information and discussions with those responsible for its preparation (Corporate Management Control and Planning Department), those responsible for the verification of the design of the model and operation of the existing controls (Internal Audit) and the external auditors.

Responsibility in relation to the preparation of the financial information at each quarterly close begins with the review and certification of the person responsible for economic and financial matters at each subsidiary, and also, at the half-yearly and annual accounting closes, with the express certification of the general manager of each subsidiary. The aforementioned certification is provided by means of a questionnaire that includes the internal control procedures that must be performed to provide reasonable assurance as to the reliability of the entity's financial statements.

As regards the description of the ICFR system contained in this document, the review and certification process is the same as that applied for the rest of the economic and financial content of the Annual Corporate Governance Report.

The separate and consolidated financial statements, the half-yearly financial reports and the financial information contained in the Group's quarterly interim management statements are prepared and reviewed by the Corporate Management Control and Planning Department and the Financial Department prior to submission to the ACC. The ACC applies the procedures included in the policy referred to at the beginning of the section as a preliminary step towards the submission of its conclusions to the Board of Directors of Abertis.

The documentation of the ICFR system includes the following documents:

- ICFR system policies
- Corporate internal regulations
- ICFR system risk map
- ICFR system scope model
- ICFR system risk and control matrix
- Quarterly questionnaires certifying control activities

In addition to the ICFR system policies, Abertis has policies designed to mitigate the risks of error in processes not associated with specific transactions. Specifically, documented corporate internal regulations exist in relation to:

- Accounting close procedures (at both corporate level, including the consolidation process, and at subsidiary level)
- Procedures relating to activities performed by third parties
- Transfer pricing
- Policies to identify and establish levels of approval for significant judgements and estimates

In addition to the risks detected and documented in the "ICFR system risk and control matrix", the scope of the system of internal control over financial reporting is established in order to determine both the headings affected in the financial statements, as well as the companies affected (see section F.2.1.).

In relation to the activities and controls directly related to transactions that may materially affect the financial statements, the Group has descriptions of the controls implemented to mitigate the risk of material error in the information reported to the markets. The descriptions are also documented in the "ICFR system risk and control matrix" and contain information on what the control activity should entail, why it is executed, who is required to execute it and how often, as well as any other information with regard to which IT systems or which activities performed by third parties are relevant in terms of the effectiveness of the related control activity. The controls cover areas such as the generation of revenue, investments and concession expenses, acquisitions and subsequent measurement of other non-current assets, analysis of investment recovery, recognition of income taxes or correct presentation of financial instruments and of financing transactions of the Group. Abertis performs an annual review of matrices to ensure maintenance thereof.

The Group has descriptive corporate documentation available on the control activities that encompass all the financial reporting control objectives of the various types of transactions with a material impact on its consolidated financial statements.

In relation to relevant judgements and estimates, the Group provides information in its annual consolidated financial statements on particularly relevant areas of uncertainty. The specific review and approval of the significant judgements, estimates, valuations and projections, as well as the key assumptions used for their calculation, with a material impact on the consolidated financial statements, is carried out by General Financial Management and, where applicable, by the chief executive officer. The most significant, such as the monitoring of asset value, hedging policies, etc. are discussed and reviewed by the ACC, prior to their approval by the Board of Directors.

F.3.2. Internal control policies and procedures for IT systems (including secure access, tracking of changes, system operation, operational continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Group uses IT systems to maintain proper recognition and control of its transactions and, therefore, their correct functioning is a crucial element of particular importance to the Group. Specifically, it has implemented standardised accounting and reporting systems at the majority of the Group companies.

Accordingly, as part of the identification process for risks of error in financial reporting, the Group identifies, through its Corporate Management Control and Planning Department, which systems and applications are relevant to the preparation of the financial reporting. The systems and applications identified include those used directly at corporate level in the preparation of the consolidated financial reporting, as well as the reporting systems among the various Group companies. The systems and applications include, inter alia, both complex developments at integrated IT system level, as well as other software applications developed at user level (e.g. spreadsheets), when they are relevant to the activities involved in the preparation and control of financial reporting.

Also, the Systems Department has established general policies aimed at ensuring the correct operation of the systems and applications. These policies cover both physical and logical security relating to access, procedures to verify the design of new systems or changes to existing systems and data recovery policies in the event of unforeseen incidents affecting the operation thereof. In particular, documented policies exist in relation to the following:

- IT system project development methodology (change management, etc.)
- Operations management (backup management, patch installation, system capacity and performance management, communications management, interface monitoring, operational incident management and resolution, preventive updates and batch process management)
- Information and systems security (backup copy procedure and plan, user and licence management, physical access, security monitoring, etc.)
- Systems continuity plan

The Systems Department performs an annual validation of the effectiveness of the controls established over the various IT systems implemented at the Group.

F.3.3. Internal control policies and procedures for overseeing the management of activities outsourced to third parties and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Since 2015, some of the Group companies in Spain have outsourced to a third-party provider certain of the activities associated with economic and personnel management. In this connection, certain risk control and management mechanisms have been established with the provider to ensure the completeness and reliability of the financial information arising from the outsourced activities, including, inter alia: a Management and Oversight Committee for the agreement, service level agreements, risk indicators, service reports, technological security measures, external audits and contingency and continuity plans.

Also, the Group uses, on a recurring basis, independent experts' reports to measure its financial instruments and employee benefit obligations.

The Corporate Finance Department and Compensation and Benefits Department carry out checks prior to hiring independent experts and following the experts' work, in order to verify:

- Competence, knowledge, credentials and independence;
- The validity of the data and methods used; and
- The reasonableness of the assumptions applied, where applicable.

Abertis has documented guidelines on the treatment of activities outsourced to third parties in terms of both engagement and results. These guidelines are set out in the "Procedure for activities performed by third parties" policy.

Each year the Group reviews which activities performed by third parties are relevant to the preparation of the financial reporting.

F.4 Reporting and communication

Provide information, indicating the salient features, if available, on at least:

F.4.1. Whether there is a specific role in charge of defining and keeping up-to-date accounting policies (accounting policies area or department) and resolving doubts or disputes over their interpretation, communicating on a regular basis with the team in charge of operations at the organisation. The role is also responsible for updating the accounting policies manual and disseminating it to the operating units.

This responsibility is held by Consolidation and Accounting Legislation Management (reporting to the Corporate Management Control and Planning Department) which, among other duties, is in charge of defining, keeping up-to-date and communicating the Group's accounting policies for the purpose of preparing the consolidated financial information in accordance with the standards adopted by the European Union (EU-IFRSs) (and, consequently, of the information each subsidiary is required to report).

The Group has formalised a "Procedure for the preparation, updating and communication of accounting policies" which sets out the following:

- Existence of a Group accounting manual
- Update frequency
- Communication with business units

- Procedure for receiving and responding to queries regarding the accounting manual (Accounting legislation mailbox)

- Procedure for updating the Reporting Package of accounting information to be received from subsidiaries

The duties of Consolidation and Accounting Legislation Management also include responding to the accounting consultations that may be made by the various business units and other corporate departments of the Group.

As mentioned in section F.1.2, the Group has an accounting policy manual (GRAPH) for the purposes of preparing the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), which is compiled by Consolidation and Accounting Legislation Management and updated periodically (as least once a year), and includes the standards applicable during the year. The Audit Instructions sent by the external auditor to all the auditors of the various Group companies for the limited review or audit at each half-yearly or annual close, respectively, establish that the accounting policies to be applied in the performance of their work are those contained in Abertis' GRAPH.

Any amendments made are communicated to the subsidiaries by email, and a complete, updated manual is available in the Accounting Legislation Portal and in the Corporate Management Control Portal on the Group intranet. The manual was last updated in September 2018 and, in any event, is reviewed in the last quarter to verify that no significant amendments have been made that might affect the preparation of the consolidated financial information for the year.

Moreover, on a half-yearly basis, Consolidation and Accounting Legislation Management issues an information memorandum on the EU-IFRSs, which describes the standards that will come into force during the year and in future years, as well as a summary of the standards not yet approved that might have an impact on the consolidated financial statements and those of the subsidiaries.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the company or group, and support its main financial statements and accompanying notes as well as disclosures concerning the ICFR system.

The Group has various integrated platforms both for the accounting recognition of transactions and the preparation of financial information for the majority of its subsidiaries (SAP R3·and BPC consolidation and reporting). The integrity and reliability of the aforementioned IT systems is validated through the general controls indicated in section F.3.2.

Also, each of the subsidiaries is responsible for the preparation and upload in the reporting and corporate consolidation system (SAP BPC) of the monthly reporting, which contains the financial information required at each monthly close to prepare the consolidated information and other financial information required.

The monthly reporting is a single reporting based on a standard chart of accounts for all the Group companies.

Every six and twelve months "Half-yearly forms/Annual forms" (a single, standard information package for all the Group companies, which includes the monthly reporting and a reporting of "Additional Information - Financial Statements 2018") signed by the General Management of each of the subsidiaries are received, which include all the information required to prepare the Group's consolidated financial information (interim condensed financial statements).

The aforementioned “Half-yearly and annual forms” ensure the uniformity of the information by virtue of the following characteristics:

- It is unified and consistent across countries and lines of business.
- It is prepared based on the Group instructions and accounting manual, which are unique to all the companies forming part of the Group.
- It includes the applicable legal, tax, corporate and regulatory requirements.

Information on monthly reporting and forms is uploaded directly by the controllers to the reporting and corporate consolidation system.

The structure of the forms is reviewed regularly (at least twice a year) to ensure that all the regulatory updates applicable in accordance with EU-IFRSs are included.

The entire reporting system is included in the Monthly Reporting Information Manual, which is updated each year by the Corporate Management Control and Planning Department and provides details of processes, dates and full information on how to complete the reporting, which should be adhered to by all the Group companies.

F.5 Oversight of system operation

Provide information, indicating the salient features, on at least:

F.5.1. ICFR system monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit department whose competencies include supporting the Audit Committee in its role of monitoring the internal control system, including ICFR. Also describe the scope of the ICFR system assessment conducted in the year and the procedure for the person in charge to communicate the findings. State also whether the company has an action plan specifying corrective measures and whether it has taken stock of the potential impact on its financial information:

In 2018 the ACC or, in its absence, the Board of Directors performed the following activities in relation to the ICFR system:

- Periodical review of the financial information, considering the most relevant judgments and estimates.
- Periodical monitoring of the certifications of the application of controls by the personnel responsible for preparing the financial reporting.
- Monitoring of the findings of the internal and external audit ICFR reviews.

- Review of the information relating to the ICFR system forming part of the Annual Corporate Governance Report.

The Group has an Internal Audit function (forming part of the General Secretary's Office and Corporate Affairs) that reports to the ACC (which delegates oversight of internal control systems, including the ICFR system). As a result of the supervisory tasks delegated to it, Internal Audit plays a key role in ensuring an internal control system is in place that reasonably guarantees:

- Safeguarding of the Group's assets
- Compliance with applicable external and internal regulations
- Effectiveness and efficiency in the transactions and corporate and support activities
- Transparency and completeness of the financial and management information

Internal Audit draws up an Annual Review Plan that is approved by the ACC and based on the following:

- The classification, by risk and materiality factors, of the companies controlled by the Group.
- The definition of the activities to be reviewed: top-level transactional processes (revenue, procurements, fixed assets, employees, financial management, technology, etc.), other transactional processes (travel, maintenance and warehouse expenses, etc.) and compliance (ICFR, etc.).
- The definition of the frequency of the reviews for each of the foregoing processes based on the company classification.

In relation to the financial information and the general model of the SCIIF, in 2018 a review was made on the operation of the controls on relevant operations, judgments and estimates and preparation of the financial information. Likewise, reviews have been carried out on the controls of general risks and information systems that are reviewed by applying the periodicity determined by the general review criteria of Internal Audit.

The potential weaknesses identified in all of the reviews are classified by criticality, assigned to a supervisor and subject to monitoring until they are resolved.

As a result of the ICFR assessment activities conducted by the Internal Audit function in 2018, which were submitted to the ACC, no material weaknesses were detected which might have a material impact on the Group's financial reporting for 2018, and the corrective measures required to resolve other potential weaknesses in the future having been implemented.

Also, the external auditor, as mentioned in section F.7.1., issues an annual agreed-upon procedures report on the description of the ICFR system prepared by Abertis in which no matters worthy of note arose.

F.5.2. Indicate whether there is a discussion procedure whereby the financial auditor (pursuant to TSAs), the internal audit department and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other reviews they have been engaged to perform to the company's senior executives and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.

As indicated above in section F.3.1, Abertis' "Review, Authorisation and Supervision of Financial Reporting Policy" establishes the ACC's review procedure which includes the following:

- Meetings with those responsible for the preparation of the financial reporting (Corporate Management Control and Planning Department) to discuss the reasonableness of the changes in the aggregates, the most significant transactions or events during the period, changes in accounting policies, any unusual fluctuations and any other information deemed relevant.

- Discussions with the Internal Audit function (as part of the ongoing monitoring of reviews and recommendations made throughout the year) to obtain information on the level of compliance with the Plan and with the findings of the reviews performed (including ICFR) and on the current status of any recommendations made to improve the potential weaknesses identified.

- Private discussions with the external auditors (at least on completion of the planning phase of the audit of the financial statements for the year and on completion of their audit and/or limited review procedures on the financial statements and the half-yearly reporting) in order to obtain information on the scope and findings of their work and on any potential significant internal control weaknesses identified, the content of their reports and any other information deemed appropriate.

F.6 Other relevant information

No additional aspects were identified for disclosure.

F.7 External auditor's report

Indicate:

F.7.1. Whether the ICFR system information reported to the markets has been reviewed by the external auditor. If "yes", the related report should be included in the corresponding report as an Appendix. If "no", give reasons.

The external auditor reviewed Abertis' ICFR information that was reported for 2018. The scope of the auditor's review procedures was set in accordance with the Spanish Institute of Certified Public Accountants Circular E14/2013, of 19 July 2013, publishing the Draft Guidance and specimen auditor's report relating to the information on the system of internal control over the financial information (ICFR) of listed entities.

G. OTHER INFORMATION OF INTEREST

If there is any salient feature of corporate governance at the entity or the group entities that has not been dealt with in the other sections herein, and which it is necessary to include in order to provide the most complete and reasoned information on corporate governance structure and practices at the entity or its group, provide a brief description.

This section can include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.

In particular, indicate whether the entity is subject to any legislation other than the Spanish legislation on corporate governance, and if so, include the information that it is required to provide, where such information differs from that required in this report.

The entity may also indicate whether it has voluntarily adhered to any other codes of ethical principles or good practice of an international, industry-specific or other nature. If so, state the code in question and the date of adherence thereto.

This Annual Corporate Governance Report was approved by the entity's Board of Directors or managing body at its meeting held on 19 February 2019.

Indicate any directors or members of the managing body who voted against or abstained in relation to the approval of this Report.

Name or company name of director or member of the managing body who did not vote in favour of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

Abertis Infraestructuras, S.A. and Subsidiaries

Auditor's report on the information relating to the system of Internal Control over Financial Reporting (ICFR) of the Abertis Group for 2018

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE ABERTIS GROUP FOR 2018

To the Directors of Abertis Infraestructuras, S.A.,

As requested by the Board of Directors of Abertis Infraestructuras, S.A. and Subsidiaries ("the Abertis Group") and in accordance with our proposal-letter dated 19 November 2018, we have applied certain procedures to the information relating to the ICFR system included in section F of the accompanying Annual Corporate Governance Report ("ACGR") of the Abertis Group for 2018, which summarises the internal control procedures of the Abertis Group in relation to its annual financial reporting.

The directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system included in section F of the accompanying ACGR.

It should be noted in this regard that, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Abertis Group in relation to its annual financial reporting, the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Standards on Auditing, the sole purpose of our assessment of the internal control of the Abertis Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Abertis Group's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditor's Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establish the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Abertis Group's annual financial reporting for 2018 described in the information relating to the ICFR system included in section F of the accompanying ACGR. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the audit regulations in force in Spain, we do not express an audit opinion in the terms provided for in those regulations.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Abertis Group in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model ACGR established in CNMV Circular no. 5/2013, of 12 June 2013, subsequently amended by CNMV Circular no. 7/2015, of 22 December 2015 and CNMV Circular no. 2/2018, of 12 June ("the CNMV Circulars").

2. Inquiries of personnel responsible for preparing the information detailed in point 1 above for the purpose of: (i) obtaining an understanding of the process followed in preparing it; (ii) obtaining information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) obtaining information on whether the control procedures described are in place and functioning at the Abertis Group.

3. Review of the explanatory documents supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel responsible for preparing the information describing the ICFR system. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Board of Directors.

4. Comparison of the information detailed in point 1 above with the knowledge on the Abertis Group's ICFR system obtained through the procedures applied during the financial statement audit work.

5. Reading of the minutes taken at meetings of the Board of Directors, Audit and Control Committee and other committees of the Abertis Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.

6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements of Article 540 of the Consolidated Spanish Limited Liability Companies Law and of the CNMV Circulars for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Iván Rubio Borrallo

19 February 2019

APPENDIX VI

STADISTICS OF THE ANNUAL CORPORATE GOVERNANCE REPORT FOR OTHER ENTITIES -OTHER THAN SAVINGS BANKS, STATE BUSINESS ENTITIES AND PUBLIC ENTITIES- THAT ISSUE SECURITIES MARKETABLE ON OFFICIAL MARKETS

ISSUER'S PARTICULARS

END DATE OF REFERENCE FINANCIAL YEAR	31/12/18

EMPLOYER ID NO. (C.I.F.)	A-08209769

COMPANY NAME
ABERTIS INFRAESTRUCTURAS, S.A.

REGISTERED OFFICE
PASEO DE LA CASTELLANA, 39, MADRID

A. OWNERSHIP STRUCTURE

A.1 Detail of the entity's most significant shareholders or unitholders at year-end:

Name or corporate name of shareholder or unitholder	% of share capital
Abertis Participaciones, S.A.U.	98.7%

C. ENTITY MANAGEMENT STRUCTURE

C.1 Board of Directors or managing body

C.1.1 Give details of the maximum and minimum number of directors or members of the managing body as established in the bylaws:

Maximum number of directors/members of the managing body	5 or 9
Minimum number of directors/members of the managing body	5 or 9
Number of directors/members of the managing body set by the General Meeting or Assembly	5

C.1.2 Fill in the following table on the members of the Board or managing body, and their status:

DIRECTORS/MEMBERS OF THE MANAGING BODY

Name or company name of director/member of the managing body	Representative	Most recent date of appointment
Marcelino Fernández Verdes		10/12/18
Francisco José Aljaro Navarro		10/12/18
Carlo Bertazzo		10/12/18
Giovanni Castellucci		10/12/18
Pedro José López Jiménez		10/12/18

C.1.3 Identify any Board or managing body members who hold office as directors, representatives of directors or executives at other entities forming part of the entity's group:

Name or company name of director/member of the managing body	Company name of group company	Position
Francisco José Aljaro Navarro	Sanef, S.A.	Director
Francisco José Aljaro Navarro	Partícipes en Brasil II, S.L.	Director acting severally
Francisco José Aljaro Navarro	Abertis Motorways UK Limited	Director
Francisco José Aljaro Navarro	Inversora de Infraestructuras, S.A.	Chairman
Francisco José Aljaro Navarro	Abertis Autopistas España, S.A.	Director acting severally

Francisco José Aljaro Navarro	Autopistas, Concesionaria Española, S.A.	Director acting severally
Francisco José Aljaro Navarro	Autopistes de Catalunya, S.A. Concessionària de la Generalitat de Catalunya	Director acting severally
Francisco José Aljaro Navarro	Infraestructures Viàries de Catalunya, S.A. Concessionària de la Generalitat de Catalunya	Director acting severally
Francisco José Aljaro Navarro	Autopistas Aumar, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Iberpistas, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Castellana de Autopistas, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Autopistas de León, S.A. Concesionaria del Estado	Director acting severally
Francisco José Aljaro Navarro	Societat d'Autopistes Catalanes, S.A.	Director acting severally
Francisco José Aljaro Navarro	Central Korbana, S.à.r.l	Class A director
Francisco José Aljaro Navarro	Abertis India, S.L.	Director acting severally
Francisco José Aljaro Navarro	Abertis Internacional, S.A.	Director acting severally
Francisco José Aljaro Navarro	Abertis Telecom Satélites, S.A.	Director acting severally
Francisco José Aljaro Navarro	Hispasat, S.A.	Representative of the director Abertis Telecom Satélites, S.A.
Francisco José Aljaro Navarro	Vías Chile, S.A.	Chairman
Francisco José Aljaro Navarro	Sociedad Concesionaria Autopista Central, S.A.	Direct shareholder
Francisco José Aljaro Navarro	Partícipes en Brasil, S.A.	Chairman
Francisco José Aljaro Navarro	Arteris, S.A.	Director
Francisco José Aljaro Navarro	Autopistas Metropolitanas de Puerto Rico, Llc	Chairman
Francisco José Aljaro Navarro	Abertis Mobility Services, S.L.	Director acting severally

C.1.4 Fill in the following table with the information relating to the number of female directors sitting on the Board of Directors and its committees, as well the changes in this connection in the last four years:

	Number of female directors							
	Year t		**Year t-1**		**Year t-2**		**Year t-3**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Board of Directors	0	0	6	40%	6	40%	4	25.57%
Executive Committee	N/A	N/A	2	22.22%	2	28.57%	1	16.66%
Audit and Control Committee	N/A	N/A	1	20%	2	40%	1	20%
Nomination and Remuneration Committee	N/A	N/A	3	60%	3	60%	2	40%
Corporate Social Responsibility Committee	N/A	N/A	3	60%	4	80%	2	50%

C.1.6 Complete the following table relating to the aggregate remuneration earned in the year by the directors or members of the managing body:

Type of remuneration	Thousands of euros	
	Company level	Group level
Fixed remuneration	1,081	
Variable remuneration	354	
Attendance fees		
Other remuneration	2,303	149
TOTAL:	3,738	149

C.1.7 Identify any senior executives who are not also directors or executive members of the managing body and indicate the total remuneration paid to them during the year:

Name or company name	Position
Arnaud Quémard	General Manager of Sanef
Anna Bonet Olivart	General Manager of Autopistas
Marta Casas Caba	Head of Legal advisory and general deputy secretary
Josep Maria Coronas Guinart	General Secretary
Luis Miguel de Pablo Ruiz	General Manager of Vías Chile
Carlos del Río Carcaño	General Manager of A4 Holding
Sebastián Morales Mena	Head of Business Development
Carlos Espinós Gómez	General Manager of Hispasat
Jordi Lagares Puig	Head of Audit, Risks and Compliance
Joan Rafel Herrero	Head of People and Organization

C.1.8 Indicate whether the bylaws or Board Regulations set a limited term of office for the directors or members of the managing body:

Yes ☐ No X

Maximum term of office (years)	

C.1.9 Indicate whether the separate and consolidated financial statements presented for authorisation for issue by the Board or managing body have been certified beforehand:

Yes X No ☐

Indicate, as appropriate, the person(s) who certified the entity's separate and consolidated financial statements for authorisation for issue by the Board or managing body:

Taxpayer identification number	Name	Position
10.563.170-Y	Marcelino Fernández Verdes	Chairman
30.474.764-V	Francisco José Aljaro Navarro	CEO
YA5530675	Carlo Bertazzo	Director
YB2353547	Giovanni Castellucci	Director
13.977.047-Q	Pedro José López Jiménez	Director

C.1.11 Is the secretary of the Board/managing body a director?

Yes ☐ No X

If the secretary is not a director, complete the following table:

Name or company name of secretary	Representative
Miquel Roca Junyent	

C.2. Committees of the Board or managing body

C.2.1. List the committees of the Board or managing body:

Committee name	No. of members

C.2.2 Give details of the committees of the Board or managing body, their members and the proportion of executive, proprietary, independent and other non-executive directors forming part of them (entities that do not have the legal form of a limited liability company shall not fill in the category of director in the corresponding table, and in the text section shall explain the category of each director based on their legal treatment and the manner in which they meet the conditions for forming the Audit and Nomination and Remuneration committees):

EXECUTIVE COMMITTEE

Name	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

AUDIT COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

Identify any directors who are a member of the Audit Committee and have been appointed taking into consideration their knowledge and experience in matters relating to accounting, audits or both, and provide information about the date on which the chairperson of this committee was appointed.

Name of experienced directors	
Date of appointment of chairperson	

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

NOMINATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

REMUNERATION COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

_______ COMMITTEE

Name	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other non-executive directors	
Number of meetings	

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Give details of the transactions performed between the entity or group entities and the shareholders, cooperative members, holders of proprietary rights or any other type of rightholder at the entity.

Name or corporate name of significant shareholder	Name or corporate name of the group company or entity	Nature of relationship	Type of transaction	Amount (thousands of euros)
Criteria Caixa, S.A.	Abertis Infraestructuras, S.A.	Shareholders	Dividends and other profit distributed	59,706
Inversiones Autopistas, S.A.	Abertis Infraestructuras, S.A.	Shareholders	Dividends and other profit distributed	24,049
Autostrade per l'Italia Spa	Autostrada Bs Vr Vi Pd S.p.A	Contractual	Other: Balances receivable	42,713

D.2 Give details of the transactions performed between the entity or group entities and the directors or members of the managing body or executives of the entity.

Name or company name of the directors or executives	Name or company name of the related party	Relationship	Nature of transaction	Amount (thousands of euros)
-	-	-	-	-

D.3 Give details of the intra-group transactions.

Company name of group company	Brief description of the transaction	Amount (thousands of euros)

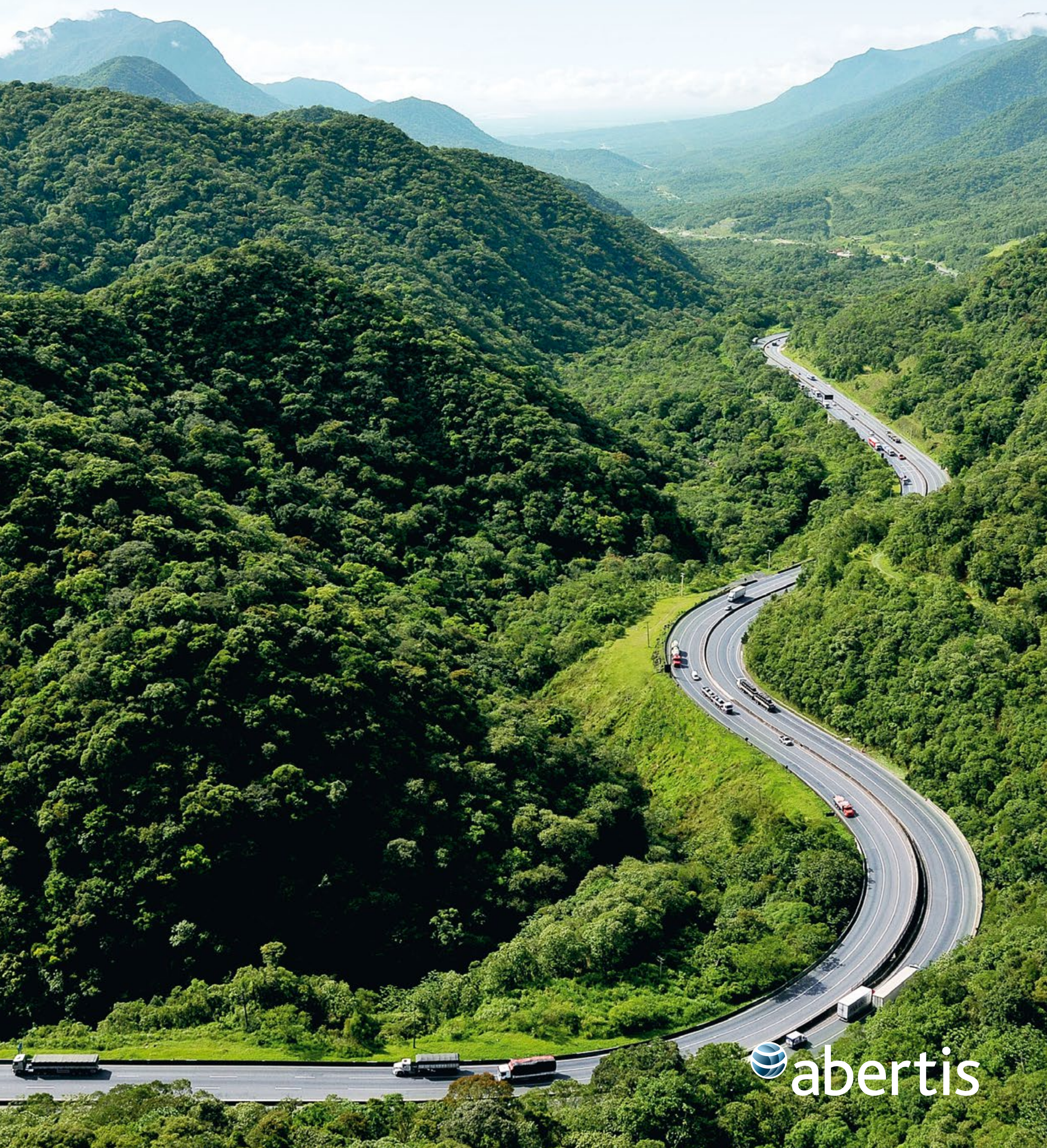
Indicate any directors or members of the managing body who voted against or abstained in relation to the approval of this Report.

Name or company name of director or member of the managing body who did not vote in favour of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

I declare that the data included in this statistical annex coincide and are consistent with the descriptions and data included in the annual corporate governance report published by the company.

2018

INTEGRATED ANNUAL REPORT



2018

INTEGRATED ANNUAL REPORT

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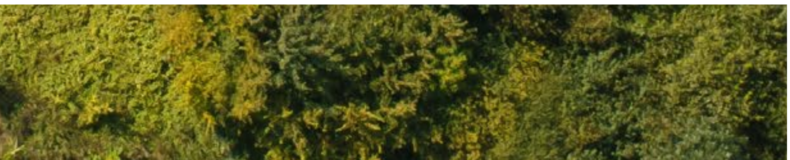
Presentation



LETTER TO SHAREHOLDERS

Marcelino Fernández Verdes
Chairman

José Aljaro Navarro
Chief Executive Officer

After completing the shareholding structure transformation following the takeover bids on the company that started in the first half of 2017, Abertis began a new phase in 2018.

The Extraordinary General Shareholders' Meeting approved the appointment of the new Abertis's Board of Directors on 10 December 2018. The Group thus embarked on a new period with the impulse of its three new shareholders, Atlantia, ACS and Hochtief, to continue growing and developing a global leadership project in the infrastructure field.

From now on, Abertis' new management will work on a strategic revision process of the company to identify improvement areas and synergies, in order to continue creating value and taking advantage as well of the international presence and market knowledge of the new shareholders.

This new phase will be oriented to growth, yet without overlooking the financial discipline for which the Group is renowned. The company will reinforce its growth strategy in countries with stable frameworks for concessions and a clear commitment to developing public-private partnerships in the toll road sector.

SOLID FIGURES

In 2018, the traffic on the Group's toll road network continued its positive trend, with a particular increase in Spain and France. There was also a recovery in Puerto Rico after Hurricane Maria ravaged the island in 2017. Chile and India also reported remarkably positive growth this year.

Abertis's results have been improved in 2018, with a €1,682 Mn net profit (+87% comparing to 2017). This result has been boosted mostly by the impact of the €605 million of capital gains obtained after the sale of 34% stake of Cellnex Telecom. Without this effect, the net profit grows 15% on a like-for-like basis.

As a world reference in the toll road management industry, road safety is a priority for Abertis. In this regard, the Group posted improvements during 2018 in terms of accident rate (-6% versus the previous year) and fatality (-10%). There was also a salient decrease in the number of road accident deaths (-8.7%). This all stemmed from the extensive efforts to improve prevention and safety in all the countries.

AGREEMENTS WITH GOVERNMENTS

In 2018, Abertis continued furthering its growth strategy based on existing assets. During the year, the Group closed two agreements with the government of Argentina

“Abertis’ new management will work on a strategic revision process of the company to identify improvement areas and synergies, in order to continue creating value”

to extend the concession for its subsidiaries Autopista del Sol (Ausol) and Grupo Concesionario del Oeste (GCO), in exchange for a global investment plan that will be financed with the future revenues thanks to the extension of the contracts.

Also the subsidiary VíasChile reached an agreement with the Chilean government to carry out further investments in Autopista del Sol (Route 78) in exchange for an almost two-year extension in the duration of the concession. The extensive investment plan in view aims to not only resolve problems caused by the increase in traffic over recent years but also improve traffic flow and road safety.

For Abertis, the closing of these deals means reinforcing its commitment to public-private partnerships with a view to providing solutions that create value for the future in the regions where Abertis has a presence through agreements with the public administrations to engage in new investments by extending concessions or improving tariffs. Doing so also demonstrates the Group's ability to continue growing its current asset portfolio and to extend the average duration of its concessions.

SUSTAINABLE MANAGEMENT

In line with its committment to support the principles of the Global Compact over a decade now, Abertis has publicly and formally renewed its commitment to achieve the UN's Sustainable Development Goals (2030 Agenda). It is worth noting the organisation's contribution to achieving Goals 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities) through Road Safety and Road Tech strategic programmes that coordinate innovations in road safety and infrastructures for a more sustainable mobility.

The Group also continued working on deploying the Corporate Social Responsibility Master Plan and achieving the objectives and goals established in all countries in 2018.

Abertis is one of the world's leading toll road operators in terms of kilometres managed, with nearly 8,200 kilometres of high-capacity roads, and operations in 15 countries across Europe, America and Asia. Thanks to the joint efforts of over 14,000 employees, the Group has a solid foundation to face the challenges of the future with rigour and confidence. Financial strength, industrial excellence and long-term vision make Abertis a key piece in the search for solutions to one of the world's biggest challenges: the sustainable management of infrastructures of the future.

Abertis in 2018

World reference

We operate thousands of kilometres of high-capacity and quality roads worldwide.

15
COUNTRIES

7,759
KILOMETRES (DIRECTLY MANAGED)

14,119
EMPLOYEES

An ally for governments

Our long-term commitment and top quality services make us a great partner for governments.

Long-term outlook

We strive to be part of the solution for addressing the challenges of traffic growth in the world..

Over 60
YEARS OF EXPERIENCE

EXCELLENCE IN MANAGEMENT

BEST PRACTICES

Safe and innovative roads

Abertis is positioned as a core piece in one of the greatest global challenges in this day and age: the sustainable financing of infrastructures of the future.

TOTAL ADT	**25,120**	+1.8%
ACCIDENT RATE	**20.2**	-6%
FATALITY RATE	**1.2**	-10%
ELECTRONIC TOLL TRANSACTIONS	**65.1%**	+2.8p.p.

Financial strength and industrial experience

We invest in smart engineering and technology so that our customers get the best experience.

SOLID FIGURES:

REVENUE	€5,255 Mn
EBITDA	€3,549 Mn
NET PROFIT	€1,681 Mn

Creation of value for society

We combine our commitment to our shareholders and employees with the contribution to growth in the countries where we operate.

TAX CONTRIBUTION	**€2,458 Mn**
WORKPLACE ACCIDENT RATE	**11.3**
CO_2e EMISSIONS/TURNOVER	**4,189.3 Tn**
INITIATIVES DEVELOPED FOR THE COMMUNITY	**303**
LOCAL SUPPLIER PURCHASES	**88.9%**

2018 MILESTONES

FEBRUARY
- José Aljaro is appointed as the new CEO of Abertis

MARCH
- Agreement with the Chilean government for new investments in Autopista del Sol (Route 78) in exchange for an extension of the concession
- Agreement in principle signed between Atlantia, ACS and Hochtief regarding the Abertis takeover

APRIL
- Authorisation by the CNMV (Spanish National Securities Market Commission) of Hochtief's takeover for Abertis

MAY
- Conclusion of Hochtief's takeover for Abertis Infraestructuras
- Restructuring of the Abertis' Board of Directors

JUNE
- Private placement of 4.1% stake of Cellnex Telecom

JULY
- Closing of agreements to invest in the road network in Argentina in exchange for an extension of the term of the concessions
- Sale of the entire holding in Cellnex Telecom

AUGUST
- Delisting of Abertis

SEPTEMBER
- Presentation in New York of the global partnership with UNICEF for child road traffic injury prevention

OCTOBER
- Change in Abertis control
- Two-year extension for toll operation on the M50 in Dublin (Ireland)
- Sponsorship of a major retrospective exhibition on Miró in Paris

DECEMBER
- Constitution of the new Abertis' Board of Directors following the shareholding transformation
- Collaboration agreement with the Ministry of Foreign Affairs of Spain and Joan Miró Foundation to carry out a travelling exhibition on Miró


controllo velocita' - rispettare i limiti
DESENZANO
15,4
229
225
Setti Trasporti
SCANIA

COM PIOGGIA
LIMITE VELOCITA
110 KM/H.
70

CHAPTER 2

Strategy

Abertis is a world referent operator in toll road management

8,200

KILOMETRES
of high-capacity roads (directly and indirectly managed)*

15

COUNTRIES
In addition to being the leading toll-road operator in Spain, Chile, and Brazil, Abertis also has an important presence in France, Italy and Puerto Rico

*Includes ViaPaulista concession, started at 2019

Abertis is one of leading international toll road management groups in terms of kilometres managed, with over 8,200 kilometres of high-capacity and quality roads, and operations in 15 countries across Europe, America and Asia.

In addition to being the number one national operator in countries such as Spain, Chile, and Brazil, Abertis also has an important presence in France, Italy and Puerto Rico. The company has a stake in the indirect management of over 200 kilometres.

Thanks to the Group's internationalisation strategy over recent years, over 70% of Abertis' revenues comes from outside Spain, with significant contributions from France, Brazil and Chile.

Road safety is a top priority for Abertis. The company continually invests in technology and smart engineering to guarantee the safety, comfort, speed and ease of its customers' travel when they choose the Group's toll roads.

Committed to research and innovation, Abertis combines advances in high-capacity infrastructure with new technologies for innovative solutions that meet future mobility challenges.

We work with integrity, guided by our values:
- Leading from responsibility and trust in people.
- Finding solutions to develop infrastructures based on dialogue and partnerships with our stakeholders.
- Harnessing innovation and continuous improvement to anticipate and adapt ourselves to the needs of our customers and users.
- Bolstering efficiency in our organisation based on simplicity and pragmatism.
- Being transparent to assess our rigour and credibility.

PILLARS FOR CREATING VALUE

- To be an industry reference. When it comes to combining quality and innovation, Abertis is head and shoulders above the rest.
- Our commitment to long-term and quality services makes us a great ally for the public sector.
- A continuous investment in technology and smart engineering, with permanent road maintenance at the highest levels of service to ensure that customers have a quick, comfortable, easy and safe ride.
- Combining financial strength with industrial experience: we have broad financing capabilities in worldwide markets with the best know-how in the sector.
- Being part of the solution to problems associated with a worldwide increase in traffic such as road congestion and climate change.

INDUSTRIAL VISION

ENGINEERING

A team of engineers permanently dedicated to maintaining the highest level in terms of road service, quality and technology, ensuring optimised maintenance to render an extended life cycle, and monitoring construction risks in expansion and renovation projects to guarantee that everything is carried out according to schedule.

TECHNOLOGY

Abertis' experts promote the use of innovative solutions to enhance service efficiency, safety and quality. Everything for the purpose of ensuring efficient and secure traffic management through the diligent monitoring of traffic conditions, efficient control of traffic flows, etc., and providing the customer with continuous information.

OPERATIONS

Abertis' industrial team develops and deploys best practices and policies based on the Group's extensive experience and know-how.

OPPORTUNITIES

Industry trends and challenges will shed light on the future prospects for the business in the coming years

ROADWAY INFRASTRUCTURE DEFICIT

The global infrastructure deficit is estimated in terms of billions of dollars, and a huge part of that corresponds to road transport infrastructures. There will be new public procurement opportunities abound for not only new motorways in developing markets such as India or Latin America but also improvements on existing motorways in mature markets such as Europe, North America and Australia.

GENERATING FINANCIAL RESOURCES

Road transport entails multiple costs: construction, maintenance, congestion and pollution. At a juncture where investments in infrastructure have become essential to bolster economies, the private sector is capable of contributing to the necessary investment in infrastructures and pay-per-use with toll roads could be a way to transfer demand risks in infrastructure projects.

NEW PAYMENT SYSTEMS

Barrier-free (free-flow) toll systems are a growing demand in light of their potential advantages in terms of reducing travel time, curbing pollution and simplifying payment.

DIGITALISATION AND CONNECTIVITY

Road must incorporate new digital components such as wireless network technologies, digitalisation, the Internet of Things and artificial intelligence, which will be vital for better managing the new generation of autonomous and connected vehicles.

MOBILITY AS A SERVICE (MAAS)

Big data and the collaborative economy are driving mobility as a service, a new paradigm shift in user-centric transport. This new way of understanding mobility establishes a closer link between supply and demand, in which users seek the greatest efficiency in their travel decisions.

CHALLENGES

TRAFFIC GROWTH MANAGEMENT

Road traffic growth (fourfold increase in the number of vehicles worldwide expected by 2050) will entail significant challenges such as pollution, congestion and other externalities on road safety and public health. New ways of managing traffic are also muscling in to achieve safer and more sustainable and efficient mobility.

GAUGING THE ECONOMIC SITUATION

The uncertainty surrounding the macroeconomic situation, price collapse concerning raw materials and additional elements such as the gridlock in investment and the sluggishness of productivity can also contribute in discouraging consumption and shipping on motorways.

INCREASED COMPETITION

The new international players that have been cropping up in recent years are targeting assets such as toll roads, particularly regarding infrastructure investment and pension funds. Characterised by low interest rates, the present scenario has been an impetus for these funds to increasingly invest more in infrastructure assets because of their attractive returns.

REGULATION AND LEGAL SECURITY

Most of the Group's businesses are done as term-based concessions base on agreements with the public sector entailing the mandate to ensure concessional obligations and acquired investment commitments. The legal certainty that protects bilateral contracts is a cornerstone in this sector.

MEETING SOCIETY'S NEW EXPECTATIONS

Toll road clients and stakeholders have new expectations, including yet not limited to services, customer care, new technologies, transparency and flexibility.

Abertis continues basing its strategy upon the pillars of growth, efficiency and shareholder payout

6.47%

ADDITIONAL ACQUISITION
In italian subsidiary A4 Holding

100%

OF STAKE
In toll roads in India

GROWTH OPERATIONS IN 2018

Abertis drives growth through three lines of action: growth based on existing assets, new acquisitions and public-private partnerships.

GROWTH IN THE EXISTING ASSET PORTFOLIO

In January, the Abertis Group spent €33 million to acquire an additional 6.47% stake of A4 Holding, which manages the A4 and A31 toll roads in northern Italy. With this transaction, Abertis concluded the different agreements reached in 2017 to acquire minority shares in its subsidiary A4 reaching over 90% of its capital through an overall investment of €212 million between 2017 and 2018.

Abertis also paid €15 million in 2018 to acquire an additional 26% in the Indian concessionaire Jadcherla Expressways Private Limited (JEPL), which in turns holds the concession of the NH-44 toll road in Telangana State. This was Abertis' final transaction to obtain 100% of JEPL, thus reinforcing its commitment to the Indian market.

These deals constitute yet another step by Abertis towards attaining a more balanced global portfolio, growing in economies with stable frameworks for concessions and a clear commitment to public-private partnerships in the toll road sector.

PUBLIC-PRIVATE PARTNERSHIP AGREEMENTS

In January 2018, VíasChile, jointly owned by Abertis (80%) and ADIA (20%), secured authorisation from the Chilean government to invest further in Autopista del Sol (Route 78) in exchange for an almost two-year extension in the duration of the concession.

These new investments, which will total nearly €110 million, consist of a new third lane to expand the toll road between Santiago de Chile and Talagante, and additional construction projects. The extensive investment plan for the entire toll road aims to not only resolve problems caused by the increase in traffic over recent years but also improve traffic flow and road safety. The construction is expected to be completed by 2020.

In exchange, the concession period for Autopista del Sol is extended by 22 months till 2021. Autopista del Sol is the main route connecting Santiago de Chile with San Antonio, the country's largest maritime port, whose area of influence spans from central Chile to Argentina's Mendoza Province.

This agreement further strengthens Abertis' commitment to public-private partnerships with a view to achieving future value creation solutions for its territories through agreements with the public sector for new investments in exchange for extending the duration of concessions or via tariff increases.

In July 2018, the Abertis Group closed two agreements with the Argentine government to extend the concession for its subsidiaries in Autopista del Sol (Ausol) and Grupo Concesionario del Oeste (GCO), in exchange for a global investment plan amounting near $680 million (approximately €584 million).

Both concessionaires announced in 2017 that they would formally open renegotiations with the Ministry of Transport for their respective concession arrangements to recognise the pending rebalancing. By virtue of these agreements, the Abertis Group will improve the current road network to carry out an investment plan of around $430 million (approximately €369 million) for the Ausol network and around $250 million (approximately €215 million) for the GCO network. The plan will be financed by the future revenue from the concession thanks to the extended expiration of the present contracts until 2030.

For Abertis, entering these agreements means reinforcing its commitment to public-private partnerships that the company is promoting with a view to providing solutions that create value for the future in the regions where it operates through arrangements with the public sector, similar to the ones made in Argentina, to engage in new investments by extending concessions or improving rates.

The Group entered into major agreements in this regard in all the countries where it carries out activities, including France (committed investment of €750 million), Italy (1,500 million), Brazil (2,000 million), Chile (800 million), Puerto Rico (125 million) and, in this case, Argentina (approximately €584 million). Entry into these agreements demonstrates the Group's ability to continue growing its current asset portfolio and extend the average duration of its concessions.

PERMANENT SEARCH FOR NEW OPPORTUNITIES

Abertis analyses all growth projects under a strict financial discipline from the perspective of the Group's renown industrial role. In this regard, the Group only takes on projects that entail zero risks for the Group's dividend policy and financial strength.

Notwithstanding the duty of passivity in public tender offers on Abertis, the company continued its daily activities in 2018. In 2018, the Abertis Business Development Area analysed 17 projects in 11 countries.

110

MILLION EUROS

To expand Chile's Autopista del Sol (Route 78) by adding a third lane between Santiago and Talagante

680

MILLION DOLLARS

In global investments to extend concessions contracts for its Argentine subsidiaries with the Argentine government

STRATEGIC APPROACH

FOCUS

Alligned with the strategy of becoming a pure toll road operator, in 2018 Abertis closed the sale of 34% stake in Cellnex Telecom, through a accelerated placement of shares and the sale of the rest of the stake to ConnecT S.p.A, subsidiary of Edizione S.r.l. in consequence, the Abertis Group is no longer a Cellnex Telecom shareholder.

The sale of the entire stake of Cellnex generated a €605 million capital gains for Abertis.

EFFICIENCY

After concluding the three-year efficiencies plan for 2015-2017 (focusing on the Group's businesses in France, Brazil and Spain) with accumulated savings of €416 million, the Group intends to continue striding forward in continuation of the work it has been carrying out in recent years not only in the Corporation but also in several business units with a view to consolidate and improve the EBITDA margin of each Group business unit.

SHAREHOLDER REMUNERATION

On 13 March 2018, the Abertis General Shareholders' Meeting approved the distribution of a second and final payment on the 2017 dividend against available voluntary reserves at €0.40 per share (gross), which became effective in March 2018.

CSR MASTER PLAN

Corporate Social Responsibility (CSR) and materiality analysis are the cornerstones of the CSR Master Plan

IMPLEMENTATION

The Board of Directors handles the coordination of matters concerning Environmental, Social and Governance (ESG) factors, which the corporation's CSR Unit implements by conducting deployment of the CSR Master Plan. The implementation and execution of actions are delegated to each country by designating a coordinator to handle them together with the direct involvement of the operational teams related to the different material ESG factors.

Work on integration of the CSR Master Plan continued throughout 2018 in every country according to the local particulars and possibilities of contributing to the established objectives and targets.

At the strategic level, CSR Master Plan objectives and targets were incorporated into the Project Management Standard drawn up in 2018.

The appraisal of the Abertis Strategic Goals established within the organisation's strategic plan will enable us to ascertain the environmental, social and corporate governance factors to be considered for not only fulfilling the CSR Master Plan but also adapting and updating it according to Abertis' new strategic plan. .

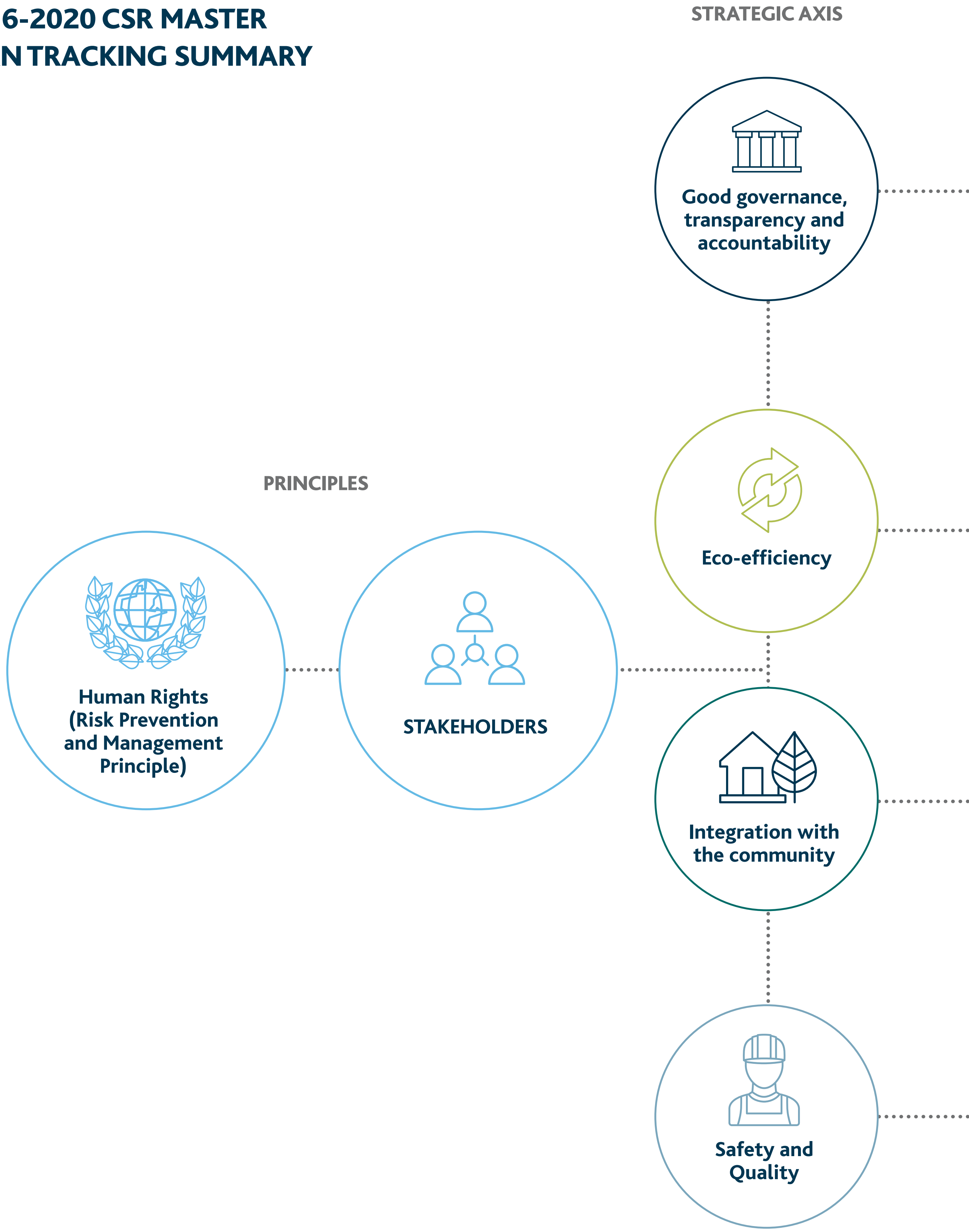
The Annexe attached thereto contains further performance-related data broken down by activity and country for each strategic target in the CSR Master Plan.

ASSESSMENT AND TRACKING

A formal annual assessment will be made of the main environmental, social and corporate governance indicators in relation to the goals set in the CSR Master Plan, though some specific indicators are permanently monitored by individual countries.

External assessment are a crucial element in assessing the Group's ESG performance and the agents that conduct such assessments differ. Assessments related to listed companies fall outside the scope of the organisation because they are not traded on the stock market. Even though Abertis was assessed in 2018 under the parameters of the FTSE4Good and DJSI indices, these assessments may not be available to the organisation while exclude from securities markets such as the STOXX ESG index families. However, participation is possible in other initiatives such as the Carbon Disclosure Project, where the corresponding questionnaire was made for another year in addition to further assessments whose universal selection criteria exclude unlisted organisations, namely the assessments conducted by MSCI and Corporate Knights.

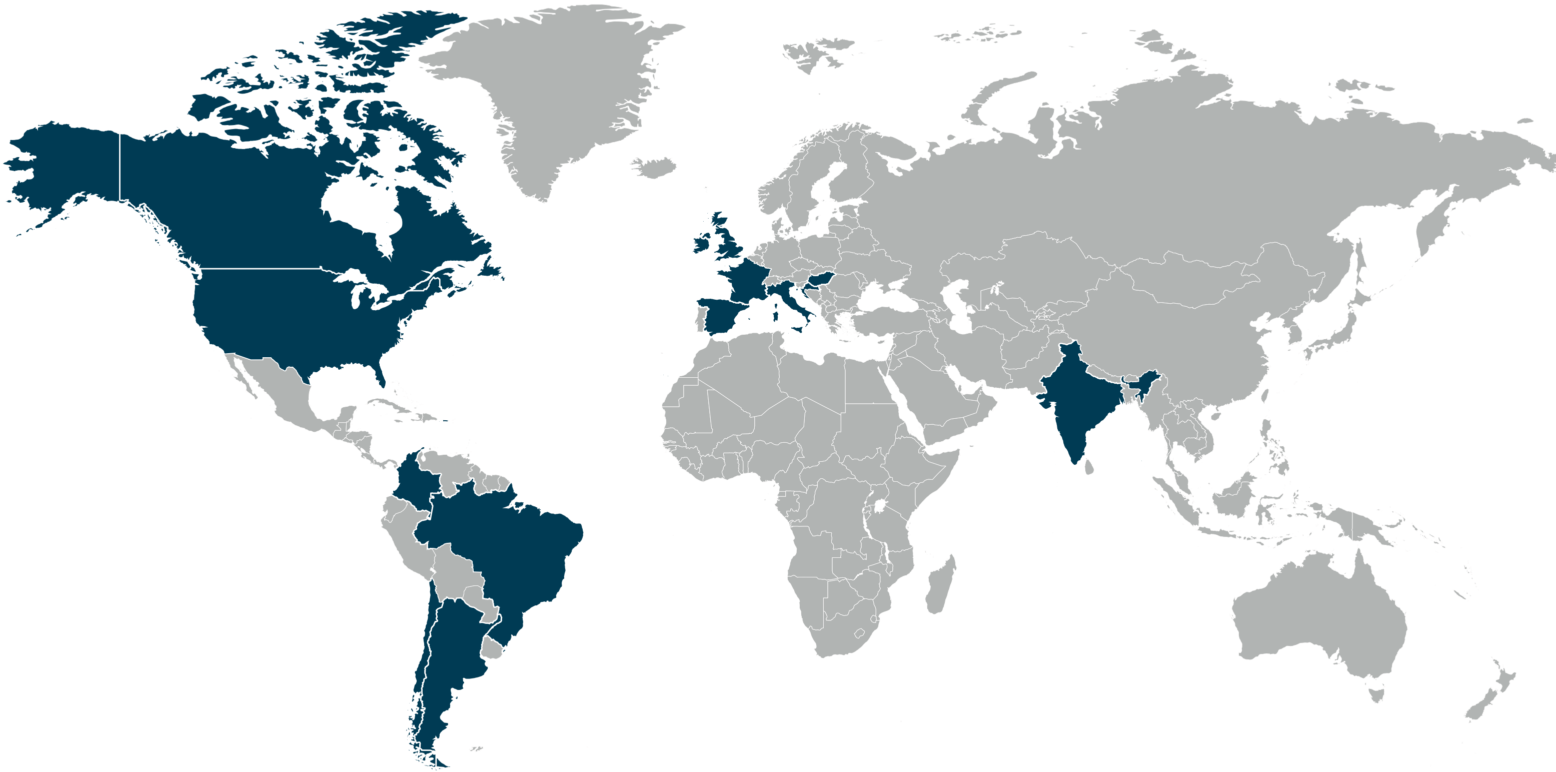
2016-2020 CSR MASTER PLAN TRACKING SUMMARY



STRATEGIC GOALS	GOAL TRACKING AND MEASUREMENT
Development of an organisational culture based on ethical principles	Received CoE Complaints: 366 Resolved cases: 88.2% Pending complaints: 48
Rejection of all forms of corruption	Ongoing corruption-prevention training. Supplier homologation process unification.
Achieve excellence in Good Governance	Complied applicable corporate governance recommendations: 69% 100% complaints addressed Due diligence standard in corruption prevention.
Carbon footprint reduction	Scope 1 and 2 emissions: -9.8% Scope 3 methodology: 20.9 mT Emissions generated by vehicles: 93.3% Total emissions by turnover: 4,189.4 T Approved suppliers evalued by CSR scoring: 767
Innovation based on circular economy criteria	12.5% of recycled maintenance and construction materials consumed Construction waste repurposing: 42,114.6 T
Development of products and services with positive ESG impacts	E-toll use percentage: 65.1% transactions and 57.2% revenue. Favouring cleaner vehicles Identification of opportunities for new products and services
Generate positive synergies with local communities	Executed community-related projects: 303 initiatives // €6.3M Local purchase percentage: 88.9% 100% complaints addressed
Foster and maintain natural capital	Kms in protected areas: 1,357 Natural species replanted: 78,526 No. run over animals: 16,131 No. km object of study of acoustic impact: 3,958.1
Guaranteeing and promoting road safety	Accident rate: 20.2 (-6%) Mortality rate: 1.2 (-10%) 100% complaints addressed
Guaranteeing occupational safety	Total occupational accidents: 276 (-4.2%) Incidence rate: 20.4 (+3.9%) POR Training hours: 146,271
Boosting quality of employment	Employees with permanent contract: 93.4% Average hours of training: 19.7 (-8.2%). Rotation rate: 14.5% (-26.4%)
Ensuring equal opportunities	Women in management and chief positions: 25.2% (+10.2%) Wage gap: 70.3% Zero complaints received due to discrimination Employees with functional diversity: : 312,2 (-6.3%)
Quality products and services with positive ESG impacts	Products and services for specific groups Road safety awareness and educational campaigns: 463 Bridging the digital gap

GLOBAL FOOTPRINT

15 countries in Europe, America and Asia



Argentina	Croatia	India
Brazil	Spain	Ireland
Canada	United States	Italy
Chile	France	United Kingdom
Colombia	Hungary	Puerto Rico

Spain

Control: Autopistas, Acesa, Aucat, Invicat, Aumar, Castellana, Avasa, Túnels, Aulesa
Non-control: Autema, Trados 45

8
CONCESSIONS

1,559
KILOMETRES (DIRECTLY MANAGED)

1,878
EMPLOYEES

62
KILOMETRES (INDIRECTLY MANAGED)

21,560
ADT VEHICLES
+3.9%

23,477.4
TONNES OF CO_2
SCOPES 1 & 2
+5%

France

Control: Sanef, Sapn
Non-control: Alis, Aliénor, Leónord

4
CONCESSIONS

1,761
KILOMETRES (DIRECTLY MANAGED)

2,618
EMPLOYEES

275
KILOMETRES (INDIRECTLY MANAGED)

25,268
ADT VEHICLES
+1.5%

21,482.3
TONNES OF CO_2 SCOPES 1 & 2
-8.4%

Italy

Control: A4 Holding

1
CONCESSIONS

236
KILOMETRES

594
EMPLOYEES

65,395
ADT VEHICLES
+3.2%

2,233.6
TONNES OF CO_2
SCOPES 1 & 2
+17.4%

Brazil

Control: Arteris, Autovias, Centrovias, Intervias, ViaPaulista, Fernão Dias, Fluminense, Régis Bittencourt, Litoral Sul, Planalto Sul, Latina Manutenção

9
CONCESSIONS

3,371
KILOMETRES*

4,804
EMPLOYEES**

18,681
ADT VEHICLES
+0.8%

29,782.7
TONNES OF CO_2
SCOPES 1 & 2
-25.6%

* Includes 357 km of ViaPaulista

** Incudes 197 employees of ViaPaulista

Chile

Control: VíasChile, Autopista Central, Elqui, Rutas del Pacífico, Autopista del Sol, Autopista Los Libertadores, Autopista de los Andes.

6
CONCESSIONS

773
KILOMETRES

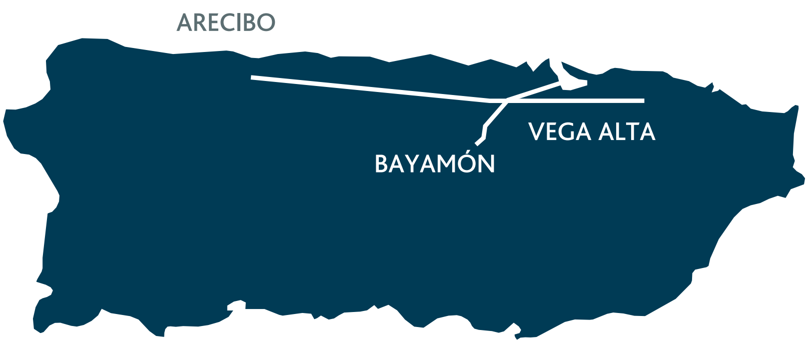
1,288
EMPLOYEES

27,626
ADT VEHICLES
+3%

15,588.1
TONNES OF CO_2
SCOPES 1 & 2
+2.2%

Puerto Rico

Control: Metropistas, Autopistas de Puerto Rico, Abertis Mobility Services



2
CONCESSIONS

90
KILOMETRES

64
EMPLOYEES

69,185
ADT VEHICLES
+7%

1,860.7
TONNES OF CO_2
SCOPES 1 & 2
-20.3%

Argentina

Control: Ausol, Grupo Concesionario del Oeste

2
CONCESSIONS

175
KILOMETRES

2,102
EMPLOYEES

82,239
ADT VEHICLES
-0.7%

16,277.5
TONNES OF CO_2
SCOPES 1 & 2
-4.9%

India

Control: Isadak, Trichy Tollway Private Limited, Jadcherla Expressways Private Limited

2
CONCESSIONS

152
KILOMETRES

53
EMPLOYEES

20,556
ADT VEHICLES (NC)
+4,8%

1,889.9
TONNES OF CO_2
SCOPES 1 & 2
-21.8%

Colombia

Non-control: Coviandes

United Kingdom

Control: Abertis Mobility Services,
Dartford Crossing, Mersey Gateway – Free-flow operations
Non-control: RMG A1-M Alconbury-Peterborough,
A419/417 Swindon-Gloucester

Ireland

Control: Abertis Mobility Services
M-50 (Dublin) – Free-flow operations

USA

Control: Abertis Mobility Services
Research and Development Centre (New York)

Canada

Control: Abertis Mobility Services
Blue Water Bridge

Croatia

Control: Abertis Mobility Services
Research and Development Centre

Hungary

Control: Abertis Mobility
Services Operations office

Abertis Mobility Services

8

COUNTRIES: USA, CANADA, PUERTO RICO, UNITED KINGDOM, IRELAND, CROATIA, FRANCE, HUNGARY

774

EMPLOYEES

AWARDS AND RECOGNITIONS

- The Compliance department of Autopistas, recognised at the Seminar on Corporate Integrity, Good Governance and Transparency organised by Transparency International Spain.
- Cristina Zamorano, Head of the Road Safety Centre at Autopistas, awarded "Women and Traffic Management" Prize.
- AEGFA and IDEA Green Fleet Certification for Autopistas concessionaires.
- Autovias, Centrovias, Intervias and Fernão Dias, among the top 20 Brazilian toll roads according to the Brazilian National Transport Confederation.
- Alessandra Vasconcelos, Communications, Marketing and Sustainability manager of Arteris, awarded 2018 Best Communicator Aberje Prize in Brazil.
- VíasChile received two awards during the Eighth National Concessions Conference for "Murmullos de Amor" (Whispers of Love) in the CSR category and for the Drivers' Observatory project in the Road Safety category.
- Chile's Chamber of Construction recognised VíasChile as a Sustainable Company.
- Fortuna Magazine ranked Abertis's subsidiary in Argentina among the TOP 10 most relevant companies in the country.
- Emovis was awarded the Toll Excellence Award by International Bridge, Tunnel and Turnpike Association (IBTTA).
- Emovis received three awards for its commitment to the health and wellbeing of its employees, customer service and as the best company to work for at the 2018 European Contact Centre and Customer Service Awards (ECCCSA).
- The Abertis Chair, recognised with the Excellentia Ex Cathedra Observatory awarded by the University of Valencia.
- The Prince of Water's Prize (Jordan) was awarded to the Abertis Foundation for its efforts to foster the Mediterranean Biosphere Reserves Network.
- The Abertis Foundation's KanGo Project, 2018 Barcelona Educative Innovation Award.


FAU
VOLVO Hrvatska

CHAPTER 3

Corporate Governance

The change in the shareholding structure has resulted in a renewed Board of Directors

RENEWAL OF THE BOARD OF DIRECTORS

Abertis' change in its shareholding structure in the aftermath of the takeover launched by Atlantia, ACS and Hochtief resulted in a new Abertis' Board of Directors, whose appointments were approved at the Extraordinary General Meeting on 10 December 2018. Following these changes, the company's new Board of Directors is constitued by five members: José Aljaro, Carlo Bertazzo, Giovanni Castellucci, Marcelino Fernández Verdes and Pedro López Jiménez.

Consequently, the number of members of the Board of Directors was reduced from 9 to 5 in order to simplify the Corporate Governance Structure and to keep with Good Governance Recommendations.

BOARD OF DIRECTORS

Marcelino Fernández Verdes Chairman
José Aljaro Navarro Chief Executive Officer
Carlo Bertazzo Director
Giovanni Castellucci Director
Pedro López Jiménez Director

*On 10 December 2018, the Extraordinary General Shareholders' Meeting of Abertis Infraestructuras, S.A. voted to amend the Company Bylaws to adapt them to the new corporate reality following the delisting of the representative shares of the entire share capital of Abertis Infraestructuras, S.A. from Spanish stock markets. Likewise, and because of the company's new shareholding structure, the cited Extraordinary General Meeting also voted to amend the composition of the company's Board of Directors, in which regard article 23.c) of the Bylaws states that the Board of Directors may constitute any specialised Committees that it deems necessary and expressly mentions the Audit, Appointments and Remuneration Committee. In light of the foregoing, the Board of Directors has yet to constitute the corresponding Committees as of 31 December 2018, though it is expected to do so within the coming months.

MANAGEMENT TEAM

As of December 31, 2018


SOS

CHAPTER 4

Compliance and risk management

ETHICS AND COMPLIANCE

Abertis is fully committed to conduct its activities with honesty, integrity and in accordance with the law

STRATEGIC GOALS

DEVELOPMENT OF AN ORGANISATIONAL CULTURE BASED ON ETHICAL PRINCIPLES

REJECTION OF ALL FORMS OF CORRUPTION

CODE OF ETHICS

The Abertis Group is fully committed to conduct business with honesty, integrity and in accordance with the law concerning not only its relationships with employees but also with all its stakeholders.

These guidelines of conduct are embodied in the Abertis Group Code of Ethics, a core policy whose principles are deployed in all the group's internal regulations. The Code of Ethics captures the principles and values that guide the conduct of employees, suppliers, customers, distributors, external professionals and government agents.

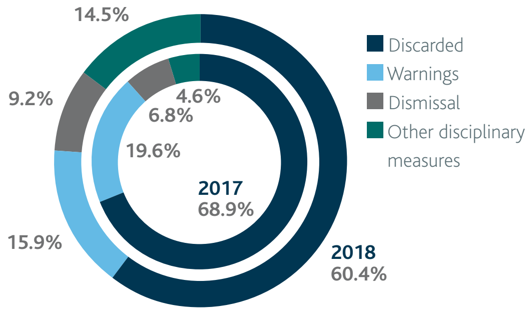
The Group has zero tolerance for any act contravening its Code of Ethics, and formally expresses its disapproval of all forms of corruption and its firm commitment to legal compliance. Any violation entails labour-related penalties for infringing employees, including commercial or administrative fines or sanctions for stakeholders.

The Ethics Committee and Crime Prevention Committee are entrusted with managing ethics and the crime prevention model. The Compliance area at the Abertis Group designs, implements and supervises regulatory compliance processes and the rollout of the crime prevention model. The Abertis Audit and Control Committee regularly tracks all complaints and irregularities at all Group companies.

MAIN INITIATIVES IN 2018

- Harmonisation of the group's crime prevention model (except in India).
- Outsourcing the Abertis ethics channel through an external platform to improve transparency, traceability and security in whistleblowing (complaint) management.
- In order to improve corruption prevention at the Abertis Group, the Business Units have drawn up and/or updated standards on the following topics: (i) institutional courtesies and gifts (ii) conflicts of interest (iii) *due diligence compliance* for all projects expanding the business perimeter (iv) sponsorships and patronage.
- Training for all business units on the Abertis Group's crime prevention model. Training concerning improper use of information was also made in Spain. This training was shored up by awareness-raising campaigns.

COMPLAINTS RESOLVED BY RESOLUTION TYPE



There is greater awareness of the use of the ethics channels at the business units.

ETHICS CHANNEL

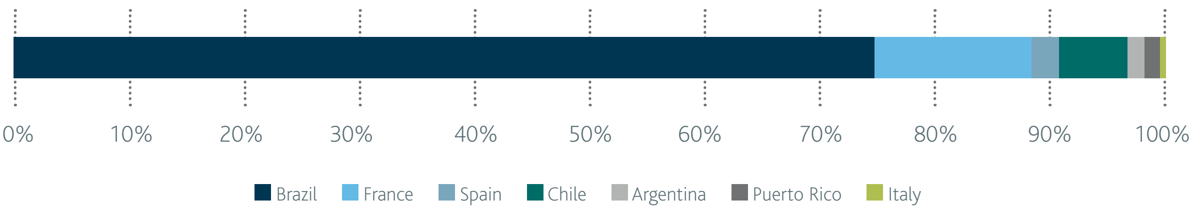
All Group companies have whistleblowing mechanisms (for reporting irregularities of any sort) that guarantee confidentiality in the investigation and analysis of all received communications.

The corresponding Ethics and Crime Prevention Committees are tasked with investigating and proposing solutions in response to complaints or queries regarding the Abertis Group Code of Ethics and/or Local Codes of Ethics.

The Abertis ethics channel and the Group's Code of Ethics and Compliance Standards are available online at www.abertis.com.

COMPLIANCE MANAGEMENT MODEL

BREAKDOWN OF COMPLAINTS RECEIVED PER COUNTRY



RISK CONTROL

The Abertis Group has a risk management model implemented in all countries where it operates

MAIN RISKS AND INTERNAL CONTROL

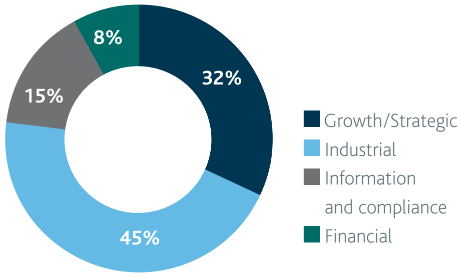
The Abertis Group faces different risks that are inherent to the different countries where it operates. It has therefore implemented a risk management model – approved and monitored by the Audit and Control Committee– that is applicable to all business and corporate units in every country where the Group operates.

RISK TYPE	MAIN RISKS	CONTROL MEASURES
Environmental and regulatory risks, and risks arising from the specific nature of the Group's businesses	• Decreased demand due to the economic situation in some countries • Creation of alternative infrastructures • Risks arising from the integration of acquired businesses • Mobility changes • Regulatory and socio-political changes • Catastrophic risks	• Internationalisation and selective growth policy and investment committees • Partnerships with the public sector • Efficiency plans • Coordination to ensure adequate compliance with the local legislation in force and anticipation of legal developments • Insurance coverage
Financial risks	• Foreign exchange risk • Liquidity risk • Cash flow interest rate risk • Debt refinancing risk and credit rating variations	• Interest and exchange rate policy tracking • Monitoring and extension of debt maturity and monitoring of potential impacts on credit ratings
Industrial risks	• Client and employee security • Adaptation risks and rapid response to technological changes in operating systems and appearance of new technologies • Control risks in construction projects • Risks associated with the correct maintenance and quality of infrastructures • Training and talent retention risks • Vendor dependency • Business disruption • Environmental risks	• Specific policies, procedures, plans and control systems for each area • Investment program tracking and control (OpEx and CapEx committees) • Road safety, operations and management system improvement plans (traffic and tunnels) • Risk tracking and analysis, and implementation of a corporate insurance programme • Environmental management system
Financial information, fraud and compliance risks	• Financial information and transaction integrity and security • Information manipulation fraud, corruption and embezzlement • Taxation • Legal, internal and contractual compliance	• Organisational and supervisory model for Internal Controls Over Financial Reporting (ICOFR Systems) • Compliance Model deployed at the Group

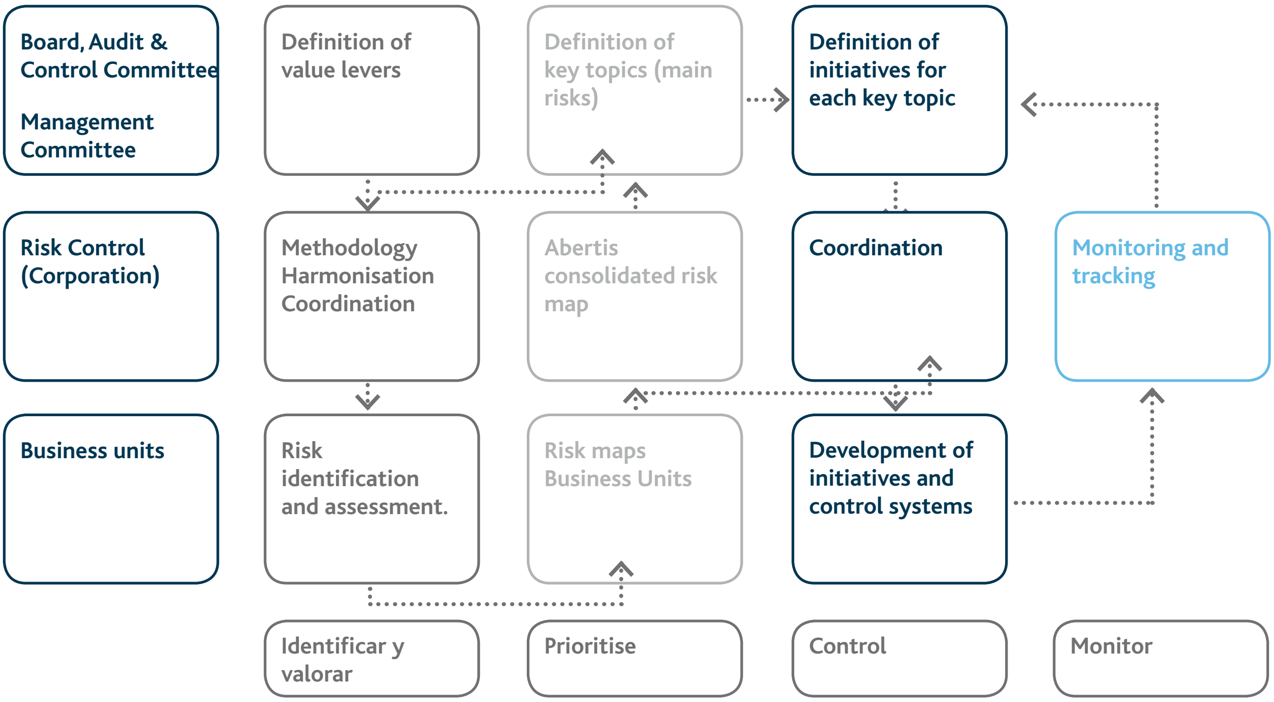
COMPREHENSIVE RISK CONTROL

The members of the company's governance bodies are committed to ensuring that all Group-relevant risks are duly identified, assessed and prioritized. They are also committed to establishing the mechanisms and basic principles required to achieve a risk level that permits the sustainable growth of value for shareholders, protect the Group's reputation, promote good Corporate Governance practices and provide quality service in all infrastructures operated by the Group.

RISK CATEGORIES BY PERCENTAGE

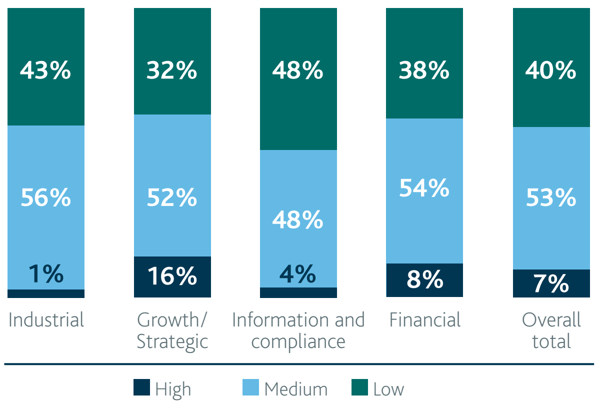


ABERTIS RISK CONTROL AND MANAGEMENT MODEL



In 2018, the main materialised risks were related to political and social instability in some of the countries where the Group operates (mitigated by internationalisation and geographical diversification), the persistence of restrictions on the availability and terms and conditions of public and private financing in certain countries (mitigated by strict financial discipline), damages resulting from adverse weather conditions (mitigated by a corporate policy of insurance coverage and contingency plans), and reduced average service lives of road concessions (mitigated by securing new public-private agreements in most of the countries where the Group operates).

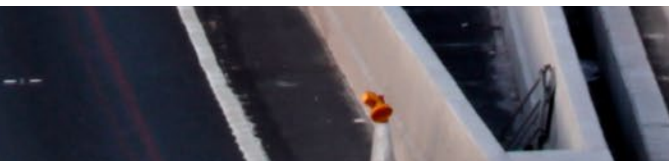
RISK ASSESSMENT BY CATEGORY




Any vehicle
7.5t
Any vehicle
7.5t

CHAPTER 5

Safe and innovative roads



ROAD SAFETY

Road safety is our priority

STRATEGIC GOALS

GUARANTEEING AND PROMOTING ROAD SAFETY

DEVELOPING PRODUCTS AND SERVICES WITH POSITIVE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) IMPACTS

2018 ACCIDENT RATE (FR1)[1]

20.2 (-6%)

2018 FATALITY RATE (FR3)[2]

1.2 (-10%)

FR1 = Number of accidents with victims / Traffic in 10^8 veh x km

FR3 = Number of fatalities / Traffic in 10^8 veh x km

ROAD SAFETY PROGRAMME

Our ambition is to reach the zero fatalities in all our toll roads with 100% safe high-quality roads.

Road accidents have an elevated toll for society in terms of not only economic costs but also the unnecessary loss of lives and their impact on the families of the victims.

We understand that it is a global problem and we want to contribute our know-how and experience to tackle this challenge, which is already one of the Millennium Development Goals.

Cross-cutting teams from all disciplines and areas are working together in the Group's global road safety programme to ensure the knowledge and application of the best practices in road safety on Abertis' toll roads.

As a result of this strategy, the main units of the Group have continuously improved their accident and fatality rates in recent years.

Abertis works on a vision of road safety that shares the values of the Global Plan for the Decade of Action for Road Safety 2011-2020, focusing on five pillars, namely safe infrastructures, road safety management, safer vehicles, safer users and post-crash response.

YEAR-ON-YEAR CHANGE

	2018	2017	2016
FR1	-6.4%	-3.2%	-2.6%
FR3	-10.0%	-6.1%	-5.4%

100% SAFE ROADS

Abertis brings more than 60 years of knowledge and experience in road construction and management with the highest quality standards. The Abertis Group abides to the most recognized policies and procedures in the industry to ensure road safety in all areas of our activity.

BEST PRACTICES INITIATIVES

➲ Arteris (Brazil) commissioned the duplication project in Serra do Cafezal, a project to double the capacity of the Régis Bittencourt toll road in São Paulo State that stands as one of the most complex engineering projects in the country. This ambitious expansion project was conceived to increase safety and traffic flow levels and adopted a series of measures to execute the work with the least environmental impact possible, since it crossed through a highly sensitive ecological zone. The Discovery Channel filmed a documentary in 2018 on the inner-workings of the construction process.

MAINTENANCE AND OPERATION BEST PRACTICES INITIATIVES

Country	Initiatives
Spain	• Improvement of the connection with the Mataró Oeste junction on the C-32 to streamline traffic and improve safety. • Installation of cardio-respiratory protection devices in tunnels.
France	• Road refurbishment to improve safety. • Signalling improvements in toll road construction areas.
Brazil	• Safety improvements for Regis Bittencourt and Litoral Sur with the construction of safety areas. • Installation of LED lighting at Litoral Sul and Fernão Dias. • Doubling of the SP-191 between Rio Claro and Araras to improve traffic flow and safety. • Use of high-visibility cones for construction work signalling.
Italy	• Repaving of toll roads A4 and A31 with sound-absorbing draining asphalt and implementation of new sensors and security cameras.
Argentina	• Installation of new speed radars.
India	• Improvement of signalling at crossings and intersections.
Puerto Rico	• Phase II of the demolition process of conventional toll booths after the implementation of 100% free flow system. • Improvement of passive safety elements

OPTIMUM SAFETY MANAGEMENT

In 2018, efforts were made to standardise best internal practices across all Group units to formulate a global vision on road safety. The Group has continued promoting employee training on road safety to ensure the best operation and maintenance through drills at most concessions.

- Autopistas held two drills: one of an accident involving a lorry carrying hazardous materials on the AP-7 and the other a fire in the Palafolls tunnel on the C-32.

- A special test was carried out in Chile with smoke in five tunnel ventilation systems in the country.

AGREEMENTS FOR SAFER MOBILITY

Abertis joined Waze's Connected Citizens Programme, a pioneering social navigation application and mobile technology that offers free real-time traffic information, fed by the largest community of drivers in the world. The Group works with Waze in seven countries (Spain, France, Italy, Argentina, Brazil, Chile and Puerto Rico) to improve traffic information and road safety.

Abertis uses the application as a sensor to understand traffic in real time and as an additional channel to provide its customers with information on traffic conditions, construction areas and even the presence of workers on the roads. The company also receives anonymous information in real time directly from the source: the drivers.

- In 2018 Sanef (France) incorporated the presence of company workers on the roads with a view to preventing occupational accidents such as the one in 2017.

PREDICTIVE APPROACH

- Proprietary management software that monitors the conditions of pavements, structures and retaining walls.

- Independent safety controls: in addition to the internal control systems, the Abertis Group works with independent entities such as the iRAP Foundation (International Road Assessment Program), which conducts road safety audits.

IRAP is a non-profit institution based in the United Kingdom dedicated to saving lives on the road. They develop scientific methodology and predictive tools recognised by higher-level institutions such as the United Nations, World Bank and Asian Development Bank, etc., with projects in over 80 countries.

Abertis was the first private toll road operator to cooperate at the global level with iRAP. This methodology lets Abertis ascertain the level of safety of its toll roads in a standardised and highly professional manner, identifying all areas of improvement that can help define the Group's future investment plans.

ROAD SAFETY

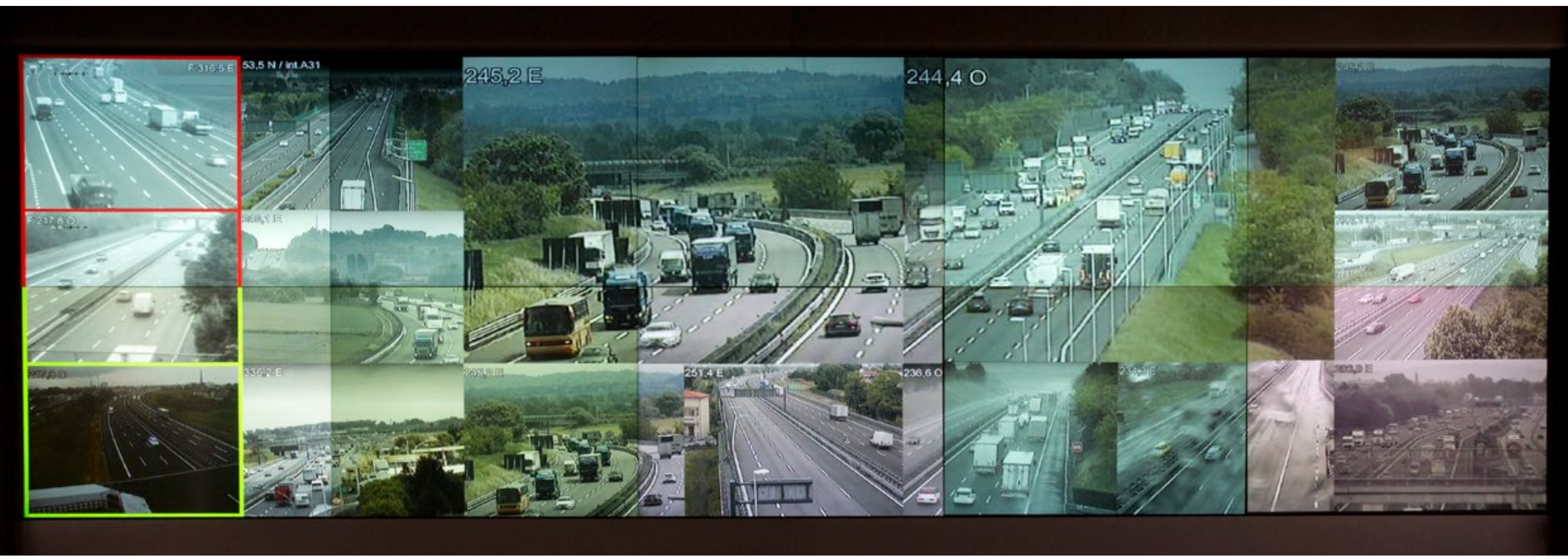
➲ VíasChile teamed up with the Institute of Complex Engineering Systems at the University of Chile to develop a cutting edge accident prediction model for Autopistas Central. For 4 years now, the project has been in place along 2 kilometres of Autopista Central as a test and seeks to forestall risk situations and alert users promptly, leveraging many possibilities offered by real-time information collected by the toll road's electronic systems. The company is presently examining the possibility of also applying it to other concessions in the country.

POST-CRASH RESPONSE

The Group continues working on providing the best solutions in response to accidents. Our recent innovations include advanced intelligent transport systems and an application that automatically detects irregular situations in tunnels.

➲ Thorough controls were made in Argentina on the ambulance arrival time for the purpose of engaging improvement actions.

➲ In Spain, the "Autopistas en Ruta" mobile application includes an emergency call function with the European 112 number.



SAFER USERS

In addition to our focus on infrastructures, Abertis also makes special effort to our customers through studies and observatories to know better the driving habits of road users, and through awareness campaigns.

DRIVING OBSERVATORIES

The Observatories enable us to study the habits of drivers along our toll roads. The drawn conclusions and processed data let us adapt our actions and road safety awareness-raising campaigns to the most common driving behaviours.

➲ In 2018, Abertis presented the findings of its first Global Observatory regarding the behaviour of drivers on the Group's toll roads. This study compiles the aggregate data from observatories on the driving habits of Abertis customers in 2017 throughout 6 countries of the Group's network: Spain, France, Argentina, Brazil, Chile and Puerto Rico.

➲ In addition, Autopistas published its first Heavy Vehicle Driver Behaviour Study with a view to raising user awareness and reduce the number of incidents while improving safety for this group of drivers.

ROAD SAFETY FORUMS

Backed by its business units, Abertis brings its Road Safety Forums to countries as a space for debate with industry experts. In 2018, the Abertis Group has added Spain, France, Brazil, Chile, Argentina, Chile and Puerto Rico to the network of countries hosting these International Road Safety Forums. These forums are conceived to generate a forum where authorities, road safety experts and transportation professionals can address the latest trends in road accident prevention and debate how the public and private sector can work together to help reduce traffic accidents.

ROAD SAFETY

MAIN AWARENESS CAMPAIGNS CARRIED OUT IN 2018

Spain	• Turn signal awareness campaign following the results of the annual driving observatory in Spain. • Installation of a Safe Point at the Empordà and Sobradiel service areas, road safety and free vehicle inspection space. • Tunnel road safety workshop with bus companies. • Summer playrooms to favour and foster resting times of families in service areas. • 'El Apagón' (The Blackout), awareness-raising action at nightclubs and leisure zones in Madrid, Barcelona, Valencia, Ibiza and Salamanca. • Road education programme 'Tenemos que repetirlo' (Repetition required). • Programme for young people: 'Te queda una vida' (You only have one life). • Forum on motorcyclists and safe mobility.
France	• The #L'HiverEnsemble (Winter Together) campaign to deal with the cold and snow safely. • Campaigns and workshops on employee road safety. • Gardez vos distances (Keep your distance) campaign for safety distance awareness. • Instagram campaign to favour regular rest periods: #OnPoseporlaPause (Posing for a break). • First Safety Forum.
Italy	• Installation of Isola Sicura, a children's road safety circuit, during the Toccatì festival in Verona. • Youth and new-driver awareness-raising campaign through theatrical performances.
Brazil	• 5th Arteris Road Safet and Innovation Forum. • Participation in Maio Amarelo, the road safety awareness month. • Campaign for using seatbelts while riding the bus. • The Escola Project. • Anti-drowsiness campaigns for carriers.
Chile	• The Kung Fu Panda Project, against stoning vehicles, entailing talks with youth and open-air films. • Road safety manual for teachers. • First Road Safety Forum.
Puerto Rico	• Que llegues bien (Arrive Safely) Campaign. • No Texteo (I don't text) campaign against using mobile devices while driving. • Further campaigns on the use of safety belts, protective seats or the observance of speed limits. • First International Road Safety Forum. • Road education for elementary school children in the Traffic Safety Education Park (PESET).
Argentina	• Respetá tu carril (Stay in Your Lane) campaign. • First Road Safety Forum.
India	• Road educational campaigns.

PARTNERSHIP WITH UNICEF FOR A SAFE JOURNEY TO SCHOOL

UNICEF and Abertis have an innovative three-year partnership agreement to tackle the main cause of death in school-age children: road accidents.

This partnership aims to strengthen and scale up UNICEF's existing work to protect children on the world's roads and provide a safe journey to school.

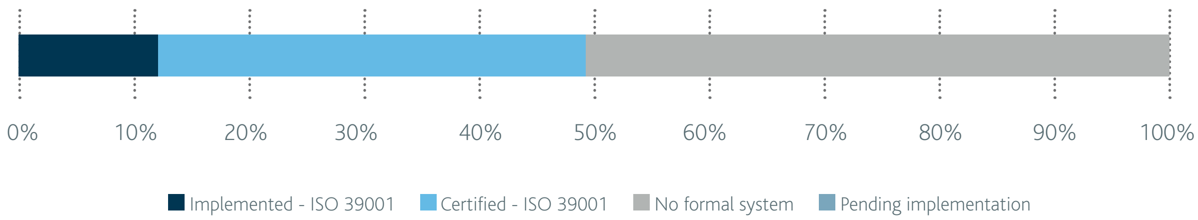
The Abertis-UNICEF project focuses on high-risk schools in medium-to-low income countries where the child accident rate is one of their major problems. The overall priorities include the creation of safe areas around schools (zebra crossings, signalling, etc.), promoting road safety and bolstering institutional partnership at different levels through awareness-raising campaigns.

Within the framework of this agreement, Abertis incorporated a new area of collaboration with the Institut Guttmann, which will combine the best practices of the three institutions in the prevention of injuries in traffic accidents involving children. Two medical teams from the Institut Guttmann specialising in the treatment of neurological injuries (spinal cord injuries and acquired brain damage) will travel to different countries to carry out training sessions and advise local doctors on best practices in the prevention and treatment of injuries sustained in traffic accidents.

MANAGEMENT APPROACH

Forty-one percent (49.2%) of turnover for toll roads, including Spain (except for Túnels) Chile, Argentina (Ausol is undergoing a certification process) and Brazil (ViaPaulista), has a road safety system in accordance with international standard ISO 39001. This system is expected to be implemented gradually in all the other countries.

TURNOVER-RELATED ROAD SAFETY MANAGEMENT



In a complementary approach, Chilean toll roads have implemented and certified an emergency and incident response management system in accordance with ISO 22320.

ROAD TECH

At the intersection between technology and infrastructure

STRATEGIC GOAL

INNOVATE AND INCORPORATE BEST TECHNOLOGICAL PRACTICES

DEVELOPMENT OF PRODUCTS AND SERVICES WITH POSITIVE ESG IMPACTS

ROAD TECH PROGRAMME

Managing the mobility of the future will bring about big challenges but also great opportunities. Through our Road Tech strategic program, we work at the crossroads between road infrastructure and new technologies as we strive to become the platform for a safer, smarter and more sustainable mobility.

INNOVATIVE ROADS

SOLUTIONS FOR SMART ROADS AND INTEGRATED MOBILITY:

- **C-Roads:** EU-backed project that analyses the possibilities of intelligent systems in cooperative transport and autonomous driving systems. One of its five projects in Spain is at the Mediterranean Corridor along several sections of the AP-7 toll road for Autopistas (Spain). Its main purpose is to check the functioning of C-ITS (Cooperative Intelligent Transport Systems) services on toll roads. Both Autopistas (Spain) and Sanef (France) participate in this project.

- **V2I Connectivity (Vehicle to Infrastructure):** Autopistas (Spain) is working on the development and implementation of advanced communication solutions applied to mobility between vehicles and infrastructures. In Italy, A4 Holding participates in the Smart Road Project, a pilot program to equip 10 km of toll roads with road units for DSRC (Dedicated short-range communications) in the 5.9Ghz frequency range for traffic and safety information. We are studying the possibility of installing fibre optics and providing connection along the entire corridor in Puerto Rico.

- **Implementation of the Internet of Things (IoT):** A4 Holding (Italy) is researching the connectivity of different sensors and network technology to monitor infrastructure conditions. Sanef (France) is also working with an IoT sensor system to improve service and optimise operations. France's first stretch of toll road fully equipped with connected solutions was completed in the Reims region. The project, which involves the installation of 250 IoT devices, will optimise toll road operation and maintenance equipment routes, and improve service quality.

ROAD TECH

- Wireless connections: Several Group concessionaires such as ViasChile, A4Holding (Italy) and Sanef (France) are deploying Wi-Fi connections across the network. In Brazil, the new Via Paulista will have Wi-Fi coverage throughout its entire length as a communications system between users and the concessionaire.

SOLUTIONS FOR CONNECTED AND AUTONOMOUS VEHICLES:

- **SCOOP@F:** project involving the deployment of cooperative intelligent transport systems (C-ITS) in 3,000 vehicles and 2,000 km of roads to exchange information on traffic conditions. As part of this project, Sanef (France) collaborated with Renault to improve the range of autonomous cars in construction works and toll lane passing zones.

- **Inframix:** this 3-year research project of the European Commission was designed to evaluate the future role of infrastructures during the period of coexistence between conventional and autonomous vehicles, with the aim of making roads faster, safer and socially sustainable for all traffic participants. Autopistas (Spain) offered a 20 km section of the AP-7 toll road to conduct tests in the three priority components of the project: dynamic lane allocation, construction zones, traffic jams and congestion.

SOLUTIONS FOR ELECTRIC VEHICLES:

- **Fabric:** Sanef (France) and 22 partners are studying the feasibility and development of wireless road charging solutions for electric vehicles. We are analysing the technological developments required in pavements and the operational restrictions after implementation.

- **E-way corridor:** a project for experimenting with an electric toll road corridor for heavy vehicles. The tests are being carried out in the Seine Valley's A13 toll road. The French Abertis subsidiary Sanef has partnered with other companies to analyse which of the different solutions (power rail, induction or direct contactless charging) will be more easily applicable in the future.

- **Corri-door (France):** a consortium of multiple agents, namely EDF, Sodetrel, Renault, Nissan, BMW, Volkswagen, ParisTech and toll road operators, including Sanef, joining forces to develop electric vehicles. The project entails installing fast-charging electric devices across France's road network, making chargers available every 80 km so users can charge 80% of the battery in 30 minutes.

ABERTIS MOBILITY SERVICES

At Abertis, innovation extends across many areas. Firstly, through the analysis of how new trends in mobility can impact our traditional business. Secondly, through our commitment to a new business line based on Mobility as a Service (MaaS), which shifts mobility's focus from mode of transport to the individual who understands mobility as a point-to-point service with new and different needs.

Abertis Mobility Services was born to respond to these changes and become the pioneering platform for a modern and efficient mobility, focused on different types of customers. Firstly, governments and road operators (B2A) through the subsidiary Emovis. Secondly, vehicle fleet companies (B2B) through Eurotoll, which joined the Abertis Group 100% in 2017 as one of the largest issuers of electronic payment devices, or OBUs (On-Board-Units) in Europe. Lastly, citizens are the direct customers of subsidiaries such as Bip&Go and Bip&Drive, the toll payment devices industry.

TELETOLLS AND FREE-FLOW SYSTEMS

The Abertis Group is committed to innovations entailing electronic tolling and barrier-free technologies in light of their numerous advantages:

- a smoother ride
- modernised roads adapted to customers' preferred pyament systems.
- greater safety for toll road customers and workers
- more environmentally friendly thanks to fuel savings and less polluting emissions

MAIN PROJECTS IN 2018

- Sanef began installing France's first free flow gantry in 2018 the A4 in Boulay. The two tollgates along the toll road to Boulay were replaced with free flow gates. They are equipped with lasers, cameras and signals to detect and classify vehicles, read licence plates and record transactions. The system is set to be commissioned in February 2019.

- Conceived from the 'Chile Sin Barreras' (Barrier-free Chile) government initiative, VíasChile signed an agreement with the Chilean government to migrate from the tollbooths to a free-flow barrier-less teletoll system on Rutas del Pacifico. This implementation is scheduled to finish by mid-2019. The company also expects to commence the installation work on this type of barrier-less tolls on routes 78 and 57.

EMOVIS

Abertis offers advisory services, design, implementation, operation and maintenance of free-flow mobility solutions through Emovis, its technology and services division. The division operates some of the world's largest electronic toll infrastructures in the United Kingdom, Ireland, the United States and Canada. It has activities in 7 countries, namely Canada, United States, Puerto Rico, United Kingdom, Ireland, France and Croatia.

- In 2018, Emovis and the Transport Infrastructure Ireland (TII) signed a two-year extension for the operation of Dublin's M50 toll road. until March 2021. Barrier-less toll management on M50, the first free-flow toll road installed in Europe, has been under Emovis operation for ten years. Traffic has grown over this decade by 63% to 143,000 transactions. M50 is integrated within the Interoperability Management Services Provider (IMSP), an interoperability system for e-toll payments on several toll roads in the country, also managed by Emovis.

- Emovis has kicked off the Washington Road User Charge (WARUC) pilot project. Over 12 months, 2,000 volunteers will participate in this pilot to study the replacement of the fuel rate with a road usage charge rate. Drivers will simulate payment per miles driven instead of gallons of gasoline bought. The results of this trial will help define the future transport financing policy for Washington State. Emovis has also been participating in similar US initiatives, including a similar pilot in Oregon State and in Europe.

- Emovis has also executed the engineering project for the back office of the first Truck Tolling (heavy vehicles exclusive e-toll system) in Rhode Island (USA). Emovis contributed with an innovative enforcement module that lets the administration recover outstanding tolls from lorries registered in another State, including cross-border carriers from Canada, to ensure an elevated payment collection rate.

- Queen Elizabeth II officially inaugurated the Mersey Gateway Bridge operated by Emovis. The Abertis technology and services subsidiary was commissioned to handle design, implementation and, from last October, management of the free-flow tolling solution. The Mersey Gateway Bridge is an important communication axis between northwest England and the rest of the country. It is considered one of the 40 main projects of the National Infrastructure Plan, and one of the 100 main infrastructure projects in the world in the last few years.

- Emovis is also participating in research at the Centre for London, the Mayor of London's Think Tank created to find solutions to the capital city's mobility challenges. A new transport arrangement for the city will be promoted following publication of the study in the spring of 2019.

INTEROPERABILITY AND PAYMENT DEVICES

The Abertis Group works to make road travel a comfortable and easy experience for customers.

- Eurotoll continues increasing interoperability for its Tribox Air device as a single device for travelling through France, Spain, Portugal, Austria, Belgium and soon also Germany. Eurotoll was certified to operate with Viapass (Belgium) and REETS Asfinag (Austria) in 2018. The company provides its customers with added-value services such as geotracking, long-distance monitoring, etc.

- Bip&Drive, the e-toll payment device issuer in which Abertis has a holding, has solidified its leadership in the Spanish market, reaching 875,000 customers and surpassing a market share of 30%. In 2018, Bip&Drive launched a new app that incorporates payments at service, petrol, vehicle technical inspection and e-charging stations.

- Through its payment devices issuer Autopase, VíasChile has also made progress in the field of interoperability among the division’s concessionaries in the country.

ADVANCED PAYMENT SYSTEMS

The Abertis Group continues innovating in the field of payment systems and models.

- Centrovias (Arteris) implemented the OCR technology used as the toll collection system. In case of a reading error, the system recognises the registration plate and authorises vehicle passage. The sponsor ARTESP has recognised this initiative, which is being replicated by federal Arteris concessionaries, as an innovative project.

- In Argentina, the company launched the PIM-toll prepaid teletoll system developed in partnership with Banco de la Nación Argentina to be able to associate virtual wallets with mobile phones. The mobile phone is used to sign up to the system by associating the TAG with the phone number or bank account.

- In France, Sanef is also experimenting with payments via mobile on toll roads A13 and A14, which will be operational as early as April 2019.

- The Ronda Gi free "tag" device designed to streamline mobility without stopping between the Girona ring road tolls on the AP7 has been operating for one year now. This year, Autopistas distributed 180.000 devices free of charge to commuters on this section of the toll road.

With these improvements, the percentage of automatic or electronic toll transactions has increased in the Group to 78% (+2,1pp) of the total, of which 65,1% are only electronic toll (+2,8 pp). Argentina and India was salient for its remarkable growth.

78%

+2.1 pp
Total percentage of automatic or electronic toll transactions

65.1%

E- TOLL TRANSACTIONS
These transactions has increased 2.8 pp compared to 2017

ARGENTINA AND INDIA ARE THE TWO COUNTRIES WHERE THESE TRANSACTIONS HAVE GROWN THE MOST

QUALITY MANAGEMENT AND CLIENT FOCUS

Customer-centric focus drives us to work on the quality management of roads

STRATEGIC GOAL

PROVIDE QUALITY SERVICES (FLUIDITY, COMFORT AND INFORMATION TO THE CUSTOMER)

QUALITY PRODUCTS AND SERVICES WITH POSITIVE ESG IMPACTS

QUALITY MANAGEMENT

Our commitment to road safety and new technologies has a clear objective: satisfying our customers.

This customer-centric approach drives us to work on the quality management of our roads through different lines of action, namely road safety, information security, and obtaining and maintaining international certificates that back our management performance.

The Group is currently working on defining a new White Paper on the Quality Management System to unify all the Group's quality-related policies and standardise the processes of each business unit to create a common vision into quality management throughout the entire Group.

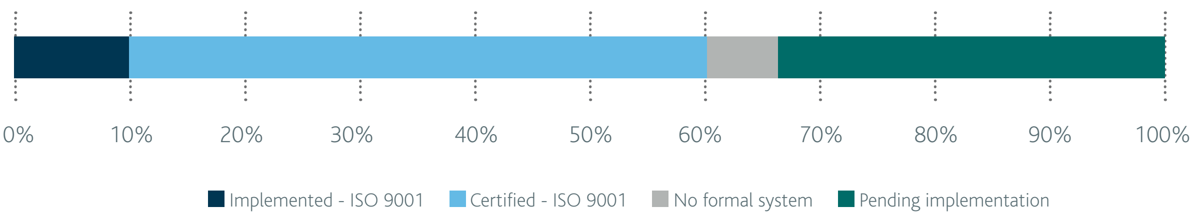
ISO 9001

60.6%

ON TURNOVER

With the exception of activities in India and Puerto Rico (APR) and central services in Spain, all activities have a quality management system implemented and/or certified according to ISO 9001. Thus, 60.6% of the annual turnover has this management system, which is a slightly higher percentage than the previous year, primarily due to the progress made in Chile.

TURNOVER-RELATED ROAD SAFETY MANAGEMENT



CUSTOMER QUALITY SURVEYS

Spain and Puerto Rico conducted customer satisfaction surveys every two years, while all other countries conduct surveys every year, save Chile and India. The specific additional satisfaction survey that Argentina conducted on its TelePase teletoll service had a 70% positive rating.

QUALITY MANAGEMENT AND CLIENT FOCUS

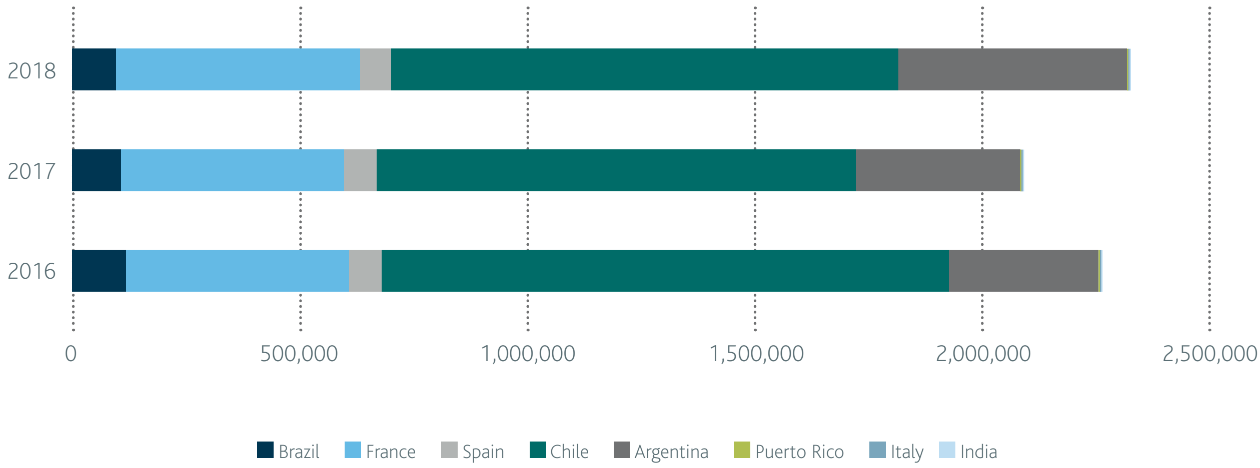
RESULTS OF DIFFERENT CUSTOMER SATISFACTION SURVEYS (SCALE FROM 1 TO 10)

	2017	2018
Spanish toll roads	6.7	
French toll roads	7.9	7.9
Brazilian toll roads	8.2	8.3
Italian toll roads	73%	70%
Argentinan toll roads		70%
Puerto Rican toll roads	7.6	7.4

The results of the survey in Puerto Rico were affected by the impacts of Hurricane Maria on infrastructures.

All countries have channels for identifying and keeping a record of suggestions for improvement and specific communications from users with the exception of Italy and India, which only record complaints. Throughout 2018, the company received 2.3 million queries, complaints and suggestions, though virtually all of them corresponded to queries and over 92.5% were addressed.

TOTAL NUMBER OF QUERIES, COMPLAINTS AND SUGGESTIONS RECEIVED OVER TIME



CUSTOMER COMMUNICATIONS

The use of information channels intensified in 2018 by improving existing channels and creating new ones by leveraging social networks. The goal is to consolidate an ecosystem of relationships and dialogue with customers and citizens.

INTERNET

- Permanently updated online content and services (real-time information, rates, fees, private zones, invoicing, etc.)
- Blogs addressing road safety and other content of interest to customers.
- Customer service chats.

SOCIAL MEDIA

- Use of Instagram to approach users and promote responsible driving through campaigns.
- Real-time streaming on social media of security camera images.
- Specific real-time customer support channels.
- Proprietary mobile apps compatible with other apps such as Waze to provide real-time information on traffic and/or accidents.

BROADCAST

- Information through local TV programmes.
- Proprietary radio traffic reports.

ONSITE AND TELEPHONE

- Fixed and mobile customer service offices.
- Customer service phone lines.
- Open houses.

CHAPTER 6

Value creation

STRATEGIC GOALS

- PROFITABLE GROWTH IN NEW CONCESSIONS WITH FINANCIAL DISCIPLINE
- PROMOTING GOVERNMENT PARTNERSHIPS TO INCREASE AVERAGE LIFE AND OPTIMISE TARIFFS
- INCREASED REVENUES AND EFFICIENTLY MANAGED EXPENSES TO CULTIVATE RECURRENT CASH FLOW GROWTH

MAIN FIGURES

REVENUE

€5,255Mn

-0.3%

EBITDA

€3,549Mn

+3%

ADT VEHICLES

25,120

+1.8%

At 2018 year-end, Abertis toll road activities have had a positive performance thanks to the solid increase in activity reported in the main countries where the Group operates. The activity achieved in Spain (continuing the pace of growth that began in 2016), traffic growth in France and a contribution from Chile and Italy are particularly salient. There was also a noteworthy recovery in Brazil, despite the lorry drivers' strike that affected heavy traffic in May, and in Puerto Rico upon conclusion of the reconstruction works following the damage left in the wake of Hurricane Maria in 2017.

2018 TRAFFIC

Country	Km	ADT	Var. ADT
Spain	1,559	21,560	+3.3%
France	1,761	25,268	+1.7%
Italy	236	65,395	+1.2%
Brazil	3,014	18,681	+0.8%
Chile	773	27,626	+3.0%
Puerto Rico	90	69,185	+7.0%
Argentina	175	82,239	-0.7%
India	152	20,556	+4.8%
Total Abertis	**7,759**	**25,120**	**+1.8%**

JANUARY-DECEMBER 2018 INCOME STATEMENT €MN

	December 2018	December 2017	Variation
Operating revenue	5,255	5,271	-0.3%
Operating expenses	-1,706	-1,815	
EBITDA	**3,549**	**3,456**	**+3%**
Depreciation and amortization	-1,377	-1,422	
Earnings (EBIT)	**2,172**	**2,034**	**+7%**
Net financial result	-2	-762	
Equity method	-7	19	
Corporate income tax	-296	-365	
Discontinued operations	-33	72	
Profit	**1.835**	**999**	
Minority interests	-153	-102	
Net profit	**1.681**	**897**	**+87%**
Comparable net profit			**+15%**

(*) For the purposes of the consolidated annual accounts, the heading "Revenue from improvement of infrastructures" includes the financial expenses accrued prior to the placement exploitation of the concession assets, derived from the financing of others to finance the same, which supposes a greater Ebit (lower financial result) of +€21Mn (+€55 Mn in 2017).

EBIT

€2,172 Mn

+7%

NET PROFIT

€1,681 Mn

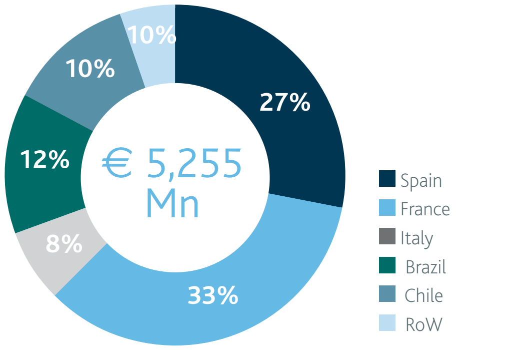
+15% (Comparable)

REVENUE

Revenue stood at €5,255 million, representing -0.3% versus 2017, primarily because of the negative performance of the Brazilian real, Chilean peso, Argentine peso and US dollar; and, ultimately, the Vianorte concession (Brazil) in May. These impacts were mostly offset by the positive performance of the activity and revision of average rates in the toll road concessionaires, consolidation by global integration of Indian toll roads, and recognition of the pending rebalancing in Argentina.

Seventy-three percent (73%) of Abertis' revenues come from outside Spain. France has become the Group's largest market (34%), followed by Spain (28%).

REVENUE



REVENUE 2018

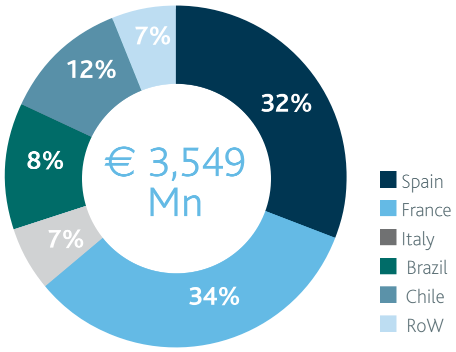
Country	€MN
France	1,751
Spain	1,425
Brazil	617
Chile	538
Italy	432
Argentina	233
Puerto Rico	138
Rest of World (RoW)	119
Holding	2
Total Abertis	**5,255**

EBITDA

The earnings before interest, taxes, depreciation, and amortization (EBITDA) stood at €3,549 million (2.7% more vs 2017).

The results of the Group were favoured by the implementation of a series of measures to improve efficiency and optimize operating expenses, which the Group will continue to focus on in the coming years.

EBITDA



EBITDA 2018

Country	€Mn
France	1,200
Spain	1,172
Chile	420
Brazil	293
Italia	235
Argentina	124
Puerto Rico	92
Rest of World (RoW)	35
Holding	-21
Total Abertis	**3,549**

EQUITY-ACCOUNTED COMPANIES

The reduction in the incorporated income of equity accounted companies is mainly due to the non-recurring expense of €14 million in the profit and loss of Cellnex incorporated before its sale.

CORPORATE INCOME TAX

The corporate income tax expense amounts to €296 million, with the following tax rates in the main countries where Abertis operates: Spain, 25%; France, 34.4% (versus the previous 39.4%); Italy, 27.9%, Brazil, 34%; and Chile, 27% (versus the previous 25,5%).

INCOME

The 2018 consolidated income attributable to shareholders reached €1,681 million, representing a 87% increase compared with 2017.

The positive evolution of net profit is mainly due to the positive impact of a €605 million capital gain after the sale of 34% stake in Cellnex Telecom. Discounting this effects and other, the comparable profit grows +15%.

BALANCE SHEET

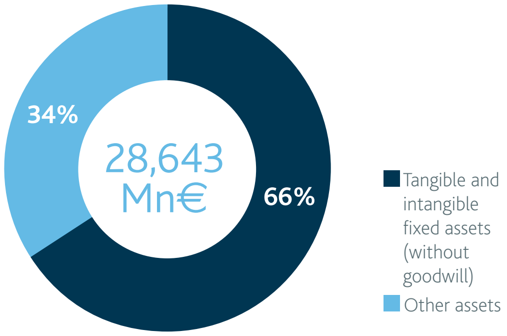
Total assets as of 31 December 2017 amounted to €28,643 million, representing a 3.9% reduction compared to the 2017 year-end, mainly due to the impact of the depreciation of the Brazilian real, Chilean peso and Argentine peso. Consolidated net equity in turn reached €5,926 million, (+24% vs 2017) due to the positive impact of the revenue in 2018.

BALANCE SHEET 2018

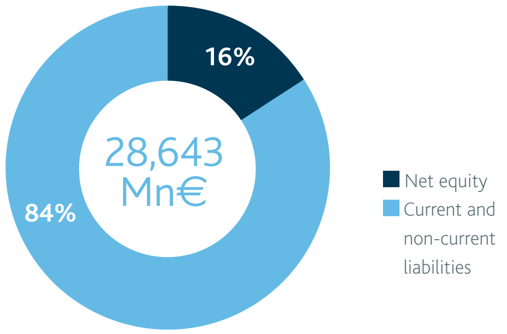
€MN

	December 2017	December 2018
Tangible and intangible fixed assets	18,966	20,128
Financial fixed assets	3,400	4,103
Current assets	1,919	1,346
Treasury	2,737	2,458
Assets held for sale	1,622	1,796
Total assets	**28,643**	**29,831**
Net equity	5,926	4,777
Obligations and debt with entities of non-current credit	14,903	16,217
Other non-current liabilities	4,066	5,048
Obligations and debt with entities of current credit	1,109	1,608
Other current liabilities	2,120	1,553
Liabilities held for sale	520	628
Total liabilities	**28,643**	**29,831**

BALANCE SHEET (ASSETS)



BALANCE SHEET (LIABILITIES)



INVESTMENTS

The Group's total investment in 2018 was €944 million, mostly in expansion (88% of the total), primarily in:

- Expanding road capacity, particularly in Brazil (€257 million) and France (€185 million) to improve and extend the toll road networ.

- The acquisition of minority shares in A4 (€33 million) and in the Indian concessionaire JEPL (€15 million). A commitment was also executed on the purchase of minority shares in Hispasat (€293 million).

INVESTMENTS 2018

€Mn

	Opex	Capex	Inorganic Expansions	Total
Spain	13	6	0	19
France	42	185	0	227
Italy	2	13	33	47
Brazil	46	257	0	302
Chile	4	23	0	27
Rest of World (RoW)	5	7	15	28
Holding	1	0	293	294
Total Abertis	**113**	**491**	**341**	**944**

*Acquisition 32,6% of Hispasat

OPERATIONAL INVESTMENT

€113 Mn

+33%

An elevated percentage of Abertis' sound debt structure is fixed rate

STRATEGIC GOALS

ACHIEVING A HEALTHY AND EFFICIENT FINANCIAL STRUCTURE

	2018	2017
Net debt	€13,275 Mn	€15,367 Mn
Net Debt/EBITDA	3.7x	4.4x
Average debt maturity	5.0 years	5.3 years
Fixed debt or set through hedges	82%	79%
Average cost of consolidated debt	3.8%	4.0%

DEBT STRUCTURE

The policies defined by the Board of Directors states that the debt structure of the Abertis Group seeks to limit the risks to which it is exposed due to the nature of the markets in which it operates. The Group's global risk management programme considers the uncertainty of financial markets and attempts to minimise the potential adverse effects on the global profitability of the group as a whole by establishing finance and hedging policies aligned with their business types.

In practice, it remains a sound financial structure with an elevated average debt maturity and, in keeping with a policy of minimising exposure to financial risks, an elevated percentage of debt is fixed or set through hedging, greatly minimising the possible effects of tension in the credit market.

Abertis' financial debt with credit institutions as of 31 December 2018 (excluding debts with equity accounted companies, interests from loans and obligations or other liabilities) rose to €16,012 million. The net financial debt (excluding debts with equity accounted companies, interests from loans and obligations or other liabilities) in the year decreased by €2,091 million to stand at €13,275 million. This debt decrease is primarily due to the impacts from the sale of 34% of Cellnex Telecom, adoption of IFRS 9 and the exchange rate. These effects were mainly offset by operating and organic expansion investments, acquisition of minority holdings in Italy, India and Hispasat, and payment of the second dividend for 2017.

KEY FINANCIAL IN 2018

- Abertis Infraestructuras' assumption of undrawn loans as of 31 December 2018 amounting to €815 million, maturing in 2024 and 2025.

- The issue by Intervías of new debentures of 800 million Brazilian reals (approximately €180 million at 2018 year-end), maturing in May 2020 and May 2025, and a coupon between CDI 12m+0.47% and IPCA 12m+6.76%.

- Régis Bittencourt's issue of a note for 600 million Brazilian reals (approximately €135 million at 2018 year-end) with maturity in June 2020 at 107% of the CDI.

- Régis Bittencourt's disposal of 334 million Brazilian reals (approximately €135 million at 2018 year-end), maturing in December 2029 at a fixed rate of 10.74% (capable of disposal of up to 775 million Brazilian reals, approximately €174 million as of 31 December 2018).

- The assumption of loans by A4 Holding and A4 Mobility amounting to €50 million and €15 million, maturing in January and December 2023, respectively.

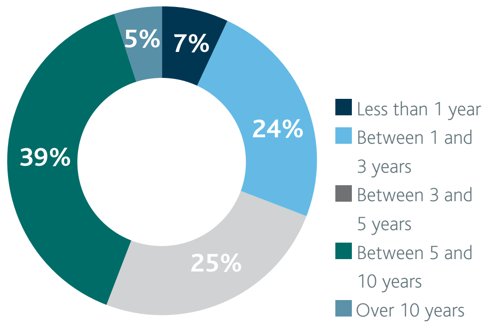
- Túnels's renewal of the finance contract for €305 million, extending the term of the debt to December 2034 and lowering the financing costs.

- The full repurchase by Rutas del Pacífico of the pending balance of 139,448 million Chilean pesos (approximately €175 million at 2018 year-end), bonds issued in previous years by that company for 305,376 million Chilean pesos (approximately €385 million at 2018 year-end), maturing in December 2024, and an annual coupon of UF+5.8%.

With these transactions, the Group shored up its capability of seizing the opportunities afforded by the credit market to secure attractive conditions and to continue generating shareholder value. In 2018, the Group carried out financing transactions at the corporate and subsidiary levels for over €1,250 million.

The elevated cash flow generation from most of Abertis' main businesses allows the group to maintain a financial balance, thus enabling new investments to improve the infrastructure we currently manage and continue, within our economic and financial environment, the selective growth investment policy that was put in place in recent years without any need for additional capital injections from shareholders.

DEBT MATURITY



CREDIT RATING MANAGEMENT

Abertis has credit ratings assigned by Standard and Poor's and Fitch Ratings. A standing policy at Abertis is to maintain its credit rating at Investment Grade.

Agency	Rating	Outlook
Fitch Ratings		
Long term	BBB	Stable
Short term	F3	
Standard & Poor's(*)		
Long term	BBB	Stable

*Revised in October 2018

The Abertis takeover was particularly prominent in 2018

TAKEOVER BIDS

2018 was highlighted by the process for Abertis Infraestructuras, S.A. that began in 2017 and was completed in 2018.

CHRONOLOGY OF THE ABERTIS TAKEOVER BID

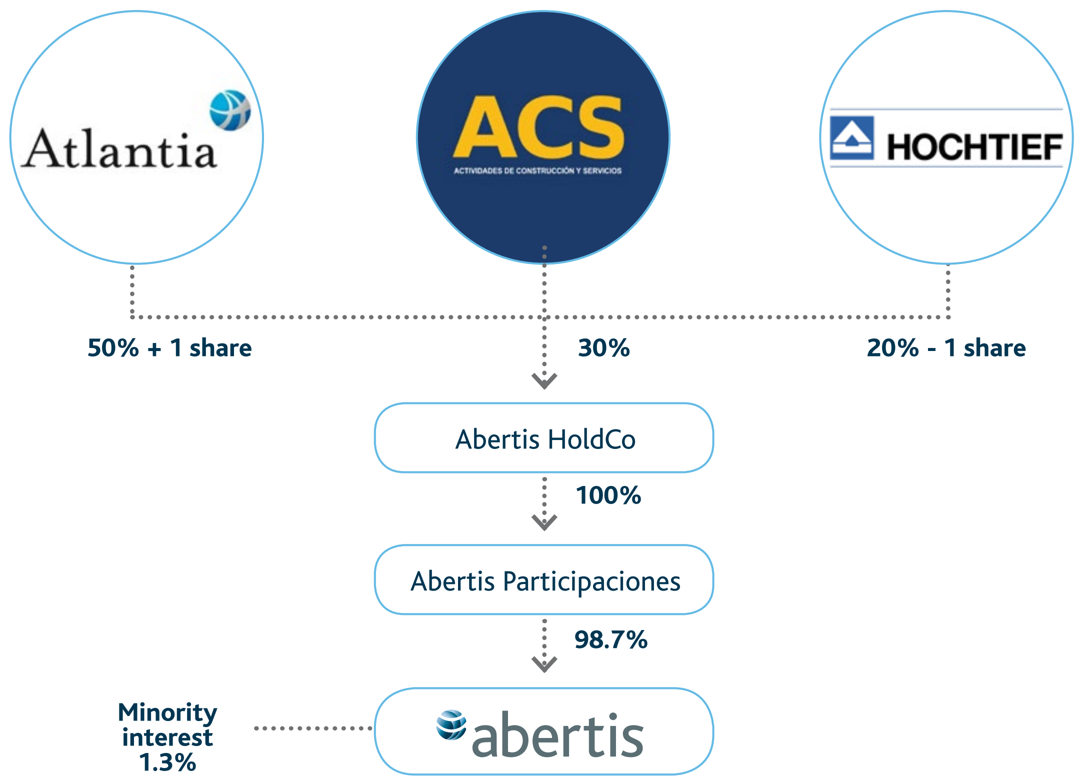
- **15 May 2017:** The Italian company Atlantia announced a takeover bid for all ordinary shares of Abertis Infraestructuras, S.A, at €16.50 per share , an exchange for Atlantia new shares or a combination of the two.
- **18 October 2017:** The German company, Hochtief, submitted a counter bid for all ordinary shares of Abertis at €18.76 per share (before-dividend payment), an exchange for Hochtief new shares or a combination of the two.The acceptance period for Atlantia's takeover bid was suspended.
- **14 March 2018:** Hochtief, Atlantia and ACS announced a binding agreement to jointly invest in Abertis. Hochtief would amend its offer, paying out entirely in cash and would either exercise its squeeze-out right in case of reaching the legally required threshold or, alternatively, promote the delisting of Abertis shares. Atlantia agreed to withdraw its takeover bid.
- **23 March 2018:** Hochtief submitted a request to the Spanish regulator CNMV, for the authorisation to modify its takeover bid on Abertis.
- **12 April 2018:** Atlantia withdrew its takeover bid. The CNMV authorised the modification of Hochtief's takeover bid on Abertis and extended the acceptance period until 8 May 2018.
- **9 May 2018:** Abertis Infraestructuras abandoned the Ibex 35 after 26 years listed on this market.
- **14 May 2018:** the CNMV announced that the Hochtief takeover bid on 100% of Abertis was accepted by 78.79% of its share capital (85.60% discounting treasury shares), and the transaction was settled on 17 May 2018.
- **20 May 2018:** Hochtief announced the launching of a purchase purchase order over Abertis' shares.
- **26 July 2018:** The CNMV authorised the application to delist all Abertis' shares.

- **3 August 2018:** Madrid, Barcelona, Valencia and Bilbao stock markets announced the delisting of Abertis' shares effective 6 August 2018.

- **29 October 2018:** Change of control in Abertis. Within the framework of the execution of the shareholders' agreement, the Spanish company, Abertis Holdco S.A. was set up, in which Atlantia holds a 50% stake plus one share, ACS a 30% stake and Hochtief a 20% stake minus one share. In turn, Abertis Holdco S.A. set up the company, Abertis Participaciones S.A.U., wholly participated by Abertis Holdco, S.A. Hochtief transferred to Abertis Participaciones S.A.U. its entire participation in Abertis.

- **10 December 2018:** Abertis' Extraordinary General Meeting approved the appointment of Marcelino Fernández Verdes as chairman, José Aljaro as CEO and Carlo Bertazzo, Giovanni Castellucci and Pedro López Giménez as directors on the new Board of Directors.

SHAREHOLDER STRUCTURE*



*As of 31 December 2018

Abertis tax policy is based on transparency and the responsible and cautious application of tax laws

TAX CONTRIBUTION IN 2018

The Group is committed to its duty to pay taxes to contribute to public finances, which provide the essential public services for the progress and socio-economic development in the countries where it operates.

Since 2014, Abertis voluntarily adheres to the Código de Buenas Prácticas (Code of Good Tax Practices), which contains a set of recommendations agreed between the Spanish Tax Agency and the Foro de Grandes Empresas (Large Company Forum). The company complies with its principles of performance.

Following the guidelines for action in place since its incorporation, Abertis avoids the use of opaque structures, processes or systems with fiscal purposes that seek to shift profits to low tax jurisdictions (tax havens) or prevent tax authorities from identifying the end party responsible for the activities or the ultimate owner of the goods or rights involved. Additionally, the Board of Directors is notified on an on-going basis about the tax policies being applied.

TOTAL TAX CONTRIBUTION

€2,458Mn

TAX CONTRIBUTION

€311,999

per kilometre of directly managed toll road

TAXES BORNE 2018 (€Mn)

Country	Taxes paid[1]	Taxes collected	Total contribution
Spain	709	342	1,051
France	499	310	809
Chile	72	103	175
Brazil	121	43	164
Italy	48	83	131
Argentina	54	48	102
Other[2]	18	8	26
Total	1,521	937	2,458

[1] Taxes borne include the Corporate Income tax paid, which amounted to €1,005 million, as follows: Spain €644 million, France €203 million, Chile €68 million, Brazil €36 million, Italy €35 million, Argentina €14 million and other €5 million.

[2] Including the United Kingdom, the Netherlands, Puerto Rico, Mexico, India, among others.

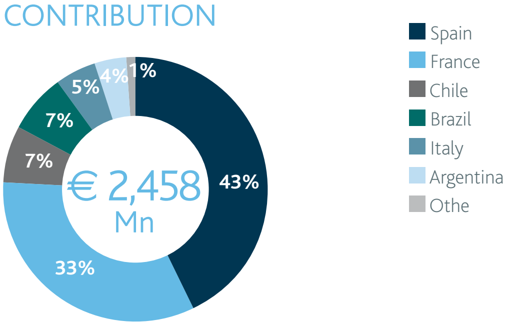
Abertis makes quantifiable economic and social contributions through the payment of public taxes in the different countries where it operates. These payments entail a strong effort to comply with all formal notification and collaboration obligations before the Spanish Tax Agency and all relevant responsibilities.

Following the OECD cash basis methodology, the total tax contribution of the Abertis Group in 2018 amounted to €2,458 million, of which €1,521 corresponded to taxes borne[3] and €937 million corresponded to taxes collected[4]. In this regard, the Abertis Group includes all dependant companies consolidated by the global integration method[5].

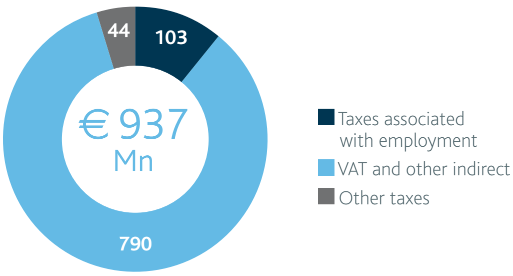
In 2018, for every 100 euros of Abertis' revenue, 47 euros are allocated for tax payment. Specifically, 29 euros go to the payment of taxes paid and 18 euros go to the payment of taxes collected.

The tax contribution per kilometre of toll roads directly managed by Abertis amounted to €311,999, of which €193,301 and €118,698 correspond to taxes paid and taxes collected respectively.

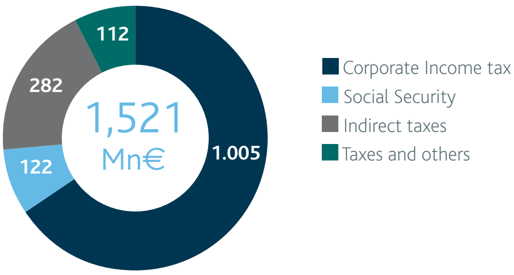
BREAKDOWN OF TOTAL TAX CONTRIBUTION



TAXES COLLECTED (€MN)



TAXES PAID (€MN)



[3]Taxes borne represent an effective cost for the company (payments of Corporate Income Tax, local taxes, indirect taxes on goods and services and social security for the business quota).

[4]Taxes collected do not affect the result but are collected by Abertis on behalf of the tax administration or are paid on behalf of other taxpayers (value added tax, withholdings and social security for the worker's contribution).

[5]Includes taxes borne by the Hispasat group (asset held for sale), amounting to €14 million (€3 million of taxes paid and €11 million of taxes collected).

Abertis applies preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operating model

TOTAL CO_2 EMISSIONS

-0.01%

t/€Mn on turnover

CO_2 EMISSIONS (SCOPES 1 AND 2)

-9.7%

t/€Mn on turnover

STRATEGIC GOALS

- CARBON FOOTPRINT REDUCTION
- PRODUCTS AND SERVICES DEVELOPED WITH POSITIVE ESG CRITERIA
- INNOVATION BASED ON CIRCULAR ECONOMY CRITERIA OF THE ACTIVITY'S VALUE CHAIN
- FOSTERING AND MAINTAINING NATURAL CAPITAL

The Abertis Group applies a set of measures aimed at minimising environmental impact that start from the design phase of the infrastructure itself, seeking a balance between sustainability and its economic and technical viability. This lets us define and implement preventive measures to preserve the environment and reduce pollution, giving shape to a more efficient, responsible and sustainable operations model.

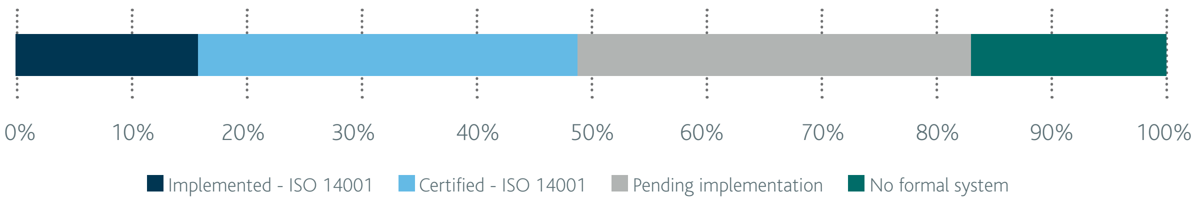
The identification of environment aspects with significant impacts of the Group activity constitutes the base for their management, contemplating the entire life cycle of the activity. These aspects are identified during all stages of the life cycle and preventive measures are implemented to preserve the environment and reduce pollution in partnership with involved stakeholders with a view to minimising the impacts on the natural environment.

48.9% of the turnover has an environmental management system implemented and/or certified according to ISO 14001, and 33.7% is undergoing implementation because of the changes in France.

RESOURCES ALLOCATED FOR ENVIRONMENT IMPROVEMENT

€23.3 Mn

ENVIRONMENTAL MANAGEMENT BY TURNOVER



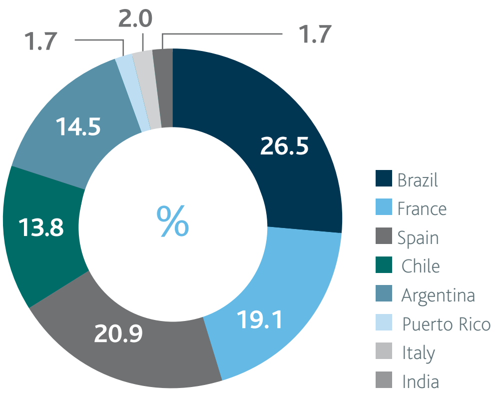
CLIMATE CHANGE

The GHG emissions derived from the use of the infrastructures and intensity related to liquid fuels, materials and energy used during maintenance and construction are some of the main sources of emissions related to the Group's activity.

Abertis has formally identified the risks and opportunities arising from climate change and is currently in the process of conducting an economic assessment on them as part of its corporate risk management framework and specific projects developed in this area.

Calculation and accountability of the carbon footprint is one of the organisation's main management elements in terms of climate change. Five years ago, Abertis began participating in the annual survey on climate change conducted by the Carbon Disclosure Project (CDP), which, in addition to standardising reporting, provides an aggregated analysis of the results of each participating organisation. The resulting report at the individual level provides detailed information regarding the risks and opportunities brought about by climate change for Group activities, generated greenhouse gas emissions and the corresponding mitigation actions. The CDP's aggregated analysis enables a global and comparable vision of all participating organisations.

CO_{2eq} EMISSIONS (SCOPES 1 AND 2) BY COUNTRY



KILOMETRES OF TOLL ROADS

1,357

In areas of special biodiversity interest, mainly in France, Brazil, Spain and Italy

The total CO_{2eq} emissions for 2018 tallied 21 million tonnes, entailing a 0,01% reduction versus the previous year in terms relative to turnover. Of these figures, 93.9% corresponds to emissions generated by the use of infrastructures by their actual users (scope 3), and the total for scopes 1 and 2 on the total emissions is 0,5%.

Estimations related to air pollution based on the carbon footprint enable us to quantify this impact in a more reliable way in terms of direct fuel consumption.

Innovations in infrastructure management and the promotion of the use of greener vehicles are at the core of activities aiming to reduce scope 3 greenhouse gases. Some examples include the partnership between French toll roads and the WeNow startup to develop applications that improve vehicle energy efficiency and enable compensatory plantations for the generated greenhouse gases.

For the management of scopes 1 and 2 emissions, we have developed different actions for contributing to the established global reduction goal. Some of these actions are included in the improvement plans following energy audits.

- The Spanish subsidiary Túnels implemented a mobility plan in addition to numerous road lighting improvements based on LED technology and promotion of the use of energy from renewable sources by using and improving the mini-hydroelectric power station on the route, which provides the subsidiary with an elevated percentage of its electricity needs.
- In addition to the solar panels operating in Brazil, LED-based lighting and solar powered micro-generators were installed at toll stations.
- The Spanish Association of Automobile Fleet Managers (AEGFA) and the Institute for the Diversification and Saving of Energy (IDAE) granted Green Fleet Certification (Acreditación Flota Ecológica) to Autopistas concessionaires.

CIRCULAR ECONOMY

Adequate waste management is integrated into daily operations. Road maintenance is another way in which the environmental footprint can be reduced, often through R&D.

During 2018, work continued on developing joint projects for identifying the feasibility of reusing construction waste for pavement conservation.

- Toll roads in Spain have included a clause in waste management contracts requesting waste recovery as a priority treatment whenever possible.
- One of the Brazilian subsidiaries has been working on establishing partnership agreements with other organisations to recover and reuse some generated waste.
- After Hurricane Maria passed through Puerto Rico, partnerships were set up to reuse 67,500 tonnes of organic plant waste.

While most wastewater generated during the activities is similar to domestic wastewater, appropriate measures are available to ensure an adequate management thereof in the case of other types of wastewater, including containment ponds and other treatment and purification techniques such as the use of decanters and hydrocarbon separators together with biological filters.

Worth highlighting is the wastewater treatment through the use of roots and the installation of rainwater collection tanks in Brazil to optimise water consumption and promote actions related to circular production processes.

BIODIVERSITY AND NATURAL CAPITAL

BIODIVERSITY PROTECTION MEASURES:

- Emergency plans
- Conservation and cleaning plans
- Environmental tracking programmes
- Environmental liability recovery programs
- Awareness and education campaigns
- Installation of wildlife crossings and enclosures
- Compensatory planting

➲ A documentary was made on the Serra do Cafezal Project in Brazil, particular in relation to the environmental protection measures in place during the construction of the new section The natural environment of this space entailed significant conservation challenges, in which regard the main goal was to minimise the project's impact on the surrounding natural environment.

➲ The toll roads in France have developed Sanef Aventures, a specific application for mobile handsets to promote and encourage a greater understanding of the biodiversity around the toll roads through gamification.

➲ In the wake of Hurricane Maria, which devastated many areas near the toll road with significant loss of plant life, Metropistas has begun reforestation along PR-22 under the banner of its "Metropistas recicla" (Metropistas recycles) programme. Reforestation efforts are also ongoing in Brazil, India, Chile and Argentina. A total of 46,217 examples of plant species have been planted in 2018.

GENERATED WASTE (in tonnes)

332,520

NON-HAZARDOUS WASTE

79.8%

is construction waste

84.9% OF THE NON-HAZARDOUS WASTE AND 84.9% OF THE HAZARDOUS WASTE WERE PROCESSED SUITABLY BY AUTHORISED MANAGERS

WILDLIFE CROSSINGS IN BRAZIL

Arteris commenced work on a vegetation viaduct in 2018 for the passage of wildlife in Fluminense, an unprecedented project along Brazilian federal motorways. This viaduct structure was conceived to assist the passage of wildlife over toll rodas and prevent them from being struck or causing accidents, thus forming an ecological corridor joining forest areas on both sides of the road. With an investment of 9 million Brazilian reals, this viaduct is expected to have a vital role in conserving the region's biodiversity and has been built along the BR-101 in Río de Janeiro. Other Group concessionaires in several countries have already developed similar wildlife crossings to support ecological prosperity around toll roads.

➲ Environmental awareness is useful for extending the breadth of the organisation's environmental management actions. The campaigns carried out with the youth and infrastructure users in France, Spain, Brazil, Argentina and Puerto Rico seek to address conduct to safeguard the environment for the different stakeholders involved.

➲ Arteris rolled out its Golden Rules of Environmental Protection between January and October 2018 to mitigate the impacts of its construction work on the toll roads.

NOISE PREVENTION MEASURES:

- Installation of acoustic screens.

- Measurement of the acoustic impact by means of control points.

The 2018 acoustic impact studies covered 3.958,1 km in Spain, France, Brazil, Chile and Italy primarily, i.e. 50% of the managed kilometres.

➲ The noise observatory in France continued working on identifying and addressing sensitive points with a view to group them together for future long-term management, prioritising points that affect large residential areas.

➲ Argentina is working on the use of noise-reducing asphalts and the deployment of reforestation plans.

Abertis collaborates with the community through projects relating to road safety, the environment, culture and social accessibility

INITIATIVES DEVELOPED IN 2018

303

INVESTMENT IN SOCIAL ACTION AND SPONSORSHIPS

€6.3Mn

STRATEGIC GOAL

GENERATING POSITIVE SYNERGIES WITH LOCAL COMMUNITIES

COMMUNITY DIRECT RELATIONS

Abertis actively participates in the local communities where it operates through different mechanisms, including the formalisation of communication channels, establishment of direct relationships, involvement in industry and generalist associations, and coordination and sponsorships of social action projects.

The different subsidiaries of the Group belong to 66 associations (sector-specific and non-specialised) and participated in over 200 meetings with them.

- VíasChile has inaugurated Parque Maipo, a 13-hectares park space contemplated in the construction project for the new Maipo Bridge, which, through the recovery of the riverbanks, has benefited local communities by increasing their available green areas and improving their quality of life.

- **Escola and Viva Projects (Arteris):** the Brazilian subsidiary has continued fostering initiatives in the framework of its Projeto Escola (School Project), which is now engaged in 630 public schools in 150 Brazilian cities, with over 300,000 students and more than 17,000 teachers. The 'Viva' project is also still active, with different branches, including Viva Ciclista, Passarela Viva, Viva Pedestre, Viva Seguro, Viva Motociclista and Viva Comunidade. This programme included over 120 actions in 2018, affecting the lives of more than 20,000 people.

THE ABERTIS FOUNDATION

The Abertis Foundation is the flagship and core for the organisation's commitment to the environment and local community by identifying positive synergies between different stakeholders. Castellet Castle is not only the headquarters of the Abertis Foundation, it also hosts the UNESCO International Centre for Mediterranean Biosphere Reserves (CIURBN), a pioneering public-private initiative with the Spanish Government and under the auspices of the United Nations.

MAIN ACTIONS IN 2018

- **'Tenemos que repetirlo' (Repetition required):** Road education programme in Spanish schools that uses awareness-raising talks for youth regarding the importance of responsible driving behaviour and conduct.

- **'El Apagón' (The blackout):** The third edition of the road safety action launched in Spain and the #SumaTuLuz campaign on social media aim to raise the awareness of young people regarding the risks of driving while under the influence of alcohol and drugs. The action has reached out to over ten million people on social to date, in addition to direct participation in Valencia, Ibiza and Salamanca.

- **KanGo!:** This project, which combines road safety and integration of disabled people, was awarded 2018 Barcelona Educative Innovation Prize.

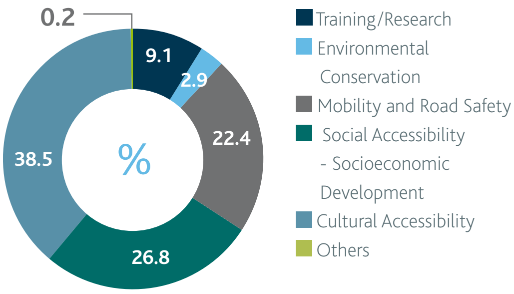
- **Erasmus+:** The European Commission has awarded an Erasmus+ project to the UNESCO International Centre for Mediterranean Biosphere Reserves (CIURBN) with the main goal of strengthening and improving academic activities of countries in the Mediterranean basin and Moroccan and Lebanese institutions in the context of Mediterranean Biosphere Reserves. The project involves Moroccan universities Cadi Ayyad (Marrakech) and Mohammed V (Rabat), the San José University and the American University in Beirut (Lebanon). The project also has the backing of the French university Aix-Marseille, Mediterranean Universities Union (UNIMED) based in Rome, and two NGOs, namely MAB France and the Association for the protection of the Jabal Moussa Biosphere Reserve.

ABERTIS CHAIRS

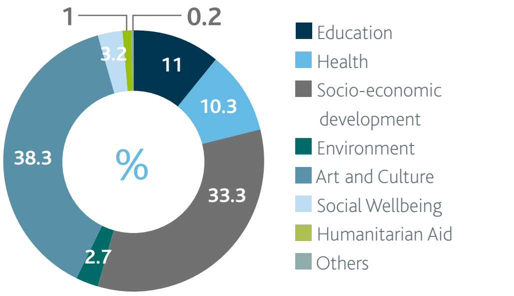
The Abertis Chairs network expresses the Group's commitment to the academic institutions of the countries where it operates to promote research and knowledge transfer in the fields of transport infrastructure management and road safety. The Abertis Chair Network comprises the Catalunya Technical University, Madrid Technical University, IFSTTAR École des Ponts in Paris, University of Puerto Rico; Pontifical Catholic University in Chile, and University of São Paulo in Brazil.

The chairs meet annually for an awards celebration and shortlist candidates for the international meeting that entails the entire network.

PERCENTAGE DISTRIBUTION OF CONTRIBUTIONS BY ACTIVITY (ABERTIS CLASSIFICATION)



PERCENTAGE DISTRIBUTION OF CONTRIBUTIONS BY ACTIVITY (LBG CLASSIFICATION)



Methodology from the London Benchmarking Group (LBG) that enables item standardisation based on different classifications and provides tools for measuring their impact.

SOCIAL ACTION AND SPONSORSHIPS

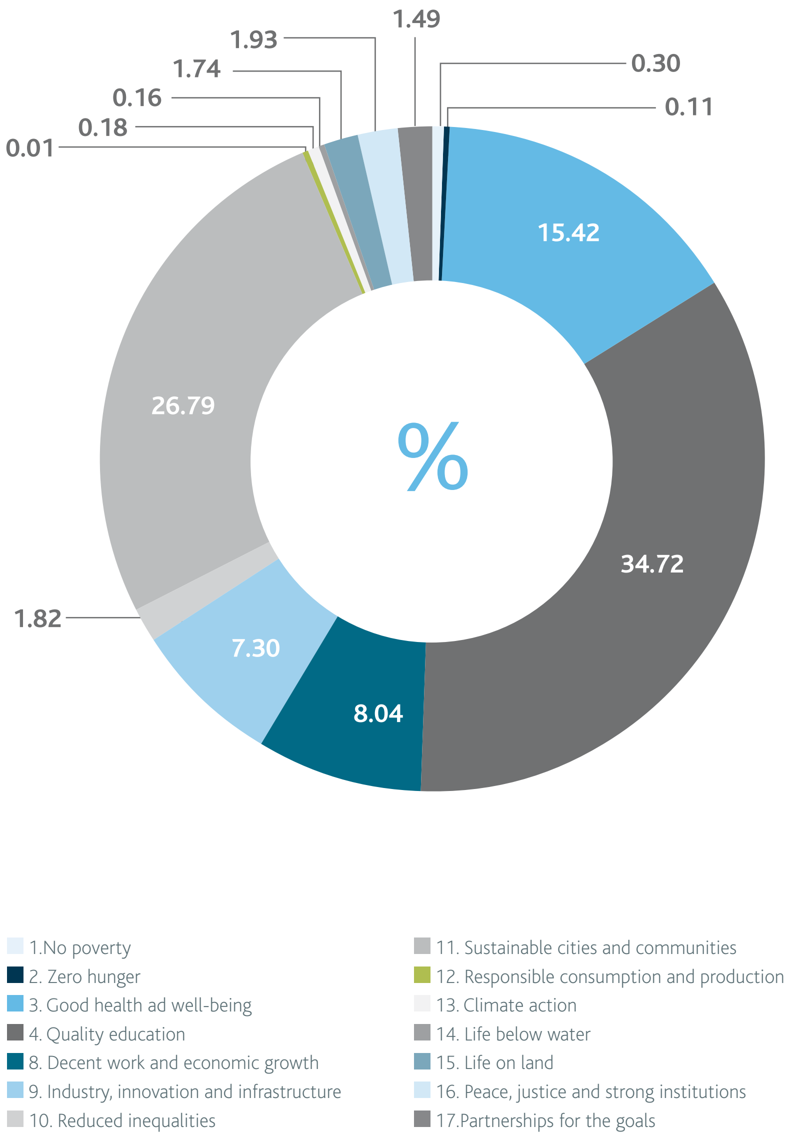
2018 SOCIAL ACTION MILESTONES

- The work of Chilean artist Benjamín Ossawas installed in the underground passage of the Gran Envergadura Bridge, recovering this space for the residents of Renca with a visual and acoustic attraction that makes use of wind and the vibration of vehicles driving on the road to produce a unique and constantly changing sound.
- The 'Construye futuro' (Build the future) initiative led by the Chilean subsidiary also continues providing scholarships to students in vulnerable situations. This year, 8 students graduated thanks to this aid. The scholarship was also extended immigrants with social integration issues.
- Arteris has organised the very first Junta e Vai race within the framework of the Lacre Amigo campaign, which seeks to involve users in wheelchair donations by collecting scrap metal. 900 people participated in the event.
- The blood drive carried out by a toll road in India in partnership with the Red Cross and involving workers and collaborators received 140 donations.
- Argentina continued partnering with local associations in social well-being projects.

2018 SPONSORSHIP MILESTONES

- In Spain, Abertis sponsored the 'Gala/Dalí' exhibition at the Catalan National Art Museum (MNAC), and the 'Dadá Ruso' exhibition at the Reina Sofia Museum.
- In December 2018, Abertis and the Abertis Foundation igned an agreement with the Ministry of Foreign Affairs, EU and Cooperation of Spain, an the Joan Miró Foundation to promote a travelling exhibition of works by the Catalan artist that would travel to several Spanish embassies and consulates in cities such as Paris, Rome, Brussels, Berlin and Dublin in 2019.
- French subsidiaries have carried out several cultural sponsorship initiatives, including exhibitions on artists such as Henri-Edmond Cross, Marcel Duchamp, and a major retrospective on Joan Miró, and musical events such as the “Au Grès du Jazz” festival.
- A4 Holding has also focused contributions with some prominent cultural sponsorships such as the exhibition on Pablo Picasso and several music-related events.
- In Argentina, the exhibition "Miró, the experience of looking" was presented at the National Museum of Fine Arts in Buenos Aires.

SOCIAL ACTION AND SPONSORSHIP CONTRIBUTIONS AND UN SUSTAINABLE DEVELOPMENT GOALS



The company formally incorporated the UN Sustainable Development Goals (SDG) in the LBG social impact measurement methodology in 2018. This technical improvement lets us analyse how the different projects financed affect each SDG and the goals in the 2030 Agenda.

Abertis works with qualified suppliers with proven technical, financial and responsible performance credentials

STRATEGIC GOALS

- REJECTION OF ALL FORMS OF CORRUPTION
- DEVELOPMENT OF PRODUCTS AND SERVICES WITH POSITIVE ESG IMPACTS
- GENERATING POSITIVE SYNERGIES WITH LOCAL COMMUNITIES

95.7%
TENDERS WITH ESG CLAUSES

88.9%
LOCAL VENDOR PURCHASES

Abertis has a policy and regulation regarding procurement that set out the essential principles that should govern our relationship with suppliers (qualifications, management, planning, efficiency and control) and specific guidelines for applying the policy in relations, contracts, quality and reputation-related matters. The Code of Ethics and Corporate Social Responsibility policy are expressly included in the procurement/purchasing policy and the risk management part of the regulations on procurement operations.

Abertis suppliers furnish services related to road maintenance and construction, cleaning and other complementary services that are part of transport infrastructure management operations. The suppliers of Abertis Mobility Services also provide specific connectivity products.

In 2018, the amount of main suppliers stood at over 4,500 collaborating companies, of which 1,071 are considered to be critical because of the purchase volume or type of products or services provided. Virtually all the suppliers are located in the same region where the organisation is operating and local purchasing is always done whenever possible.

The implemented supplier contracting process is electronic and includes a formal assessment and qualifications process based on the risk levels associated with the supplier organisation. Every country uses specific tools in this regard, shared in Spain, Brazil and Chile. A project is currently being carried out to harmonise supplier assessment and approval criteria across the countries by implementing a common supplier and procurement process management tool and its integration with the organisation's economic monitoring system.

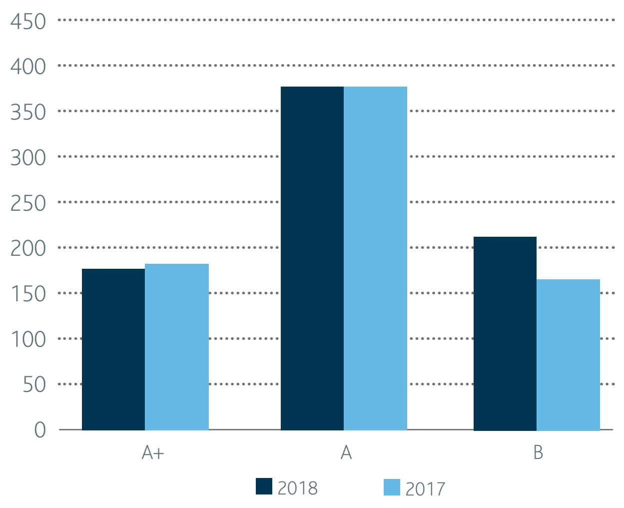
Supplier involvement in the development of products and services with positive ESG impacts is important, especially when they participate in activities related to road maintenance and construction. The objectives relating to external collaborators in the Master Plan are embodied in the four strategic pillars of the plan because of the cross-cutting impact they have on each aspect.

The scope of the nonfinancial information and main ESG-related management procedures include external collaborators and performance associated with steps taken within the framework of the organisation's activity life cycle is reflected in the presented data.

MAIN INITIATIVES IN 2018

- The 4th edition of the Abertis Global Purchasing Meeting had participation of all people linked to the purchasing units in the different countries where the Group operates.
- Autopistas has carried out several actions in Spain, most notably the specific performance evaluation questionnaire, audits on critical suppliers and a global performance assessment report. Specific training was also given to key collaborators in occupational risk prevention and an suppliers' annual meeting is also held.
- Arteris has reviewed the entire database for the purpose of updating and refining it so that suppliers are always up to date for queries and procurement process selection.
- VíasChile has continued internal training for procurement processes with a view to transforming the purchase department into a partner integrated in the organisation's operational processes.

SUPPLIERS EVALUATED ACCORDING TO CSR SCORING

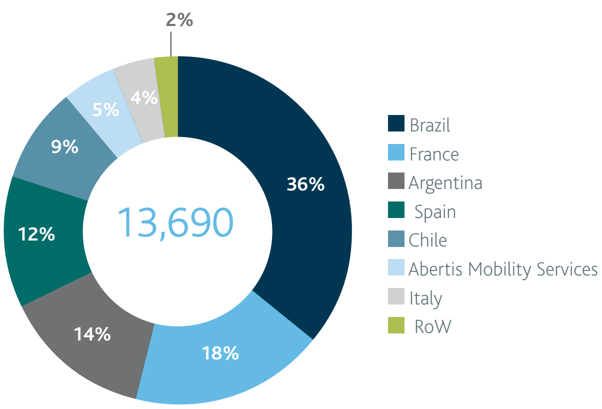


Abertis' human team is made up of nearly 14,000 people

STRATEGIC GOALS

- GUARANTEEING THE SAFETY AND HEALTH AT THE WORKPLACE
- PROMOTING A TEAM THAT IS SATISFIED, COMMITTED AND ALIGNED WITH OUR GOALS AND VALUES
- ENSURING EQUAL OPPORTUNITIES
- BOOSTING EMPLOYMENT QUALITY
- ATTRACT, DEVELOP AND RETAIN PROFESSIONAL TALENT WITHIN A MULTICULTURAL CONTEXT

2018 AVERAGE EQUIVALENT WORKFORCE



	Total	Men	Women
Workforce	14,119	62.1%	37.9%
Indefinite contracts	93.4%	93.9%	92.5%
Full time	90.4%	94.3%	83.9%
Turnover	14.5%	15.5%	12.8%

14,119

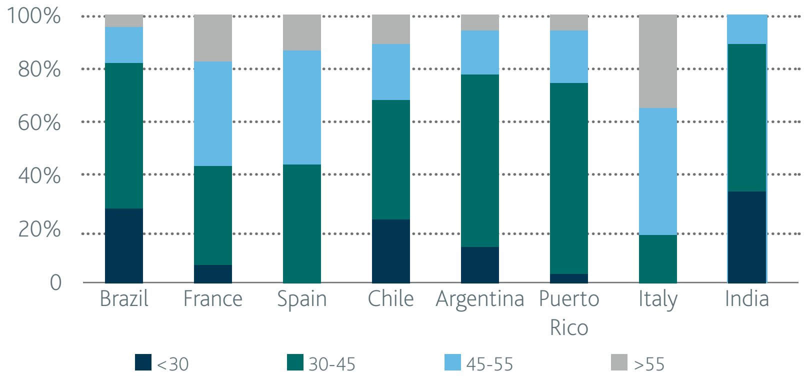
EMPLOYEES (FINAL WORKFORCE)

89%

EXECUTIVES COME FROM THE LOCAL COMMUNITY

DIVERSITY AND EQUALITY*

WORKFORCE BY AGE GROUP AS OF 31 DECEMBER*



* This and the following graphs in this chapter are calculated from data with a nonfinancial information scope (specified in chapter 7 'About this report')

The Abertis Group strives to create a culture of respect, inclusion, collaboration, safety and health at the workplace. There is a growing number of women holding executive and management positions, thus consolidating a continuous positive trend. All countries have regulations linked to equal opportunities, though only Spain imposes the obligation to prepare a specific equality plan in relation to the various management aspects surrounding this matter, in addition to remuneration, such as promotion, training, selection, etc. The overall remuneration ratio for women vs men is 70.3%, a slightly lower percentage than the previous year.

- Autopistas rolled out 'Mi día en la autopista' (My day on the road), a specific section on the intranet that lets people from minority groups share the tasks that they carried out during the workday, thus encouraging more diversity in some of the involved positions.
- Túnels in Spain approved a harassment prevention plan.
- Puerto Rico conducted a salary and wage study according to the country's Equal Salary Law that revealed the main causes of the gender salary gap, namely seniority, level of training and responsibilities assigned to each job.

A total of 276 people took parental leave during the year, with a retention rate of 86.7% for men and 74.6% for women.

Starting this year, Brazil, France, Spain and Chile are required to hire a certain percentage of hiring of functionally-diverse workers, either directly or indirectly through the use of alternative measures. A total of 312 people from this group joined the workforce in 2018.

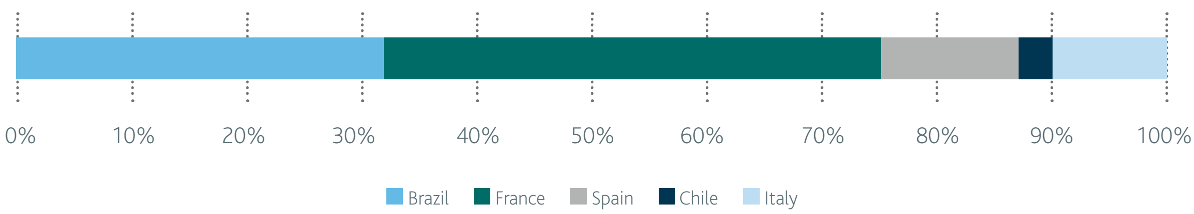
WOMEN

37.9%
TOTAL WORKFORCE

18.6%
EXECUTIVES

26%
MANAGERS

AVERAGE FUNCTIONALLY-DIVERSE WORKFORCE



90% of executive-level vacancies in the last five years have been filled via internal promotion

TALENT PROMOTION

Talent promotion and retention are the main elements that make up Abertis' professional development policy. Committing to this talent base is thus a cornerstone of our people management policy. One of the Group's strategic objectives is to ensure that at least 75% of the executives and managers vacancies are filled by internal candidates.

In the last five years, 39 executive positions have been renewed in the Group, 32% of the total number of Abertis executives. Ninety percent of these new management positions have been filled by internal promotion via vertical or horizontal movements. In addition, over 48% of employees who have gone through the Talent program are currently holding a leading position in the Group.

The Group has established a Management by Objectives system for promoting talent. Currently, 100% of executives, 98.7% of managers (department heads) and 61.5% of the remaining positions are under this performance evaluation system.

Abertis has a Succession Plan in place for identifying the successors of all critical positions at the company and providing a global and cross-cutting vision to making the most of the organisation's talent base. The Succession Plan is already underway in most of the Group's business units. At present, the training needs of the identified successors with respect to the responsibilities of the positions to which they are appointed are under analysis.

KNOWLEDGE NETWORKS

Abertis has an extensive knowledge network, Connectis, a space that allows people involved in the different stages of the operation to share knowledge and work collaboratively with the goal of implementing continuous improvement processes across the entire group. Brazil, France, Spain, Chile, Argentina and Puerto Rico are actively involved and, specifically, the areas of civil construction works, operations and exploitation, technology and information systems and procurement. The Connectis was extended in 2018 to the Legal, Customer and Marketing departments, and Italy. The Human Resources teams are set to be incorporated in 2019.

WORK ENVIRONMENT

The Group regularly conducts work climate surveys to measure employee satisfaction and develop action plans focused on improving staff well-being.

- In addition to the employee satisfaction survey (general satisfaction level of 80%), Arteris continued the 'Premio Valores Arteris' (Arteris Values Award) to recognise collaborators who incorporate organisational values and culture into their daily jobs. A total of 77 workers have received this award in which over 50% of the workforce have participated through nomination and peer voting.

- The results of Chile's 'Yo Opino' (My Opinion) survey surpassed 80% insofar as satisfaction level at all the country's subsidiaries with the exception of two in which the figure stood at 75%. Likewise, the Argentine concessionaires also conducted a work climate survey, whose results will allow us to draw up and prioritise improvement actions.

- Puerto Rico created an internal relief fund of half a million dollars to support the families of workers who were affected by Hurricane Maria. While the fund was not fully used, the steps taken included the donation of power generators, furniture and home appliances, and payments on the repair of damage at the homes of collaborators.

- The Túnels subsidiary in Spain conducted an employee satisfaction survey with satisfactory results. A specific action plan was made for aspects identified as improvable and will be implemented in the coming year.

- The activities of Mobility Services in France included an employee satisfaction survey, which obtained a score of 84%.

TRAINING

With the exception of three subsidiaries in Brazil, every country has annual plans that identify training needs and actions to be implemented during the year in keeping with the strategic priorities of the organisation.

- Arteris developed a specific application to promote and simplify access to the corporate intranet and all its contents. Workers now no longer need to use a computer to carry out their functions, since they can access the intranet directly from their mobile handsets, thus increasing intranet use. The application has been downloaded over 2,000 times, thus ensuring intranet access to a group of over 50% of the workers.

18.329 hours of training in corporate social responsibility was given in each country, particularly in France, Brazil and Chile.

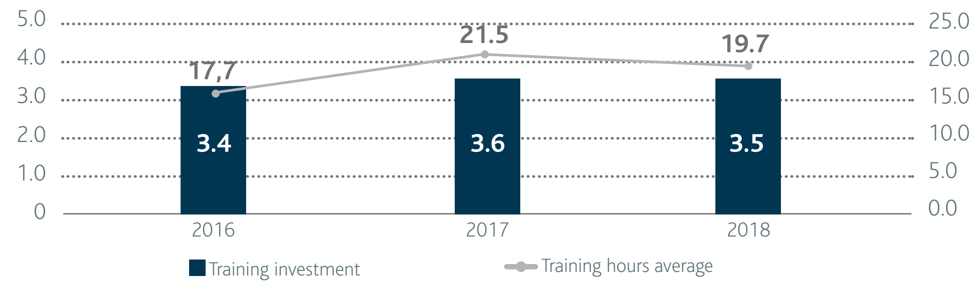
€3.5 Mn

INVESTMENT IN TRAINNING

CORPORATE VOLUNTEERING

In 2018, the Corporation and the Abertis Foundation celebrated Volunteer Day with numerous activities. Through the Voluntários Programme in Brazil, Arteris employees travel around toll roads to locate homeless youth living near the infrastructures. Among other volunteering actions, Sanef workers in France give music lessons to small orchestras consisting of children without economic resources. VíasChile's landscaping professionals in Chile teach classes to women in prison to encourage their re-integration into the workplace. Within the 'Construye tu Futuro (Build your Future)' plan, VíasChile succeeded in helping over 170 young people from highly socially vulnerable backgrounds in 2017 to obtain state scholarships to pursue higher education.

TOTAL INVESTMENT IN TRAINING (€Mn)* AND AVERAGE HOURS PER WORKER



*2017 figures have been restated to allow comparability due to a modification of criteria in France.

The Group launched the Smart Risk Programme to reduce workplace accidents

-4.2%
WORKPLACE ACCIDENTS

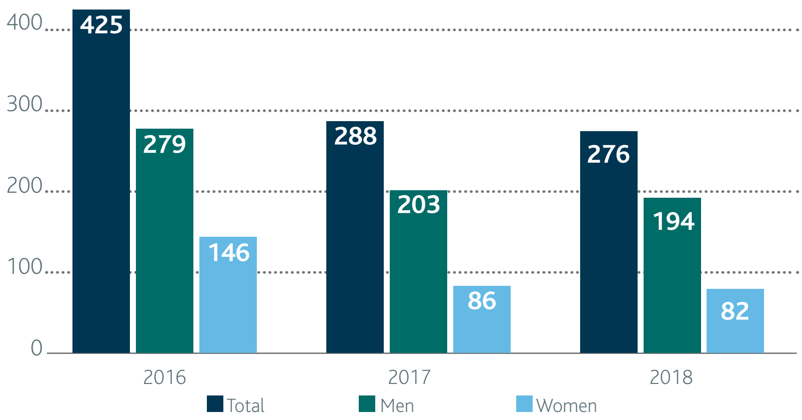
146,271
HOURS IN HEALTH AND SAFETY TRAINING

OVERALL ACCIDENT RATE
20.4
(+3.9%)

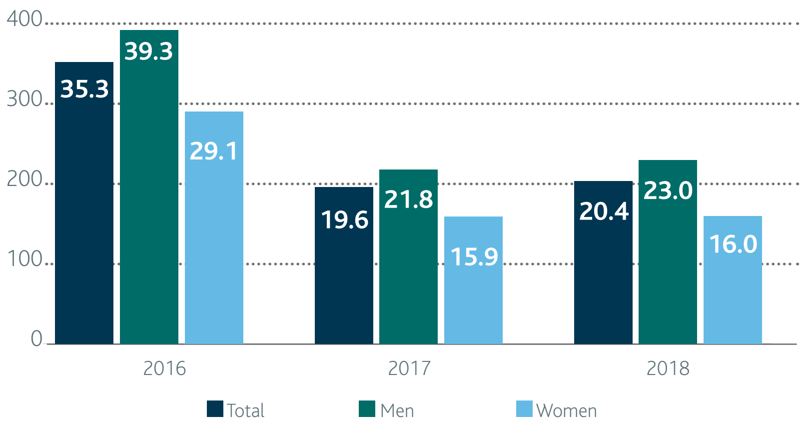
Abertis' commitment to road safety starts with the physical integrity of everyone working for the Group so that we create safe working environments by applying prevention measures and training our teams.

ACCIDENT RATES OVER TIME

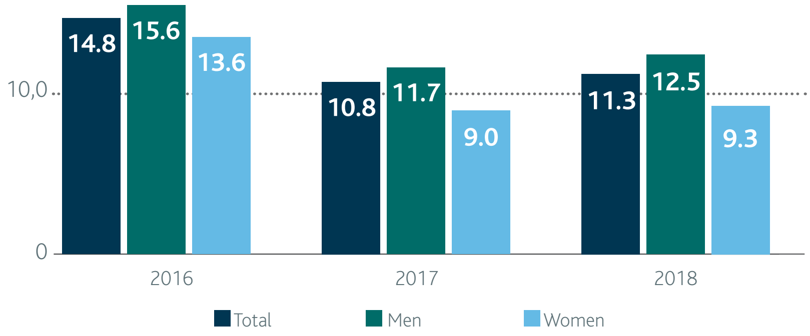
Workplace accidents



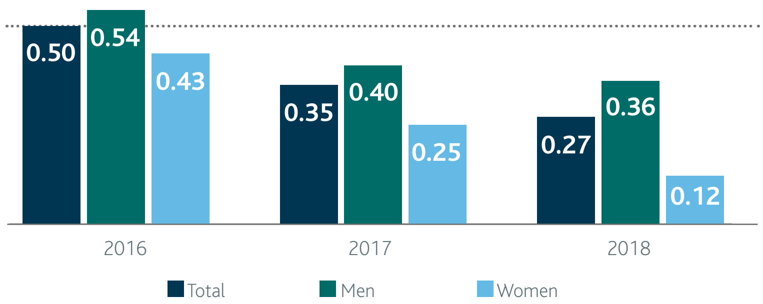
Incident rate



Frequency rate



Severity rate



MAIN ACTIONS IN 2018

- The Abertis Group launched Smart Risk as a global programme to consolidate and promote a health and safety culture for all employees.
- With a view to understanding all the Road Safety and Occupational Health and Safety projects of each business unit of the Abertis group in Latin America, the HR and Organisation Division held the First LatAm Risk Prevention in Road Safety Seminar.
- VíasChile implemented a month-long awareness-raising programme with actions aimed at addressing aspects related to occupational health and safety.
- The specific occupational health and safety training actions in 2018 tallied 146,271 hours for the entire group.
- Toll roads in India have implemented prevention actions, including the provision of suitable prevention equipment for the risks detected in each operation.
- Further actions: specific tracking and control audits, psycho-social risk assessments, refreshing and updating of occupational health and safety management regulations and procedures, awareness-raising workshops and actions.

PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

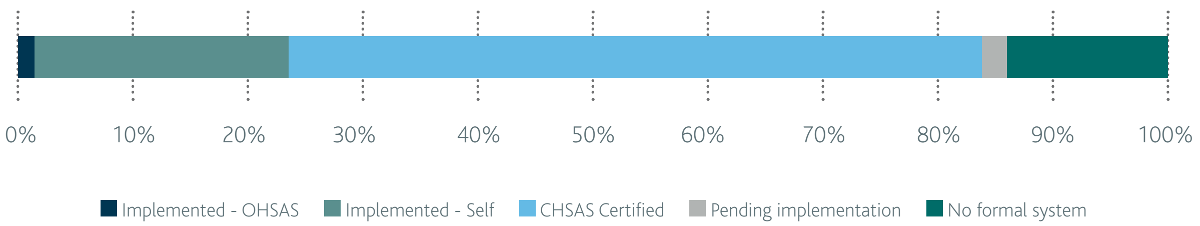
The implementation of formal occupational health and safety management systems constitutes the organisation's main management tool in alignment with the *Smart Risk* Programme. Eighty-three point eight percent (82,6%) of turnover has an occupational health and safety management system implemented and/or certified based on OHSAS 18001. Activities in India and Italy, one of the concessionaires in Puerto Rico and another in Argentina do not have a formalised system of this sort.

The health and safety committees constituting persons representing of workers' groups and the organisational management permit the systemisation and monitoring of the implemented actions. These committees met 525 times in 2018 to address specific occupational risk prevention-related matters such as trends in workplace accident data, causes of accidents that took place, auditing and workspace visits, psycho-social risk analysis, work plan tracking, the correct use of protective equipment, etc. 77.3% of the direct workforce is covered by a health and safety committee.

The involvement of indirect workers is also important, since they amounted to 13,207 in 2018 and were involved in 196 accidents that were not included in the data for the direct workforce presented herein. Preventive measures are extended to vendors and subcontractors through not only training and awareness-raising suppliers but also common reduction goals.

The data from India have still not been incorporated due to the particulars of this topic in the country. In addition, in 2018 two indirect workers died in Brazil due to a run over in one case and a contact with electricity in the other.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM BY TURNOVER

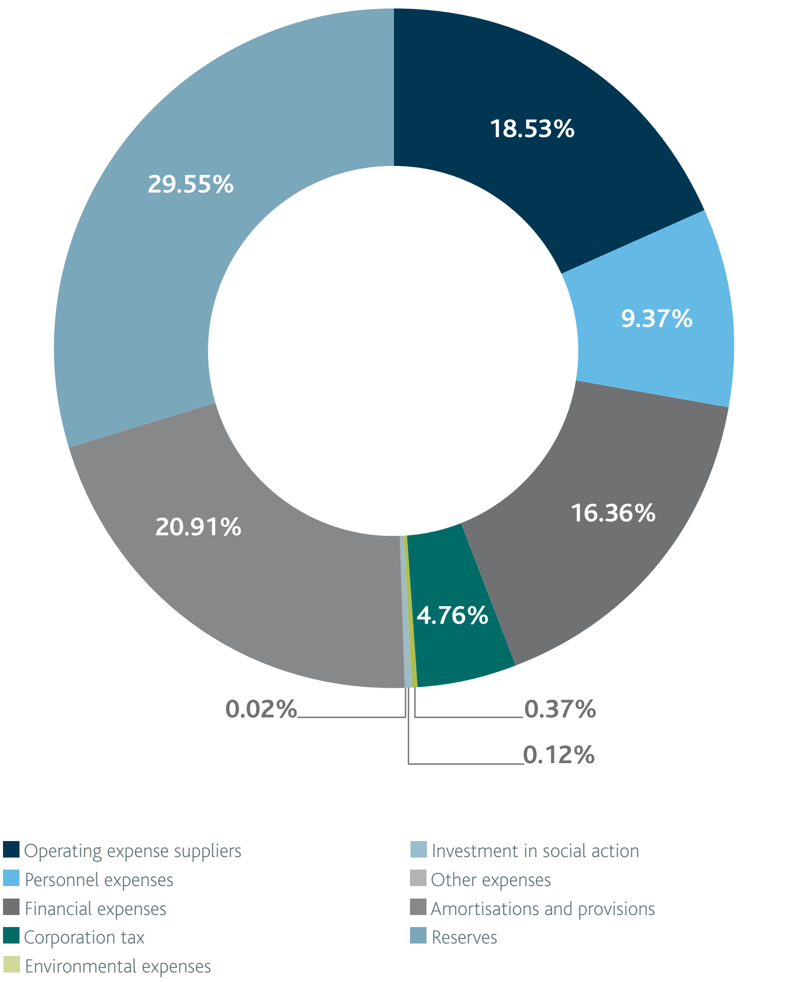


VALUE ADDED STATEMENT

The Value Added Statement (VAS) analyses the profit and loss account of an organisation to graphically appreciate the distribution between the different stakeholders of the economic value generated by Group activities.

The economic value generated by Abertis in 2018 stood at €6,207.9 million, of which 49.5% was distributed and 50.5% was retained by the organisation.

VAS – CONSOLIDATED FINANCIAL STATEMENTS



Any vehicle
Any vehicle
TUNNEL CLOSED
30
30

CHAPTER 7

Outlook

2019 COURSE OF ACTION

SPAIN

- Work with governments and other agents to move forward with initiatives to improve mobility.
- Tackle uncertainty in the continuity of concessions.
- Analysis of new business lines in Spain.
- CSR and sustainability action plan.

FRANCE

- Continuation of the Plan Relance investment plan.
- Analysis of the new investment plan (Grand Paris).
- Commissioning of new free-flow gantries along the A4 toll road and studying its expansion to other toll roads in the country.
- Implementation of new management systems that guarantee environmental returns in projects.
- Deployment of the specific CSR action plan.

ITALY

- Montecchio toll remodelling work.
- Viability study for the Verona South construction works.
- Advance with the Northern Connection project: begin construction work at the Veneto section and get green light for the Trento section.
- Deployment of the specific CSR action plan.

BRAZIL

- Commissioning of ViaPaulista.
- Continuation of the investment plan with landmark works such as the Florianópolis beltway, the duplication of the Fluminense toll road in Rio de Janeiro and Niteroi, and the negotiation for new investments.
- Replacement of the ETC system along the entire network.

CHILE

- Start of works of a third lane in Routes 78.
- Tender of the 2nd phase of the works in the Quilicura-Autopista Central intersection.
- Implementation of free-flow gantries in Rutas del Pacífico, Routes 78 and 57.
- Agreement with the government to expand Route 68.
- Study of pending re-tendering on Route 78.
- Deployment of the specific CSR action plan. Promote culture with an exhibition on Gaudí.

PUERTO RICO

- Implementation of the 2019-2021 Strategic Road Safety Plan.
- Analysis of optical fiber and telecommunications installation project.
- Deployment of the specific CSR action plan.
- Process of change for the e-toll system customer service supplier.
- Finalization of the recovery of post-hurricane Maria insurance.

ARGENTINA

- Comprehensive construction works plan in Autopista del Sol and Autopista del Oeste (extensions, resurfacing, LED lighting, etc.).
- Toll system replacement in Autopista del Sol.
- Change management project through a complete migration to SAP.
- Remodelling of offices with an "open space" concept.
- Deployment of the specific CSR action plan. Promote culture with an exhibition on Velázquez.

INDIA

- Toll system renovation plan.
- Analysis of new growth opportunities in the country by leveraging the National Infrastructure Plan.
- Deployment of the specific CSR action plan.

ABERTIS MOBILITY SERVICES

- Search for new opportunities in free-flow, truck tolling and Road Use Charging projects with a focus in the United States, Europe and Latin America.
- Promote the leadership of Eurotoll as a provider of EETS services for heavy vehicles in Europe.
- Development of new mobility business (congestion charging, MaaS, etc.).
- Continue to promote innovation in advanced and non-intrusive free-flow technology solutions for application in new projects and their deployment within Abertis Group business units.
- Deployment of the specific CSR action plan.

CORPORATION

- Drafting of a new 2019-2021 strategic plan.
- Analysis of new PPP's opportunities in different markets.
- Update the materiality analysis, to include new activities and geographical locations.

CHAPTER 8 About the report

PREPARATION METHODOLOGY

A new Spanish law entered into force in 2018 linked to the effective transposition of the European Union's Nonfinancial Reporting Directive and Spanish Royal Decree 18/2017 already in force, which slightly amended some aspects, including yet not limited to environmental, social and governance accountability requirements for organisations having over 500 employees.

In addition to requiring external verification of nonfinancial information published at the same time and in the same manner as the financial statements, the new law expressly incorporates different aspects necessary to include in financial reporting in terms of environmental, social and governance topics.

The Integrated Annual Report (IAR) for the 2018 financial year and the CSR Master Plan Tracking Annexe comply with the requirements of the new legislation that also recognises GRI standards, the framework of the International Integrated Reporting Council (IIRC) and the UN Sustainable Development Goals (SDG) as frameworks for drawing up internationally recognised nonfinancial performance reports.

These contents were drawn up following the requirements established by the following international standards:

- 2016 Sustainability Reporting Standards (SRS) of the Global Reporting Initiative for the comprehensive option.
- Communication on Progress (CoP) reporting policy of the UN Global Compact.
- International Integrated Reporting Framework promoted by the International Integrated Reporting Council (IIRC).
- Stakeholder engagement accountability principles.
- UN Sustainable Development Goals.

Together, the IAR and CSR Master Plan Tracking Annexe contemplate the recommendations of external audit and evaluation entities insofar as environment, social and governance aspects, and are supplemented by additional publications of the Group and its companies.

The employed calculation methodologies include the formalised methodologies referenced, benchmark legislation for calculating carbon footprint, which includes ISO 14064: 1-2012, based on the international Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard and the criteria established in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published in 2011 by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) together with the Climate Disclosure Standards Board (CDSB). The London Benchmarking Group's methodology has also been used to quantify the contributions linked to projects executed in relation to local communities.

The information in the IAR and its annexe was externally reviewed by an independent auditor commissioned to review financial and nonfinancial information according to the standards and procedures specified in the corresponding review reports annexed thereto.

The Board of Directors is responsible for formulation of financial and nonfinancial reporting in the IAR and CSR Master Plan Tracking Annexe.

2018

NEW LEGISLATION

New Spanish law in force linked to the effective transposition of the European Non-financial Reporting Directive

SRS

(SUSTAINABILITY REPORTING STANDARDS)

International standard for sustainability reports promoted by GRI

SCOPE OF THE INFORMATION

The scope of the financial information includes the total activity of the organisation, and the scope of nonfinancial information includes 97.8% of the total turnover and 95% of the workforce as of 31 December 2018.

The variations affecting the scope of the nonfinancial information versus the previous year correspond firstly to the exclusion of Vianorte, which was handed over to the public authorities upon expiration of the concession, and the inclusion of ViaPaulista because of the corresponding management contract award in 2018 (both in Brazil). Latina Manutençao and Latina Señalizaçao merged into a single organisation, entailing a restructuring to adapt to the main activities of the organisation (excluding mining activities that had been under the direct management of Latina before that date).

The re-expressed information and limitations on the scope of the data at a specific level were specified in the information published in the CSR Master Plan Tracking Annexe.

COMPANIES WITHIN THE SCOPE

TOLL ROADS

Spain - Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Aulesa and Túnels.

France - Sanef, Sapn, Bip & Go, SE BPNL SAS and Sanef Aquitaine.

Italy - A4 Holding, A4 Mobility, Autostrada Bs Vr Vi Pd SpA and A4 Trading Srl.

Brazil - Arteris, Autovias, Centrovias, Intervias, Planalto Sul, Fluminense, Fernão Dias, Régis Bittencourt, Litoral Sul, ViaPaulista and Latina Manutenção de Rodovias.

Chile - Vías Chile, Autopista Central, Autopista Los Libertadores, Autopista del Sol, Autopista Los Andes, Rutas del Elqui, Rutas del Pacífico y las operadoras vinculadas: Operadora Sol, Operadora Los Libertadores, Operadora Andes, Operadora del Pacífico and GESA.

Puerto Rico - Metropistas and APR.

Argentina - Ausol and GCO.

India - Jadcherla Expressways Private Limited and Trichy Tollway Private Limited.

Abertis Mobility Services - Emovis SAS.

CENTRAL SERVICES

Abertis Infraestructuras and Abertis Foundation.

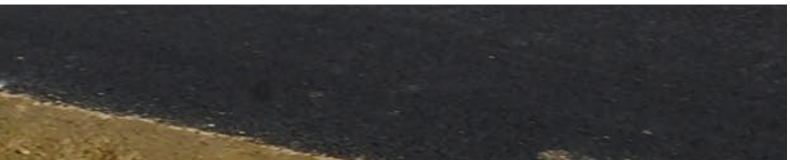
The remaining 2.2% comprises the following companies:

- Direct participation: Abertis Infraestructuras Finance B.V, Abertis Motorways UK Ltd, Abertis Mobility Services SL (except for Emovis SAS), Abertis PDC SA and Abertis Telecom Satélites.

- Indirect participation: Central Korbana Chile, S.A., Central Korbana Sarl, Serenissima Partecipazioni SpA, Mulhacen y Globalcar Services SpA.

CHAPTER 9

CSR Master Plan Tracking Annex

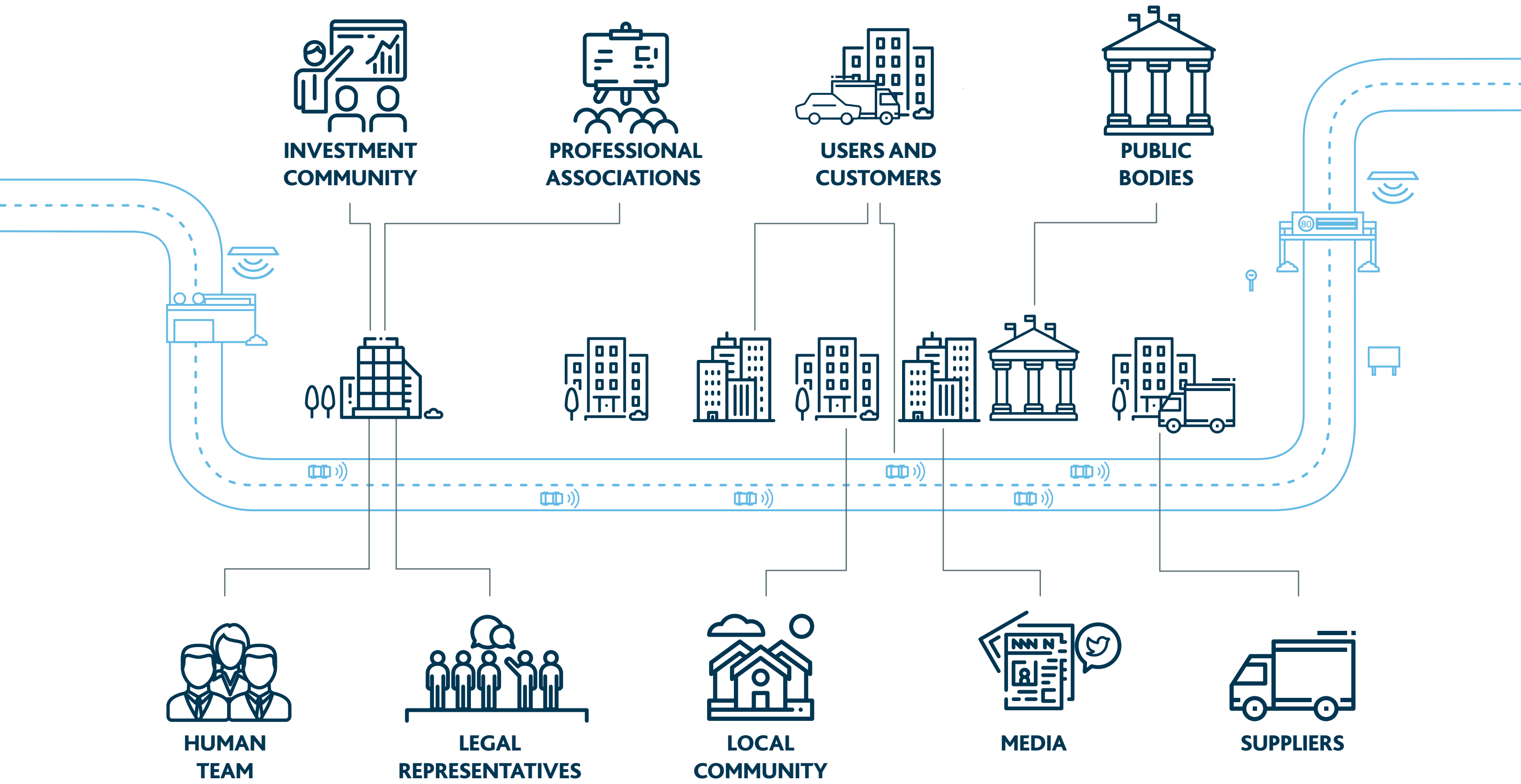


STAKEHOLDERS AND MATERIALITY

STAKEHOLDERS

The main changes that took place in 2018 relate to the organisation's ownership and governance structure without any changes in Group activities. The materiality analysis update was affected by these changes, and is a task that should be carried out during the next year to respond to the need to include the Mobility Services activity and the countries that were incorporated in the management scope after drawing up the most recent materiality analysis in 2014.

The organisation's stakeholders and their characteristics remained unchanged, though it will be essential to assess the changes taking place in stakeholder parent



companies for activities that should be included in the materiality update process, namely Mobility Services, toll road management activities in Italy and India, and the changes that have taken place in the composition of the Brazilian and Spanish subsidiaries. It is worth noting that the investment community is the stakeholder that has substantially changed in relation to the previous year because of the Group's new ownership composition and delisting.

MATERIALITY

The performance and maturity of non-financial accountability of the industrial transportation sector have laid the framework for sector-specific studies for analysing Environmental, Social and Governance (ESG) priorities based on specific nonfinancial reports published by organisations operating in that sector. The report recently published by the Governance & Accountability Institute on materiality and Sustainable Development Goals (SDGs) pointed to the following priority material aspects for the industrial transportation sector:

- Occupational health and safety
- Quality of employment
- Infrastructure investments
- Economic performance
- Climate change and air quality
- Training and professional development
- Gender equality
- Freedom of association and collective bargaining
- Energy efficiency
- Turnover
- Corruption prevention
- Compliance
- Equal pay
- Social benefits
- Diversity
- Waste
- Water quality
- Compensation mechanisms (Human Rights)
- Parental leave
- Procurement practices
- Organisational transparency
- Indirect impacts
- Biodiversity
- Environmental investments

Likewise, the 'Sustainability Reporting Landscape in India', a study by the Reporting Exchange initiative, states that this country's priority ESG aspects include economic inequality, gender inequality (economic participation and related opportunities, education and health), waste management (generation and treatment), water (linked to the severe water crisis in the country), air quality (concentration of suspended particulate matter), use of renewable energy and other labour-related aspects. India's government is taking steps to palliate the negative effects of these issues by establishing an effective taxation programme, investing in solar power generation and improving education and opportunities for girls to tackle the gender gap.

The materiality analysis conducted by Italian toll roads in 2016 revealed the following highly relevant material aspects: road safety, traffic and emergency management, occupational health and safety, economic performance, government and risk management, corruption prevention, service quality and user/client satisfaction, impact on soil and landscape, professional development of employees, noise and supplier evaluation.

All these aspects, whether sector-specific or identified in Italy or India, are included as material aspects in the valid Abertis materiality, thus enabling us to assess their present relevance for the organisation's main sector of activity. Further, these and other material aspects are part of the organisation's nonfinancial reporting and constitute the foundation of the CSR Master Plan.

The infograph below presents the material aspects classified in relation to the life cycle stages of the infrastructure management activity for mobility and the organisational boundaries on which these aspects are located. It also expresses cross-cutting material aspects of different Group activities together with the priority SDGs for all the defined life cycle.

RELEVANT LIFE CYCLE AND SDG ASPECTS

TOLL ROADS

OPERATION AND MANAGEMENT

- Materials consumption
  Energy and water consumption
  Climate change and emissions
- Local purchases
  Employment
  Professional development
  Talent retention
  Occupational health and safety
  Diversity and equal opportunity
  Material consumption
  Energy and water consumption
  Noise
  Biodiversity
  Positive social and environmental criteria
  Appraisal of suppliers

USE

- Road safety
  Climate change and emissions
  User satisfaction
  Local community

CONSTRUCTION AND MAINTENANCE

- Materials consumption
  Energy and water consumption
  Climate change and emissions
- Materials consumption
  Energy and water consumption
  Climate change and emissions
  Occupational health and safety
  Waste and waste water
  Biodiversity
  Restoration of habitats

CROSS-CUTTING ISSUES

GOVERNANCE, HUMAN RIGHTS AND STAKEHOLDERS

Prevention of corruption
Ethical code and regulations for each country
Transparency and accountability
Human rights
Fair operating practices
Mechanisms for complaints

SUSTAINABLE DEVELOPMENT GOALS

● Suppliers ● Abertis ● Clients

GRI SRS: 102-9, 102-11, 102-12, 102-15, 102-21, 102-29, 102-44, 102-46, 102-47, 103-1

CSR MASTER PLAN

IMPLEMENTATION STATUS

The Strategy Chapter in the Integrated Annual Report contains a global summary of the level of achievement of the objectives established in the CSR Master Plan (CSRMP). Halfway through its valid period, the quantitative objectives were changed to eliminate objectives that were specific to the telecommunications activity and adjust the established level depending on the progress of remote toll (teletoll) systems, since the initially established objective was achieved in 2017.

The main headway made in logistics to date relate to the strategic road safety and occupational security objectives, while the detected challenges primarily concern operational eco-efficiency and the environment, since our progress in these two strategic areas are below their expected levels.

CSRMP deployment has progressed slower than expected, mainly because of the organisational and governance changes throughout the Group since 2018. We nevertheless need to continue working to ensure the definition of specific actions focused on achieving the different goals set out in the Master Plan in every single country in line with the individual contribution to impacts.

MAIN ACTIONS CARRIED OUT

The CSRMP objectives and goals were included in the Construction Project Management Standard drawn up this year. This standard sets out the Abertis Construction Project Management Policy based on a model that adapts the PMI methodology to the needs and structure at Abertis based on a foundation of four basic pillars: proactive governance, structured processes, capable organisation and efficient control structure.

The overall aim is to enhance consistency in construction project management by prioritising decision-making based on risk analysis. The standard was drafted as a means to support Abertis project managers and execution teams and seeks to maintain the following qualities by adapting to the needs of each project:

- Timely decision-making by establishing clear escalation and decision circuits; and authority so the right people can make these decisions.
- Clear responsibility to attain project results and a risk management that matches the requirements of the Business Units or Project.
- Conscious alignment of regulatory, strategic, interface-related and project-specific objectives and goals.
- Dissemination of the information necessary to inform stakeholders of the project status quickly, effectively and transparently.

The standard will affect the different Engineering and Construction departments at the business units, thus yielding greater visibility of the progress of projects to other divisions such as CSR, Purchasing, Legal, Audit, Compliance or Finance. The implementation plan is set to be carried out in stages, the first of which entails the approval of the standard and model, and subsequent implementation for the projects at Valdastico North (A4Holding) and Quilicura (ViasChile).

ESG-related accountability became more frequent in 2018 with a view to gaining more continuous monitoring of the headway made in achieving the objectives established in the CSRMP while addressing the legal requirements in force for nonfinancial reporting. Abertis is also involved in the GRI's Corporate Leadership Group on Digital Reporting project, which will work on and analyse the existing potential in applying technology to nonfinancial accountability during the 2018-2020 period. Two work sessions were held to date, one in person and the other virtual, during which participants discussed matters related to the application of new information technologies and big data during the phases of nonfinancial reporting and for safeguarding that information. Further work meetings are expected to be held throughout 2019 and the results of the projects will be presented at the next GRI Global Conference in 2020.

Participation in external environmental, social and governance assessments remained active in 2018, though some of these assessments are expected to stop because the organisation no longer falls within the scope of the analysis for each initiative. The results of the FTSE Russell assessment for the FTSE4Good Index Series Family reveal substantial improvements in terms of good governance, which received the highest possible score, though there were slight setbacks in the social aspect. The score for the environmental dimension remained unchanged compared with last year's results. The RobecoSAM assessment for the Dow Jones Sustainability Indices (DJSI) showcased the same improvements in the social dimensions and the challenges facing the organisation in terms of climate change and operational eco-efficiency. Finally, the participation in the assessment carried out by Corporate Knights for the Global 100 ranking and MSCI's ESG analysis is also worth mentioning.

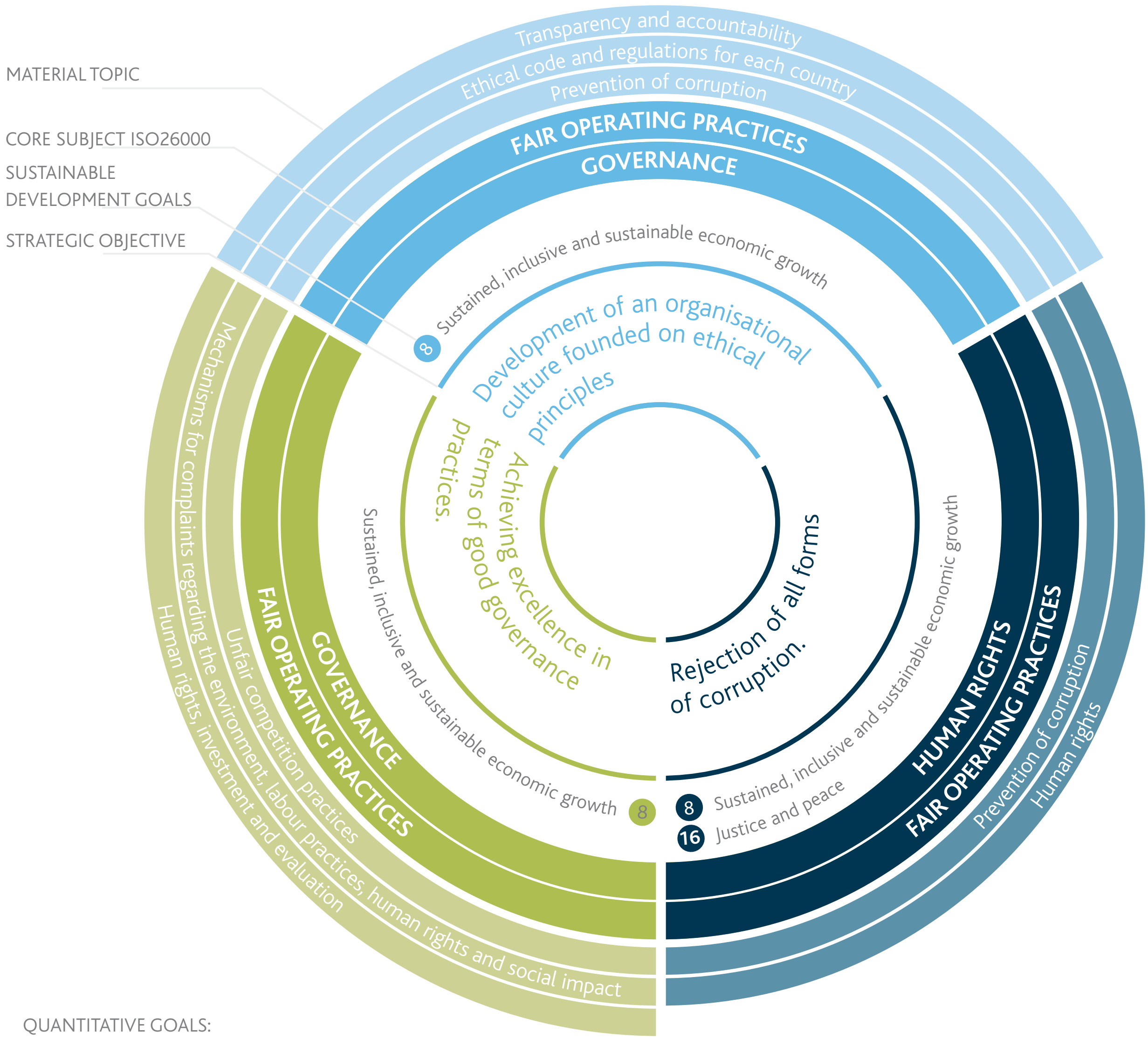
CLGDR

Abertis
participates in the working group led by GRI on digital reporting.

CDP

Abertis
has obtained a B classification in the last evaluation of CDP

AREA 1: GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY



QUANTITATIVE GOALS:

- 100% stakeholder involvement in respect of the code of ethics
- 0 non-compliances
- Improve listed companies' level of compliance with the Good Corporate Governance Code
- 100% of complaints handled
- 100% of activities analysed in respect of human rights

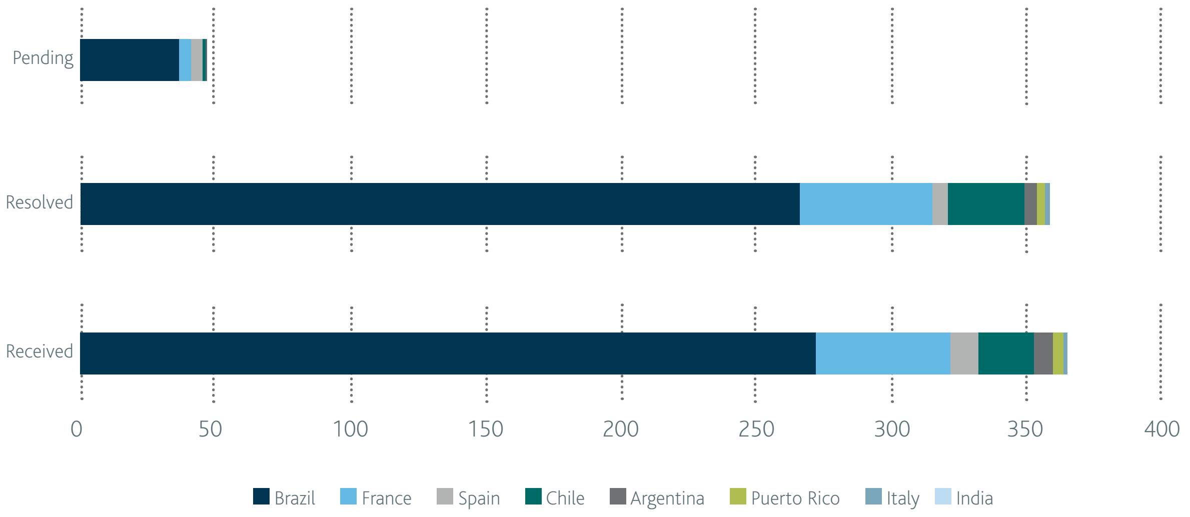
- 100% stakeholder involvement in respect of prevention of corruption
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

ORGANISATIONAL CULTURE

Implementation of the code of ethics, one of the elements in the Group's crime prevention model described in the report, progressed even further in Italy, India and Túnels in Spain, subsidiaries that have deployed the code and formalised their whistleblowing channels. Workers also received training in code of ethics content and compliance in Spain and Italy.

We received a total of 366 complaints in 2018 related to breaches in the code of ethics, of which 359 were resolved. The increased whistleblowing in Brazil and France, linked to the deployment of specific awareness-raising projects and training on the use of the ethics channel in Brazil and adaptations to new statutory compliance requirements in France have caused a variation in the data compared with the previous year.

TOTAL COMPLAINTS HANDLED DURING THE YEAR PER COUNTRY



Eighty-eight point two percent (88.2%) of the cases opened in 2018 were resolved (including cases pending from the previous year) and 60.4% of these resolutions entailed dismissing the complaint. Likewise, 14.5% of the resolutions entailed the application of further disciplinary measures, 15.9% included warnings and 9.2% concluded with the dismissal of the implicated persons. A total of 48 complaints remained pending resolution at year-end.

The number of code-of-ethics infringements increased in comparison with the previous year, primarily due to the variation in the amount of complaints received and their subject matter, thus revealing not only the effective implementation of the code as a compliance assurance mechanism for corporate commitment to ethics and organisational culture but also the elevated reliability and effectiveness of the ethics channel and related investigation procedure. The main causes were noncompliance with internal policies, inappropriate conduct, conflicts of interest and legal infringements, among others..

REJECTION OF ALL FORMS OF CORRUPTION

In 2018, all Group business units worked on developing and updating rules, standards and procedures for preventing corruption, including standards related to institutional courtesies and gifts, conflicts of interests, sponsorships and patronage.

Training and awareness-raising actions also continued, as detailed further in the chapter corresponding to risk management and compliance.

The due diligence procedure developed as part of the Integrity Project in Brazil was particularly salient as it involved suppliers and focused on corruption risk prevention mechanisms. Additionally in this regard, the supplier database was updated for the purpose of maintaining active suppliers while rendering a more agile database as a tool of reference in procurement, purchasing and commissioning processes.

Specific training in procurement processes was given in Spain, in addition to the development of a specific supplier evaluation and related report with a view to learning from the assessment and audit processes on suppliers.

Finally, work was carried out at the corporate level to implement a supplier due diligence tool linked to the main supplier and procurement management system to extend compliance commitments made by the organisation to the supplier assessment and approval system. The due diligence process contemplates aspects such as different risk summaries, diversity aspects, legal records and organisational and governance particulars that will influence the overall compliance score and expand the analysed categories through agreements with third parties managing environmental, social or governance information. This tool will involve compliance teams in the supplier approval process while ensuring the integration of the crime prevention model into procurement teams, which will ultimately be linked to organisational procedures from the very outset to project execution phases within a framework of strategic supply chain management.

EXCELLENCE IN GOOD GOVERNANCE

The organisation's delisting and new shareholding composition have resulted in structural changes in its governance. The Extraordinary General Meeting held at the end of the year formalised the Board of Directors, which now comprises five members, though no specific committees have been created at December 31st.

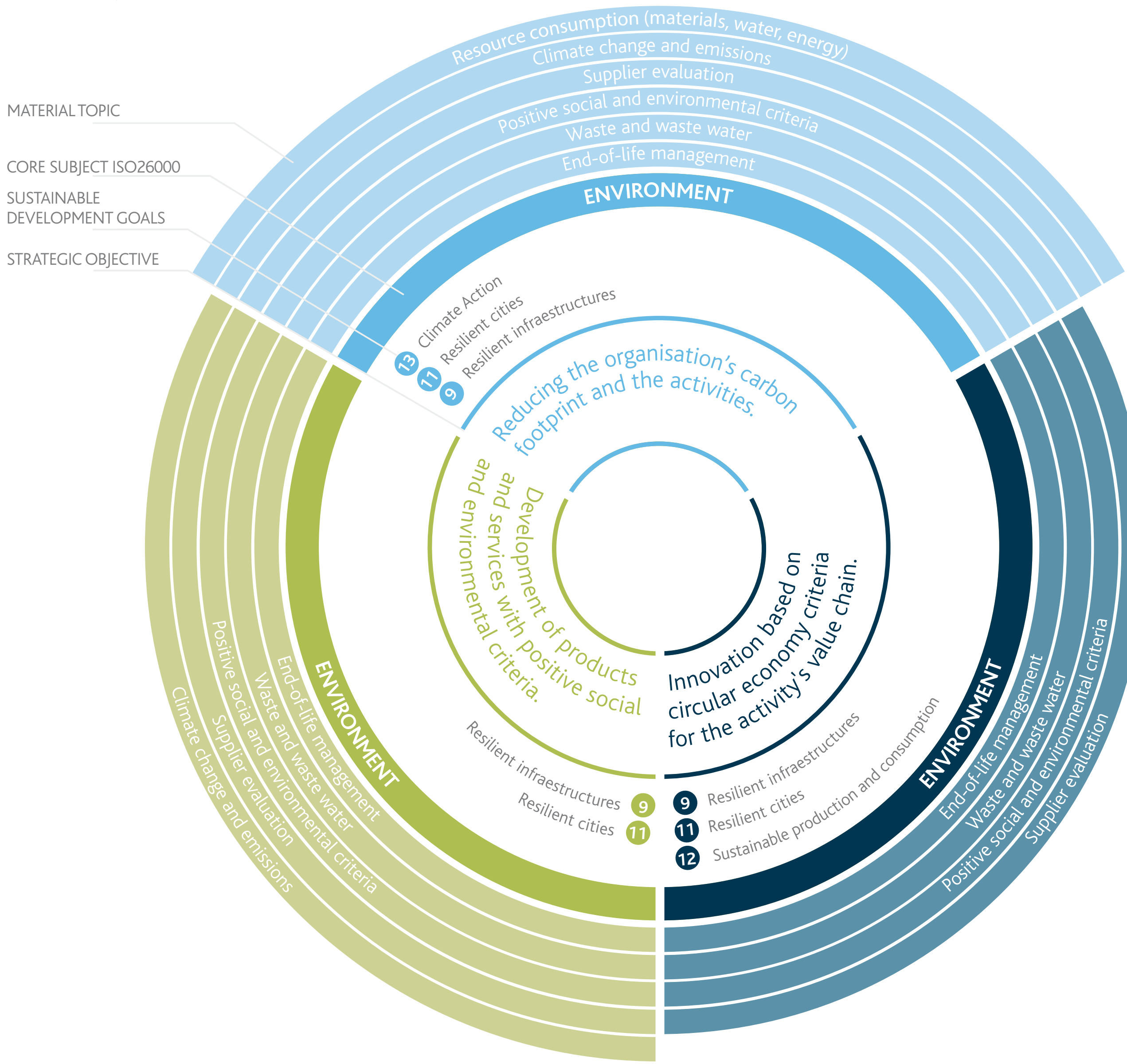
The Abertis bylaws were reworded to adapt to the changes arising from the new governance structure and can be consulted at the organisation's website together with details on the changes. The Board of Directors handles environmental, social and governance matters, as expressly laid out in the General Regulations of the Board of Directors (available at the website).

Abertis complies with 69% of the different recommendations of the Code of Good Governance that are applicable to the organization, which reduced to 36.

Each chapter of the present report describes the claim mechanisms in place at the organisation and their performance throughout the year. Virtually all claims received were addressed and recorded for incorporation into the continuous improvement cycle.

A specific due diligence standard was also drawn up for assessing criminal risks applicable for growth and investment operations, which all stakeholders can view at the ethics channel webpage. This standard is the first step to be able to systematically include ESG aspects into investment projects and future acquisitions to assess all risks of crimes against human rights.

AREA 2: ECO-EFFICIENCY



QUANTITATIVE GOALS:

- Reduction in scope 1 and 2 emissions (10% by 2020 compared with 2015)
- Consolidate a common scope 3 calculation methodology for the whole Group
- Identify actions to implement which will have an impact on vehicle emissions
- Standardise the Group's energy management

- Progressive increase in the percentage of electronic toll use (80% target for transactions and volume)
- Encourage the use of less-polluting vehicles (which produce less emissions or are more efficient)
- Identify development opportunities for new products and services

- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

- 30% of materials used in maintenance and construction are recycled
- Recovery of 30% of waste produced in construction
- Establish standardised reuse procedures for materials and waste

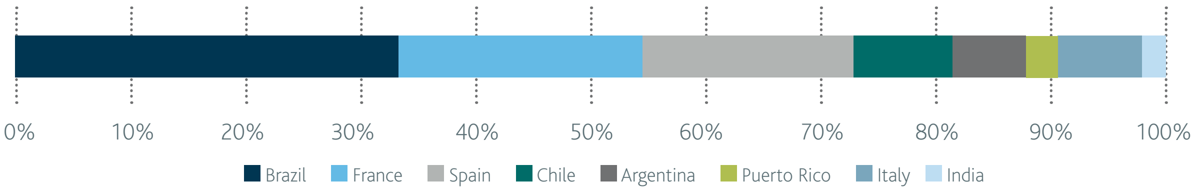
The main actions implemented during the year together with the management approaches linked to material environmental aspects for the organisation are specified in the chapter on creating value. The following performance indicators are related to the objectives and targets set in the CSR Master Plan.

CARBON FOOTPRINT REDUCTION

Total CO_2 emissions amounted to 21 million tonnes, a slight increase of 0.3% compared to the previous year. In turnover-related terms, the variation was similar (-0.01%) and the emissions intensity indicator stood at 4,189.4 tonnes of CO_2 per million euros of turnover.

The figure for scope 3 emissions, which represent 99.5% of the total emissions, is related to the use of infrastructures and emissions associated with the vehicles driving on them. This specific scope 3 category covers 93.9% of the total emissions for the year. Finally, scopes 1 and 2 emissions decreased by 9.8% in absolute terms compared to the previous year, and 9.7% in turnover-related values.

CO_2 EMISSIONS DISTRIBUTION BY COUNTRY

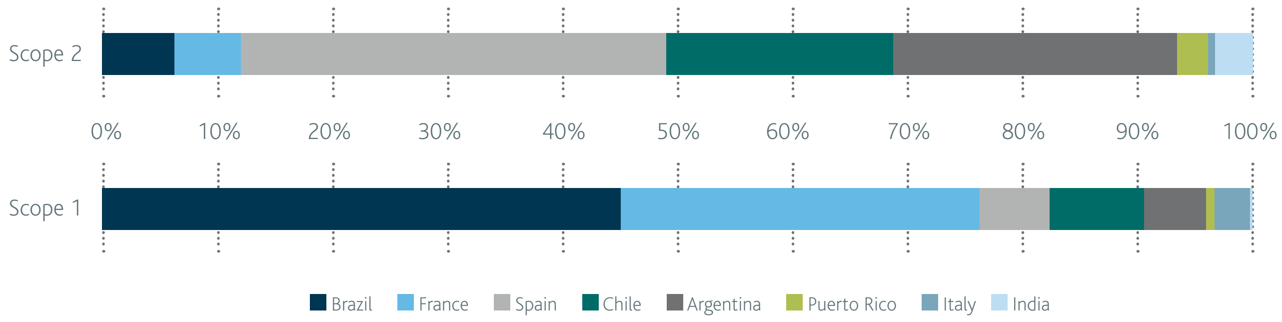


CO_{2eq} EMISSIONS GENERATED BY COUNTRY (TONNES)

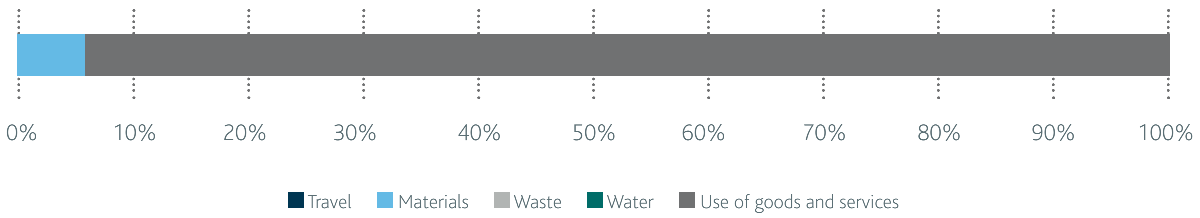
	Scope 1	Scope 2	Scope 3	Total
Brazil	26,560.7	3,222.0	6,916,894.4	6,946,677.0
France	18,636.8	3,118.5	4,475,733.6	4,497,215.9
Spain	3,724.0	19,753.4	3,870,012.9	3,893,490.3
Chile	4,980.6	10,607.5	1,772,087.8	1,787,676.0
Argentina	3,110.5	13,166.9	1,306,066.6	1,322,344.1
Puerto Rico	381.9	1,478.7	594,173.3	596,034.0
Italy	1,916.3	317.4	1,592,611.0	1,594,844.7
India	77.4	1,812.5	373,375.5	375,265.4
Total	59,115.2	53,476.9	20,900,955.2	21,013,547.3

GRI SRS: 103-3, 201-2, 305-1, 305-2, 305-3

SCOPES 1 AND 2 EMISSIONS BY COUNTRY



SCOPE 3 EMISSIONS PER EMISSION SOURCE



The variations in consumption associated with each scope directly affect the generated emissions, with the exception of electricity, where a reduction in consumption could coexist with an increase in emissions due to variations in the electricity mix. The reduction in direct energy consumptions is reflected in the trend for scope 1 emissions, which decreased by 13.8% in comparison with the previous year. Similarly, scope 2 emissions related to electricity consumption decreased by 5% in absolute values.

The materials and water consumption increased caused an upward variation in the associated emissions, adjusted by the reduction in emissions linked to the use of products and services, thus yielding a virtually constant value for scope 3 emissions versus the previous year.

TOTAL EMISSIONS OVER TIME* – TONNES OF CO_{2eq}

	2016	2017	2018	Variation versus 2017
Scopes 1 & 2	115,846.6	124,894.2	112.592,1	-9.8%
Scope 3	17,372,534.1	20,819,356.7	20,900,429.3	0.4%
Total	17,488,380.6	20,944,250.9	21,013,020.2	0.3%

(*) The 2017 figures varied slightly because of a modification after drawing up the report.

SCOPE 1 AND 2 EMISSIONS OVER TIME*

TONNES OF CO_{2eq} RELATED TO THE ACTIVITY

	2016	2017	2018	Variation versus 2017
Toll Roads (t/ADT)	5.10	5.04	4.46	-11.6%

(*)The 2017 figures varied slightly because of a modification after drawing up the report.

TOTAL EMISSIONS OVER TIME*

TONNES OF CO_{2eq} PER MILLION EUROS OF TURNOVER

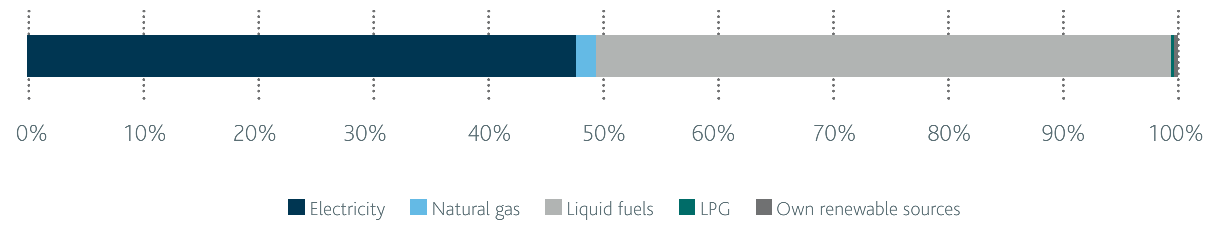
	2016	2017	2018	Variation versus 2017
Scopes 1 & 2	28.5	24.9	22.4	-9.7%
Scope 3	3,884.0	4,164.9	4,166.9	0.05%
Total	3,909.9	4,189.9	4,189.4	-0.01%

(*) The 2017 figures varied slightly because of a modification after drawing up the report.

Scope 1 emissions include the direct consumption of energy, whose sources are liquid fuels for vehicle fleets and power generator sets, LPG (Liquefied Petroleum Gas) and natural gas. Scope 2 emissions similarly depict indirect energy consumption linked to electricity, which is directly affected by the electricity mix in each country.

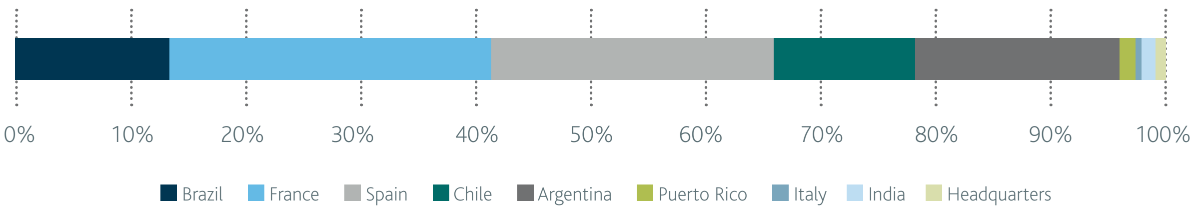
Finally, own renewable sources mainly refer to the electricity generated by toll roads in Spain and Brazil. It should be noted that energy from these sources grew by 35.8% versus the previous year because of the greater hydroelectric power generation capacity in Spain linked to increased rainfall, and the installation and operation of micro solar plants in Brazil. While these sources still represent a small percentage (1,821 MWh, i.e. 0.4% of the total energy consumed), it is nevertheless essential to continue taking steps to favour an increased use of this energy source, since its GHG emissions are significantly lower.

ENERGY CONSUMPTION PER SOURCE



Electricity and liquid fuels are the main sources of energy required for the organisation's activity. Respectively, they correspond to 47.3% and 50.3% of the 2018 total energy consumption, which was 418,371 MWh (10.8% less than the previous year and 2.4% less than consumption in 2015). LPG consumption decreased by 44.8% and was reported at 1,164.9 MWh.

ELECTRICITY CONSUMPTION BY COUNTRY (MWh)



ELECTRICITY CONSUMPTION* BY COUNTRY (MWh)

	2016	2017	2018	Variation versus 2017
Brazil	33,590	33,611	26,850	-20.1%
France	54,921	51,905	54,710	5.4%
Spain	44,700	51,588	50,650	-1.9%
Chile	26,145	25,499	23,945	-6.1%
Argentina	35,400	34,399	35,018	1.8%
Puerto Rico	6,130	3,286	3,338	1.6%
Italy	---	1,129	959	-15%
India	---	2,873	2,497	-13.1%
Total	200,886	204,289	197,966	-3.1%

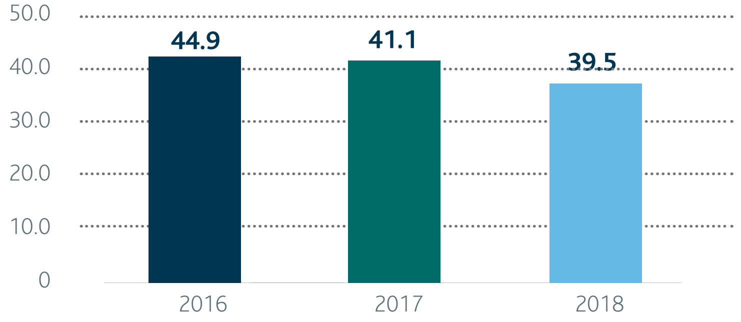
(*)The 2017 figure for Spain varied slightly because of a modification after drawing up the report.

ACTIVITY-RELATED ELECTRICITY CONSUMPTION BY COUNTRY* (MWh/ADT)

	2016	2017	2018	Variation versus 2017
Brazil	1.90	1.81	1.44	-20.7%
France	2.24	2.09	2.17	3.6%
Spain	2.22	2.39	2.27	-5.1%
Chile	1.01	0.95	0.87	-8.9%
Argentina	0.42	0.42	0.43	2.5%
Puerto Rico	0.09	0.05	0.048	-5.1%
Italy	---	0.02	0.01	-16.1%
India	---	0.15	0.12	-17.1%
Total	8.84	8.28	7.88	-4.9%

(*)The 2017 figure for Brazil varied slightly because of the re-expressed 2017 ADT to adjust it to the present scope.

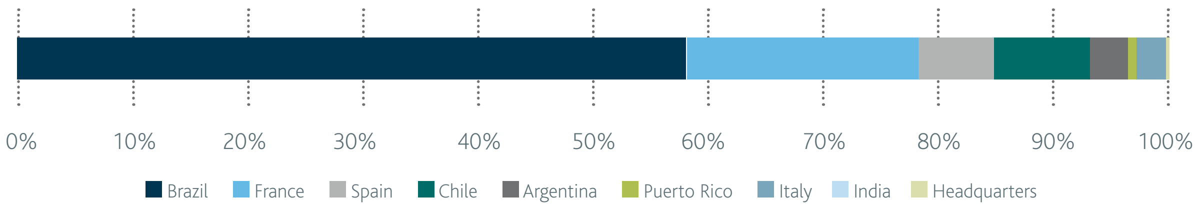
TURNOVER-RELATED ELECTRICITY CONSUMPTION



Actions carried out in Spain and Brazil, primarily entailing the installation of LED lighting technology and the incorporation of generators with better efficiency levels, directly affected the electricity consumption in these countries, which reported significant reductions in associated consumptions. Chile in turn finished substantial construction works that managed to stabilise electricity consumption while Puerto Rico has yet to return to pre-Hurricane Maria consumption levels.

The global electricity consumption has therefore decreased in absolute values and turnover-related terms and remained below the 2015 consumption figures.

FUEL CONSUMPTION BY COUNTRY



LIQUID FUEL CONSUMPTION BY COUNTRY* (litres)

	2016	2017	2018	Variation versus 2017
Brazil	12,513,179	17,138,845	12,403,392	-27.6%
France	4,558,556	4,465,507	4,301,586	-3.7%
Spain	1,361,687	1,417,518	1,337,477	-5.6%
Chile	1,650,682	1,869,449	1,835,554	-1.8%
Argentina	683,194	665,936	682,412	2.5%
Puerto Rico	168,827	291,892	162,110	-44.5%
Italy	---	116,844	646,262	NC
India	---	30,630	28,907	-5.6%
Total	20,936,126	25,996,621	21,397,700	-17.7%

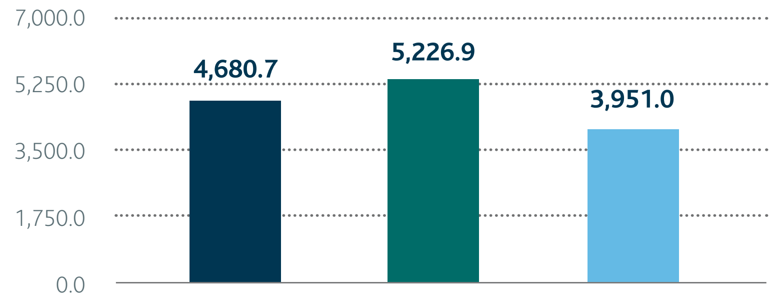
(*) The 2017 and 2016 figure for Brazil varied slightly because of a modification after drawing up the report. The 2017 figure for Argentina was also re-expressed, and the slight variation comes from a change identified during the external review.

ACTIVITY-RELATED LIQUID FUEL CONSUMPTION* BY COUNTRY (l/ADT)

	2016	2017	2018	Variation versus 2017
Brazil	707.7	924.6	664.0	-28.2%
France	186.3	179.8	170.2	-5.3%
Spain	67.8	67.9	62.0	-8.7%
Chile	64.0	69.7	66.4	-4.7%
Argentina	8.1	8.0	8.3	3.2%
Puerto Rico	2.5	4.5	2.3	-48.1%
Italy	---	1.8	9.9	NC
India	---	1.6	1.4	-10.0%
Total	921.2	1,054.0	851.8	-19.2%

(*) The 2017 and 2016 figure for Brazil varied slightly because of a modification after drawing up the report. The 2017 figure for Argentina was also re-expressed because of a change identified during the external review. Finally, the 2016 figure for Spain varied slightly because of the re-expressed ADT for the year.

TURNOVER-RELATED FUEL CONSUMPTION



(*) The 2017 and 2016 figure for Brazil varied slightly because of a modification in Brazilian consumption after drawing up the report.

The reduction in construction work, vehicle fleet decrease and data scope modifications (particularly Latina's restructuring in Brazil) contributed to reducing the consumption of liquid fuels in the year, which decreased by 24.4% in turnover-related terms. The variation for Puerto Rico is due to the recovery of the context following Hurricane Maria in 2017.

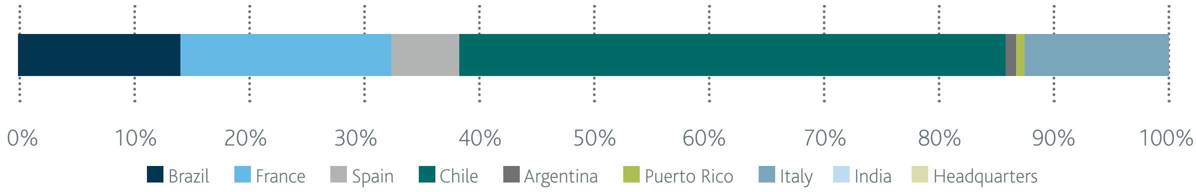
The organisation's total vehicle count decreased by 4.7% versus the previous year, primarily in passenger cars and vans in Brazil and France. The fleet comprises 3,064 vehicles, of which 32.9% are passenger cars, 23.6% vans, 19.5% lorries and the remaining are other types of vehicles.

Natural gas consumption increased, primarily because of weather incidents in Italy and France.

NATURAL GAS CONSUMPTION BY COUNTRY (kWh)

	2016	2017	2018	Variation versus 2017
France	6,161,326	5,447,718	5,774,990	6.0%
Spain	---	64,412	5,634	-91.3%
Argentina	32	50	29	-41.2%
Italy	---	875,372	1,010,324	15.4%
Total	6,161,358	6,387,552	6,793,829	6.4%

PERCENTAGE DISTRIBUTION OF WATER CONSUMPTION BY COUNTRY (m³)

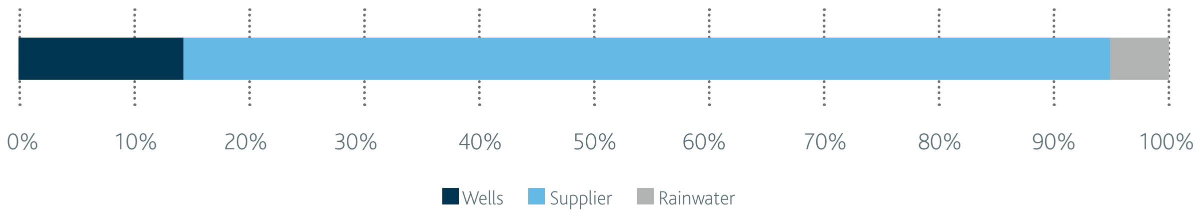


WATER CONSUMPTION* BY COUNTRY (m³)

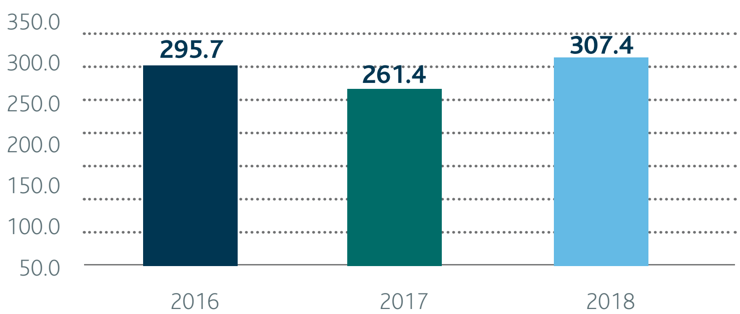
	2016	2017	2018	Variation versus 2017
Brazil	137,391	140,831	212,218	50.7%
France	303,414	346,474	285,615	-17.6%
Spain	74,430	83,677	89,949	7.5%
Chile	748,704	587,571	734,441	25.0%
Argentina	18,589	21,338	16,293	-23.6%
Puerto Rico	40,070	24,982	13,097	-47.6%
Italy	---	95,285	190,343	99.8%
India	---	142	0	-100.0%
Total	1,322,664	1,300,300	1,541,955	18.6%

(*) The 2017 figure for Brazil varied slightly because of a modification after drawing up the report. The 2017 figures for Argentina and Chile were also re-expressed because of a change identified during the external review.

WATER CONSUMPTION BY SOURCES (m³)



WATER CONSUMPTION BY TURNOVER* (m³ per million euros)



(*) The 2017 figure for Brazil varied slightly because of a modification after drawing up the report. The 2017 figure for Argentina was also re-expressed because of a change identified during the external review.

The water consumption increase in Brazil due to a leak and the variation in weather conditions that directly affected the consumption of this resource in Chile (necessary to ensure the conversation of the environment around the infrastructures) led a 17.6% increase compared to the previous year in turnover-related terms.

The distribution for water consumption by sources remained constant compared to the previous year, and wells and rainwater represented 19.6% of the total water consumption.

Work must continue on systematising energy management in the different countries, extending existing practices in regions in which legislation requires energy audits or implementing specific energy management systems.

In addition to the progress made in boosting greener vehicles presented in the chapter on safe and innovative roads, it is also essential to share the methodologies used to calculate GHG emissions from vehicles driving on the infrastructures and the associated air pollution with a view to identifying where improvement can be made and establishing relations with the different groups involved in the reduction and mitigation of this environmental impact.

INNOVATION BASED ON CIRCULAR ECONOMY CRITERIA

Infrastructure maintenance activities require the consumption of construction materials, mostly non-renewable. The consumption of recycled materials compared to the previous year increased by 4.3% in absolute values, though the percentage on the total consumption decreased slightly in relative terms to 12.5% of materials consumed during the year. Granules and asphaltic agglomerates represent the main consumed recycled materials, and it is thus essential to promote these categories to achieve the consumption target set in the CSR Master Plan.

TOTAL MATERIAL CONSUMPTION BY COUNTRY (TONNES)*

	Granules	Asphalt agglomerate	Concrete	Metals	Paints	Salt
Brazil	722,792	634,004	109,579	39,530	60,674	0
France	912,185	978,451	106,593	7,632	561	38,725
Spain	4,163	86,190	5,103	793	1,522	30,993
Chile	22,905	17,127	6,033	226	239	0
Argentina	32,630	32,498	994	573	110	0
Puerto Rico	1,215	1,916	4,363	54	25,642	0
Italy	0	488,704	393	554	1,479	5,126
Total	1,695,890	2,238,890	233,057	49,362	90,227	74,844

(*)Indian data were excluded because they were unavailable.

There was an increase in the consumption of salt, a material used in countries where the weather requires the use of this sort of products to ensure optimum conditions for infrastructures, and antifreeze fluid, which amounted to 8,228 tonnes in 2018.

TOTAL MATERIAL CONSUMPTION OVER TIME* (TONNES)

	2016	2017	2018	Variation versus 2017
Granules	1,253,188	1,514,320	1,695,890	12.0%
Asphalt agglo-merate	3,844,109	2,112,564	2,238,890	6.0%
Concrete	291,649	271,285	233,057	-14.1%
Metals	23,514	31,950	49,362	54.5%
Paints	14,159	31,478	88,992	169.9%
Salt	41,672	66,964	74,844	11.8%

(*)The 2017 figures for granules, asphaltic agglomerates, metals and paints varied slightly because of a modification after drawing up the report.

Two hundred and forty-four (244) tonnes of paper and 17,793 tonnes of other significant materials were also consumed. The type of maintenance work and intensity of construction work directly affected the consumption of materials, which is why these figures fluctuate significantly in the different years. In overall terms, material consumption increased by 8.9% in relation to the previous year, primarily due to the variation in the consumption of granules and asphaltic agglomerates.

Construction and demolition waste represent 79.8% of the waste generated by the organisation's activity. A total of 42,096.4 tonnes of this type of waste were recovered in Spain, and work should continue to extend proprietary projects and in collaboration with other stakeholders to increase the amount of construction and demolition waste reincorporated into the consumption flow. The total amount of generated waste remained constant in comparison with the previous year, though there were different variations based on the actual work carried out in each country.

GENERATED WASTE* (IN TONNES)

	2016		2017		2018	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Brazil	26,520.1	271.2	7,299.7	90.9	8,468.8	254.4
France	74,665.5	1,531.9	250,000.8	628.1	266,066.2	134.7
Spain	112,071.2	189.0	42,748.2	187.6	47,095.8	307.3
Chile	8,574.9	11.2	19,503.3	7.8	1,824.6	8.0
Argentina	2,028.3	5.7	2,019.7	5.5	2,684.0	7.3
Puerto Rico	9,899.1	6.2	6,713.9	0.5	3,678.7	0.0006
Italy	---	---	1,881.6	11.9	2,300.5	8.3
India	---	---	0	0	0	0
Total	233,759.1	2,015.2	330,110.7	931.8	331,872.9	646.7

(*) The 2017 figures for non-hazardous waste in Spain and hazardous waste in Puerto Rico varied slightly because of a modification after drawing up the report.

TOTAL NON-HAZARDOUS WASTE GENERATED AND TREATED BY TYPE

	Tonnes generated	Percentage treated
Tyres and rubber waste	1,087.65	71.7%
Concrete mixtures, bricks, etc.	43,709.7	0.5%
Mixed metals (scrap)	600.6	31.9%
Construction and demolition waste	265,441.2	99.8%
Scrap (air conditioning, fire extinguishers)	335.9	100%
Garden waste	1,670,5	21.9%
Domestic waste (rubbish)	12,022.8	74.2%
Sludge from biological treatment (septic tank slurries)	2,765.4	74.2%
Other	4,239.2	4,139.7
Total	331,872.9	84.9%

Hazardous waste represents 0.2% of the total waste generated by the organisation, of which diesel-contaminated soil and waste containing hydrocarbons make up 50%.

TOTAL HAZARDOUS WASTE GENERATED AND TREATED BY TYPE

	Tonnes generated	Percentage treated
Used oil	27.92	98.3%
Contaminated metallic containers and plastic packaging	21.5	100%
Absorbents, Sepiolite (contaminated rags)	22.83	45.4%
Waste containing hydrocarbons	116.4	81.6%
Diesel-contaminated soil	209.3	49%
Other	248.77	226
Total	646.7	74.6%

The type of treatment employed for each waste varies depending on the possibility of recovery and procedures established by the authorised external waste managers in this regard. The wastewater generated by the activity that are not similar to domestic wastewater (most are) receive specific treatment for safe discharge. The total generated residual wastewater decreased in comparison with the previous year, amounting to 144,409.9 m3. Likewise, discharges of hazardous substances associated with vehicle accidents decreased, amounting to 26,008.8 litres across Spain, Argentina and Brazil.

GRI SRS: 302-5, 306-1, 306-3, 306-2

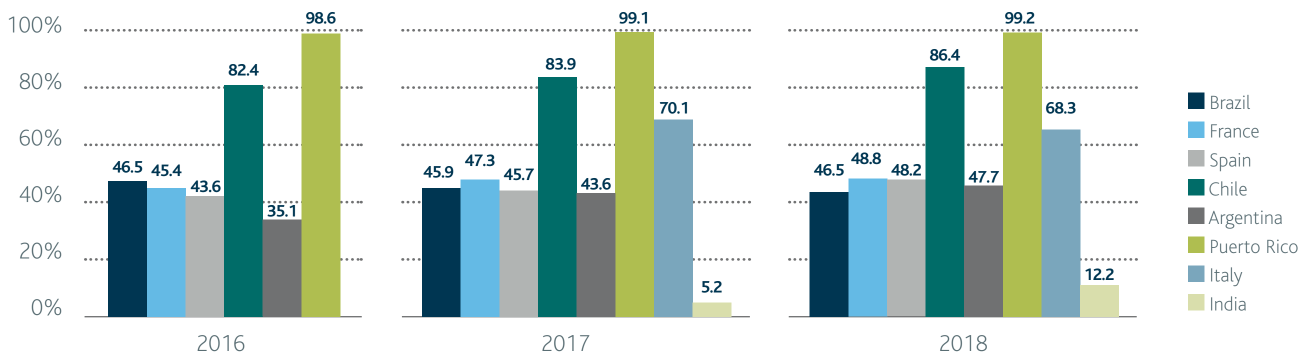
DEVELOPMENT OF PRODUCTS AND SERVICES

The actions developed to increase products and services with positive environmental impacts specified in the chapter on safe and innovative roads and creating value were conceived to foster partnerships with strategic stakeholders to secure the objectives and targets established in the CSR Master Plan. Particularly prominent in this regard are subcontractors and suppliers participating in construction and maintenance projects, public sector entities and organisations that promote innovation in the use of materials, etc.

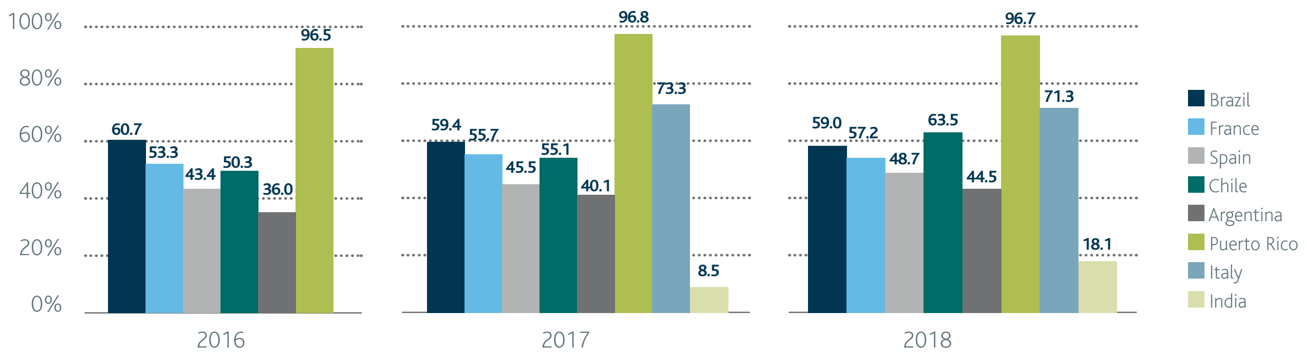
The systems for assessing and approving suppliers, and the training, awareness-raising and formalisation processes for shared operating procedures are in place to contribute to achieving the targets and objectives.

The target figure for the percentage of remote toll (teletoll) transactions and revenue was increased in the CSR Master Plan to 80%, since this figure was attained in 2017. The trend continued in 2018 and a total of 65.1% of the transactions and 57.2% of the revenue were carried out through this payment method, which contributes to reducing emissions generated in the operation.

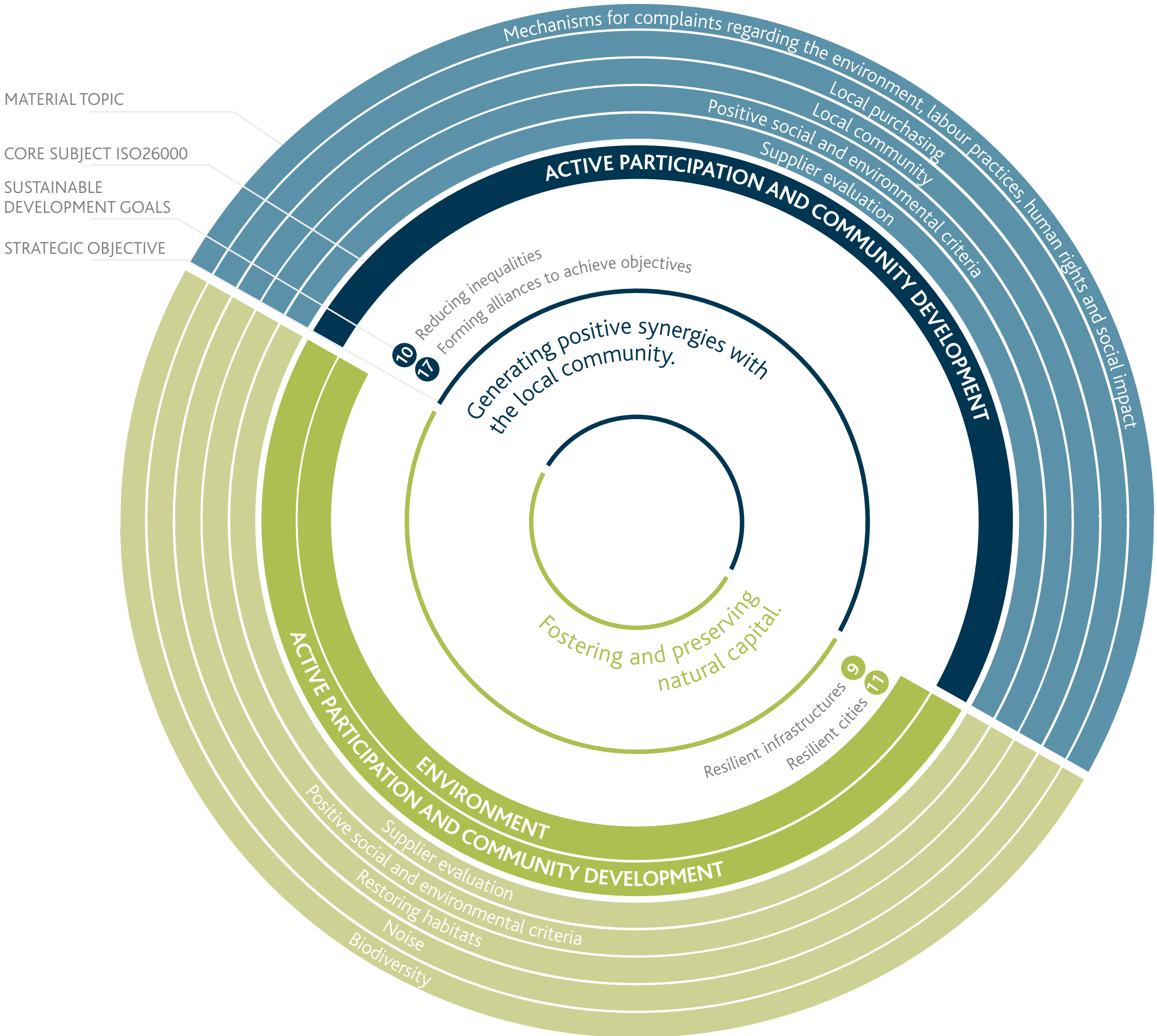
TELETOLL (transactions)



TELETOLL (revenue)



AREA 3: INTEGRATING INTO THE COMMUNITY



QUANTITATIVE GOALS:

- Increase in community-related projects (both in terms of number of beneficiaries and allocated resources)
- Maintain local purchase level
- 100% of complaints handled

- Foster biodiversity in areas around toll roads
- Identify services provided by ecosystems regarding noise
- Identify and contribute to the preservation of natural species in areas around toll roads

- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

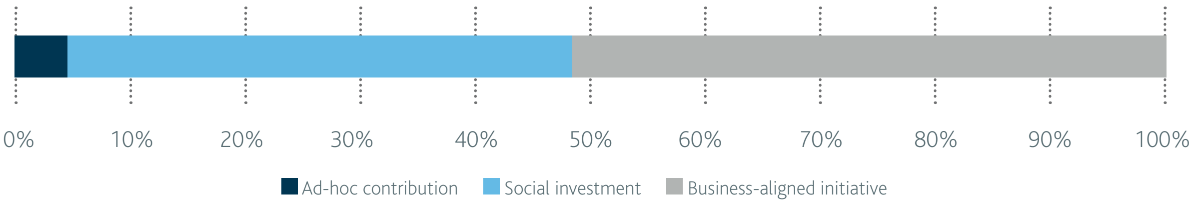
POSITIVE SYNERGIES WITH LOCAL COMMUNITIES

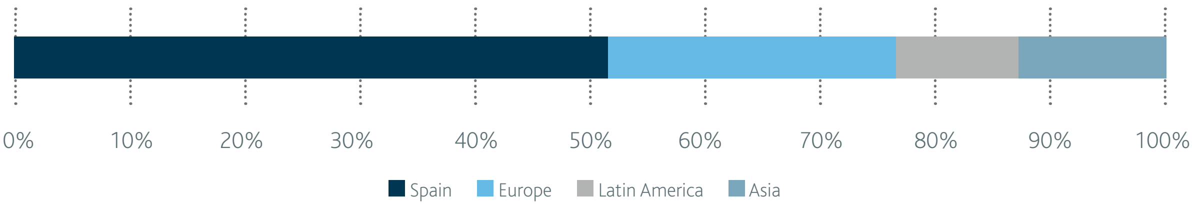
The actions described in the section on contribution to the community in the chapter on 'Value creation' contain the most relevant events in connection with the consolidation of positive synergies with local communities carried out by our different subsidiaries and the Abertis Foundation.

The amount allocated to social action projects and sponsorships in the year remained constant at €6.3 million (€7.4 million including management costs). The number of projects (total of 303) has decreased slightly in relation to the previous year, mostly because of the change in their recording criteria, which grouped together several projects in some cases. It is worth noting that in 2018 we used a new project tracking and management tool linked to the London Benchmarking Group methodology, whose benefits included the ability to link social projects and sponsorships to Social Development Goals as specified further in the report.

Ad-hoc contributions decreased significantly in comparison with the previous year while business-aligned initiatives increased. There was also an increase in geographic diversity linked to executed projects because of engagements made as part of the agreement with UNICEF.

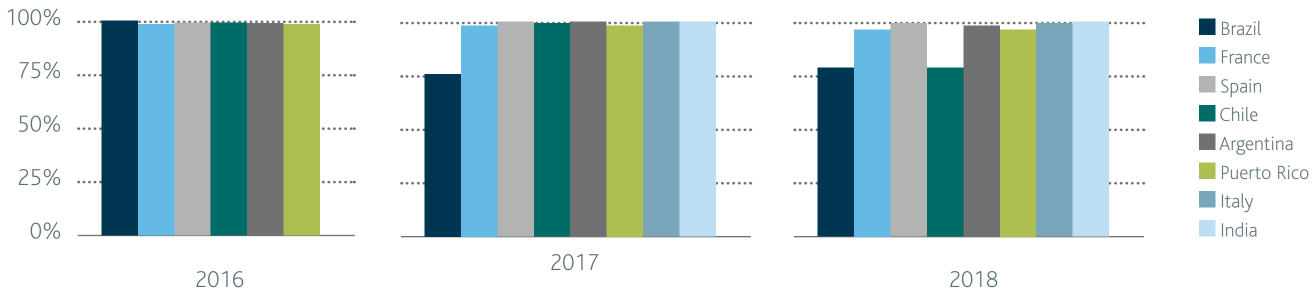
PERCENTAGE DISTRIBUTION OF 2018 CONTRIBUTIONS BY MOTIVATION AND GEOGRAPHICAL SCOPE





Involvement with local suppliers remained high in keeping with the objectives and goals of the CSR Master Plan, and the local purchase percentage remained similar to the previous year. Total local supplier purchases were thus 88.9%, with significant variations in Chile.

LOCAL PURCHASE PERCENTAGE OVER TIME



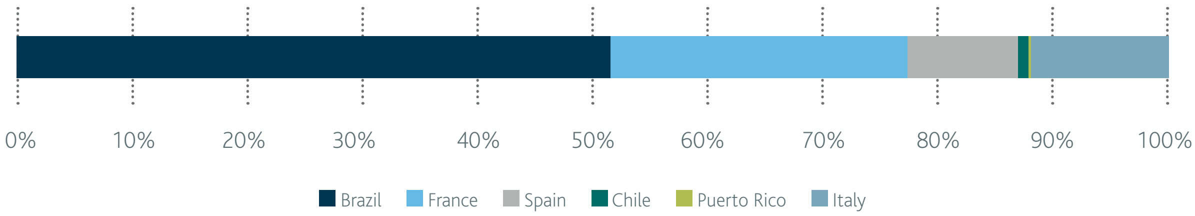
All complaints from local communities were addressed and mostly came through our user service channels and the code of ethics whistleblowing channel.

FOSTER AND MAINTAIN NATURAL CAPITAL

The actions carried out for the conservation of biodiversity and natural environment at toll roads during the year were described in the corresponding section in the chapter on value creation.

The number of kilometres affecting a protected zone varied slightly in comparison to the previous year, mainly due to the modified scope for data in Brazil. The total in this regard was 1,357 km, for a total surface of 6,698 hectares. These spaces have a wealth of biodiversity and include species that the IUCN has listed as protected.

PERCENTAGE DISTRIBUTION OF KM AFFECTING A PROTECTED SPACE



The figure for animals struck by vehicles (16,131) remained virtually unchanged from the previous year, with the highest numbers in Brazil, Spain and India. Compensatory plantations of 78,526 plant species were also made, mainly in Chile and India in response to the variation of the intensity in construction work, which decreased in 2018.

Air quality was monitored by the regulatory agencies in the different countries, who were permanently in contact with the organisation to ensure compliance with the limits established in the pertinent legislation in force. Following the exercise commenced back in 2017, an estimation was made on the polluting emissions from the organisation's direct activity, excluding emissions linked to vehicles on the toll roads.

2018 POLLUTING EMISSIONS

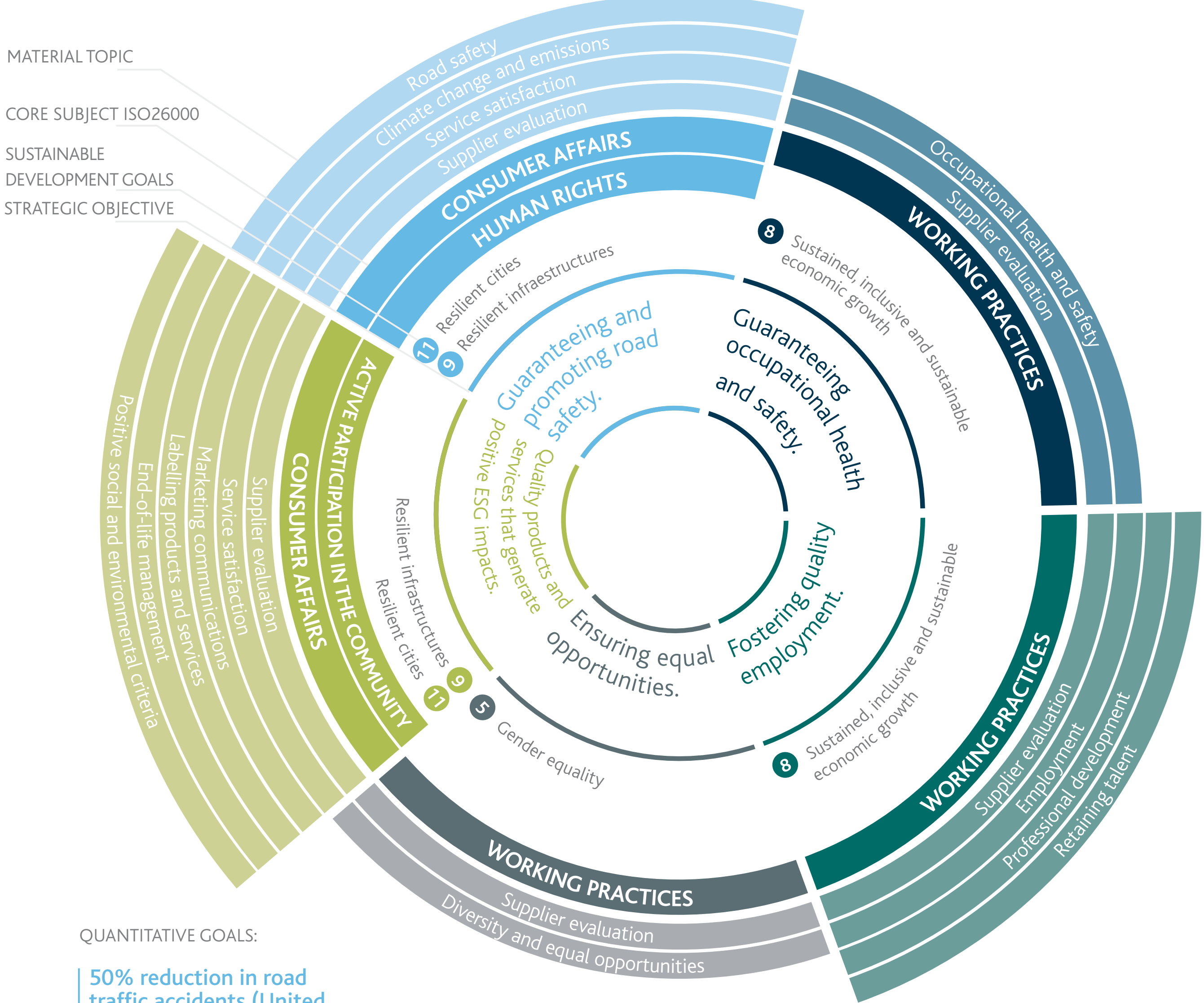
	VOC Combustion	NMVOC Combustion	CH_4	NO_x	NO	NO_2
Tonnes	30.8	29.5	2.1	241.8	197.6	38.3

	N_2O	NH_3	PM 2.5	PM10	PM Combustion	SOx
Tonnes	0.85	1.4	14.5	16	12.6	0.4

There is a need to reinforce actions related to assessing the potential of the biodiversity existing in the area around the infrastructures to mitigate the acoustic impact in addition to the actions presently being carried out for mitigating noise and in keeping with the objectives and goals set out in the CSR Master Plan.

GRI SRS: 103-2, 204-1, 304-1, 304-2, 304-3

AREA 4: SAFETY AND QUALITY



QUANTITATIVE GOALS:

- 50% reduction in road traffic accidents (United Nations Decade of Action for Road Safety)
- 0 deaths
- 100% of complaints handled
- Increase in products and services for specific groups
- Develop regular education and road safety campaigns in local communities
- Involve stakeholders in the development and promotion of products and services focused on the reduction of the digital divide and promotion of accessibility thereto

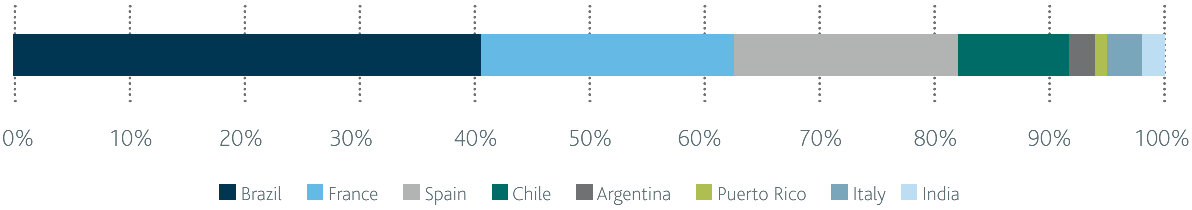
- 0 accidents (direct or indirect)
- Improved talent retention practices
- Increase in the average number of training hours provided
- Analyse and improve job satisfaction
- Achieve gender balance in all professional categories
- Ensure equal pay throughout the entire organisation

- Ensure non-discrimination in promotion processes
- Progressive increase in the presence of employees with functional diversity in the workforce
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

GUARANTEEING AND PROMOTING ROAD SAFETY

Road safety is one of the specific material aspects of the Group's main activity sector, constituting one of the strategic areas of operation. In this regard, the actions carried out and steps taken are described in the chapter on safe and innovative roads, and the following main performance indicators are specified together with their values over time in relation to the objectives and goals set out in the CSR Master Plan.

DISTRIBUTION OF KM BY COUNTRY



The total amount of kilometres managed in the scope of the CSR Master Plan has remained unchanged since the previous year, though the overall activity has increased as shown in the figures for ADT, which either kept constant or increased in all countries.

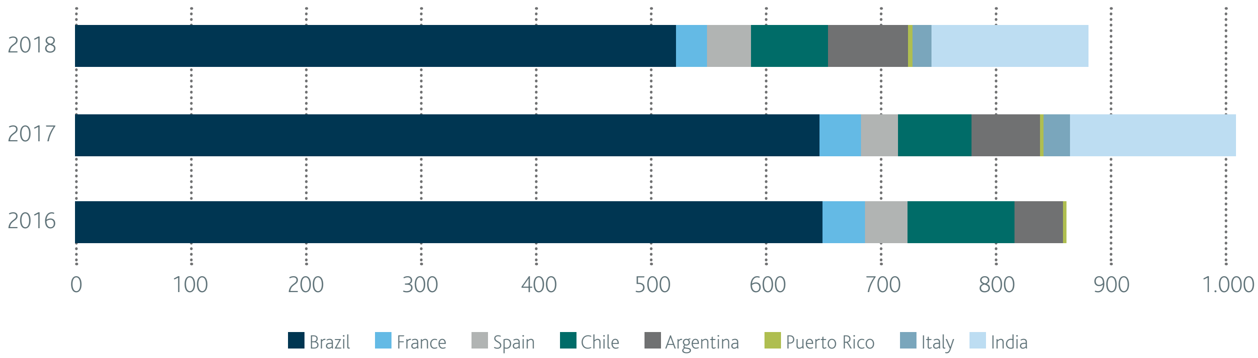
The context of growing activity is particularly relevant when analysing the annual figures on road accidents, which were positive in all countries with the exception of Chile and France, where the number of accidents increased slightly. Likewise, the number of fatalities decreased by 12.5% versus the previous year, though the distribution was much less balanced by country. There was a significant increase in traffic fatalities in Spain, Puerto Rico and Argentina, offset by reductions in all the other countries.

TOTAL NUMBER OF ROAD ACCIDENTS*

	2016	2017	2018	Variation versus 2017
Brazil	10,084	9.660	9,112	-9.4%
France	586	615	620	0.8%
Spain	850	890	871	-2.1%
Chile	1,590	1,639	1,687	2.9%
Argentina	1,528	1,583	1,398	-11.7%
Puerto Rico	270	220	213	-3.2%
Italy	---	291	273	-6.2%
India	---	770	711	-7.7%
Total	14,908	15.668	14,885	-7.4%

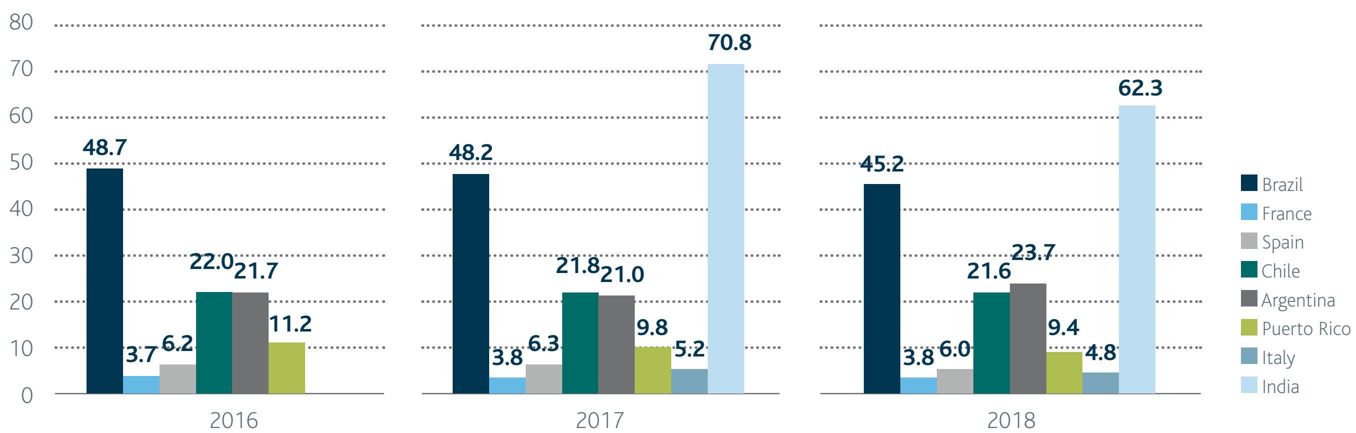
(*)2017 figure has been modified to adjust it to the 2018 scope and to allow comparability.

TREND IN NUMBER OF ROAD ACCIDENT DEATHS

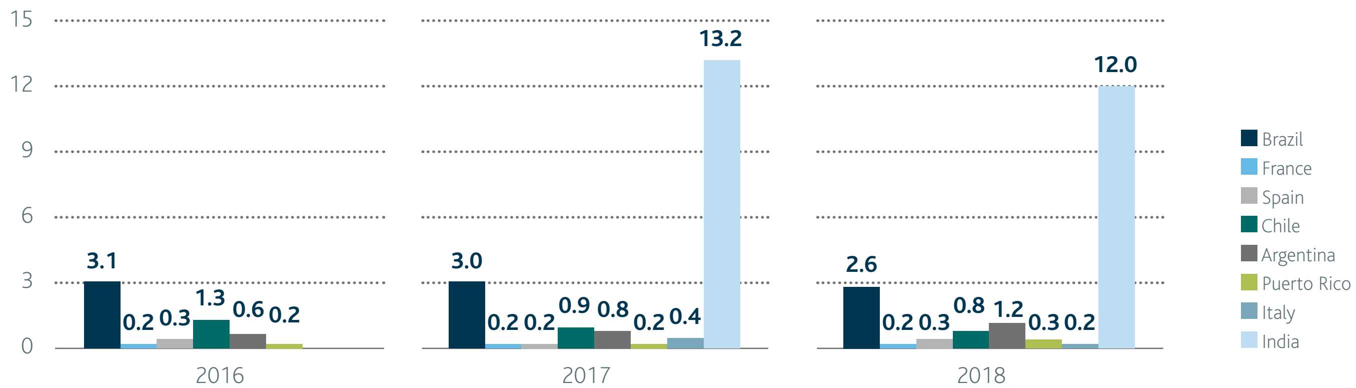


The accident and fatality rates that relate the number of traffic accidents and fatalities therein with the number of kilometres driven by users have diminished overall by 6% and 10% respectively in comparison with the previous year. The trend remains steady in all countries except for Argentina for the accident rate, mainly due to the variation in the number of kilometres driven, and Spain, Puerto

ACCIDENT RATE BY COUNTRY OVER TIME



FATALITY INDEX BY COUNTRY OVER TIME



GRI SRS: 102-8, 103-3, 416-1

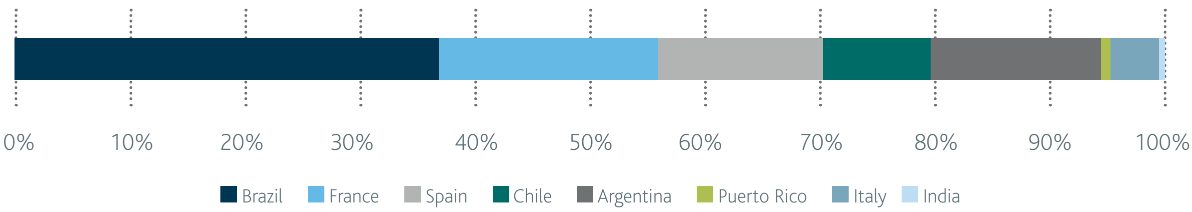
Rico and Argentina for the fatality index.

GUARANTEEING OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is another key material aspect in the Group's main activity, for which specific management systems are in place and the prevention actions described in the section on health and safety were carried out.

The Group's total workforce at 31 December stood at 14,119 employees (13,690.2 average equivalent workforce). As detailed in the chapter on methodology, the scope of the nonfinancial information includes 95% of the total workforce at 31 December and 94.4% of the average equivalent workforce as follows.

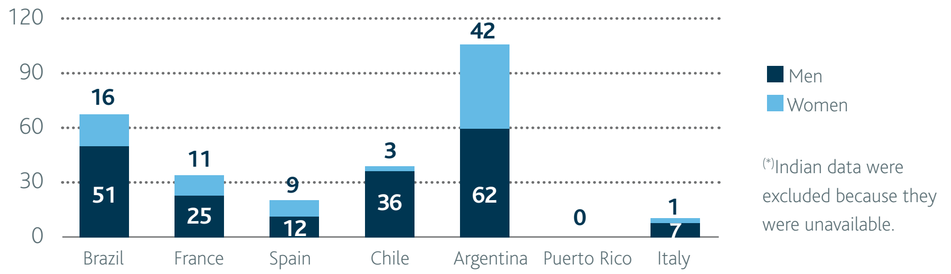
AVERAGE EQUIVALENT WORKFORCE BY COUNTRY



There was a total of 276 work accidents involving employees in 2018, which is 4.2% less than the previous year. Men were involved in 70.3% of these accidents.

The reduction in accidents was similar in men (-4.2%) than in women (-4.1%) at an aggregated level. The number of work accidents actually increased in Brazil and Italy, among women in France and men in Chile while decreasing for all other countries and groups.

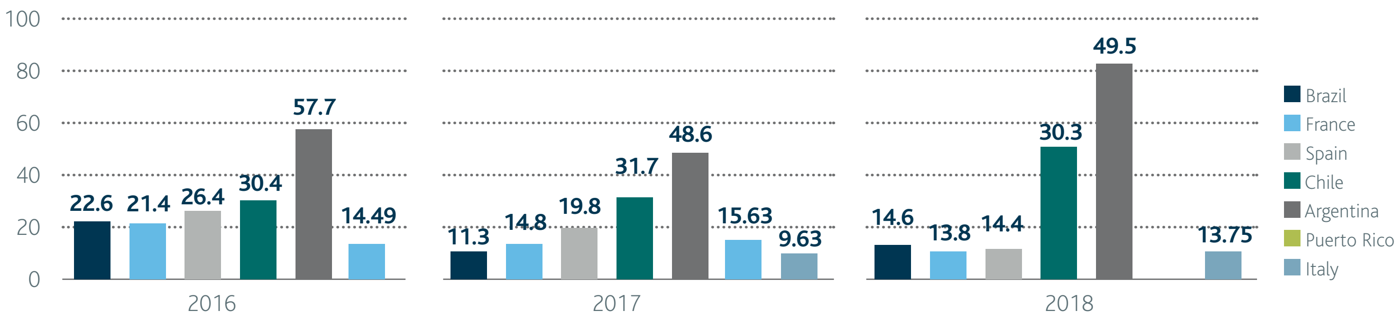
ACCIDENTS IN 2018 BY GENDER AND COUNTRY(*)



(*)Indian data were excluded because they were unavailable.

The main causes for accidents include: falls to the same level, handling objects in movement, bruising, road accidents, being struck by vehicles or run over, insect bites and assault.

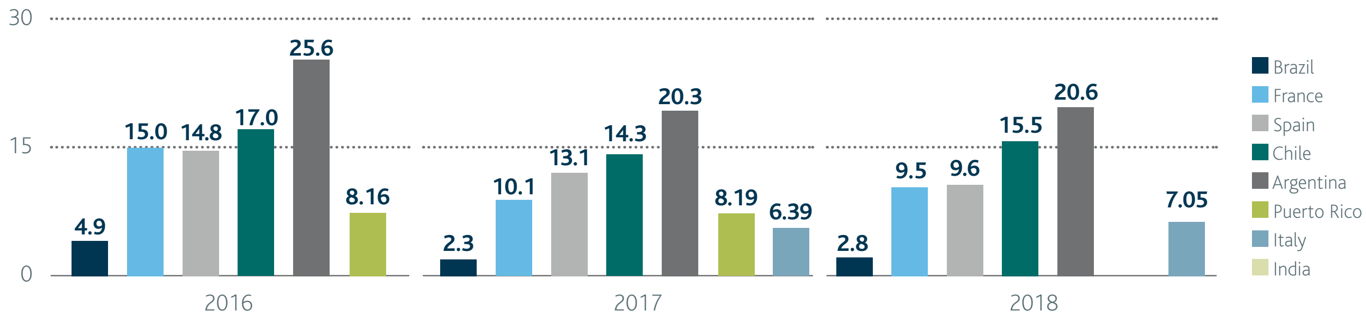
INCIDENT RATE BY COUNTRY OVER TIME(*)



(*)France's 2017 figure varied slightly because of a modification after drawing up the report.

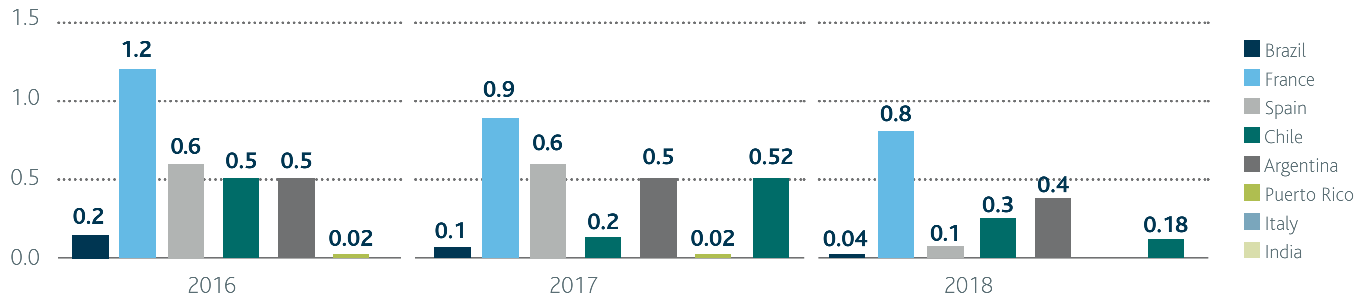
GRI SRS: 403-2

FREQUENCY RATE BY COUNTRY OVER TIME(*)



(*)France's 2017 figure varied slightly because of a modification after drawing up the report.

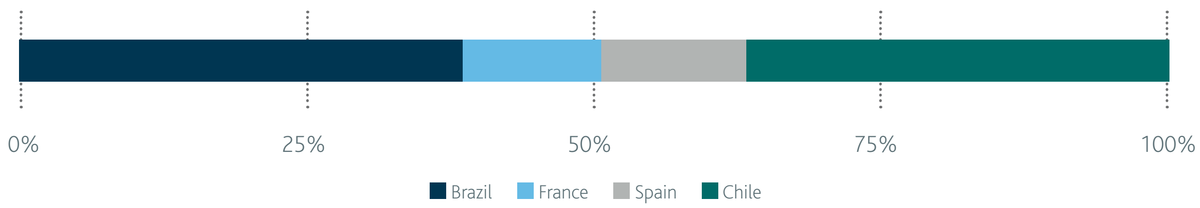
SEVERITY RATE BY COUNTRY OVER TIME



The variation in the workforce data affected the accident rate trend, particularly on the incident and frequency figures, which rose slightly (3.9% and 5.3% respectively overall), though the actual number of accidents decreased compared with the previous year. The severity rate decreased by 22.7% compared with 2017, attaining a minimum value of 0.27 in global terms.

The subcontracted workforce decreased by 49.1% versus the previous year in line with the number of accidents, which fell to 196 (-25.8%). The main causes of accidents involving subcontracted personnel included falls to the same level, traffic accidents and other accidents related to vehicles driving on the toll roads, overexertion and contact with chemical products.

BREAKDOWN OF ACCIDENTS INVOLVING SUBCONTRACTED PERSONNEL BY COUNTRY



BOOSTING EMPLOYMENT QUALITY

Professional development is a key material aspect linked to the retention of talent, as defined in the related section in the chapter on creating value, which contains an explanation of the actions carried out during the year.

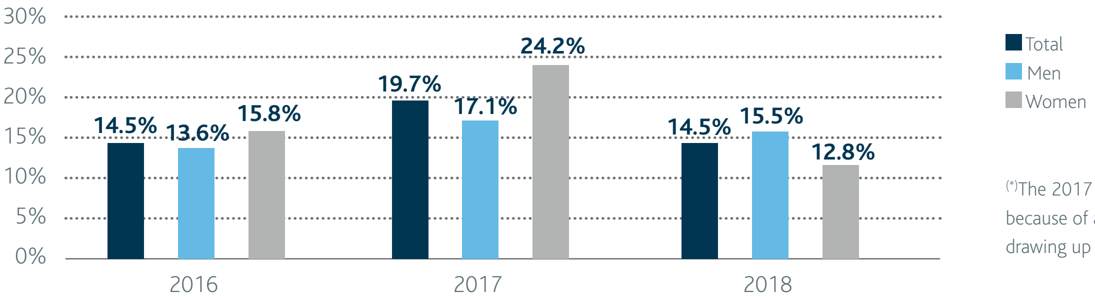
The total number of new hires increased by 9.7% in relation to the previous year, attaining a total of 2,833, of which 60% correspond to men. Similar to previous years, Brazil, France, Chile and Argentina make up the bulk of new hires. The full-time workforce decreased slightly because of the variation affecting women. This distribution is virtually the same in all countries with the exception of Spain and Italy, where women in the full-time workforce is less (41.8% and 62.8% respectively).

Ninety-three point 4 percent (93.4%) of the workforce has an indefinite contract, a percentage that has remained similar for the groups (women and men) and countries, except in Argentina, where the figure stands at 89%. Temporary contracts formalised during the year decreased significantly in relation to the previous year because of variations in Spain and Brazil, attaining an aggregate level of 736 contracts, of which men correspond to 60.3%.

WORKFORCE PERCENTAGE BY EMPLOYMENT TYPE

	2017			2018		
	Men	Women	Total	Men	Women	Total
Full time	94.7%	85.2%	91.2%	94.3%	83.9%	90.4%
Part time	5.3%	14.8%	8.8%	5.7%	16.1%	9.6%

OVERALL TURNOVER BY GENDER OVER TIME(*)



(*)The 2017 figures varied slightly because of a modification after drawing up the report.

The stabilised staff turnover in Chile and Argentina has affected the global figure, which returned to 2016 levels. This reduction was replicated in every country except for Brazil and Italy, where the figure actually increased. Contract expirations are excluded from the staff turnover figure because they mainly contemplate temporary employment contracts linked to the need for permanent coverage of track support. The main causes of turnover include organisational restructuring and personal and professional improvements.

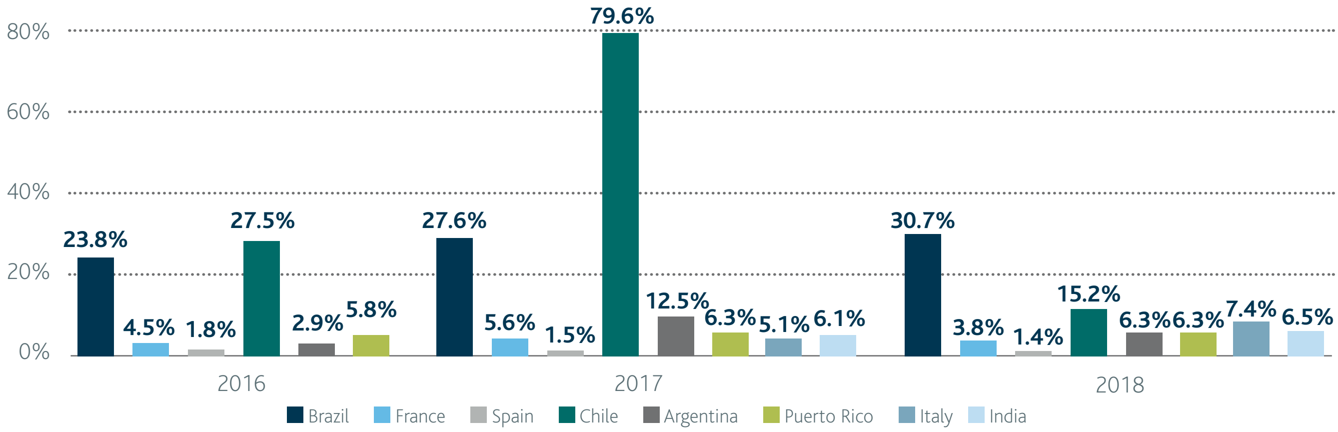
OVERALL TURNOVER BY PROFESSIONAL CATEGORY AND GENDER(*)

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Executives	26.5%	26.7%	14.1%	23.5%	20.5%	5.3%
Managers	16.3%	22.9%	5.3%	6.7%	9.4%	4.5%
Other	13.3%	15.4%	16.7%	22.4%	16.0%	13.3%

(*)The 2017 figures for managers and all others varied slightly because of a modification after drawing up the report.

GRI SRS: 102-8, 103-3, 401-1

TURNOVER BY COUNTRY OVER TIME[6]



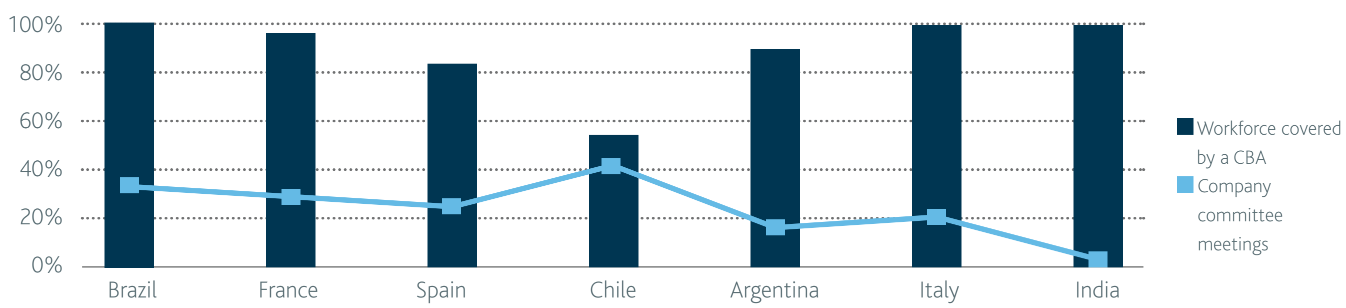
[6]The 2017 figures for Brazil, Spain, Argentina and Italy varied slightly because of a modification after drawing up the report.

TURNOVER BY GENDER AND COUNTRY

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Brazil	23.7%	24.1%	35.6%	16.6%	37.6%	22.7%
France	4.3%	4.3%	5.6%	5.6%	4.2%	3.1%
Spain	2.1%	1.2%	1.3%	1.8%	0.9%	2.4%
Chile	25.2%	29.9%	26.2%	246.2%	14.4%	17.8%
Argentina	2.3%	3.7%	2.0%	0.3%	6.3%	6.4%
Puerto Rico	7.8%	0.0%	8.9%	0%	4.4%	10.5%
Italy	---	---	5.8%	2.8%	8.0%	5.0%
India	---	---	6.7%	0%	7.1%	0%

The percentage of the workforce covered by a Collective Bargaining Agreement (CBA) has remained unchanged since last year and stood at 90.6% of the total of employees at 31 December. The country distribution remained consistent except for Chile (lower percentage) and Puerto Rico (no CBA). Present in all countries except for Puerto Rico and India, the 57 company committees held 279 meetings, which is slightly more than the previous year.

COLLECTIVE BARGAINING AGREEMENT



Sixty-four point four percent (64.4%) of the Group's entire workforce participated in a performance assessment and formal development system, a percentage that jumps to 100% for the entire workforce at the central headquarters and nearly all executives and managers at the Group.

MANAGEMENT BY OBJECTIVES BY PROFESSIONAL CATEGORY, GENDER AND COUNTRY

	Executives		Managers		All other workers	
	Men	Women	Men	Women	Men	Women
Brazil	100%	100%	100%	100%	100%	100%
France	100%	100%	100%	100%	100%	100%
Spain	100%	100%	97.3%	100%	9.9%	6.6%
Chile	100%	100%	100%	100%	31.8%	67.6%
Argentina	100%	100%	100%	100%	9.5%	6.5%
Puerto Rico	100%	---	100%	100%	97.1%	92.3%
Italy	100%	100%	56.5%	66.7%	0.7%	4.3%
India	---	---	100%	100%	100%	100%

Total training hours tallied 264,510.2 hours, 13.1% less than the previous year mainly because of the data variation for France. The average training hours overall reduced (8.2%), standing at 19.7 hours at an aggregate level. Finally, the total investment in training was €3.5 million, a figure similar to the previous year in comparable terms.

AVERAGE TRAINING HOURS BY PROFESSIONAL CATEGORY, GENDER AND COUNTRY

	Executives		Managers		All other workers	
	Men	Women	Men	Women	Men	Women
Brazil	33.3	45.6	34.0	31.8	25.3	26.1
France	5.2	1.4	12.6	9.9	11.2	6.0
Spain	40.5	52.6	62.0	60.4	15.8	13.7
Chile	46.6	60.0	111.1	92.7	42.1	46.4
Argentina	66.9	15.0	14.5	19.1	1.8	1.0
Puerto Rico	0.0	---	82.1	74.3	54.4	34.7
Italy	21.7	127.0	78.5	55.7	15.9	16.4
India	---	---	3.1	11.5	2.8	4.6

TOTAL TRAINING HOURS BY PROFESSIONAL CATEGORY, GENDER AND COUNTRY

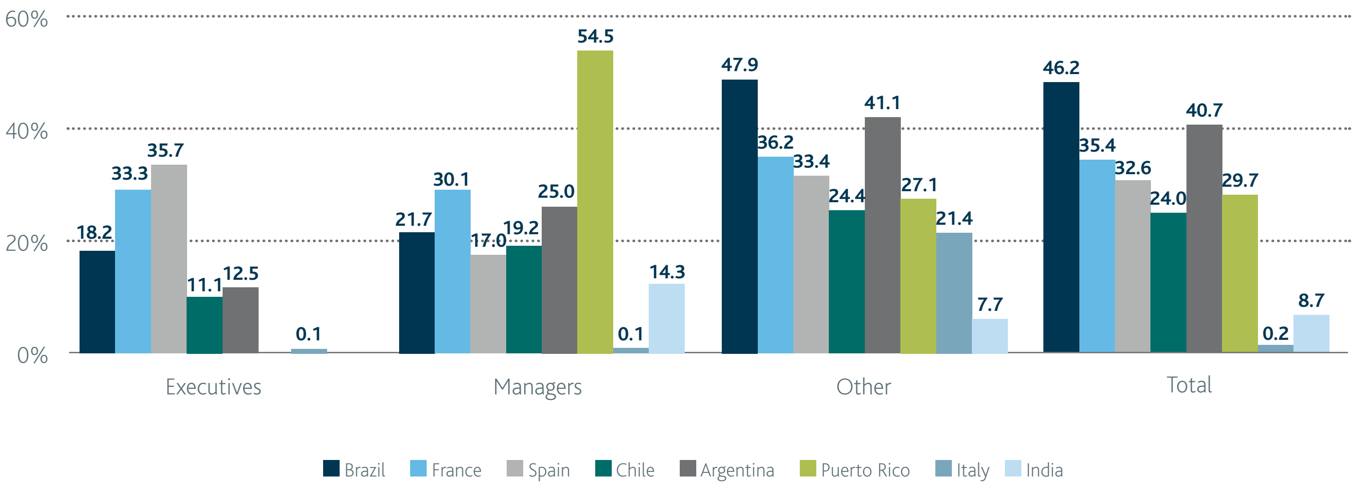
	Executives		Managers		All other workers	
	Men	Women	Men	Women	Men	Women
Brazil	599.5	182.5	7,707.3	2,000.4	56,412.2	53,649.8
France	51.5	7.0	2,970.0	1,004.0	16,636.0	5,034.5
Spain	1,053.5	368.0	6,825.1	2,780.2	19,083.1	8,967.5
Chile	373.0	60.0	7,001.0	1,391.0	38,201.0	13,583.0
Argentina	468.0	15.0	347.5	152.5	2,246.0	830.0
Puerto Rico	114.9	---	410.7	445.5	1,904.3	451.3
Italy	195.0	127.0	1,806.0	167.0	6,828.0	1,915.0
India	---	---	18.5	11.5	101.6	13.9

ENSURING EQUAL OPPORTUNITIES

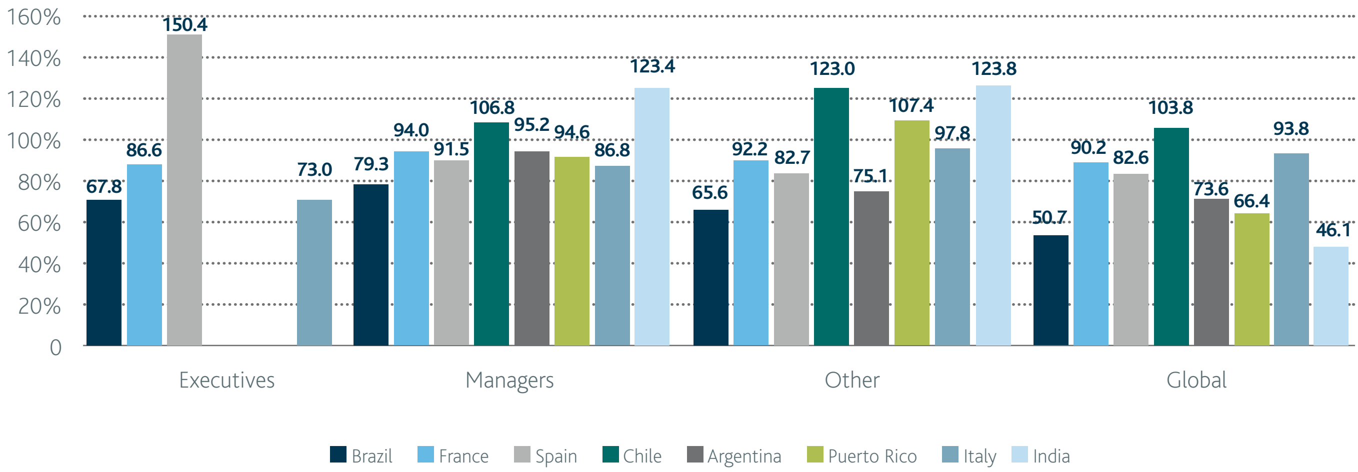
The Group's code of ethics expresses the commitments to equal opportunities, non-discrimination and diversity, for which actions were carried out as described in the human team section.

The number of women in the workforce continued increasing at the global level and in terms of professional category. In this regard, women make up 37.9% of the workforce (2.9% more than the previous year), 18.6% of executives (11.8% more than 2017), 26% of managers (6.7% more than the previous year) and 39% of the rest of the workforce (2.9% higher than last year).

PERCENTAGE OF WOMEN BY PROFESSIONAL CATEGORY AND COUNTRY



PERCENTAGE OF AVERAGE REMUNERATION OF WOMEN VERSUS MEN BY PROFESSIONAL CATEGORY AND COUNTRY



The remuneration ratio for women compared with men at the Group stood at 70.3% at an aggregate level. Thus, by professional category, the ratio stood at 84.6% for executives, 96.2% for managers and 73.9% for all other workers. The elevated number of executives at the central headquarters affects the global ratio, which stands at 42.8% (60.5% for executives, 85% for managers and 89.3% for all other workers).

With the exception of Italy, all countries have a minimum wage set by the pertinent legislation in force. The relation between the base entry salary and the local minimum wage remained constant for all countries save Puerto Rico, where the local minimum wage increased from last year.

BASE ENTRY SALARY VERSUS MINIMUM LOCAL SALARY BY COUNTRY

	Men	Women
Brazil	116.0%	115.2%
France	101.4%	101.4%
Spain	117.7%	106.4%
Chile	100.0%	100.0%
Argentina	394.0%	394.0%
Puerto Rico	164.0%	163.0%
India	107.7%	259.2%

RETENTION RATE BY GENDER AND COUNTRY

	Employees taking parental leaves		Employees returning after the leave		Employees continuing in the organisation after 12 months	
	Men	Women	Men	Women	Men	Women
Brazil	55	98	96.4%	88.7%	91.8%	76.7%
France	1	10	100%	100%	100%	100%
Spain	16	15	100%	81.3%	86.7%	84.6%
Chile	0	27	---	66.7%	---	72.2%
Argentina	0	39	---	97.4%	---	100%
Puerto Rico	0	0	---	---	---	---
Italy	6	4	100%	100%	100%	100%
India	5	0	100%	---	100%	---

A total of 276 employees used parental leave during the year, 18.1% less than the previous year, primarily because of the variations in Brazil and Argentina, especially with men.

The total personnel on the workforce with functional diversity decreased slightly because of the reduced presence of this group in France and Brazil. There was a notable increase of personnel in Chile linked to the associated quota set by new legislation. France and Spain comply with the legislation in force with a functionally-diverse workforce of 2.5% and 7.7% respectively, including direct employment and alternative measures (purchases of goods and services, and donations to Special Employment Centres and Integration Agencies, together with the hiring of specific groups). Finally, most Brazilian subsidiaries achieved their quotas, though the ones that failed to increase hiring justified their inability to meet the quota.

QUALITY PRODUCTS AND SERVICES WITH POSITIVE SOCIAL IMPACTS

The chapter on safe and innovative roads specifies the headway made in developing products and services with positive social impacts. Work should continue to develop specific tracking indicators for these actions.

METHODOLOGY AND INTERNATIONAL EQUIVALENCES

PREPARATION METHODOLOGY

STANDARDS AND PRINCIPLES

The Annexe to the CSR Master Plan expands upon the level of detail in the information regarding the Group's nonfinancial performance in 2018 included in the 2018 Integrated Annual Report (IAR). The preparation of the IAR and Annexe is a shared endeavour and fulfils the requirements and recommendations included in the following benchmark international standards:

- 2016 Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI) for the comprehensive option.
- Communication on Progress (COP) reporting policy of the UN Global Compact.
- International Integrated Reporting Framework promoted by the International Integrated Reporting Council (IIRC).
- Stakeholder engagement accountability principles.
- UN Sustainable Development Goals.

The methodology used is compliant with the requirements of Spain's new nonfinancial reporting law that entered into force in 2018 as a transposition of the EU Nonfinancial Reporting Directive. Nonfinancial reporting is thus published in a concentrated way in the IAR and the CSR Master Plan Tracking Annexe at the same time and manner as the Group's Annual Financial Statements.

GRI 101 (Foundation) presents the reporting principles for defining report content and quality. Our management and accountability procedures related to the content of the IAR and CSR Master Plan Tracking Annexe are focused on securing compliance with GRI principles and primarily include:

- Mechanisms for managing and tracking environmental, social and governance impacts in place at the companies making up the Group linked to the deployment of valid policies.
- Direct involvement of the persons responsible for managing and tracking the environmental, social and governance dimensions at preparing the content.
- Regular tracking and monitoring of nonfinancial information during the year.
- Use of nonfinancial information management and collection technological systems.

PRINCIPLES FOR DEFINING CONTENTS ACCORDING TO THE GRI

Stakeholder engagement	• Continued involvement • Materiality analysis
Sustainability context	• Local-level data • Global management approach
Materiality	• Formal analysis • Approval of topics
Completeness	• Sufficient information • Decision-making

PRINCIPLES FOR ENSURING INFORMATION QUALITY ACCORDING TO THE GRI

Balance	• Performance for the year • Neutral treatment
Comparability, accuracy and reliability	• Traceability and analysis • External review
Timeliness	• Timely and proper annual publication with economic-financial information.
Clarity	• Information synthesis • Conservation of structure

The reference indicated in the GRI Content Index corresponds firstly to the paging of the Integrated Annual Report and then to other publications indicated with the corresponding initials:

- 2018 Consolidated Annual Financial Statements and Management Report
- 2018 Annual Corporate Governance Report (ACGR)
- 2018 Carbon Disclosure Project Questionnaire (CDP, corresponding to 2017, published in 2018).

The reference indicated in the GRI Content Index corresponds mostly to the paging of the Annexe, according to page references to the IAR and other publications indicated with the corresponding initials.

SCOPE OF THE INFORMATION

The non-financial information contemplates 97.8% of the 2018 turnover of the Group and 95% of the head count (at December 31st). The main variations that occurred correspond to the following factors:

- Exclusion of Vianorte (Brazil) because of its handover to public authorities upon conclusion of the concession.

- Inclusion of ViaPaulista (Brazil) because of the management contract award in 2018.

- Merger of Latina Manutençao and Latina Señalizaçao into a single organisation that entailed restructuring to adapt to the main activities of the organisation (excluding mining activities that had been under the direct management of Latina before that date).

The IAR "About" chapter lists companies in the Group that are included in and excluded from the scope of the nonfinancial information.

CALCULATION METHODOLOGIES

The calculations performed and presented in the IAR and the annexe meet the following standards:

- Calculation references in the standards listed above (mainly GRI).

- ISO 14064-1:2012, based on "The Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard" and the criteria established in the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" published in 2011 by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the CDSB methodology for calculating the carbon footprint.

- London Benchmarking Group for quantifying the contribution to the community.

In light of the shortened IAR drafting period in 2017 linked to the date of the general meeting, 2017 data were re-expressed after the reporting was initially closed. All re-expressions were explained in specific notes located where the re-expressed data were published.

EXTERNAL REVIEW

Nonfinancial information in the IAR and CSR Master Plan Tracking Annexe was externally reviewed by an independent auditor according to international nonfinancial information audit standards (primarily ISAE 3000). The external review report included in the CSR Master Plan Tracking Annexe and notes arising from the external review process included in the GRI content index specify the results of this external review.

Deloitte.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Abertis Infraestructuras, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the 2018 Integrated Annual Report (IAR), which contains the Consolidated Non-Financial Information Statement (NFIS) for the year ended 31 December 2018 of Abertis Infraestructuras, S.A. and subsidiaries ("Abertis" or "the Group"), which forms part of the Consolidated Directors' Report of Abertis.

The Integrated Annual Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their comprehensive option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "GRI Table of Contents" and the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

Responsibilities of the Directors

The preparation and content of the Abertis Group's IAR are the responsibility of the Board of Directors of Abertis. The IAR was prepared in accordance with GRI standards in their comprehensive option, and with the standards established in the AA1000AP Assurance Standard issued by AccountAbility. The NFIS included in the IAR was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

These responsibilities of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the IAR and the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Abertis are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the IAR and the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA100AP and on the sustainability performance indicators (type 2 moderate assurance).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Abertis that participated in the preparation of the IAR, which includes the NFIS, reviewing the processes used to compile and validate the information presented in the IAR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Abertis personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the IAR based on the materiality analysis performed by Abertis and described in the "Stakeholders and Materiality" section of chapter 9 of the IAR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2018 IAR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the "Stakeholders and Materiality" section of chapter 9 of the IAR.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the "GRI Table of Contents" and the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR, and the appropriate compilation thereof based on the data furnished by Abertis's information sources.
- Obtainment of a representation letter from the directors and management.

Basis for Conclusion

As a result of the procedures carried out and the evidence obtained, misstatements have been identified due to partial presentation or omissions of the contents required by GRI standards in their full version or by current Spanish corporate legislation regarding non-financial information. The misstatements detected are detailed in the "Basis for Conclusion" table attached hereto, which forms part of this report.

Conclusion

Based on the procedures performed and the evidence obtained, except for the effect of the matters described in the "Basis for Conclusion" section, no additional matter has come to our attention that causes us to believe that:

A) the NFIS included in the 2018 IAR of Abertis was not prepared, in all material respects, including the adequacy of the contents revised detailed in the "GRI Table of Contents", in accordance with GRI standards in their full version.

B) Abertis's NFIS for the year ended 31 December 2018 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

C) Abertis did not apply in the preparation of the IAR the principles of inclusivity, materiality and responsiveness as described in the Appendices to the IAR, in accordance with AA1000 APS (2008), namely:

- Inclusivity: Abertis has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.
- Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Abertis and its stakeholders.
- Responsiveness: Abertis responds, through specific actions and commitments, to the material issues identified.

Additional information

The calculation of scope 3 greenhouse gas (GHG) emissions, given their nature, is subject to high uncertainty, having been carried out according to the methodology and estimates specified in the IAR, based on the available information. A change in the parameters of the estimates could have an impact on the total amount of emissions presented.

Pursuant to the provisions of the AA1000AS 2008 Standard, we presented to management of Abertis our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality and responsiveness. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

As indicated in the "Stakeholders and Materiality "section of the Appendix to the IAR, Abertis has conducted a materiality study supported by various analyses and consultations with certain stakeholders. In order to improve the representativeness and inclusivity of the stakeholders consulted, it would be advisable to update the stakeholders to be consulted broaden the sample of consultations so that it represents both the various businesses and all the countries in which the Abertis Group has a stable presence.

Responsiveness

The international roll-out of the 2016-2020 CSR Master Plan commenced in 2017. In view of the results obtained in 2018 and the Group's current strategy and organisation, it would be advisable to review the Master Plan and adapt the aims thereof and the actions to be taken.

Also, in 2018 the frequency of internal reporting of non-financial information increased in order to improve the availability and quality of information. In 2019, it would be advisable to adapt the information compilation instructions, adjust deadlines and extend training to the business units involved in order to continue improving its quality.

DELOITTE, S.L.

AA1000
Licensed Assurance Provider
000-14

Helena Redondo
19 February 2019

Appendix to the Independent Assurance Report of Abertis Infraestructuras, S.A. and subsidiaries

Basis for conclusion

GRI Standard		Non-Financial Information Law	Basis for conclusion
102-8	Information on employees and other workers	Employment	It was not possible to verify that the information on subcontractors was complete. The review was limited to checking the compilation process relating to the data provided by the Group companies.
102-8	Information on employees and other workers	Employment	The annual average type of contracts is presented only by gender, not by age and professional classification.
102-38	Annual total compensation ratio	Employment	The ratio is not broken down by region and the remuneration arising from pension plans has not been taken into account in its calculation.
102-39	Percentage increase in annual total compensation ratio	Employment	No information on the percentage increase in annual total compensation ratio is presented.
302-2	Energy consumption outside of the organisation	Sustainable use of resources	The Company does not present any information on energy consumption outside of the organisation.
306-2	Waste by type and disposal method.	Circular economy and waste prevention and management	The type of treatment for each type of waste is not broken down.
401-1	New employee hires and employee turnover	Employment	No breakdown of terminations.
403-2	Types of accident and accident frequency rates, work-related ill health, days lost, absenteeism, and number of deaths due to work-related accidents or ill health	Health and Safety	It was not possible to verify that the information on subcontractors was complete. The review was limited to checking the compilation process relating to the data provided by the Group companies.
405-2	Ratio of basic salary and remuneration of women to men	Employment	The percentage of average remuneration of women to men is broken down by profession category and country, but not the average remuneration of men and women in absolute terms or by age.
415-1	Political contributions	Corruption and bribery	Provides information on the Group's policy on contributions to political parties.

4

GRI CONTENT INDEX

FOUNDATION AND GENERAL DISCLOSURES

GENERAL DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	EXTERNAL ASSURANCE
GRI 101 Foundation 2016			
101 Principles	145		√ - 148-151
GRI 102 General disclosures 2016 Organizational profile			
102-1 Name of the organization	Abertis Infraestructuras S.A.		√ - 148-151
102-2 Activities, brands, products, and services	16-17		√ - 148-151
102-3 Location of headquarters	Avenida Pedralbes, 17, Barcelona		√ - 148-151
102-4 Location of operations	26-36		√ - 148-151
102-5 Ownership and legal form	76-77		√ - 148-151
102-6 Markets served	20-21, 26-36		√ - 148-151
102-7 Scale of the organization	10-11		√ - 148-151
102-8 Information on employees and other workers	137, 139-140		√ - 148-151
102-9 Supply chain	90-91; Content note (a)		√ - 148-151
102-10 Significant changes to the organization and its supply chain	20-21, 76-77, 110-111		√ - 148-151
102-11 Precautionary Principle or approach	23, 46-47		√ - 148-151
102-12 External initiatives	52-53, 57, 106-107, 112, 144; Content note (b)		√ - 148-151
102-13 Membership of associations	86		√ - 148-151
Strategy			
102-14 Statement from senior decision-maker	8-9		√ - 148-151
102-15 Key impacts, risks, and opportunities	8-9, 18-25, 44-47		√ - 148-151
Ethics and integrity			
102-16 Values, principles, standards, and norms of behaviour	16-17, 44-45		√ - 148-151
102-17 Mechanisms for advice and concerns about ethics	44-45		√ - 148-151
Governance			
102-18 Governance structure	40		√ - 148-151
102-19 Delegating authority	40-41		√ - 148-151

GRI SRS: 102-55

GENERAL DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	EXTERNAL ASSURANCE
102-20 Executive-level responsibility for economic, environmental, and social topics	23		√ - 148-151
102-21 Consulting stakeholders on economic, environmental, and social topics	110-112		√ - 148-151
102-22 Composition of the highest governance body and its committees	40		√ - 148-151
102-23 Chair of the highest governance body	40		√ - 148-151
102-24 Nominating and selecting the highest governance body	Content note (c); ACGR Chapters C.1.5, C.2		√ - 148-151
102-25 Conflicts of interest	44-45; ACGR Chapter D		√ - 148-151
102-26 Role of highest governance body in setting purpose, values, and strategy	20-25, 40-41		√ - 148-151
102-27 Collective knowledge of highest governance body	40-41, Coporate website (Board)		√ - 148-151
102-28 Evaluating the highest governance body's performance	There are no formal policies regarding this topic.		√ - 148-151
102-29 Identifying and managing economic, environmental, and social impacts	20-25, 44-47, 110-112		√ - 148-151
102-30 Effectiveness of risk management processes	44-47		√ - 148-151
102-31 Review of economic, environmental, and social topics	23, 44-47		√ - 148-151
102-32 Highest governance body's role in sustainability reporting	106		√ - 148-151
102-33 Communicating critical concerns	44-45		√ - 148-151
102-34 Nature and total number of critical concerns	44-45		√ - 148-151
102-35 Remuneration policies	Content note (d)		√ - 148-151
102-36 Process for determining remuneration	Content note (d)		√ - 148-151
102-37 Stakeholders' involvement in remuneration	Stakeholders' involvement in remuneration is not considered.		√ - 148-151
102-38 Annual total compensation ratio	Content note (e)	It is not currently possible to publish the ratio itemised by country owing to reasons of confidentiality, since the salaries of the highest paid individuals in the other countries are not public information.	√ - 148-151
102-39 Percentage increase in annual total compensation ratio	Content note (e)		√ - 148-151
Stakeholder engagement			
102-40 List of stakeholder groups	110		√ - 148-151
102-41 Collective bargaining agreements	140		√ - 148-151

GRI SRS: 102-55

GENERAL DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	EXTERNAL ASSURANCE
102-42 Identifying and selecting stakeholders	110		√ - 148-151
102-43 Approach to stakeholder engagement	110-111		√ - 148-151
102-44 Key topics and concerns raised	111-112		√ - 148-151
Reporting practice			
102-45 Entities included in the consolidated financial statements	107; CAA Annexes I to III		√ - 148-151
102-46 Defining report content and topic Boundaries	106-107, 110-112		√ - 148-151
102-47 List of material topics	112		√ - 148-151
102-48 Restatements of information	107; These have been indicated in direct notes in each case.		√ - 148-151
102-49 Changes in reporting	106-107		√ - 148-151
102-50 Reporting period	1 January to 31 December 2018		√ - 148-151
102-51 Date of most recent report	Financial year 2017, published in 2018.		√ - 148-151
102-52 Reporting cycle	Annual		√ - 148-151
102-53 Contact point for questions regarding the report	Email: sostenibilidad@abertis.com or by post addressed to the headquarters, for the attention of Zaida Ferrero.		√ - 148-151
102-54 Claims of reporting in accordance with the GRI Standards	106		√ - 148-151
102-55 GRI content index	152		√ - 148-151
102-56 External assurance	147-151		√ - 148-151

ECONOMIC MATERIAL TOPICS

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
GRI 103 Management Approach 2016 Linked to Economic Performance (201), Market Presence (202), Indirect Economic Impacts (203), Procurement Practices (204), Anti-corruption (205) and Anti-competitive Behavior (206),			
103-1 Explanation of the material topic and its Boundaries	110-114, Content note (f)		√ - 148-151
103-2 The management approach and its components	20-23, 78-79, 115, 131		√ - 148-151
103-3 Evaluation of the management approach	24-25, 44-45, 50-63, 78-79, 90-91, 99, 102-103		√ - 148-151
GRI 201 Economic Performance 2016			
201-1 Direct economic value generated and distributed	99		√ - 148-151
201-2 Financial implications and other risks and opportunities due to climate change	46-47; CDP 2018 Section C2		√ - 148-151
201-3 Defined benefit plan obligations and other retirement plans	Content note (g); CAA Note 20, section (i)		√ - 148-151
201-4 Financial assistance received from government	CAA Note 9 (Other information - capital subsidies)		√ - 148-151
GRI 202 Market Presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	143		√ - 148-151
202-2 Proportion of senior management hired from the local community	92		√ - 148-151
GRI 203 Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	50-63, 73		√ - 148-151
203-2 Significant indirect economic impacts	50-63, 99		√ - 148-151
GRI 204 Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	90, 132		√ - 148-151
GRI 205 Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	44-47, 116-117	The quantitative data on the number and percentage of sites that have been evaluated in this regard are not applicable, since the risk analysis is corporate and includes 100% of all activities, even if these are not conducted in specific centres.	√ - 148-151
205-2 Communication and training about anti-corruption policies and procedures	45, 116-117		√ - 148-151
205-3 Confirmed incidents of corruption and actions taken	Content note (h)		√ - 148-151
GRI 206 Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions were made in this regard.		√ - 148-151

GRI SRS: 102-55

ENVIRONMENTAL MATERIAL TOPICS

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
GRI 103 Management Approach 2016 Linked to: Materials (301), Energy (302), Water (303), Biodiversity (304), Emissions (305), Effluents and Waste (306), Environmental Compliance (307), Supplier Environmental Assessment (308)			
103-1 Explanation of the material topic and its Boundaries	110-114; Content note (f)		√ - 148-151
103-2 The management approach and its components	20-23, 80-81, 118, 131		√ - 148-151
103-3 Evaluation of the management approach	24-25, 58-63, 81-85, 102-103, 119-121, 127, 130, 133		√ - 148-151
GRI 301 Materials 2016			
301-1 Materials used by weight or volume	127-128		√ - 148-151
301-2 Recycled input materials used	127		√ - 148-151
301-3 Reclaimed products and their packaging materials		Not applicable, as Abertis does not produce products. This affects the indicator as a whole.	---
GRI 302 Energy 2016			
302-1 Energy consumption within the organization	121-122		√ - 148-151
302-2 Energy consumption outside of the organization	121-122	The data on external energy consumption are not stated directly. At the present moment in time, they can be estimated on the basis of the Scope 3 emissions. The information systems required are under development, with a view to being able to publish this information.	√ - 148-151
302-3 Energy intensity	122-125		√ - 148-151
302-4 Reduction of energy consumption	122		√ - 148-151
302-5 Reductions in energy requirements of products and services	122-127, 130		√ - 148-151
GRI 303 Water 2016			
303-1 Water withdrawal by source	126		√ - 148-151
303-2 Water sources significantly affected by withdrawal of water	126		√ - 148-151
303-3 Water recycled and reused	Water is not recycled or reused.		---
GRI 304 Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	133		√ - 148-151
304-2 Significant impacts of activities, products, and services on biodiversity	83-84		√ - 148-151

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
304-3 Habitats protected or restored	83-84, 133		√ - 148-151
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Content note (i)		---
GRI 305 Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	119-121		√ - 148-151
305-2 Energy indirect (Scope 2) GHG emissions	119-121		√ - 148-151
305-3 Other indirect (Scope 3) GHG emissions	119-121		√ - 148-151
305-4 GHG emissions intensity	121		√ - 148-151
305-5 Reduction of GHG emissions	121		√ - 148-151
305-6 Emissions of ozone-depleting substances (ODS)	No significant impacts have been identified for these items.		---
305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	133; In the cases of NO_x and SO_x, direct emissions are not significant either.		---
GRI 306 Effluents and Waste 2016			
306-1 Water discharge by quality and destination	129 (Estimated data based on discharge capacity)		√ - 148-151
306-2 Waste by type and disposal method	128-129	No breakdown for treatment type against waste type. We are working towards obtaining this information and publishing it in future reports.	√ - 148-151
306-3 Significant spills	129		√ - 148-151
306-4 Transport of hazardous waste		Not applicable, as no hazardous waste is transported. This applies to the indicator as a whole.	---
306-5 Water bodies affected by water discharges and/or runoff		Not applicable, owing to the nature of Abertis' activities. This omission refers to the indicator as a whole.	---
GRI 307 Environmental Compliance 2016			
307-1 Non-compliance with environmental laws and regulations	Content note (j)		√ - 148-151
GRI 308 Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	91		√ - 148-151
308-2 Negative environmental impacts in the supply chain and actions taken	90-91, 112		√ - 148-151

GRI SRS: 102-55

SOCIAL MATERIAL TOPICS

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
GRI 103 Management Approach 2016 Linked to: Employment (401), Labour/Management Relations (402), Occupational Health and Safety (403), Training and Education (404), Diversity and Equal Opportunities (405), Non-discrimination (406), Freedom of Association and Collective Bargaining (407), Forced or Compulsory Labour (409), Security Practices (410), Human Rights Assessment (412), Local Communities (413), Supplier Social Assessment (414), Public Policy (415), Customer Health and Safety (416), Marketing and Labelling (417), Customer Privacy (418), Socioeconomic Compliance (419), Noise and Road Safety			
103-1 Explanation of the material topic and its Boundaries	110-114, Content note (f)		√ - 148-151
103-2 The management approach and its components	20-23, 50-52, 57-59, 64-65, 86-87, 90, 92, 94-98, 131, 134		√ - 148-151
103-3 Evaluation of the management approach	24-25, 53-57, 60-63, 66-67, 88-89, 91, 93, 95-98, 102-103, 132, 135-143		√ - 148-151
GRI 401 Employment 2016			
401-1 New employee hires and employee turnover	139-140		√ - 148-151
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Content note (k)		√ - 148-151
401-3 Parental leave	143		√ - 148-151
GRI 402 Labour/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	Content note (l)		√ - 148-151
GRI 403 Occupational Health and Safety 2016			
403-1 Workers representation in formal joint management–worker health and safety committees	98		√ - 148-151
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	96-97, 137-138		√ - 148-151
403-3 Workers with high incidence or high risk of diseases related to their occupation	Content note (m)		√ - 148-151
403-4 Health and safety topics covered in formal agreements with trade unions	96-97		√ - 148-151
GRI 404 Training and Education 2016			
404-1 Average hours of training per year per employee	141		√ - 148-151
404-2 Programs for upgrading employee skills and transition assistance programs	94-95		√ - 148-151
404-3 Percentage of employees receiving regular performance and career development reviews	141		√ - 148-151
GRI 405 Diversity and Equal Opportunities 2016			
405-1 Diversity of governance bodies and employees	40-41, 92-93		√ - 148-151
405-2 Ratio of basic salary and remuneration of women to men	142		√ - 148-151

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
GRI 406 Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	None were identified.		√ - 148-151
GRI 407 Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None were identified.		√ - 148-151
GRI 409 Forced or Compulsory Labour 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	None were identified.		√ - 148-151
GRI 410 Security Practices 2016			
410-1 Security personnel trained in human rights policies or procedures		The exact data linked to the percentage of security personnel is not currently available. We are in the process of developing the information systems required in order to be able to publish this information as of 2017.	√ - 148-151
GRI 412 Human Rights Assessment 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	117		√ - 148-151
412-2 Employee training on human rights policies or procedures	95		√ - 148-151
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Significant investment agreements subject to Human Rights review aspects were not produced.		√ - 148-151
GRI 413 Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	87-89, 132		√ - 148-151
413-2 Operations with significant actual and potential negative impacts on local communities	Content note (f)		√ - 148-151
GRI 414 Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	91		√ - 148-151
414-2 Negative social impacts in the supply chain and actions taken	90-91, 112		√ - 148-151
GRI 415 Public Policy 2016			
415-1 Political contributions	Content note (n)		√ - 148-151
GRI 416 Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	50-57, 135-136		√ - 148-151
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of this type.		√ - 148-151

GRI SRS: 102-55

STANDARD	PAGE	OMISSIONS	EXTERNAL ASSURANCE
GRI 417 Marketing and Labelling 2016			
417-1 Requirements for product and service information and labelling	64-67		√ - 148-151
417-2 Incidents of non-compliance concerning product and service information and labelling	There were no incidents of this type.		√ - 148-151
417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of this type.		√ - 148-151
GRI 418 Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints were received in this regard.		√ - 148-151
GRI 419 Socioeconomic Compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	Content note (o)		√ - 148-151
Noise			
Number of toll road kilometres that have been subject to noise impact evaluations	84		---
Road safety			
Fatality index	136		√ - 148-151
Accident index	136		√ - 148-151

Content notes

a) The 2015 CSR Report contains details on the organisation's value chain with additional information on the content presented in the 2018 IAR, since they remain valid, and considering all changes described in the report. [GRI SRS 102-9]

b) In addition to the ones mentioned in the IAR and annexe, Abertis is a member of the Global Reporting Initiative (Gold Community) and Carbon Disclosure Project (contributor). [GRI SRS 102-12]

c) Refer to the "Reports of the Board of Directors justifying director appointments" in the documentation of the 2018 Extraordinary General Meeting for further information. [GRI SRS 102-24]

d) Refer to the "Report of the Appointments and Remuneration Committee regarding the proposal to modify the Remuneration Policy" in the documentation of the 2018 Extraordinary General Meeting for further information. [GRI SRS 102-35]

e) The ratio (annual total compensation ratio) between the remuneration of the individual holding the office of Chief Executive Officer and the average remuneration in Spain is 37.8 for 2018. This ratio was calculated using the percentual mean of wages and salaries, bonuses and incentives, other salary components accrued in the year and December 31st staff at Spanish companies. The figure of highest-paid individual was calculated considering the total cash remuneration in each year, excluding life insurance premiums, contributions to pension/retirement funds or other long-term savings systems. The variation percentage between years has not been reported as data is not comparable to previous years due to organizational and governance changes. [GRI SRS 102-38 and 102-39]

f) The 2015 CSR Report contains details on the conducted materiality analysis and, given that they remain valid, explain the content of the 2018 IAR further. [GRI SRS 103-1, 413-2]

g) The head office and toll roads in France, Spain and Puerto Rico contribute to the pension plans for workers, whose funds are managed by the corresponding committees in each country. [GRI SRS 201-3]

h) There were a total of 5 communications during the year concerning noncompliance with the code of ethics in connection with matters of corruption, together with 2 communications that were pending from the previous year. After the appropriate investigations were made, 3 of them were dismissed, in 2 cases the corresponding disciplinary steps were taken accordingly and the remaining cases are still pending on resolution. [GRI SRS 205-3]

i) Brazilian toll roads have the following species included on the IUCN Red List, according to their risk level. Endangered (EN): Amazona vinacea, Jibóia-amarela and Callithrix aurita. Vulnerable (VU): Leopardus tigrinus, Tamandua tetradactyla, Mazama bororo, Tayassu pecari, Tapirus terrestris, Alouatta guariba, Cobra veadeira (Amazon tree boa) and Hydromedusa maximilian. Least Concern (LC): Trogon rufus, Leopardus pardalis, Puma concolor, Chironectes minimus, Alouatta guariba, Cabassous, Guaribai and Jaguarundi. Near Threatened (NT): Leopardus wiedii, Chrysocyon brachyurus, Lutrinae and Panthera onca. Data Deficient (DD): Agouti and Mazama americana. In addition to other species of flora and fauna, including yet not restricted to otters, Crypturellus undulatus adspersus, jaguars, Tinamous, Atlantic Forest Alouatta, etc. Spanish toll roads have 10 species of animals on the IUCN Red List. [GRI SRS 304-4]

j) Five environment-related fines were received in 2018. A €1,104 fine in Spain was redress for damages caused when pruning and clearing a wooded area in a roadside public zone, and the rest were in Brazil, amounting to €240,490.20 for failure to satisfy certain conditions related to suppressing vegetation and the availability of extra material. [GRI SRS 307-1]

k) The social benefits do not differ in terms of working day type. [GRI SRS 401-2]

l) The minimum notice is 30 days for all countries with the exception of Chile (45 days) and France (depending on consultation period with corresponding entities). [GRI SRS 402-1]

m) No such diseases were detected. [GRI SRS 403-3]

n) No contributions of this sort are made. Abertis is listed on the EU Transparency Register. [GRI SRS 415-1]

o) Several social-economic fines were received in 2018, namely: two fines in France amounting to €9,000 related to occupational risk prevention, and four in Brazil amounting to €1,970,138 in connection with infrastructure operation and maintenance matters (corresponding to proceedings of historic noncompliance). [GRI SRS 419-1]

LINKS WITH THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT (2000)

UN GLOBAL COMPACT PRINCIPLES	EQUIVALENCE WITH GRI GUIDELINES (G4)
Human Rights	
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	Sub-category Human Rights: all Aspects. Sub-category Society: Local Communities.
Principle 2. Businesses should make sure they are not complicit in human rights abuses.	Sub-category Human Rights: all Aspects.
Labour	
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11 Sub-category Labour Practices and Decent Work: Labour/Management relations. Sub-category Human Rights: Freedom of Association and Collective Bargaining
Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Sub-category Human Rights: Forced and Compulsory Labour.
Principle 5. Businesses should uphold the effective abolition of child labour.	Sub-category Human Rights: Child Labour.
Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10 Sub-category Labour Practices and Decent Work: all aspects. Sub-category Human Rights: Non-discrimination.
Environment	
Principle 7. Businesses should support a precautionary approach to environmental challenges.	Category Environmental: all Aspects.
Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	Category Environmental: all Aspects.
Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Category Environmental: all Aspects.
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Sub-category Society: Anti-corruption and Public Policy.

LINKS WITH OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES (2011)

OECD GUIDELINES	EQUIVALENCE WITH GRI GUIDELINES (G4)
IV. Human Rights	Sub-category Human Rights: all Aspects. Sub-category Society: Local Communities, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society.
V. Employment and Industrial Relations	G4-11 Category Economic: Economic Performance. Sub-category Labour Practices and Decent Work: all Aspects. Sub-category Human Rights: Non-discrimination, Freedom of Association and Collective Bargaining, Child Labour and Forced and Compulsory Labour. Sub-category Society: Local Communities.
VI. Environment	Category Environmental: all Aspects. Sub-category Labour Practices and Decent Work: Occupational Health and Safety, and Training and Education. Sub-category Society: Local Communities, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society. Sub-category Product Responsibility: Customer Health and Safety.
VII. Combating Bribery, Bribe Solicitation and Extortion	Sub-category Labour Practices and Decent Work: Labour Practices Grievance Mechanisms. Sub-category Society: Anti-corruption, Public Policy, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society.
VIII. Consumer Interests	Sub-category Product Responsibility: all Aspects.
IX. Science and Technology	None.
X. Competition	Sub-category Society: Anti-competitive Behavior, Compliance, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society.
XI. Taxes	Category Economic: Economic Performance. Sub-category Society: Anti-competitive Behavior, Compliance.

LINKS WITH UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS (2011)

EQUIVALENCE WITH GRI CONTENT INDEX (G4)
General Standard Disclosures
Strategy and Analysis: G4-1.
Governance: G4-45, G4-46 y G4-47.
Specific Standard Disclosures
Disclosures on Management Approach: G4-DMA.
Category Environmental: Supplier Environmental Assessment (G4-EN32, G4-EN33, Aspect-specific DMA Guidance) and Environmental Grievance Mechanisms (G4-EN34, Aspect-specific DMA Guidance).
Category Social – Sub-category Labour Practices and Decent Work: Supplier Assessment for Labour Practices (G4-LA14, G4-LA15, Aspect-specific DMA Guidance) and Labour Practices Grievance Mechanisms (G4-LA16, Aspect-specific DMA Guidance).
Category Social – Sub-category Human Rights: all disclosures.
Category Social – Sub-category Society: Supplier Assessment for Impacts on Society (G4-SO9, G4-SO10, Aspect-specific DMA Guidance) and Grievance Mechanisms for Impacts on Society (G4-SO11, Aspect-specific DMA Guidance).

LINKS WITH SUSTAINABLE DEVELOPMENT GOALS (2017)

Based on a document produced by the GRI in the context of the SDG Compass project, the following table of equivalences was created with the material aspects identified in the report.

SUSTAINABLE DEVELOPMENT GOALS	TOPIC	EQUIVALENCE WITH THE GRI (SRS)
5. Achieve gender equality and empower all women and girls.	Economic inclusion	103-2
	Equal pay between men and women	202-1, 405-2
	Gender equality	401-1, 404-1, 404-3, 405-1
	Investments in infrastructure	201-1, 203-1
	Non-discrimination	406-1
	Parental leave	401-3
	Female leadership	102-22, 102-24, 405-1
	Workplace violence and harassment	414-1, 414-2
8. Promote inclusive and sustainable economic growth, employment and decent work for all.	Change the productivity of organisations, sectors of activity or the whole economy	203-2
	Diversity and equal opportunities	405-1
	Income, salaries and benefits	202-1, 401-2
	Economic inclusion	103-2
	Economic performance	201-1
	Elimination of forced labour	409-1
	Employee training	404-1, 404-2, 404-3
	Employment	102-8, 202-2, 401-1
	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Equal pay between men and women	405-2
	Freedom of collective association	102-41, 407-1
	Indirect impacts on job creation	203-2
	Jobs supported in the supply chain	203-2
	Labour practices in the supply chain	414-1, 414-2
	Company/worker relations	402-1
	Material efficiency	301-1, 301-2
	Non-discrimination	406-1
	Occupational health and safety	403-1, 403-2, 403-3, 403-4
	Parental leave	401-3
	Efficiency in product and service resources	301-3
	Water efficiency	303-3
	Youth employment	401-1
9. Building resilient infrastructures, promoting inclusive and sustainable industrialisation and encouraging innovation.	Investments in infrastructure	201-1, 203-1
	Research and development	201-1

SUSTAINABLE DEVELOPMENT GOALS	TOPIC	EQUIVALENCE WITH THE GRI (SRS)
10. Reduce inequality within and among countries.	Economic development of areas with high poverty	203-2
	Equal pay between men and women	405-2
	Direct foreign investment	203-2
11. Make cities inclusive, safe, resilient and sustainable.	Investments in infrastructure	203-1
	Sustainable transport	203-1
12. Ensure sustainable consumption and production patterns	Air quality	305-1, 305-2, 305-3, 305-6, 305-7
	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments	103 (305, 306, 307)
	Material efficiency and recycling	301-1, 301-2
	Acquisition practices	204-1
	Product and service information and labelling	417-1
	Product and service resource efficiency	301-3
	Spillages	306-3
	Transport	302-1, 302-2, 305-1, 305-2, 305-3
	Waste	306-2, 306-4
	Water efficiency	303-3
	Water quality	306-1
13. Take urgent action to combat climate change and its impacts.	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments	103 (305, 306, 307)
	Greenhouse gas emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
	Climate change risks and opportunities	201-2
16. Promote just, peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels.	Anticorruption	205-1, 205-2, 205-3, 415-1
	Compliance with laws and regulations	307-1, 206-1, 419-1, 416-2, 417-1, 417-2, 418-1, 419-1
	Effectiveness, accountability and transparency in governance	102-23, 102-25
	Ethical and legal behaviour	102-16, 102-17
	Complaints mechanisms	103-2
	Inclusive decision making	102-21, 102-22, 102-24, 102-29, 102-37
	Non-discrimination	406-1
	Protection of privacy	418-1
	Security	410-1
	Workplace violence and harassment	414-1, 414-2
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Direct foreign investment	203-2

EQUIVALENCES WITH THE NONFINANCIAL REPORTING ACT (SPANISH LAW 11/2018)

Following the GRI's indications in the document 'Linking GRI Standards and the EU Directive on nonfinancial and diversity disclosure' and the included linkage tables, the following is a summary of the main relations between the requirements under the Nonfinancial Reporting Act (Spanish Law 11/2018) (NFA 11/2018) and the contents of the GRI Sustainability Reporting Standards (SRS).

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
BUSINESS MODEL	
Description of the Group's business model	
Brief description of the group's business model, including its business environment, organisation and structure, markets where it operates, objectives and strategies, and main trends and factors that could affect its future development.	GRI 102-2 Activities, brands, products and services GRI 102-4 Location of operations GRI 102-6 Markets served GRI 102-15 Key impacts, risks and opportunities GRI 102-7 Scale of the organisation
ENVIRONMENTAL MATTERS	
Policies	
Policies applied by the group, including due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, verification and control, and the measures adopted	GRI 103-2 Management approach and its components (linked to GRI 300) GRI 103-3 Evaluation of the management approach
Principal risks	
Principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks, explaining the procedures employed to detect and assess them according to national, European or international frameworks for each matter. Information should be included on detected impacts, providing a breakdown on them, particularly for short, medium and long-term principal risks	GRI 102-15 Key impacts, risks and opportunities GRI 102-11 Precautionary principle or approach GRI 102-30 Effectiveness of risk management processes GRI 201-2 Financial implications and other risks and opportunities due to climate change
General	
Current and expected effects of the company's activities on the environment and, where pertinent, health and safety	GRI 102-15 Key impacts, risks and opportunities GRI 102-29 Identifying and managing economic, environmental and social impacts GRI 102-31 Review of economic, environmental and social topics
Environmental assessment or certification procedures	GRI 102-11 Precautionary principle or approach GRI 102-29 Identifying and managing economic, environmental and social impacts GRI 102-30 Effectiveness of risk management processes
Resources dedicated to environmental risk prevention	GRI 102-29 Identifying and managing economic, environmental and social impacts
Application of the precautionary principle	GRI 102-11 Precautionary principle or approach
Provisions and guarantees for environmental risks	GRI 307-1 Noncompliance with environmental laws and regulations
Pollution	
Measures to prevent, reduce or repair carbon emissions that severely affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	GRI 103-2 Management approach (linked to GRI 302 and 305) GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services GRI 305-5 Reduction of GHG emissions GRI 305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions
Circular economy and waste prevention and management	
Measures for prevention, recycling, reuse and other ways of recovering and eliminating waste. Actions to limit food waste.	GRI 103-2 Management approach (linked to GRI 306) GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used GRI 301-3 Reclaimed products and their packaging materials GRI 303-3 Water recycled and reused GRI 306-1 Water discharge by quality and destination GRI 306-2 Waste by type and disposal method GRI 306-3 Significant spills

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Sustainable use of resources	
Water consumption and supply according to local limitations	GRI 303-1 Water withdrawal by source GRI 303-2 Water sources significantly affected by withdrawal of water GRI 303-3 Water recycled and reused
Consumption of raw materials and measures adopted to improve efficiency in their use	GRI 103-2 Management approach (linked to GRI 301) GRI 301-1 Materials used by weight and volume GRI 301-2 Recycled input materials used GRI 301-3 Reclaimed products and their packaging materials
Energy: Consumption, direct and indirect; measures taken to improve energy efficiency, use of renewable energies.	GRI 102-2 Management approach (linked to GRI 302 Energy) GRI 302-1 Energy consumption within the organization (electricity from renewable and non-renewable sources) GRI 302-2 Energy consumption outside of the organization GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services
Climate change	
Greenhouse Gas Emissions	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emissions intensity
The measures adopted to adapt to the consequences of Climate Change	GRI 102-15 Key impacts, risks and opportunities GRI 103-2 Management approach (linked to GRI 305) GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 305-5 Reduction of GHG emissions
Voluntary medium and long-term GHG emissions reduction goals and measures implemented for that purpose	GRI 103-2 Management approach (linked to GRI 305-5 GHG emissions reduction)
Protection of biodiversity	
Measures taken to preserve or restore biodiversity	GRI 103-2 Management approach (linked to GRI 305) GRI 304-3 Habitats protected or restored
Impacts caused by activities or operations in protected areas	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 304-2 Significant impacts of activities, products and services on biodiversity GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
INFORMATION ON SOCIAL AND EMPLOYEE-RELATED MATTERS	
Policies	
Policies applied by the group, including the due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, verification and control, and the measures adopted	GRI 103-2 Management approach and its components (linked to GRI 400) GRI 103-3 Evaluation of the management approach GRI 102-35 Remuneration policies
Principal risks	
Principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks, explaining the procedures employed to detect and assess them according to national, European or international frameworks for each matter. Information should be included on detected impacts, providing a breakdown on them, particularly for short, medium and long-term principal risks.	GRI 102-15 Key impacts, risks and opportunities GRI 102-30 Effectiveness of risk management processes

EQUIVALENCES WITH THE NONFINANCIAL REPORTING ACT (SPANISH LAW 11/2018)

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Employment	
Total number and distribution of employees by gender, age, country and professional category	GRI 102-7 Scale of the organisation GRI 102-8 Information on employees and other workers GRI 405-1. b) Percentage of employees per employee category in each of the following diversity categories: gender and age group
Total number and distribution of employment contract types	GRI 102-8 Information on employees and other workers
Annual average for indefinite, temporary and part-time contracts by gender, age and professional classification	GRI 102-8 Information on employees and other workers
Number of dismissed workers by gender, age and professional category	GRI 401-1.b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.
Average remuneration and trends broken down by gender, age and professional classification or equal value	GRI 405-2 Ratio of basic salary and remuneration of women to men
Salary gap	GRI 405-2 Ratio of basic salary and remuneration of women to men
Remuneration of equal jobs or society average	GRI 202-1 Ratios of standard entry level wage by gender compa-red to local
The average remuneration of board directors, executives and managers, including variable remuneration, allowances, compensation, payment into retirement and long-term savings plans, and any other consideration broken down by gender	GRI 102-35 Remuneration policies GRI 102-36 Process for determining remuneration (for management approach) GRI 201-3 Defined benefit plan obligations and other retirement plans
Implementation of labour disconnection measures	GRI 402-1 Minimum notice periods regarding operational changes GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes
Employees with disabilities	GRI 405-1 Diversity of governance bodies and employees
Organisation of work	
Organisation of working hours	GRI 102-8. c) Total number of employees by employment type (full-time and part-time) and gender
Absenteeism hours	GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section A)
Measures in place to simplify work-life/family balance and foster a joint responsibility thereof by both parents	GRI 401-3 Parental leave GRI 103-2 Management approach (linked to GRI 401)
Health and safety	
Occupational health & safety conditions	GRI 103-2 Management approach (linked to GRI 403 Health and Safety)
Work-related (frequency and severity) broken down by gender	GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section A) GRI 403-3 Workers with high incidence or high risk of diseases related to their occupation
Occupational diseases (frequency and severity) broken down by gender	GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section A) GRI 403-3 Workers with high incidence or high risk of diseases related to their occupation
Social relations	
Organisation of social dialogue, including procedures for informing, consulting and negotiating with personnel	GRI 102-43 Approach to stakeholder engagement (related to trade unions and collective bargaining) GRI 402-1 Minimum notice periods regarding operational changes GRI 403-1 Workers representation in formal joint management worker health and safety committees
Percentage of employees covered by collective bargaining agreements per country	GRI 102-41 Collective bargaining agreements

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Balance of collective bargaining agreements, particularly in the field of occupational health and safety	GRI 403-1 Workers representation in formal joint management worker health and safety committees GRI 403-4 Health and safety topics covered in formal agreements with trade unions
Training	
Implemented training policies	GRI 103-2 Management approach (linked to GRI 404 Training and education) GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes
Total amount of training hours by professional categories	GRI 404-1 Average hours of training per year per employee
Accessibility	
Universal accessibility for persons with disabilities	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
Equality	
Measures adopted to promote equal treatment and equal opportunities for men and women	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity)
Equality plans	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
Measures adopted to promote employees	GRI 103-2 Management approach (linked to GRI 401 Employment) GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes
Protocols against sexual and gender-based assault	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
Universal integration and accessibility for persons with disabilities	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
Policy against discrimination of any sort and, where pertinent diversity management	GRI 103-2 Management approach (linked to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination) GRI 406-1 Incidents of discrimination and corrective actions taken
INFORMATION ON THE OBSERVANCE OF HUMAN RIGHTS	
Policies	
Policies applied by the group, including the due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, verification and control, and the measures adopted	GRI 103-2 Management approach and its components GRI 103-3 Evaluation of the management approach GRI 410-1 Security personnel trained in human rights policies or procedures GRI 412-2 Employee training on human rights policies or procedures
Principal risks	
Principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks, explaining the procedures employed to detect and assess them according to national, European or international frameworks for each matter. Information should be included on detected impacts, providing a breakdown on them, particularly for short, medium and long-term principal risks.	GRI 102-15 Key impacts, risks and opportunities GRI 102-30 Effectiveness of risk management processes

EQUIVALENCES WITH THE NONFINANCIAL REPORTING ACT (SPANISH LAW 11/2018)

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Human rights	
Application of human rights due diligence procedures	GRI 103-2 Management approach (linked to GRI 412 Humans Rights Assessment) GRI 414-2 Negative social impacts in the supply chain and actions taken
Prevention of human rights infringement risks and, where necessary, measures to mitigate, manage and remedy potential abuses	GRI 103-2 Management approach (linked to GRI 412 Humans Rights Assessment) GRI 412-1 Operations that have been subject to human rights reviews or impact assessments GRI 410-1 Security personnel trained in human rights policies or procedures
Complaints or whistleblowing on human rights infringements	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (linked to GRI 412 Humans Rights Assessment) GRI 411-1 Rights of Indigenous Peoples GRI 419-1 Noncompliance with laws and regulations in the social and economic area
Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation (ILO) related to respect for the freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, elimination of forced or compulsory labour, and the effective abolition of child labour	GRI 103-2 Management approach (linked to GRI 406 Non-discrimination; 407 Freedom of association and collective bargaining; 408 Child labour; 409 Forced or compulsory labour and 412 Human Rights Assessment)
INFORMATION RELATED ON THE FIGHT AGAINST CORRUPTION AND BRIBERY	
Policies	
Policies applied by the group, including the due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, verification and control, and the measures adopted	GRI 103-2 Management approach and its components (linked to GRI 205) GRI 103-3 Evaluation of the management approach GRI 205-2 Communication and training about anti-corruption policies and procedures
Principal risks	
Principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks, explaining the procedures employed to detect and assess them according to national, European or international frameworks for each matter. Information should be included on detected impacts, providing a breakdown on them, particularly for short, medium and long-term principal risks.	GRI 102-15 Key impacts, risks and opportunities GRI 102-30 Effectiveness of risk management processes GRI 205-1 Operations assessed for risks related to corruption
Corruption and bribery	
Measures adopted to prevent corruption and bribery	GRI 103-2 Management approach (linked to GRI 205) GRI 205-2 Communication and training about anti-corruption policies and procedures
Measures to fight against money laundering	GRI 103-2 Management approach (linked to GRI 205)

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Contributions/donations to foundations and non-profit entities	GRI 103-2 Management approach (linked to GRI 205) GRI 201-1 Direct economic value generated and distributed (Investments in the community) GRI 203-2 Significant indirect economic impacts GRI 415-1 Political contributions
INFORMATION ON THE COMPANY	
Policies	
Policies applied by the group, including the due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, verification and control, and the measures adopted	GRI 103-2 Management approach and its components (linked to 413 and 414) GRI 103-3 Evaluation of the management approach
Principal risks	
Principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas and how the group manages those risks, explaining the procedures employed to detect and assess them according to national, European or international frameworks for each matter. Information should be included on detected impacts, providing a breakdown on them, particularly for short, medium and long-term principal risks.	GRI 102-15 Key impacts, risks and opportunities GRI 102-30 Effectiveness of risk management processes
Company sustainable development commitment	
Impact of the company's activity on local employment and development	GRI 203-1 Infrastructure investments and services supported GRI 203-2 Significant indirect economic impacts GRI 204-1 Proportion of spending on local suppliers GRI 413-1 Operations with local community engagement, impact assessments and development programmes GRI 413-2 Operations with significant actual and potential negative impacts on local communities
Impact of the company's activity on local populations and the region	GRI 203-1 Infrastructure investments and services supported GRI 203-2 Significant indirect economic impacts GRI 413-1 Operations with local community engagement, impact assessments and development programmes GRI 413-2 Operations with significant actual and potential negative impacts on local communities
Relations with actors in the local communities and means of dialogue with them	GRI 102-43 Approach to stakeholder engagement (related to communities) GRI 413-1 Operations with local community engagement, impact assessments and development programmes
Actions in associations or sponsorships	GRI 102-13 Membership of associations GRI 203-1 Infrastructure investments and services supported GRI 201-1 Direct economic value generated and distributed (Investments in the community)
Subcontracting and suppliers	
Inclusion of social, equality, gender and environmental questions in procurement policies	GRI 103-3 Management approach (linked to GRI 308 and GRI 414)

EQUIVALENCES WITH THE NONFINANCIAL REPORTING ACT (SPANISH LAW 11/2018)

NFA 11/2018	RELEVANT GRI STANDARDS AND DISCLOSURES
Consideration of the social and environmental responsibilities of suppliers and subcontractors in relationships with them.	GRI 102-9 Supply chain GRI 103-3 Management approach (linked to GRI 308 and GRI 414) GRI 308-1 New suppliers that were screened using environmental criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken
Supervision and audit systems and their results	GRI 308-1 New suppliers that were screened using environmental criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 414-2 Negative social impacts in the supply chain and actions taken
Consumers	
Consumer health and safety measures	GRI 103-2 Management approach (linked to GRI 416 Customer Health and Safety) GRI 416-1 Assessment of the health and safety impacts of product and service categories GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417-1 Requirements for product and service information and labelling
Complaint systems, complaints received and their resolution	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (linked to GRI 416 Customer Health and Safety) GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Tax information	
Profits per country	GRI 201-1. Direct economic value generated and distributed
Paid profit tax	GRI 201-1 Direct economic value generated and distributed
State subsidies received	GRI 201-4 Financial assistance received from government

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Abertis Infraestructuras, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the 2018 Integrated Annual Report (IAR), which contains the Consolidated Non-Financial Information Statement (NFIS) for the year ended 31 December 2018 of Abertis Infraestructuras, S.A. and subsidiaries ("Abertis" or "the Group"), which forms part of the Consolidated Directors' Report of Abertis.

The Integrated Annual Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their comprehensive option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "GRI Table of Contents" and the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

Responsibilities of the Directors

The preparation and content of the Abertis Group's IAR are the responsibility of the Board of Directors of Abertis. The IAR was prepared in accordance with GRI standards in their comprehensive option, and with the standards established in the AA1000AP Assurance Standard issued by AccountAbility. The NFIS included in the IAR was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

These responsibilities of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the IAR and the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Abertis are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the IAR and the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA100AP and on the sustainability performance indicators (type 2 moderate assurance).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Abertis that participated in the preparation of the IAR, which includes the NFIS, reviewing the processes used to compile and validate the information presented in the IAR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Abertis personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the IAR based on the materiality analysis performed by Abertis and described in the "Stakeholders and Materiality" section of chapter 9 of the IAR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2018 IAR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the "Stakeholders and Materiality" section of chapter 9 of the IAR.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the "GRI Table of Contents" and the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR, and the appropriate compilation thereof based on the data furnished by Abertis's information sources.
- Obtainment of a representation letter from the directors and management.

Basis for Conclusion

As a result of the procedures carried out and the evidence obtained, misstatements have been identified due to partial presentation or omissions of the contents required by GRI standards in their full version or by current Spanish corporate legislation regarding non-financial information. The misstatements detected are detailed in the "Basis for Conclusion" table attached hereto, which forms part of this report.

Conclusion

Based on the procedures performed and the evidence obtained, except for the effect of the matters described in the "Basis for Conclusion" section, no additional matter has come to our attention that causes us to believe that:

A) the NFIS included in the 2018 IAR of Abertis was not prepared, in all material respects, including the adequacy of the contents revised detailed in the "GRI Table of Contents", in accordance with GRI standards in their full version.

B) Abertis's NFIS for the year ended 31 December 2018 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the table of "Equivalents with Law 11/2018 on non-financial reporting" in the Appendices to the IAR.

C) Abertis did not apply in the preparation of the IAR the principles of inclusivity, materiality and responsiveness as described in the Appendices to the IAR, in accordance with AA1000 APS (2008), namely:

- Inclusivity: Abertis has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.
- Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Abertis and its stakeholders.
- Responsiveness: Abertis responds, through specific actions and commitments, to the material issues identified.

Additional information

The calculation of scope 3 greenhouse gas (GHG) emissions, given their nature, is subject to high uncertainty, having been carried out according to the methodology and estimates specified in the IAR, based on the available information. A change in the parameters of the estimates could have an impact on the total amount of emissions presented.

Pursuant to the provisions of the AA1000AS 2008 Standard, we presented to management of Abertis our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality and responsiveness. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

As indicated in the "Stakeholders and Materiality "section of the Appendix to the IAR, Abertis has conducted a materiality study supported by various analyses and consultations with certain stakeholders. In order to improve the representativeness and inclusivity of the stakeholders consulted, it would be advisable to update the stakeholders to be consulted broaden the sample of consultations so that it represents both the various businesses and all the countries in which the Abertis Group has a stable presence.

Responsiveness

The international roll-out of the 2016-2020 CSR Master Plan commenced in 2017. In view of the results obtained in 2018 and the Group's current strategy and organisation, it would be advisable to review the Master Plan and adapt the aims thereof and the actions to be taken.

Also, in 2018 the frequency of internal reporting of non-financial information increased in order to improve the availability and quality of information. In 2019, it would be advisable to adapt the information compilation instructions, adjust deadlines and extend training to the business units involved in order to continue improving its quality.

DELOITTE, S.L.

AA1000
Licensed Assurance Provider
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Helena Redondo

19 February 2019

Appendix to the Independent Assurance Report of Abertis Infraestructuras, S.A. and subsidiaries

Basis for conclusion

GRI Standard		Non-Financial Information Law	Basis for conclusion
102-8	Information on employees and other workers	Employment	It was not possible to verify that the information on subcontractors was complete. The review was limited to checking the compilation process relating to the data provided by the Group companies.
102-8	Information on employees and other workers	Employment	The annual average type of contracts is presented only by gender, not by age and professional classification.
102-38	Annual total compensation ratio	Employment	The ratio is not broken down by region and the remuneration arising from pension plans has not been taken into account in its calculation.
102-39	Percentage increase in annual total compensation ratio	Employment	No information on the percentage increase in annual total compensation ratio is presented.
302-2	Energy consumption outside of the organisation	Sustainable use of resources	The Company does not present any information on energy consumption outside of the organisation.
306-2	Waste by type and disposal method.	Circular economy and waste prevention and management	The type of treatment for each type of waste is not broken down.
401-1	New employee hires and employee turnover	Employment	No breakdown of terminations.
403-2	Types of accident and accident frequency rates, work-related ill health, days lost, absenteeism, and number of deaths due to work-related accidents or ill health	Health and Safety	It was not possible to verify that the information on subcontractors was complete. The review was limited to checking the compilation process relating to the data provided by the Group companies.
405-2	Ratio of basic salary and remuneration of women to men	Employment	The percentage of average remuneration of women to men is broken down by profession category and country, but not the average remuneration of men and women in absolute terms or by age.
415-1	Political contributions	Corruption and bribery	Provides information on the Group's policy on contributions to political parties.