Abertis Infraestructuras, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2018 and Consolidated 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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). 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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). in the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2018, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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 Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated 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.

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Key Audit Matters

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

Impairment test for goodwill and other intangible assets

Description

The accompanying consolidated balance sheet includes intangible assets totalling EUR 14,171 million relating mainly to investments in transport infrastructure concession arrangements, i.e. toll roads.

The measurement of these investments in concession arrangements and, in particular, the assessment of their recoverable amount, involves a complex process that requires estimates to be made that include judgements and significant assumptions by management in the preparation of impairment tests, relating mainly to discount rates, macroeconomic variables, changes in traffic and tolls, future operating costs and disbursements for future investments, both in capacity increases and replacements, among others.

Also, the accompanying consolidated balance sheet includes goodwill totalling EUR 4,383 million associated mainly with cash-generating units (CGUs) relating to concession arrangements (see Note 9). In this context, Group management conducts impairment tests to assess the recoverable amount of these items of goodwill, which are prepared in a similar way to the assessments of the recoverable amount of investments in the concession arrangements included in the respective CGUs.

Procedures applied in the 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 potential impairment of goodwill and the recoverable amount of the investments in concession arrangements, as well as the performance of tests to determine whether the aforementioned controls operate effectively.

Also, we conducted substantive tests based on the obtainment of the impairment tests carried out by management of the Parent, verified the clerical accuracy of the calculations performed and assessed the reasonableness of the main assumptions considered therein, basically those relating to future cash flow forecasts and discount rates.

In addition, we involved our internal valuation specialists in the process of assessing the assumptions and methodologies used by management of the Parent 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 the consistency of the assumptions included in the impairment test for the previous year with the actual operating data.

Impairment test for goodwill and other intangible assets	
Description	**Procedures applied in the audit**
The aforementioned matters led us to determine the situation described to be a key matter in our audit.	Furthermore, we reviewed the sensitivity analyses of the key assumptions, i.e. those with the greatest effect on the determination of the recoverable amount, performed by management of the Parent. Lastly, we checked that Note 9 to the accompanying consolidated financial statements contains the disclosures required by the applicable accounting regulations relating to the measurement of the recoverable amount of those assets and verified, in particular, the detail of the main assumptions used in the preparation of the impairment tests and performed an analysis of the buffer in relation to changes in the key assumptions used in the tests.

Litigation and contingencies

Description

As indicated in Notes 10.i, 13.i and 23.i, the Group is involved in various court proceedings in the framework of its activity, the most significant being those linked to: i) the claim filed by the Group company Autopista Concesionaria Española, S.A.U. for compensation relating to the guaranteed revenue provided for in Royal Decree 457/2006 approving the Agreement between the Spanish Government and the aforementioned company to amend certain terms of the concession of which that company is the operator. At 31 December 2018, there were no balances receivable recognised in the accompanying consolidated financial statements (see Note 13.i) in this connection; and ii) the obligations assumed under the support agreement entered into by the Group companies Iberpistas, S.A.U.C.E. and Autopista Concesionaria Española, S.A.U. with the creditor banks of the associate Alazor Inversiones, S.A., for which the Group has recognised provisions amounting to EUR 228 million, corresponding to the full amount of the borrowings secured together with the related interest and court costs, as described in Notes 10.i and 20.ii.

In relation to these proceedings, management of the Parent assesses the impact that its estimate of the eventual outcome thereof has on its consolidated financial statements.

This matter was considered to be a key matter in our audit, since the aforementioned estimates require significant judgements by management of the Parent, based on historical experience and the available information, including that obtained from its legal advisers.

Procedures applied in the audit

Our audit procedures included, among others, analysing the judgements used by management based on the available information. Among other procedures, we sent confirmation letters to, and obtained responses from, the lawyers and legal advisers used by the Group, and in our analysis we paid particular attention to the matters relating to the most significant court proceedings in progress. In relation to the most significant court proceedings, we involved our internal legal specialists for the purpose of analysing the reasonableness of the conclusions reached by management of the Parent considering the various factors on which those conclusions were based.

Our work also included checking that the information included in Notes 10.i, 13.i, 20.ii and 23.i to the accompanying consolidated financial statements in connection with these matters is that required by the applicable accounting regulations.

Other Information: Consolidated Directors' Report

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

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

a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Annual Corporate Governance Report (ACGR), 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 consolidated directors' report, or, as the case may be, that the consolidated directors' report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the consolidated directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated 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 consolidated 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 consolidated directors' report, that the information in the ACGR, discussed in the aforementioned section, is included in the consolidated director's report and that the other information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2018 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Parent's Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on pages 8 and 9 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's Directors

The opinion expressed in this report is consistent with the content of our additional report to the Parent'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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Group's internal control.

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

- Conclude on the appropriateness of the use by the Parent's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent'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 Parent's directors with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it 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 Parent's directors, we determine those matters that were of most significance in the audit of the consolidated 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.
AND SUBSIDIARIES

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2018 (prepared in accordance with International Financial Reporting Standards)

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CONTENTS

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

Consolidated balance sheets
(in thousands of euros)

	Notes	31/12/18	31/12/17
ASSETS			
Non-current assets			
Property, plant and equipment	8	412,182	420,843
Goodwill	9	4,383,034	4,422,125
Other intangible assets	9	14,170,727	15,285,119
Intangible assets		18,553,761	19,707,244
Investments in associates and interests in joint ventures	10	216,576	1,314,536
Financial assets at fair value through equity (1)	11	108,693	118,348
Non-current financial assets		325,269	1,432,884
Concession arrangements - financial asset model	13	2,039,452	1,583,010
Receivables from companies accounted for using the equity method	13	31,625	34,510
Other financial assets	13	65,340	26,032
Derivative financial instruments	12	57,125	24,312
Other non-current financial assets		2,193,542	1,667,864
Other assets	13	75,836	77,802
Deferred tax assets	19-c	801,848	896,836
Non-current assets		**22,362,438**	**24,203,473**
Current assets			
Inventories	-	14,333	12,958
Trade receivables	13	656,630	701,629
Current tax assets	13	876,265	300,138
Concession arrangements - financial asset model	13	109,113	107,413
Receivables from companies accounted for using the equity method	13	14,520	14,367
Other financial assets	13	50,087	62,706
Derivative financial instruments	12	37,978	41,825
Other current financial assets		211,698	226,311
Other assets	13	163,268	132,403
Cash and cash equivalents	14	2,737,070	2,458,101
Current assets		**4,659,264**	**3,831,540**
Non-current assets classified as held for sale and discontinued operations	7	1,621,795	1,795,764
Assets		**28,643,497**	**29,830,777**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 287.

(1) Financial investments that were classified as “Available-for-Sale Financial Assets” before the application of the new IFRS 9 on 1 January 2018 (see Note 5).

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated balance sheets
(in thousands of euros)

	Notes	31/12/18	31/12/17
EQUITY			
Share capital and reserves attributable to shareholders of the Parent			
Share capital	15-a	2,734,696	2,971,144
Treasury shares	15-a	(156)	(1,168,679)
Reserves	15-b	(516,133)	(301,044)
Retained earnings and other reserves	15-c	1,903,467	1,027,438
		4,121,874	**2,528,859**
Non-controlling interests	15-d	**1,803,758**	**2,247,815**
Equity		**5,925,632**	**4,776,674**
LIABILITIES			
Non-current liabilities			
Bond issues and bank borrowings	16	15,420,309	16,716,438
Derivative financial instruments	12	258,532	272,041
Other financial liabilities	21	79,024	734,111
Non-current financial liabilities		15,757,865	17,722,590
Employee benefit obligations	20	160,260	133,651
Other provisions	20	1,038,362	1,204,938
Long-term provisions		1,198,622	1,338,589
Deferred income	17	32,483	28,495
Deferred tax liabilities	19-c	1,583,585	1,647,162
Other liabilities	21	397,035	467,987
Non-current liabilities		**18,969,590**	**21,204,823**
Current liabilities			
Bond issues and bank borrowings	16	1,292,526	1,808,829
Derivative financial instruments	12	10,428	41,642
Other financial liabilities	21	351,528	6,706
Current financial liabilities		1,654,482	1,857,177
Employee benefit obligations	20	38,541	60,519
Other provisions	20	291,644	230,877
Short-term provisions		330,185	291,396
Payable to suppliers and other payables	18	563,069	672,028
Current tax liabilities	19-d	318,521	264,931
Other liabilities	21	362,245	135,509
Current liabilities		**3,228,502**	**3,221,041**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	7	519,773	628,239
Liabilities		**22,717,865**	**25,054,103**
Equity and liabilities		**28,643,497**	**29,830,777**

The accompanying consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 287.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of profit or loss
(in thousands of euros)

	Notes	2018	2017 (*)
Services	22-a	5,049,746	5,108,416
Other operating income	22-b	114,470	144,268
In-house work on non-current assets	-	11,818	16,095
Other income	22-b	79,347	2,130
Operating income		5,255,381	5,270,909
Revenue from construction services		503,183	696,175
Capitalised borrowing costs		21,013	55,156
Infrastructure upgrade revenue	3-o	524,196	751,331
Income from operations		5,779,577	6,022,240
Staff costs	22-c	(581,714)	(636,886)
Other operating expenses	22-d	(1,181,180)	(1,277,145)
Changes in operating provisions and allowances	-	(3,703)	(5,054)
Period provisions for infrastructure maintenance and restoration obligations	-	(188,721)	(154,854)
Provisions for infrastructure maintenance and restoration obligations charged to profit or loss	-	250,352	260,300
Changes in operating provisions and allowances and provisions for infrastructure maintenance and restoration obligations		57,928	100,392
Changes in impairment losses on assets	8	589	(543)
Depreciation and amortisation charge	8/9	(1,377,321)	(1,421,197)
Other expenses	-	(1,444)	(1,495)
Operating expenses		(3,083,142)	(3,236,874)
Infrastructure upgrade expenses	3-o	(503,183)	(696,175)
Expenses from operations		(3,586,325)	(3,933,049)
Profit from operations		2,193,252	2,089,191
Changes in fair value of financial instruments	22-e	(1,823)	20,118
Net gains on disposals of financial instruments	22-e	604,877	18,259
Finance income	22-e	387,978	227,690
Finance costs	22-e	(1,013,713)	(1,083,127)
Net financial loss		(22,681)	(817,060)
Result of companies accounted for using the equity method	10/15-c.iii	(7,122)	19,096
Profit before tax		2,163,449	1,291,227
Income tax	19-b	(295,501)	(364,570)
Profit from continuing operations		1,867,948	926,657
Profit (Loss) from discontinued operations	7	(33,205)	72,318
Profit for the year		**1,834,743**	**998,975**
Profit attributable to non-controlling interests	15-c.iii	153,372	101,562
Profit attributable to shareholders of the Parent		**1,681,371**	**897,413**
Earnings per share (in euros per share)			
- basic earnings per share from continuing operations	15-f	1.881	0.933
- basic earnings per share from discontinued operations	15-f	(0.036)	0.052
- diluted earnings per share from continuing operations	15-f	1.881	0.933
- diluted earnings per share from discontinued operations	15-f	(0.036)	0.052

The accompanying consolidated statements of profit or loss should be read in conjunction with the Notes included on pages 8 to 287.

(*) Consolidated statement of profit or loss for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of comprehensive income
(in thousands of euros)

	Notes	2018	2017
Profit for the year		**1,834,743**	**998,975**
Income and expense recognised directly in equity transferable to the consolidated statement of profit or loss:			
Net increase (decrease) in the fair value (before tax) of financial assets at fair value though equity		-	28,929
Transfers to the consolidated statement of profit or loss		-	-
	-	-	28,929
Changes in cash flow hedges of the Parent and of fully consolidated companies		(35,115)	(11,831)
Transfers to the consolidated statement of profit or loss		16,285	12,188
	-	(18,830)	357
Hedges of net investments in foreign operations of the Parent and of fully consolidated companies		22,122	46,873
Transfers to the consolidated statement of profit or loss		35,627	51,910
	-	57,749	98,783
Cash flow hedges/Hedges of net investments in foreign operations of companies accounted for using the equity method	10/15	(558)	1,394
Foreign currency translation differences		(287,537)	(434,309)
Transfers to the consolidated statement of profit or loss		-	-
	15	(287,537)	(434,309)
Other	-	71,100	39,189
Tax effect of income and expense recognised in equity	-	(22,825)	(23,839)
		(200,901)	(289,496)
Income and expense recognised directly in equity not transferable to the consolidated statement of profit or loss:			
Actuarial gains and losses	20.i-a	2,644	7,402
Net increase (decrease) in the fair value (before tax) of financial assets at fair value through equity	11	(9,632)	-
Tax effect of income and expense recognised in equity		1,025	(2,487)
		(5,963)	4,915
Other comprehensive income		**(206,864)**	**(284,581)**
Total comprehensive income		**1,627,879**	**714,394**
Attributable to:			
– shareholders of the Parent:			
– from continuing operations		1,591,126	797,416
– from discontinued operations		(40,129)	21,351
		1,550,997	818,767
– non-controlling interests		76,882	(104,373)
		1,627,879	**714,394**

The accompanying consolidated statements of comprehensive income should be read in conjunction with the Notes included on pages 8 to 287.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of changes in equity
(in thousands of euros)

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	15-a	15-b	15-c	15-d	
At 1 January 2018	1,802,465	(301,044)	1,027,438	2,247,815	4,776,674
Changes in accounting policies (Note 4)	-	(23,761)	38,354	(3,132)	11,461
At 1 January 2018 adjusted	1,802,465	(324,805)	1,065,792	2,244,683	4,788,135
Comprehensive income for the year	-	(180,895)	1,731,892	76,882	1,627,879
2nd payment of 2017 dividend	-	-	(396,152)	(17,733)	(413,885)
1st payment of 2018 dividend	-	-	-	(48,236)	(48,236)
Treasury shares	932,075	-	(932,231)	-	(156)
Capital increase	-	-	-	2,870	2,870
Reimbursement of shareholder contributions	-	-	-	(6,382)	(6,382)
Changes in the scope of consolidation and other	-	(10,433)	434,166	(448,326)	(24,593)
At 31 December 2018	**2,734,540**	**(516,133)**	**1,903,467**	**1,803,758**	**5,925,632**

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	15-a	15-b	15-c	15-d	
At 1 January 2017	1,759,600	(157,944)	1,974,557	3,324,422	6,900,635
Comprehensive income for the year	-	(142,492)	961,259	(104,373)	714,394
2nd payment of 2016 dividend	-	-	(366,441)	(37,086)	(403,527)
1st payment of 2017 dividend	-	-	(396,153)	(16,611)	(412,764)
Treasury shares	42,865	-	(770)	-	42,095
Reimbursement of shareholder contributions	-	-	-	(3,939)	(3,939)
Capital increase	-	-	-	325,590	325,590
Changes in the scope of consolidation and other	-	(608)	(1,145,014)	(1,240,188)	(2,385,810)
At 31 December 2017	**1,802,465**	**(301,044)**	**1,027,438**	**2,247,815**	**4,776,674**

The accompanying consolidated statements of changes in equity should be read in conjunction with the Notes included on pages 8 to 287.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2018	2017 (*)
Net cash flows from operating activities:			
Profit for the year from continuing operations		1,867,948	926,657
Adjustments:			
Taxes	19-b	295,501	364,570
Depreciation and amortisation charge	8/9	1,377,321	1,421,197
Changes in impairment losses on assets	8/11	(589)	13,173
Net (gain)/loss on disposals of property, plant and equipment, intangible assets and other assets	-	517	(635)
(Gains)/losses on financial instruments	22-e	1,823	(20,118)
Net gains on disposals of financial instruments	22-e	(604,877)	(18,259)
Changes in provisions for pensions and other obligations	-	19,816	28,801
Changes in provisions required under IFRIC 12 and other provisions	-	235,387	138,181
Dividend income	22-e	(1,702)	(1,521)
Interest and other income	22-e	(386,276)	(226,169)
Interest and other expenses	22-e/3-o	992,700	1,015,340
Transfer of deferred income to profit or loss	17	(4,032)	(5,467)
Other net adjustments to profit or loss	13	(20,706)	27,957
Share of result of companies accounted for using the equity method	15-c.iii	7,122	(19,096)
		3,779,953	3,644,611
Changes in current assets and liabilities:			
Inventories	-	(643)	2,202
Trade and other receivables	-	(36,750)	(133,017)
Payable to suppliers and other payables	-	(74,570)	6,187
Other current liabilities	-	(30,994)	(12,713)
		(142,957)	(137,341)
Cash flows from operating activities		**3,636,996**	**3,507,270**
Income tax paid	-	(968,090)	(204,121)
Interest paid and hedges settled	-	(741,101)	(882,336)
Interest received and hedges settled	-	58,609	74,154
Provisions for pensions and other obligations used	-	(44,145)	(11,380)
Other provisions used	-	(48,301)	(95,910)
Other payables	-	(6,338)	3,237
Grants and other deferred income received/refunded	-	11,215	716
Non-current trade and other receivables	-	9,516	(189)
(A) Total net cash flows from operating activities		**1,908,361**	**2,391,441**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 287.

(*) Consolidated statement of cash flows for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2018	2017 (*)
Net cash flows from investing activities:			
Business combinations and changes in the scope of consolidation	-	-	(61,907)
Other changes in the scope of consolidation (1)	15-d	(340,604)	(2,292,887)
Net acquisition of investments in associates and interests in joint ventures	10	(614)	(384)
Proceeds from disposals of investments in associates and/or available-for-sale financial assets	-	-	1,062
Proceeds from disposals of non-current assets	-	15,897	28,189
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	8/9/13	(619,733)	(1,132,727)
Dividends received from financial investments, associates and joint ventures	10/22-e/ 26-c	8,142	18,528
Provisions required under IFRIC 12 used	20	(250,352)	(260,300)
Other (2)	-	(17,600)	104,057
Amounts received arising from business classified as Held for Sale and Discontinued Operations (3)	7	1,702,629	15,430
(B) Total net cash flows from investing activities		**497,765**	**(3,580,939)**
Net cash flows from financing activities:			
Borrowings obtained in the year	16	1,279,190	3,966,730
Repayment of borrowings in the year	16	(2,878,551)	(2,388,697)
Borrowings granted to non-controlling interests		(39,389)	-
Repayment of borrowings granted to associates		2,369	4,497
Dividends paid to the shareholders of the Parent (net of the amounts corresponding to treasury shares and share-based payment)	-	(364,626)	(658,355)
Treasury shares	15-a	(156)	375
Reimbursement of share premium/Dividends/Other payments to non-controlling interests	15-d	(72,351)	(57,636)
Capital increase/Other amounts received from non-controlling interests	15-d	2,870	325,590
(C) Total cash flows from financing activities		**(2,070,644)**	**1,192,504**
(D) Effect of foreign exchange rate changes		**(57,525)**	**(49,265)**
Net (decrease)/increase in cash and cash equivalents of continuing operations (A)+(B)+(C)+(D)		**277,957**	**(46,259)**
Beginning balance of cash and cash equivalents of continuing operations		2,458,101	2,529,129
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"	-	1,012	(24,769)
Ending balance of cash and cash equivalents of continuing operations	**14**	**2,737,070**	**2,458,101**
Net (decrease)/increase in cash and cash equivalents of discontinued operations	**7**	**10,819**	**5,990**
Beginning balance of cash and cash equivalents of discontinued operations		32,142	1,383
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"		(1,012)	24,769
Ending balance of cash and cash equivalents of discontinued operations	**7**	**41,949**	**32,142**

The accompanying consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 287.

(*) Consolidated statement of cash flows for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

(1) Including in 2018 EUR -32,765 thousand associated with the acquisition of non-controlling interests in **A4** (see Note 15-d.i), EUR -15,338 thousand associated with the acquisition of non-controlling interests in **JEPL** (see Note 15-d.ii) and EUR -292,501 thousand also associated with the acquisition of non-controlling interests in **Hispasat** (see Note 15-d.iii). Including in 2017 EUR -2,214,385 thousand associated with the acquisition of non-controlling interests in **HIT**, EUR -179,080 thousand associated with the acquisition of non-controlling interests in **A4** and EUR +100,578 thousand associated with the collection of the balance receivable from the other shareholder of **Invin**.

(2) Including in 2017 the collection associated with the reimbursement of the court deposit made in prior years in relation to the guarantees of Alazor.

(3) Relating in 2018 to the proceeds from the sale of 34.0% of Cellnex and in 2017 to the collection of the compensation for the nationalisation in 2013 of the airports operated by the Group in Bolivia (see Note 7).

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2018

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Parent") was incorporated in Barcelona on 24 February 1967 and its registered office is at Paseo de la Castellana, no. 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 Parent 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 engaging in the management of mobility and communications infrastructure, and currently operates in two sectors: toll road concessions and telecommunications concessions. In this regard, as indicated in Note 7, at 31 December 2018 the Group had, on the one hand, completed the divestment of the terrestrial telecommunications business, through the sale of the ownership interest in Cellnex Telecom, S.A. (Cellnex) and, on the other, classified as non-current assets held for sale the satellite telecommunications business carried on by the subgroup headed by Hispasat, S.A. (**Hispasat**), which was classified as a discontinued operation pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

Also, since 29 October 2018 the Parent 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 detail of the Group's subsidiaries, joint ventures and associates at 31 December 2018 is shown in Appendices I, II and III, respectively.

Lastly, Note 27-c includes the information on the most significant concession arrangements held by the Group.

2. BASIS OF PRESENTATION

a) Basis of presentation

The consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries for the year ended 31 December 2018, which were obtained from the accounting records kept by the Parent and by the other companies composing the Group, were authorised for issue by the Parent's directors at the Board of Directors meeting held on 19 February 2019.

These consolidated financial statements were prepared in accordance with the regulatory financial reporting framework applicable to the Group provided for in International Financial Reporting Standards ("IFRSs") as adopted by the European Union, taking into account all the mandatory accounting principles and rules and measurement bases, and the Spanish Commercial Code, the Spanish Limited Liability Companies Law, the Spanish Securities Market Law and all other applicable Spanish corporate law, as well as the rules of the Spanish National Securities Market Commission (CNMV), and, accordingly, they present fairly the **Abertis** Group's consolidated equity and consolidated financial position as at 31 December 2018 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements as at 31 December 2018 may differ from those used by certain Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRSs.

In order to uniformly present the various items composing the consolidated financial statements, the accounting policies and measurement bases adopted by the Parent were applied to all the consolidated companies.

The consolidated and separate financial statements of **Abertis** and the separate and/or consolidated financial statements of the companies and/or subgroups composing the Group will be submitted to the shareholders or sole shareholder at their respective Annual General Meetings, as applicable, within the legally established time periods. The directors of **Abertis** consider that the aforementioned financial statements will be approved without any material changes.

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

b) Adoption of IFRSs

The **Abertis** Group's consolidated financial statements are presented in accordance with IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to present consolidated financial statements in accordance with IFRSs as approved by the European Union was also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on Tax, Administrative, Labour and Social Security Measures.

The principal accounting policies and measurement bases adopted by **Abertis** are presented in Note 3.

i) Standards and interpretations effective in 2018

The following new accounting standards amendments and interpretations came into force in 2018:

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning on or after**
IFRS 15, Revenue from Contracts with Customers (issued in May 2014)	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31).	1 January 2018 (1)
IFRS 9, Financial Instruments (last phase issued in July 2014)	Replaces the requirements in IAS 39 relating to the classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment.	1 January 2018
Clarifications to IFRS 15, Revenue from Contracts with Customers (issued in April 2016)	Focus on identifying performance obligations, principal versus agent considerations, licensing and determining whether a license is satisfied at a specific point in time or over time, as well as certain clarifications to the transition requirements.	1 January 2018
Amendments to IFRS 4, Insurance Contracts (issued in September 2016)	Provide entities within the scope of IFRS 4 with the option of applying IFRS 9 ("overlay approach") or the temporary exemption therefrom.	1 January 2018
Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions (issued in June 2016)	Limited amendments clarifying specific issues such as the effects of vesting conditions on cash-settled share-based payments, the classification of share-based payment transactions with net settlement features and accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018
Amendments to IAS 40, Reclassification of Investment Property (issued in December 2016)	The amendments clarify that transfers to, or from, investment property will only be possible when there is evidence of a change in use.	1 January 2018

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
IFRIC 22, Foreign Currency Transactions and Advance Consideration (issued in December 2016)	This interpretation establishes "the date of the transaction" for the purpose of determining the exchange rate to use in transactions with advance consideration in a foreign currency.	1 January 2018
Improvements to IFRSs, 2014-2016 cycle (issued in December 2016)	Minor amendments to a series of standards.	1 January 2018

(1) The initial effective date established by the IASB for this standard was 1 January 2017; however, the IASB issued a clarification to the standard deferring its effective date until 1 January 2018.

The Group has applied the aforementioned standards, amendments and interpretations since they became effective on 1 January 2018, with those giving rise to the most significant changes in the accounting policies applied by the Group being as follows: IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers. The effects of applying the aforementioned standards are disclosed in Note 5.

ii) Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards, amendments and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Approved for use in the European Union		
Amendments to IFRS 9, Prepayment Features with Negative Compensation (issued in November 2017)	Permit measurement at amortised cost of certain financial assets which may be put back to the issuer before maturity for an amount lower than the unpaid amounts of principal and interest.	1 January 2019

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Approved for use in the European Union		
IFRS 16, Leases (issued in January 2016)	Supersedes IAS 17 and the associated interpretations. The main new feature of the new standard is that it introduces a single lessee accounting model in which all leases (with certain limited exceptions) will be recognised in the balance sheet with an impact similar to that of the existing finance leases (depreciation of the right-of-use asset and a finance cost for the amortised cost of the liability will be recognised).	1 January 2019
IFRIC 23, Uncertainty Over Income Tax Treatments (issued in June 2017)	This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over whether the relevant taxation authority will accept a tax treatment used by an entity.	1 January 2019
Not yet approved for use in the European Union		
Revision of the Conceptual Framework (issued in March 2018)	Updates and provides a more comprehensive set of concepts for issuing standards and guidelines to assist issuers in developing their accounting policies, and to enable users of financial information to interpret and understand the standards.	1 January 2020
IFRS 17, Insurance Contracts (issued in May 2017)	Supersedes IFRS 4. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and is issued to ensure that entities provide relevant and reliable information that gives a basis for users of the information to assess the effect that insurance contracts have on the financial statements.	1 January 2021 (1)
Amendments to IAS 28, Investments in Associates and Joint Ventures (issued in October 2017)	Clarify that IFRS 9 should be applied to long-term interests in an associate or joint venture to which the equity method is not applied.	1 January 2019

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Not yet approved for use in the European Union		
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) (issued in February 2018)	Clarify how to determine current service cost and net interest for the remainder of the annual reporting period after a defined benefit plan amendment, curtailment or settlement.	1 January 2019
Amendments to IAS 1 and IAS 8 (issued in October 2018)	Amendments to align the definition of materiality with the definition contained in the Conceptual Framework.	1 January 2020
Improvements to IFRS 3, Business Combinations (issued in October 2018)	Clarifications of the definition of a business.	1 January 2020
Improvements to IFRSs, 2015-2017 cycle (issued in December 2017)	Minor amendments to a series of standards.	1 January 2019

(1) The date of first-time application of this standard is being reviewed by the IASB.

As regards these standards, IFRS 16 is expected to have a more significant future impact. In this regard, management assessed the potential impact of applying IFRS 16 in the future and considers that its entry into force will not have a material effect, the findings of the assessment performed being as follows:

- IFRS 16 will come into force in 2019 and will supersede IAS 17 and the current associated interpretations. The main new feature of IFRS 16 is that it introduces a single lessee accounting model in which all leases (with certain limited exceptions) will be recognised in the balance sheet with an impact similar to that of the existing finance leases (depreciation of the right-of-use asset and a finance cost for the amortised cost of the liability will be recognised).

Management assessed the total effect that application of IFRS 16 will have on the consolidated financial statements. In this regard, based on a preliminary review of the current leases with a value exceeding EUR 150 thousand, and assuming an average lease term of ten years (or longer if the lease term is longer), the associated financial liability at the date of first-time application (1 January 2019) would be approximately EUR 90 million (recognition of a liability with a balancing entry in assets), generating in the future an additional depreciation charge of approximately EUR 14 million and a finance cost of approximately EUR 3 million, which would offset the decrease of approximately EUR 15 million per year in the operating lease expenses recognised in accordance with the current IAS 17.

The aforementioned assessment, as indicated above, was performed on the basis of an analysis of current leases with a value exceeding EUR 150 thousand, taking into account the present facts and circumstances. Since these facts and circumstances may change in the period up to the date of initial application of IFRS 16 on 1 January 2019, and since the Group has not applied the standard early, the assessment of its potential effect is subject to change. At the reporting date, the Group intends to apply IFRS 16 retrospectively, without restating the comparative information.

c) Presentation and functional currency

These consolidated financial statements are presented in the Group's functional currency, the euro, since this is the currency of the main economic area in which the Group operates. In this connection, the financial statements of the foreign companies presented in a functional currency other than the presentation currency of the consolidated financial statements are translated to euros using the method described in Note 2-g.vi.

d) Responsibility for the information and use of accounting estimates and judgements

In preparing the consolidated financial statements in accordance with IFRSs, management was 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. Although the estimates used were based on the best information available at the date of authorisation for issue of these consolidated financial statements, in accordance with IAS 8, 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 consolidated statement of profit or loss for the period in question.

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

- The years of useful life of the property, plant and equipment and intangible assets (see Notes 3-a and 3-b).
- The assumptions used in the impairment test to determine the recoverable amount of the goodwill, intangible assets and other non-financial assets (see Notes 3-c, 8, 9 and 10).
- The business model vis-à-vis the Group's financial assets and the consequent classification thereof (see Note 3-d).
- The estimate of the recoverable amount of the quoted and unquoted financial assets and the financial assets relating to the concession arrangements held by the Group, in particular the balance relating to RD 457/2006 (see Notes 3-d and 13).
- The significant increase in credit risk which led to a change from the general 12-month expected credit loss to a lifetime expected credit loss model (see Notes 3-d and 13).
- The fair value of derivatives and other financial instruments (see Notes 3-d, 3-e and 12).
- The estimate of the maintenance cycles in determining the provisions recognised in accordance with IFRIC 12 (see Notes 3-n and 21).
- The assessment of litigation, provisions, obligations and contingent assets and liabilities at year-end (see Notes 21 and 23).

- The assumptions used in determining pension and other obligations to employees (see Notes 3-l and 20).
- The estimate of the income tax expense and the recoverable amount of the deferred tax assets (see Notes 3-k and 19).
- The fair value of the assets acquired and the liabilities assumed in business combinations (if any), and of non-current assets and liabilities classified as held for sale (see Notes 3-h and 7).
- The impact of the changes in the scope of consolidation of the Group, if any (see Note 5).

The consolidated financial statements were prepared on an historical cost basis, except in the cases specifically indicated in these Notes, such as the line items measured at fair value described in Notes 3-d.i and 4-b.

The consolidated financial statements were prepared on the basis of the principle of uniformity in recognition and measurement. If a new standard amending existing measurement bases becomes applicable, it will be applied in accordance with the transition guidance provided in that standard.

Certain amounts in the consolidated statement of profit or loss and consolidated balance sheet were grouped together for the sake of clarity, and they are broken down in the corresponding notes to these consolidated financial statements. In this connection, the Group presented different levels of aggregation and disaggregation in the presentation of these consolidated financial statements (balance sheet and statement of profit or loss) for the year ended 31 December 2018 compared to the consolidated financial statements for the year ended 31 December 2017. This change is part of the change in the Parent's shareholders that took place in 2018 (see Note 15) and was made in order to provide more homogeneous information for users of financial statements in the context of the integration thereof in a higher group.

The distinction presented in the consolidated balance sheet between current and non-current items was made on the basis of whether the assets and liabilities are to be realised or settled within one year or more.

In addition, the consolidated financial statements include all disclosures considered necessary for their correct presentation in accordance with the corporate legislation in force in Spain.

Lastly, the figures included in all the consolidated financial statements (consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows) and the notes to the consolidated financial statements are expressed in thousands of euros, unless it is explicitly stated that they are expressed in millions of euros.

e) Comparative information

As required under IFRSs, the information relating to the year ended 31 December 2017 contained in these consolidated financial statements for 2018 is presented solely for comparison purposes. In this connection, in 2018 the Group made changes in the certain criteria used in the presentation of its financial statements and, consequently, adapted the comparative information pursuant to IAS 1, as indicated in Note 5-b.

f) Materiality

In determining the information to disclose in the notes to the consolidated financial statements on the various line items in the consolidated financial statements or on other matters, the Group took into consideration materiality with respect to these consolidated financial statements for 2018.

g) Basis of consolidation

i) Consolidation methods

Subsidiaries

Subsidiaries are the entities with respect to which **Abertis** directly or indirectly controls the financial and operating policies, exercises power over the relevant activities, has exposure, or rights, to variable returns from involvement with the investee, and has the ability to use its power over the investee to affect the amount of those returns. This is generally because it holds more than 50% of the voting power. Also, in order to assess whether **Abertis** controls another entity, the existence and the effect of the exercise or conversion of potential voting power is taken into consideration. The subsidiaries are consolidated from the date on which control is transferred to **Abertis** and are excluded from consolidation on the date that control ceases to exist.

The subsidiaries are fully consolidated.

In this connection, at 31 December 2018 and 2017 the Group fully consolidated Grupo Concesionario del Oeste, S.A. (**Gco**) and Autopistas del Sol, S.A. (**Ausol**) over which it exercises effective control despite directly holding 50% or less of the dividend and political rights. Specifically, both in case of **Gco** and **Ausol**, effective control is exercised as a result of the structure, composition of the shareholding and historical quorum, that gives Abertis to hold de facto control, in accordance with the applicable accounting standards.

Abertis exercises effective control over the subgroup of which the consolidated company Arteris, S.A. (**Arteris**) is the parent, since **Abertis** exercises effective control over the consolidated company Partícipes en Brasil, S.A. (**Partícipes**, which holds a direct and indirect interest of 82.30% in Arteris, S.A.) as it holds a 51% ownership interest in the latter, and by virtue of the shareholders agreement entered into with the other shareholder of the company, giving it decision-making capacity over relevant activities. **Partícipes**, as majority shareholder, has the capacity to appoint a majority of the members of the Board of Directors of **Arteris** and, consequently, exercises control over the latter.

Also, **Abertis** exercises effective control over Túnels de Barcelona i Cadí, Concesionària de la Generalitat de Catalunya, S.A. (**Túnels**) and Autopistas Metropolitanas de Puerto Rico, LLC (**Metropistas**), as it holds ownership interests of over 50%, specifically 50.01% and 51%, respectively, and by virtue of the respective shareholders agreements entered into with the other shareholder of each company, which gives **Abertis** decision-making capacity over the investees' relevant activities.

The information on all the consolidated subsidiaries at 31 December 2018 is detailed in Appendix I to these Notes.

Joint ventures (jointly controlled entities)

These are companies whose activities are jointly controlled with one or more third parties by virtue of a contractual arrangement and where the strategic financial and operating decisions related to that activity require the unanimous consent of all the parties sharing control.

The Group's interests in jointly controlled entities are accounted for in accordance with IFRS 11 using the equity method as indicated in the section on *"Associates"* below.

The impairment of "Joint Ventures" is measured in the same way as that of "Associates" as described below.

Appendix II to these Notes provides the information on joint ventures (jointly controlled entities) accounted for using the equity method at 31 December 2017.

Associates

An associate is a company over which **Abertis** exercises significant influence and with which it has a long-term relationship that fosters and influences its activities even though it has limited representation in the management and control bodies which, in general, is accompanied by an ownership interest of between 20% and 50% of the voting power of the investee, unless it can be clearly demonstrated that such influence does not exist or unless **Abertis** holds less than 20% of that power and it can be clearly demonstrated that said influence does exist.

Investments in associates are accounted for using the equity method and are initially recognised at cost. **Abertis**'s investments in associates include, in accordance with IAS 28, any goodwill (net of any accumulated impairment losses) identified on acquisition, recognised under "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the related cost. Therefore, the Group takes the cost of an investment in an associate acquired in stages to be the sum of the amounts paid in each acquisition plus the share of the profits and other changes in equity less any impairment that may have arisen.

Following acquisition, **Abertis**'s share of the profit or loss and reserves of associates is recognised in the consolidated statement of profit or loss for the year and as reserves of consolidated companies (other comprehensive income), respectively, with the value of the ownership interest as the balancing item in both cases. Dividends received and/or accrued after acquisition are adjusted against the amount of the investment.

If the Group's share of the losses of an associate equals or exceeds its interest in the associate, including any receivables for which adequate collateral does not exist, the Group discontinues recognising its share of further losses, unless it has incurred obligations, provided guarantees or made payments on behalf of the associate.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

The data relating to the associates accounted for using the equity method at 31 December 2018 are detailed in Appendix III to these Notes.

ii) Uniformity of timing and measurement

Except in the case of **TTPL** and **JEPL**, whose annual reporting periods end on 31 March, the reporting date for all the companies included in the scope of consolidation is 31 December, and their respective financial statements for the year prepared in accordance with IFRSs were used for consolidation purposes. Under current legislation, these companies present either separate financial statements or consolidated financial statements for the subgroups of which they are the parents in accordance with the legislation applicable to them in their country of origin.

For consolidation purposes, in the specific case of Trichy Tollway Private Limited (**TTPL**) and Jadcherla Expressways Private Limited (**JEPL**), timing uniformity adjustments were made, and the respective financial statements prepared in accordance with IFRSs for a year ended 31 December were used.

The accounting policies applied by the Group companies are essentially the same. However, wherever necessary, in order to ensure the uniformity of the accounting policies of the consolidated companies with the accounting policies applied by the Group, the appropriate adjustments were made.

iii) Goodwill or gain on a bargain purchase arising on first-time consolidation

The subsidiaries acquired by the Group are accounted for using the acquisition method provided for in IFRS 3. Acquisition cost is the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs directly attributable to the acquisition are recognised directly in the consolidated statement of profit or loss for the year in which the transaction takes place.

The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are initially recognised at their acquisition-date fair value, including those attributable to non-controlling interests. For each business combination, the Group may choose to recognise any non-controlling interest in the acquiree at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the cost of acquisition over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the respective cash-generating unit (CGU).

Abertis carries out a provisional allocation of the cost of the business combination at the acquisition date which is remeasured, if appropriate, within the 12 months following the date on which control of the acquiree was obtained.

The resulting goodwill is allocated to the various CGUs to which the benefits of the business combination synergies are expected to flow, separately from any other assets or liabilities of the acquiree allocated to these units or groups of units.

However, if the acquisition cost is lower than the fair value of the net assets of the acquiree, in the case of a bargain purchase, the difference is recognised as a gain directly in the consolidated statement of profit or loss.

Goodwill on consolidation is not amortised systematically but is rather tested for impairment annually, as indicated in Note 3-c.

In the case of business combinations achieved in stages, on obtainment of control the fair value of the assets and liabilities of the business acquired must be determined including the interest already held. The differences arising from the previously recognised assets and liabilities must be recognised in the consolidated statement of profit or loss.

In the case of associates acquired in stages, goodwill is calculated for each acquisition based on the cost and the share of the acquisition-date fair value of the net assets acquired.

As indicated in Note 2-g.i, goodwill arising from acquisitions of associates and joint ventures is capitalised to the corresponding ownership interest and is measured as indicated in Note 3-b.iii.

iv) Elimination of intra-Group transactions

Intra-Group balances and transactions and gains not realised vis-à-vis third parties arising from intra-Group transactions are eliminated. Unrealised losses are also eliminated, unless the transaction evidences an impairment loss on the asset transferred.

Gains and losses arising from transactions between the Group and its associates and joint ventures are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and joint ventures not related to the investor.

v) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the Group's equity holders. Accordingly, in purchases of non-controlling interests, the difference between the consideration paid and the proportionate share of the carrying amount of the net assets of the subsidiary is taken to equity. Similarly, gains or losses on disposals of non-controlling interests are also recognised in the Group's equity.

If the Group ceases to exercise significant influence or control, the investment retained is remeasured at its fair value and any gain or loss relative to the previously recognised investment is taken to the consolidated statement of profit or loss for the year. In addition, any amount previously recognised as other comprehensive income in the consolidated statement of comprehensive income in relation to this entity is accounted for as if the Group had directly sold all the related assets and liabilities, which would give rise, where applicable, to the amounts previously recognised under "Other Comprehensive Income" being reclassified to the consolidated statement of profit or loss for the year. If the decrease in the investment in an associate does not give rise to a loss of significant influence, the proportional share previously recognised in "Other Comprehensive Income" is reclassified to the consolidated statement of profit or loss.

vi) Translation of financial statements in currencies other than the euro

The financial statements of the foreign companies presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the consolidated financial statements (the euro) are generally translated to euros using the year-end exchange rate method, whereby:

- Equity is translated at the historical exchange rate;
- Income and expense items are translated using the average exchange rate for the year as an approximation to the exchange rate ruling at the transaction date;
- The other balance sheet items are translated using the year-end exchange rate.

The exchange differences generated as a result of applying the aforementioned method are included under "Reserves - Translation Differences" in equity in the consolidated balance sheet.

Translation of financial statements in currencies other than the euro - entities and branches located in hyperinflationary economies

In accordance with IAS 29, in order to assess whether an economy is a hyperinflationary economy, the characteristics of the economic environment of a country are analysed to assess whether certain circumstances exist, such as whether the general population prefers to keep its wealth or savings in non-monetary assets or in a relatively stable foreign currency, whether prices may be quoted in that currency, whether interest rates, wages and prices are linked to a price index or whether the cumulative inflation rate over three years is approaching, or exceeds, 100%. The existence of certain of these circumstances does not in itself establish the need for an economy to be considered to be hyperinflationary, although it does provide certain elements of judgment for its determination as such.

In this regard, on the basis of these criteria, in the third quarter of 2018 the Argentine economy was considered to be hyperinflationary. Therefore, in accordance with the aforementioned IAS 29, at 31 December 2018 it was necessary to adjust the financial statements of the Group companies located in Argentina (**Ausol** and **Gco**) in order to express them in terms of the measuring unit current at the end of the reporting period and adjust them for the effects of inflation.

As required by IAS 29, monetary items (mainly cash and accounts receivable) were not restated, whereas non-monetary items (mainly non-current assets and equity) were restated on the basis of the change in the Argentine CPI.

Cumulative historical differences between the restated cost and the previous cost of non-monetary items at 31 December 2017, totalling EUR 161 million (EUR 57 million relating to **Abertis** and EUR 104 million corresponding to non-controlling interests), were recognised with a credit to "Translation Differences" and "Non-Controlling Interests" in consolidated equity effective for accounting purposes from 1 January 2018, while the differences corresponding to the year ended 31 December 2018, together with the restated profit or loss, were recognised in the consolidated statement of profit or loss for 2018.

Therefore, as stated above, the financial statements of the Argentine consolidated Group companies, whose functional currency is that of a hyperinflationary economy as indicated above, were translated to the presentation currency using the closing rate, as required by IAS 21 p.42.

vii) Other

Exchange differences arising from the translation of a net investment in a foreign operation and of loans and other instruments in a currency other than the euro designated as hedges of those investments are recognised in equity. When the investment is sold, those exchange differences are recognised in the consolidated statement of profit or loss as a component of the gain or loss on the sale.

Adjustments to goodwill and the fair value of assets and liabilities that arise on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the year-end exchange rate.

h) Changes in the scope of consolidation

i) Changes in the scope of consolidation in 2018

In the year ended 31 December 2018 there were no significant changes in the scope of consolidation. The detail of the most significant changes in the percentages of ownership of consolidated companies is as follows:

- As indicated in Note 22 to the consolidated financial statements for 2017, on 16 January 2018 the acquisition from the Provincia di Verona and Provincia di Vicenza Governments of 6.47% of the share capital of A4 Holding, S.p.A. (**A4**) for EUR 33 million was completed. With the acquisition of this additional shareholding, **Abertis** now holds 90.03% of **A4** (through its wholly owned Spanish subsidiary Abertis Internacional, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a positive impact of EUR 28 million on the reserves attributable to the shareholders of the Parent (see Note 15-d.i).
- As indicated in Note 20.ii to the consolidated financial statements for 2017, at 31 December 2017 the Group had recognised two commitments to purchase shares of **JEPL** and **Hispasat** from third-party shareholders for EUR 14 million (for 26% of the shares of **JEPL**) and EUR 302 million (for 33.69% of the shares of **Hispasat**), respectively, which were honoured in the first half of 2018. Thus:

- On 27 March 2018, the acquisition from the funds Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trust of 26% of the share capital of **JEPL** for EUR 15 million was completed. With the acquisition of this additional shareholding, **Abertis** now holds 100% of **JEPL** (through its wholly owned Spanish subsidiary Abertis Internacional, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this company did not change, which gave rise to the recognition of a positive impact of EUR 8 million on the reserves attributable to the shareholders of the Parent (see Note 15-d.ii).

- The acquisition from Eutelsat, S.A. of 32.63% (lower than the 33.69% indicated as a result of the exercise of the right of proration of third-party shareholders of **Hispasat**) of the share capital of **Hispasat** for EUR 293 million was completed on 18 April 2018. With the acquisition of this additional shareholding, **Abertis** now holds 89.68% of **Hispasat** (through its wholly owned Spanish subsidiary Abertis Telecom Satélites, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a positive impact of EUR 378 million on the reserves attributable to the shareholders of the Parent (see Note 15-d.iii) and, in relation to the percentage of ownership not acquired over which Eutelsat, S.A. had been granted a put option (see Note 21), in accordance with IAS 23.32 since it expired without being exercised a positive impact of EUR 9 million was recognised in the Group's equity (see Note 15-c).

- In 2018, as described in Note 7.ii, the Group completed the sale of the entire ownership interest that it held in Cellnex at 31 December 2017 (34% of its share capital).

The summary of these changes and the detail of other changes in the year ended 31 December 2018 that did not have a significant impact are as follows:

Company name	Company with direct shareholding and % acquired/maintained		Accounting method	Date	Cost/ Selling price (Millions of euros)	% acquired/ sold/ liquidated by Abertis	% owned by Abertis at 31/12/18
Acquisitions:							
A4 Holding, S.p.A. (**A4**)	Abertis Internacional, S.A. (1)	6.47%	Full consolidation	16/01/18	33	6.47%	90.03%
Jadcherla Expressways Private Limited (**JEPL**)	Abertis India, S.A.	26%	Full consolidation	27/03/18	15	26%	100%
Hispasat, S.A. (**Hispasat**)	Abertis Telecom Satélites, S.A.	32.63%	Full consolidation (discontinued operation)	18/04/18	293	32.63%	89.68%
Radio 107,7 S.A.S.	Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**)	100%	Full consolidation	01/07/18	-	100%	100%
Disposals:							
Cellnex Telecom, S.A.	Abertis Infraestructuras, S.A.	4.1%	Equity method	05/06/18	213	4.1%	29.9%
Cellnex Telecom, S.A.	Abertis Infraestructuras, S.A.	29.9%	Equity method	12/07/18	1,489	29.9%	-
		34.0%			1,702	34.0%	-
Incorporations:							
Tolling Operation Puerto Rico, Inc.	Emovis, S.A.S.	100%	Full consolidation	13/07/18	-	100%	100%
Mulhacen, S.r.l.	A4 Holding, S.p.A. (**A4**)	100%	Full consolidation	24/07/18	-	90.03%	90.03%
Liquidations:							
CS Polska SP. Zoo	Abertis Mobility Services, S.L.	100%	Full consolidation	13/02/18	-	100%	-
Abertis USA Corp.	Abertis Infraestructuras, S.A.	100%	Full consolidation	01/03/18	-	100%	-
Abertis PDC, S.A.	Abertis Infraestructuras, S.A.	100%	Full consolidation	19/06/18	-	100%	-
Acufon, S.p.A.	Serenissima Partecipazioni, S.p.A.	100%	Full consolidation	20/12/18	-	90.03%	-
Italian Golf Development S.r.l.	Acufon, S.p.A.	44.91%	Equity method	20/12/18	-	40.43%	-

(1) Acquisition made through the wholly-owned Italian company Abertis Italia.

Also, in the year ended 31 December 2018 the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements.

Selling/Spun-off company	Buying/Resulting company	Comments	Date
Disposals:			
Serenissima Partecipazioni, S.p.A.	A4 Holding, S.p.A. (**A4**)	Sale of the ownership interest in Globalcar, S.p.A. (Globalcar) by Serenissima Partecipazioni	15/05/18
Merger:			
Abertis Autopistas Chile III, S.A. (**Abauchi III**) Vías Chile, S.A. (**VíasChile**, formerly Abertis Autopistas Chile I, S.A.)	Vías Chile, S.A. (**VíasChile**)	Merger by absorption of **Abauchi III** (absorbed company) into **ViasChile** (absorbing company)	31/08/18
Central Korbana, S.a.r.l. Central Korbana Sweden Holdings AB Central Korbana Sweden AB	Central Korbana, S.a.r.l.	Merger by absorption of Central Korbana Sweden Holding and Central Korbana Sweden (absorbed companies) into Central Korbana (absorbing company).	13/12/18

It should also be noted that in relation to the consolidated company **Gco**, on 8 November 2018 the Group, as required by the Argentine National Securities Market Commission, set up a trust for the future sale of 5.73% of the investment in that company, establishing in the agreement, among other aspects, the assignment to the trustee of the voting and dividend rights associated with the ownership interest assigned.

In this regard, on 27 November 2018, after receiving the required authorisation from the National Highway Administration of Argentina *(Dirección Nacional de Vialidad de Argentina)*, the Group subsidiary **Acesa** sold 9,160,136 of its Class A shares, representing 5.73% of its dividend rights and 7.58% of its voting rights, to TMF Trust Company (Argentina), S.A. ("TMF"). From a legal standpoint, the voting and dividend rights corresponding to the shares were transferred irrevocably to TMF and, accordingly, **Acesa**'s voting rights at **Gco** were reduced from the 57.7% it held to 49.99%. TMF is an independent international nominee shareholder that belongs to the TMF Group and, as such, will be responsible for transferring the aforementioned shares of **Gco** to one or several possible interested third parties.

From an accounting standpoint, and in accordance with the regulatory financial reporting framework applicable to the Group, on the one hand, the current position of control was reassessed, pursuant to IFRS 10, and it was concluded that de facto control is still held and, on the other, taking into account the terms of the agreement, the transfer was not considered to be a derecognition for accounting purposes since economic risks relating to the price of the shares were retained.

ii) Changes in the scope of consolidation in 2017

The detail of the most significant changes in the scope of consolidation of the Group and of the changes in the percentages of ownership of consolidated companies in 2017 is as follows:

- In 2017 **Abertis**, through various purchase transactions, completed the acquisition of an additional 47.45% of the share capital of Holding d'Infraestructures de Transport (**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 this regard, the various purchase transactions carried out were recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a negative impact of EUR 1,275 million on the reserves attributable to the shareholders of the Parent.

  The detail of the various purchase transactions carried out is as follows:

  - The acquisition from Caisse des Dépots et Consignations (CDC) of 10.52% of the share capital of **Hit** for EUR 491 million was completed on 20 February 2017. As a result of the acquisition of this additional ownership interest, **Abertis** now directly owned 63.07% of the shares of **Hit**.
  - The acquisition from Axa République (AXA) of 9.65% of the share capital of **Hit** for EUR 451 million was completed on 27 March 2017. As a result of the acquisition of this additional ownership interest, **Abertis** now directly owned 72.72% of the shares of **Hit**.
  - The acquisition from Predica, FFP Invest and CNP Assurances of 17.08%, 5.10% and 5.10% of the share capital of **Hit** for EUR 796 million, EUR 238 million and EUR 238 million, respectively, was completed on 28 April 2017. As a result of the acquisition of these additional ownership interests, **Abertis** now directly owns all the shares of **Hit**.

- Also in 2017 **Abertis**, by means of various purchase transactions, completed the acquisition of an additional 32.16% of the share capital of A4 Holding, S.p.A. (**A4**) for EUR 179 million. With the acquisition of this additional shareholding, **Abertis** now holds 83.56% of **A4** (through its wholly owned Spanish subsidiary Abertis Internacional, S.A.). In this regard, the various purchase transactions carried out were recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a positive impact of EUR 122 million on the reserves attributable to the shareholders of the Parent.

  The detail of the various purchase transactions carried out is as follows:

  - The acquisition from the Gavio Group and the Mantovani Group of 7.58% of the share capital of **A4** for EUR 42 million was completed in March 2017. As a result of the acquisition of this additional ownership interest, **Abertis** indirectly owned 58.98% of the shares of **A4**.
  - The acquisition from the Gavio Group, Banco Populare and the Bergamo local authorities of 7.79% of the share capital of **A4** for EUR 43 million was completed in June 2017. As a result of the acquisition of this additional ownership interest, **Abertis** indirectly owned 66.77% of the shares of **A4**.
  - The acquisition from Unione Fiduciaria S.p.A. (Serravalle) and the Brescia, Verona, Vicenza and Venezia local authorities of 16.79% of the share capital of **A4** for EUR 93 million was completed in July 2017. As a result of the acquisition of this additional ownership interest, **Abertis** indirectly now owned 83.56% of the shares of **A4**.
  - In addition, there were commitments to purchase an additional 6.47% of the share capital of **A4** which, once fulfilled in January 2018 (as described above), have enabled **Abertis** to acquire an indirect ownership interest of 90.03% in this company.

- On 2 March 2017, **Abertis** (acting through its wholly-owned Spanish subsidiary Abertis India, S.L.U., **Abertis India**) completed the acquisition of all the shares of the Indian company Trichy Tollway Private Limited (**TTPL**,concession operator of the NH-45 toll road in the state of Tamil Nadu) and of 74% of the shares of the Indian company Jadcherla Expressways Private Limited (**JEPL**, concession operator of the NH-44 toll road in the state of Telangana) from the funds MSIIPL and SMIT (controlled by Macquarie and the State Bank of India, respectively) for an aggregate amount of EUR 133 million. This acquisition was effective for accounting purposes from 1 March 2017 and both **TTPL** and **JEPL** were both fully consolidated.

The summary of these changes and the detail of other changes in 2017 that did not have a significant impact are as follows:

Company name	Company with direct shareholding and % acquired/maintained		Accounting method	Date	Cost/ Selling price (Millions of euros)	% acquired/ sold/ liquidated by Abertis	% owned by Abertis at 31/12/17
Acquisitions:							
Holding d'Infrastructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	10.52%	Full consolidation	20/02/17	491	10.52%	63.07%
Holding d'Infrastructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	9.65%	Full consolidation	27/03/17	451	9.65%	72.72%
Holding d'Infrastructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	17.08%	Full consolidation	28/04/17	796	17.08%	100%
Holding d'Infrastructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	5.10%	Full consolidation	28/04/17	238	5.10%	100%
Holding d'Infrastructures de Transport, S.A.S. (**Hit**)	Abertis Infraestructuras, S.A.	5.10%	Full consolidation	28/04/17	238	5.10%	100%
		47.45%			2,214	47.45%	100%
Holding d'Infraestructures de Transport 2, S.A.S (**Hit 2**) (1)	Abertis Infraestructuras, S.A.	47.45%	Full consolidation	Feb-Apr 2017	-	47.45%	100%
Acquisitions (cont.):							
A4 Holding, S.p.A. (**A4**)	Abertis Internacional, S.A. (2)	7.58%	Full consolidation	Mar 2017	42.3	7.58%	58.98%
A4 Holding, S.p.A. (**A4**)	Abertis Internacional, S.A. (2)	7.79%	Full consolidation	Jun 2017	43.4	7.79%	66.77%
A4 Holding, S.p.A. (**A4**)	Abertis Internacional, S.A. (2)	16.79%	Full consolidation	Jul 2017	93.4	16.79%	83.56%
					179.1	32.16%	83.56%
Trichy Tollway Private Limited (**TTPL**)	Abertis India, S.L.U.	100%	Full consolidation	02/03/17	89	100%	100%
Jadcherla Expressways Private Limited (**JEPL**)	Abertis India, S.L.U.	74%	Full consolidation	02/03/17	44	74%	74%

Company name	Company with direct shareholding and % acquired/maintained		Accounting method	Date	Cost/ Selling price (Millions of euros)	% acquired/ sold/ liquidated by Abertis	% owned by Abertis at 31/12/17
Incorporations:							
Via Paulista, S.A.	Arteris, S.A.	100%	Full consolidation	17/07/17	0.3	41.97%	41.97%
Abertis India Toll-Road Services LLP	Abertis India, S.L.U.	100%	Full consolidation	17/07/17	1	100%	100%
Abertis Mobility Services, S.L.	Abertis Infraestructuras, S.A.	100%	Full consolidation	28/07/17	-	100%	100%
Disposals:							
Serenissima Costruzioni, S.p.A.	A4 Holding, S.p.A.	100%	Full consolidation	17/03/17	-	51.4%	-
Maqpie JVCo Limited	Abertis Internacional, S.A.	51%	Full consolidation	10/05/17	-	51%	-
Maqpie Junior HoldCo Ltd.	Maqpie JVCo Ltd.	100%	Full consolidation	10/05/17	-	100%	-
Maqpie Junior Ltd.	Maqpie Junior HoldCo Ltd.	100%	Full consolidation	10/05/17	-	100%	-
Maqpie MidCo Ltd.	Maqpie Junior Ltd.	100%	Full consolidation	10/05/17	-	100%	-
Maqpie BidCo Ltd.	Maqpie MidCo Ltd.	100%	Full consolidation	10/05/17	-	100%	-
Infracom Italia, S.p.A.	Serenissima Partecipazioni, S.p.A.	94.12%	Full consolidation	20/07/17	57.8	62.84%	-
Liquidations:							
Abertis Overseas UK Ltd.	Abertis Infraestructuras, S.A.	100%	Full consolidation	21/03/17	-	100%	-
Exdo, S.r.l.	Infracom Italia, S.p.A.	49%	Equity method	21/04/17	-	23.70%	-
Abertis USA Holding LLc	Abertis Infraestructuras, S.A.	100%	Full consolidation	28/04/17	-	100%	-
Sherpatv.it S.r.l.	Infracom Italia, S.p.A.	25%	Equity method	30/01/17	-	23.53%	-
Servizi Utenza Stradale S.c.p.A.	Autostrada Bs, Vr Vi Pd, S.p.A.	25%	Equity method	01/07/17	-	16.69%	-
TBI Overseas (Bolivia) Llc	TBI Overseas Holdings Inc.	100%	Full consolidation	25/07/17	-	100%	-
TBI (US) Inc	TBI Overseas Holdings Inc.	100%	Full consolidation	25/07/17	-	100%	-
TBI Overseas (UK) Llc	TBI Overseas Holdings Inc.	100%	Full consolidation	25/07/17	-	100%	-
Airport Concession and Development Limited (**Acdl**) [3]	Abertis Infraestructuras, S.A.	90%	Full consolidation	24/12/17	-	90%	-
TBI Ltd [3]	Airport Concession and Development Limited (**Acdl**)	100%	Full consolidation	24/12/17	-	90%	-
TBI Overseas Holdings Inc [3]	Abertis Infraestructuras, S.A.	100%	Full consolidation	24/12/17	-	100%	-

(1) Total acquisition of 47.45% performed in the same was as that indicated in the case of **Hit**.

(2) Acquisition made through the wholly-owned Italian company **Reconsult**.

(3) Liquidation filed at the Mercantile Registry in January 2018.

Also, in 2017 the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements.

Selling/Spun-off company	Buying/Resulting company	Comments	Date
Merger:			
Sociétés des Autoroutes Paris Normandie, S.A. (**Sapn**) SEA 14	Sociétés des Autoroutes Paris Normandie, S.A. (**Sapn**)	Merger by absorption of SEA 14 (absorbed company) into **Sapn** (absorbing company).	01/03/17
Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**) Sanef Concession	Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**)	Merger by absorption of Sanef Concession (absorbed company) into **Sanef** (absorbing company).	15/04/17
Inversora de Infraestructuras, S.L. (**Invin**) Infraestructuras Americana, S.A.U. (**IA**)	Inversora de Infraestructuras, S.L. (**Invin**)	Merger by absorption of **Invin** (absorbing company) and **IA** (absorbed company).	12/06/17
Abertis Italia S.r.L. (**Abertis Italia**) ReConsult, S.p.A. (**Reconsult**)	ReConsult, S.p.A. (**Reconsult**)	Merger by absorption of **Abertis Italia** (absorbed company) into **Reconsult** (absorbing company). Reconsult changed its company name to Abertis Italia.	06/12/17
Infraestructura Dos Mil, S.A. (**I2000**) Abertis Autopistas Chile III, S.A. (**Abauchi III**)	Abertis Autopistas Chile III, S.A. (**Abauchi III**)	Merger by absorption of **I2000** (absorbed company) into **Abauchi III** (absorbing company).	29/12/17
Disposals:			
Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**)	Abertis Infraestructuras, S.A.	Sale of the ownership interest in Eurotoll and Eurotoll Central Europe, Zrt by **Sanef**.	16/05/17

3. ACCOUNTING POLICIES

The principal accounting policies used in preparing the consolidated financial statements, in accordance with International Financial Reporting Standards (EU-IFRSs) and the interpretations in force when the consolidated financial statements were prepared, were as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less the accumulated depreciation and any accumulated impairment losses. Property, plant and equipment includes the revaluations made in years prior to 1 January 2004 permitted under local legislation, and, pursuant to IFRS 1, First-time Adoption of International Financial Reporting Standards, the revalued amounts were taken to be the acquisition cost of the related assets.

Grants related to assets received reduce the cost of acquisition of property, plant and equipment and are recognised when the entity complies with the conditions attaching to their collection. They are taken to profit or loss on a straight-line basis over the useful life of the asset financed, reducing the depreciation charge for the year.

Staff costs and other expenses, as well as net borrowing costs 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.

Upkeep and maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

The investment in infrastructure recognised by concession operators in "Property, Plant and Equipment" relates to assets over which the concession grantor does not retain control (i.e., assets not owned by the concession grantor given that it does not control any residual interest at the end of the term of the arrangement), but which are necessary for the operation and management of the infrastructure. This infrastructure includes mainly buildings used in operations, toll facilities and materials and video-surveillance equipment, etc.

Depreciation of property, plant and equipment is calculated systematically using the straight-line method over the useful life of the assets, based on the actual decline in value caused by their use and wear and tear.

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

Item	Depreciation rate
Buildings and other structures	2-15 %
Machinery	6-30 %
Tools	7-30 %
Other fixtures	7-20 %
Furniture	10-20 %
Computer hardware	20-33 %
Other items of property, plant and equipment	8-25 %
Other toll road management assets:	
Toll facilities	8-12 %
Toll machinery	8-12 %
Other	10-20 %

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 consolidated statement of profit or loss for the year.

Gains and losses arising from the sale or retirement of assets of this nature are determined as the difference between the carrying amount of the asset and its selling price and are recognised under "Other Income" or "Other Expenses" in the accompanying consolidated statement of profit or loss.

b) Goodwill and other intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, and their useful life is evaluated on the basis of prudent estimates. Grants related to assets received reduce the cost of acquisition of intangible assets and are recognised when the entity complies with the conditions attaching to their collection. They are taken to profit or loss on a straight-line basis over the useful life of the asset financed and reduce the amortisation charge for the year.

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.

i) Computer software

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 over its useful life (between three and five years). Computer software maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

ii) Administrative concessions

"Administrative Concessions" in the consolidated balance sheet includes mainly concession arrangements for the construction and operation of various toll road networks, within the scope of IFRIC 12, as well as concessions acquired directly or as part of a business combination.

In this connection, IFRIC 12 governs the treatment of public-to-private service concession arrangements when:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

In general, a distinction must be drawn between two clearly different phases: the first, in which the operator provides and/or subcontracts construction or upgrade services which are recognised as intangible or financial assets by reference to the stage of completion; and a second phase, in which the concession operator provides a series of maintenance and/or operation services in relation to the aforementioned infrastructure.

In these concession arrangements, the operator acts as a service provider; specifically, on the one hand, providing infrastructure construction and upgrade services and, on the other, providing operation and maintenance services over the term of the arrangement. The consideration received for these services is recognised according to the type of contractual right received:

- When the right to charge a price to the users of the public service is received and this right is not unconditional but is rather contingent on the extent to which the users actually use the service, the consideration for the construction or upgrade service is recognised as an intangible asset under "Other Intangible Assets - Administrative Concessions", using the intangible asset model, in which the demand risk is borne by the concession operator. This model applies to the great majority of the Group's toll road concession operators.
- When an unconditional right to receive cash or another financial asset from (or on behalf of) the grantor is received, and the grantor has little or no discretion to avoid payment, the consideration for the construction or upgrade service is recognised as a financial asset under "Other financial assets – Concession arrangements – financial asset model" (see Section d.ii of this Note), using the financial asset model, in which the concession operator does not bear any demand risk (it is paid even if the infrastructure is not used, given that the grantor guarantees the concession operator that it will pay a fixed or determinable amount or cover any shortfall). This model is not extensively applied within the Group.
- When there is a combination of the two aforementioned arrangements, the bifurcated model is applied to each component of the arrangement.

The model applicable to most of the main concessions operated by the Group (see Note 27-c) is the intangible asset model, since the consideration received generally consists of the right to charge users a fee for the use of the public service, and the fee depends on users' effective use thereof. In the case of the consolidated companies **Elqui**, **Libertadores** and **A4** (the latter as a result of the investments made indicated in Nota 9-v), it was considered that the concession model applicable is that of both a financial asset and an intangible asset (bifurcated), since the consideration received consists, on the one hand, of the unconditional right to receive an asset from the grantor in the form of either grants or guaranteed minimum revenue, and, on the other, through a payment system based on the use of the infrastructure.

Intangible asset model

Administrative concessions are generally recognised as assets measured at the total amount of the payments made to obtain them, which includes the costs directly allocable to construction incurred until they are ready for use (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installation work and building construction and similar costs) and the related portion of other indirectly allocable costs, to the extent that they relate to the construction phase.

Cost also includes the borrowing costs incurred before the assets are ready for their intended use arising from the borrowings arranged to finance the related projects. These capitalised borrowing costs arise from the funds borrowed specifically for the acquisition of an asset.

For concessions classified as intangible assets, provisions for dismantling, removal and restoration and any work to upgrade the infrastructure or increase its capacity the revenue from which is provided for in the initial contract are capitalised at the start of the concession and the amortisation of these assets and the interest cost relating to the provisions are recognised in the consolidated statement of profit or loss. Also, provisions for the costs to be incurred in replacing and repairing the infrastructure are systematically recognised in profit or loss as the corresponding obligation is incurred.

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

Administrative concessions acquired through business combinations after 1 January 2004 (date of transition to IFRSs) are measured, in accordance with IFRS 3, at fair value (obtained from valuations based on the analysis of cash flows discounted to present value at the date of acquisition) and are amortised on a straight-line basis over the concession term.

Administrative concessions have a finite useful life and their cost, if recognised as an intangible asset, is recognised in profit or loss through its amortisation over the concession term. In this regard, in order to choose the amortisation method to be used from among those provided for in IAS 38.98 (the straight-line method, the diminishing balance method and the units of production method), the directors consider which method best reflects the pattern in which the future economic benefits associated with the administrative concessions are expected to be consumed by the Group, and that method is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

In this connection, since 1 November 2018, in the framework of the obtainment of control of Abertis Infraestructuras, S.A. by new shareholders (see Note 15-a), the new directors have considered, on the basis of the available information and the future outlook for the business, that the method that best reflects the pattern of consumption of future economic benefits for the administrative concessions in Brazil, Chile and India is the units of production method which, in the case of toll roads, is usually measured in terms of traffic. Therefore, since that date, the aforementioned administrative concessions have been amortised, prospectively, on the basis of projected traffic, while the straight-line method continues to be used for the rest of the Group's assets, since it is not differing significantly from the production units method based on traffic.

Lastly, at least at each reporting date, it is periodically determined whether there is any indication that an asset or group of assets might have become impaired so that an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their recoverable amount.

iii) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the acquisition-date fair or market value of all the identifiable net assets of the acquiree.

Since goodwill is considered to be an asset of the acquiree (with the exception of goodwill generated before 1 January 2004 which, pursuant to IFRS 1, was considered an asset of the acquirer), in the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2-g.vii.

Any impairment of goodwill recognised separately (that of subsidiaries) is reviewed annually through an impairment test to determine whether its value has been reduced to below its carrying amount at the date of the test and, if so, an impairment loss is recognised in the consolidated statement of profit or loss for the year (see Notes 3-c and 8). An impairment loss recognised for goodwill must not be reversed in a subsequent period.

Goodwill included in the carrying amount of investments in associates and interests in jointly controlled entities is not tested for impairment separately, but rather, pursuant to IAS 36, whenever there is an indication that the investment may have become impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of the goodwill relating to it.

iv) Other intangible assets

The other intangible assets relate mainly to those associated with managing satellite telecommunications infrastructure that arose as a result of the obtainment of control over **Hispasat** in November 2013. These intangible assets relate to the use of current orbital positions owned by **Hispasat** and to business relationships with customers, which at 2018 year-end (as at 2017 year-end) are classified under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet (see Note 7).

The aforementioned intangible assets are stated in the consolidated balance sheet at their acquisition-date fair value, obtained from valuations based on the analysis of cash flows discounted to present value at the date of acquisition in accordance with IFRS 3.

Based on an analysis of all relevant factors, it is estimated that there is no foreseeable limit to the period over which the orbital positions are expected to generate net cash inflows for the Group (despite the fact that they are granted through an administrative license), since they are renewed through a mere administrative procedure; accordingly, these assets have been assessed as having an indefinite useful life and, therefore, they are not amortised, but rather are tested annually for impairment. It has been estimated, however, that there is a foreseeable limit to the period over which the customer relationships generate net cash inflows and, consequently, these relationships have been assessed as having a finite useful life and are amortised on a straight-line basis over a useful life of ten years.

Lastly, with regard to the use of the orbital positions, the business activities in the various geographical areas and orbital positions are considered to constitute an integrated business, given the possibility of relocating satellites and customers among the various satellites as a result of their nature and the fact that the **Hispasat** subgroup's satellites allow for operations on both sides of the Atlantic Ocean.

c) Impairment losses on non-financial assets

At each reporting date, or whenever there is any indication of impairment, the Group assesses the recoverable amount of its assets. If any such indication exists, or when an annual impairment test has to be performed (in the case of goodwill and intangible assets with an indefinite useful life), the Group estimates the recoverable amount of the asset, which is the higher of fair value less costs of disposal and the 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, inter alia, the long-term time value of money and the risks specific to the asset and, where applicable, any costs of disposal.

Where the asset does not generate cash flows that are independent from those of other assets (the case of goodwill), the Group 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 consolidated 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 Group 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 years 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 an impairment loss is reversed, the carrying amount of the related 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 had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit or loss for the year.

d) Financial assets (excluding derivative financial instruments)

When initially recognising financial assets, the Group measures them at fair value, adjusted (in the case of a financial asset that is not recognised at fair value through profit or loss) by the transaction costs that are directly attributable to the purchase or issue thereof. Transaction costs attributable to the acquisition of an asset classified as at fair value through profit or loss are recognised directly in profit or loss.

They are subsequently measured at amortised cost or fair value, depending on their classification.

1. Classification and measurement of financial assets

Financial assets are classified on initial recognition in the following categories:

i) Debt instruments classified as at amortised cost: when these instruments relate to debt instruments held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest, they are, in general, measured at amortised cost.

ii) Debt instruments classified as at fair value through other comprehensive income: when these debt instruments are held in a business model whose objective is achieved by both collecting contractual cash flows (payments of principal and interest) and selling financial assets, they are, in general, measured at fair value through other comprehensive income.

iii) Equity instruments designated as at fair value through other comprehensive income: these are equity instruments for which the Group makes an irrevocable election to present subsequent changes in fair value in other comprehensive income.

iv) Financial assets at fair value through profit or loss: debt and equity instruments that do not meet the conditions for being classified in one or other of the aforementioned categories are measured at fair value through profit or loss.

In this regard, at 31 December 2018 the Group did not have any debt instruments designated as at fair value through other comprehensive income or financial assets classified as at fair value through profit or loss.

i) Debt instruments classified as at amortised cost

These include both loans and receivables (see Note 13) and other financial assets (see Notes 11 and 13) held within this business model and, therefore, they are measured at amortised cost. In this category the Group classifies mainly:

- Accounts receivable resulting from the application of the bifurcated model when accounting for certain concession arrangements falling within the scope of IFRIC 12.
- Trade receivables, the amortised cost of which does not differ significantly from their nominal value or their fair value on initial recognition.
- Loans to associates, joint ventures and related companies.
- Deposits and guarantees, the amortised cost of which does not differ significantly from their nominal value.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is its amortised cost, before adjusting for any loss allowance.

The effective interest method is a method that is used in the calculation of the amortised cost of a debt instrument and in the allocation of the interest revenue or interest expense in profit or loss over the relevant period:

- Financial assets that are not purchased or originated credit-impaired financial assets (i.e., assets that are credit-impaired on initial recognition): the effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all transaction costs), excluding expected credit losses, through the expected life of the debt instrument or, where applicable, a shorter period.
- Purchased or originated credit-impaired financial assets: the credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including any expected credit losses, to the cost of the debt instrument on initial recognition.

Interest revenue is calculated by using the effective interest method for debt instruments subsequently measured at amortised cost:

- Financial assets that are not purchased or originated credit-impaired financial assets: interest revenue is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except in the case of those that subsequently have become credit-impaired financial assets. For those financial assets, interest revenue is recognised by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves to that the financial asset is no longer credit-impaired, interest revenue is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

- Purchased or originated credit-impaired financial assets: the Group recognises interest revenue by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not return to the gross carrying amount even if the credit risk on the financial asset subsequently improves to that the financial asset is no longer credit-impaired.

ii) Equity instruments designated as at fair value through other comprehensive income

These include the equity instruments detailed in Note 11 as the Group has made this irrevocable election.

As indicated above, at initial recognition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as assets at fair value through other comprehensive income.

Such designation is not permitted if the investment is held for trading or corresponds to contingent consideration recognised by an acquirer in a business combination. In this regard, a financial asset is held for trading if: i) it is acquired principally for the purpose of selling in the near term; ii) it is, on initial recognition, part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments designated as at fair value through other comprehensive income are initially recognised at fair value plus the related transaction costs. In this regard, fair value is determined as described in Note 12.

They are subsequently measured at fair value through other comprehensive income and are accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal, but is rather transferred to accumulated reserves.

Dividends on these equity instruments are recognised in profit or loss when the Group's right to receive payment of the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments measured at amortised cost or, if it has any, on investments in debt instruments measured at fair value through other comprehensive income, and on lease receivables, trade receivables, contract assets and financial guarantee contracts.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument in question.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, including financial assets arising from the application of the IFRIC 12 financial asset model, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

i) Significant increase in credit risk

When assessing whether there has been a significant increase in credit risk on a financial instrument since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. When making such an assessment, the Group considers reasonable and supportable quantitative and qualitative information, including historical credit loss experience.

ii) Definition of default

The Group considers, among other factors, whether the debtor has defaulted on its financial obligations and whether the available information indicates that it is probable that the latter will not be able to settle its borrowings in full, in order to assess whether there has been a default event for credit risk management purposes.

In any case, the Group considers that a default event has occurred when a financial asset has been a significant period of time past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate on the basis of the asset analysed.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

iv) Recognition and measurement of expected credit losses

Expected credit losses are measured on the basis of the probability of default, the loss given default and exposure at default. The probability of default and the loss given default are measured on the basis of historical information adjusted by forward-looking information. Exposure to credit losses, for financial assets, is represented by the gross carrying amount of the assets at the reporting date.

For financial assets, an expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the conditions for this lifetime expected credit loss measurement are no longer met, it estimates the expected credit loss at an amount equal to 12-month expected credit losses at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises impairment gains or losses on all financial instruments with the concomitant adjustment to their carrying amount through a loss allowance for expected credit losses account.

v) Impairment policy

The Group derecognises a financial asset when it has information that indicates that the debtor is in a highly adverse financial situation and there is no reasonable prospect of recovering any further cash flows, for example, when the debtor has initiated a liquidation process or, in the case of trade receivables, when they have been past due for a very significant length of time. Financial assets derecognised may still be subject to the Group's recovery operations. Any recovery of a derecognised asset is recognised in profit or loss.

3. Exchange gains and losses on financial assets

The carrying amount of financial assets denominated in foreign currency (with respect to each Group company that owns such assets) is determined in that foreign currency and is translated to euros at the exchange rate prevailing at the reporting date. Specifically:

- In the case of financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange gains and losses are recognised in profit or loss.
- In the case of equity instruments measured at fair value through other comprehensive income, exchange gains and losses are recognised in other comprehensive income in the investment revaluation reserve.

4. Derecognition of financial assets

The Group 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. However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

e) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to manage its financial risk arising mainly from fluctuations in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether classified as hedges or not, were recognised either at fair value, which is the market value at the reporting date for quoted instruments, or using 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.

All derivative financial instruments must be recognised as an asset or as a liability in the consolidated balance sheet at fair value and changes in fair value must be recognised in the consolidated statement of profit or loss for the year, unless, opting for hedge accounting, the effective portion of the hedging relationship has to be recognised in equity (fair value hedges, cash flow hedges and hedges of a net investment in a currency other than the euro).

At the inception of the hedge, the Group 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 Group 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 fair value or in the cash flows attributable to the hedged items.

The fair value of derivative financial instruments used for hedging purposes is disclosed in Note 12, and the change in the related valuation adjustments recognised in consolidated equity is disclosed in Note 15.

Hedge accounting, where applicable, is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. 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 profit or loss.

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

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

i) Fair value hedges

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 consolidated 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 asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by the Group companies to convert fixed-rate borrowings into floating-rate borrowings.

ii) Cash flow hedges

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 consolidated equity under "Reserves - Valuation Adjustments Relating to Hedges" until the hedged item affects profit or loss (or when 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 consolidated 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 consolidated 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 Group companies to convert floating-rate borrowings into fixed-rate borrowings.

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

In certain cases, **Abertis** finances its activities in the same functional currency as that in which its foreign investments are held so as to reduce the foreign currency risk. 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 are accounted for in a similar manner to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in equity, while the ineffective portion of the gain or loss is recognised immediately in the consolidated statement of profit or loss for the year.

Accumulated gains or losses recognised in equity are transferred to the consolidated statement of profit or loss on disposal of the foreign investment.

iv) 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 consolidated statement of profit or loss for the year.

v) 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.

For financial reporting purposes, the fair value measurements are classified into Level 1, 2 or 3 depending on the degree to which the inputs used are observable and their importance for measuring fair value in its entirety, as described below:

- Level 1 - These inputs are based on quoted prices (unadjusted) for identical instruments traded in active markets.
- Level 2 - These inputs are based on quoted prices for similar instruments in active markets (not included in Level 1), quoted prices for identical or similar assets or liabilities in markets that are not active and techniques based on valuation models for which all the significant inputs are observable in the market or may be corroborated by observable market data.
- Level 3 - The inputs are generally observable and, in general terms, they reflect estimates of the market assumptions for determining the price of the asset or liability. The unobservable data used in the pricing models are significant with respect to the fair values of the assets and liabilities.

In accordance with IFRS 13, the Group includes a bilateral credit risk adjustment in the fair value of the derivatives in order to reflect both own risk and counterparty risk.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure and potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The total expected exposure of the derivatives is obtained by using observable market inputs, such as interest rate, exchange rate and volatility curves based on the market conditions at the measurement date. The inputs used for the probability of own default and default of the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market.

Also, to adjust fair value for credit risk, the 40% market standard, which corresponds to the CDS on senior corporate debt, was applied as the recovery rate.

f) Inventories

Inventories consist mainly of spare parts for non-current assets and are measured at cost, which is calculated using the weighted average cost formula. The necessary valuation adjustments are made and the corresponding write-downs are recognised.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks and short-term, highly liquid investments with a maturity of three months or less. In this connection, by virtue of the concession arrangements and/or financing agreements of certain of the Group's concession operators, a portion of the balance is subject to certain conditions of use, even if, in light of the nature of these arrangements, their classification has been maintained.

h) Non-current assets classified as held for sale and discontinued operations

i) Non-current assets and disposal groups classified as held for sale

Non-current assets classified as held for sale are measured at the lower of the carrying amount obtained from the application of the relevant measurement basis in each case and fair value less costs of disposal.

Non-current assets are classified as held for sale if it is estimated that their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the sale of the asset is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification of the asset as held for sale.

ii) Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single, co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

When an operation meets the criteria to be classified as discontinued, the Group discloses in a single line item the post-tax profit or loss of that discontinued operation, including the possible loss recognised on its measurement at the lower of carrying amount and fair value less costs of disposal, and the gain or loss on the disposal of the asset. This condition is regarded as met when the sale of the asset is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification of the asset as held for sale, although an extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the criteria provided for in IFRS 5 are met.

i) Treasury shares

If any Group company or the Parent acquires treasury shares of **Abertis**, those shares are recognised in the consolidated balance sheet under "Treasury Shares", and they are deducted from consolidated equity and measured at their acquisition cost without recognising any valuation adjustment.

When these shares are sold, any amount received, net of any directly attributable incremental transaction costs and of the related tax effect, is included in equity attributable to the shareholders of the Parent.

j) Financial liabilities

When initially recognising financial liabilities, the Group measures them at fair value, adjusted (in the case of a financial liability that is not recognised at fair value through profit or loss) by the transaction costs that are directly attributable to the issue thereof. Transaction costs attributable to the issue of a liability classified as at fair value through profit or loss are recognised directly in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or as financial liabilities at fair value through profit or loss.

i) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not: i) contingent consideration recognised by an acquirer in a business combination; ii) financial liabilities held for trading; or iii) financial liabilities designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method (see Note 3-d).

The effective interest method is used in the calculation of the amortised cost of a financial liability and in the allocation of the interest expense over the expected life of the financial liability at amortised cost. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs) through the expected life of the financial liability or, where appropriate, a shorter period

Fixed-rate borrowings hedged with derivatives that change the interest rate from fixed to floating are measured at the fair value of the hedged item, and any changes therein are recognised in profit or loss, thereby offsetting the impact on profit or loss of the change in the fair value of the derivative.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is:

a) contingent consideration recognised by an acquirer in a business combination;
b) held for trading; or
c) designated as at fair value through profit or loss.

In this regard, a financial liability is classified as held for trading if: i) it is incurred principally with an intention to repurchase it in the near term; ii) it is, on initial recognition, part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or iii) it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not a financial liability held for trading or contingent consideration recognised by an acquirer in a business combination may be designated as at fair value through profit or loss on initial recognition if: i) this designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; ii) the financial liability is part of a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy of the Group, and information about the group is provided internally on that basis; or iii) is part of a contract that contains one or more embedded derivatives, and IFRS 9 permits the designation of the entire hybrid contract as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, and any gain or loss arising from changes in its fair value are recognised in profit or loss to the extent that the item is not part of a designated hedging relationship. In this regard, a change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income unless such treatment creates an accounting mismatch, and they are not subsequently reclassified to profit or loss (they are transferred to reserves if the financial liability is derecognised).

Gains and losses on financial guarantee contracts issued by the Group that are designated as at fair value through profit or loss are recognised in profit or loss.

iii) Derecognition and/or modification of financial liabilities

Financial liabilities are derecognised when the obligations giving rise to them cease to exist.

Also, when debt instruments are exchanged between the Group and a third party and the various terms and conditions differ substantially, the Group derecognises the original financial liability and recognises the new one. The difference between the carrying amount of the original financial liability and the consideration paid, including any attributable transaction costs, is recognised in profit or loss. In this regard, the Group considers that the terms and conditions of financial liabilities do not differ substantially whenever the lender in the new loan is the same as that which granted the original loan, the characteristics of the financial liability do not differ significantly from those of the original liability and the present value of the discounted cash flows, as per the new terms and conditions, including any fees and commissions paid, net of any fees and commissions received and using the original effective interest rate to discount the liability, does not differ by more than 10% from the discounted present value of the cash flows of the original financial liability that remain outstanding.

Changes in the contractual cash flows of a financial liability not leading to the derecognition of the financial liability must be recognised as a change in estimate of the contractual cash flows of the liability, maintaining the original effective interest rate and adjusting its carrying amount at the date of the change, and the related modification gain or loss is recognised in profit or loss.

k) 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 income tax expense (tax income) are recognised in the consolidated statement of profit or loss for the year. However, the tax effect relating to items recognised directly in other comprehensive income or in equity is also recognised in other comprehensive income or in equity, respectively.

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 in the consolidated financial statements, using the tax laws and tax rates that have been enacted or substantively enacted at the end of the reporting period and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities that arise from temporary differences associated with the undistributed profits of subsidiaries, joint ventures and/or associates are always recognised, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is considered probable that the Group will have future taxable profits against which it will be able to offset the deductible temporary differences or the unused tax losses or other tax assets. Any deferred tax assets that arise due to temporary differences associated with the undistributed profits of subsidiaries, joint ventures and/or associates are recognised if, in addition, it is probable that they will be reversed in the foreseeable future.

The recoverability of deferred tax assets is assessed when they arise, and at the end of each reporting period, based on the earnings performance projected in the companies' respective business plans.

Lastly, the tax effect that may arise as a result of including the results and reserves of the subsidiaries in the Parent’s equity is not included in the accompanying consolidated financial statements since, pursuant to IAS 12, it is considered that no transfers of reserves giving rise to additional taxation will be made. Since the Parent controls the timing of distribution, it is not probable that such distribution will occur in the foreseeable future, but rather that the results and reserves will be used as financing resources at each company.

l) Employee benefits

Under the respective collective agreements, various Group companies have the following obligations to employees:

i) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee benefit instruments (which basically include employee pension plans and group insurance policies), the Group 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 the employee benefits. Consequently, the obligations under plans of this nature are limited to the payment of the contributions, the annual expense of which is recognised in the consolidated statement of profit or loss for the year as the payments are made.

Defined benefit obligations

Defined benefit obligations relate mainly to obligations in the form of bonuses or retirement benefits and temporary and/or life-time annuities, and a medical plan for retired former employees.

Where the company assumes certain actuarial and investment risks, the liability recognised in the consolidated balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefit obligations is conducted annually by independent actuaries using the projected unit credit method to determine both the present value of the 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 consolidated statement of profit or loss but rather in the consolidated statement of comprehensive income.

ii) Other long-term benefits

In relation to other long-term employee benefits relating mainly to employees' length of service at the company, the liability recognised in the consolidated balance sheet coincides with the present value of the obligations at the reporting date, as there are no plan assets in this connection.

The projected unit credit method is used to determine both the present value of the obligations at the reporting date and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions -unlike the case of the post-employment obligations- are recognised in the consolidated statement of profit or loss for the year in which they arise.

In addition, the Group has obligations to certain employees in relation to a medium-term incentive plan ("2018-2020 Incentive Plan") tied to the degree of achievement of certain business objectives. The cost of the plan is charged to the consolidated statement of profit or loss as staff costs on an accrual basis based on the probability that the objectives established will be fulfilled.

iii) Employee termination plan obligations

Provisions for obligations relating to plans for the termination of the employment relationship of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed upon with the employees, which, in certain cases, may require actuarial valuations to be made, based on both demographic and financial assumptions.

m) Transactions in currencies other than the euro

Foreign currency transactions are translated to the Group's presentation 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 foreign currencies are recognised in profit or loss, unless they are deferred in equity, as in the case of cash flow hedges and hedges of a net investment in a foreign operation, as indicated in Note 3-e.

n) Provisions and contingencies

At the date of authorisation for issue of these consolidated financial statements, the Group differentiated between:

- Provisions: credit balances covering present obligations at the reporting date arising from past events which could give rise to a loss for the Group, which is certain as to its nature but uncertain as to its amount and/or timing.
- Contingent liabilities: possible obligations that arise from past events and 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 consolidated companies.

Provisions are recognised when the Group has a present obligation, whether legal 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.

Where the effect of the time value of money is material, the amount of the provision is determined to be the present value of the future cash flows estimated to be necessary to settle the present obligation.

The provisions recognised relate to the estimated amounts required for probable or certain liability arising from litigation in process, indemnity payments or other liabilities derived from the Group's business activities that will lead to future payments, which were measured on the basis of the information currently available. These provisions are recognised when the third-party liability or obligation giving rise to the indemnity or payment arises, taking into consideration the other conditions established by IFRSs.

For infrastructure concessions subject to the concession operator's fulfilment of contractual obligations, such as maintaining a certain level of serviceability of the infrastructure or restoring the infrastructure to a certain condition before handing it over to the grantor at the end of the service arrangement, the related provisions are recognised, in accordance with IAS 37, on the basis of the best estimate of the expenditure required to settle the present obligation at the reporting date.

o) Revenue recognition

Revenue is recognised in such a way as to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 establishes a revenue recognition approach based on five steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

In this connection, revenue is recognised as an entity satisfies the obligations, i.e. when the “control” of the goods or services underlying the obligation in question is transferred to the customer.

Interest revenue is generally accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, as described in the Section d) of this Note in relation to the measurement of financial assets.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, i.e., when the shareholders at the Annual General Meetings of the investees approve the distribution of the related dividends.

Following the discontinuation of the satellite telecommunications business at the end of 2017, as detailed in Note 7, substantially all of the Group's revenue is now generated by its toll roads segment and relates primarily to toll revenue, which is recognised, in accordance with the recognition criterion described above, when the service is provided (as is the case for non-core income).

Lastly, it should be noted that although the **Abertis** Group does not generally carry on activities related to the construction of concession assets, since it incorporates the infrastructure that it operates under administrative concession arrangements by acquiring it from third-party companies that construct it on behalf of **Abertis**, in accordance with IFRIC 12.14, "Infrastructure Upgrade Revenue" and "Infrastructure Upgrade Expenses" in the consolidated statement of profit or loss for the year include the revenue and expenses relating to the infrastructure construction or upgrade services provided in the year, including the capitalization of financial expenses, and the infrastructure is recognised at fair value.

In this regard, "Infrastructure Upgrade Revenue" includes the borrowing costs incurred before the concession infrastructure is ready for its intended use arising from the borrowings arranged to finance the infrastructure.

Also, revenue and expenses associated with concession infrastructure classified as financial assets relating to the provision of operation and maintenance services (application of the IFRIC 12 financial asset model) are recognised in profit or loss in accordance with the general recognition criterion, and the finance costs relating to the concession are recognised in the accompanying consolidated statement of profit or loss according to their nature.

p) Leases

Leases are classified as operating leases when they meet the conditions in IAS 17, i.e., when the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset are attributable to the lessor, and the related expenses, including any incentives granted by the lessor, are recognised on an accrual basis in the consolidated statement of profit or loss.

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

q) 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.

It was not considered necessary to recognise any provisions for environmental contingencies and charges, since there are no contingencies relating to the protection of the environment.

r) Related party transactions

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

s) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Group.

For the purpose of preparing the consolidated statement of cash flows, "Cash and Cash Equivalents" were considered to be cash on hand, demand bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Lastly, in relation to the provisions required under IFRIC 12 charged to profit or loss and the infrastructure upgrade services, since the latter relate to investments to replace and upgrade concession assets operated by **Abertis**, the former were included in the cash flows from investing activities.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

a) Financial risk factors

The Group’s activities are exposed to various financial risks, the most significant being foreign currency risk, interest rate risk, credit risk, liquidity risk and inflation risk. The Group uses derivative financial instruments to hedge certain risks.

Financial risk management is controlled by management of the Financial Area, subject to authorisation from the CEO of **Abertis**, in the framework of the corresponding policy approved by the Board of Directors.

i) Foreign currency risk

The Group also operates outside the euro zone and owns assets basically in South America, Puerto Rico and India; therefore, it is exposed to foreign currency risk in foreign currency transactions, especially in relation to the Brazilian real, the Chilean peso, the Argentine peso, the US dollar and the Indian rupee. 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 Group'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 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.

In relation to foreign currency risk, the detail of the contribution to the main aggregates in the **Abertis** Group's consolidated statement of profit or loss by the companies that operate in a functional currency other than the euro is as follows:

31 December 2018

	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss)	%
Mainly Arteris subgroup (Brazil)	BRL	617,122	11.7%	239,457	6.9%	(26,592)	(1.6%)
Mainly Invin subgroup and Abertis Chile (Chile)	CLP	538,042	10.2%	421,430	12.2%	85,418	5.0%
GCO and Ausol (Argentina) (1)	ARS	232,710	4.4%	123,936	3.6%	107,524	6.3%
Mainly APR and Metropistas (Puerto Rico) and Central Korbana (Luxembourg) (2)	USD	140,599	2.7%	93,411	2.7%	(33,690)	(1.9%)
Other (3)	Other	76,880	1.5%	23,181	0.7%	(8,600)	(0.5%)
Contribution in foreign currency		1,605,353	30.5%	901,415	26.1%	124,060	7.3%
Total Abertis		5,255,381		3,458,971		1,697,513	

(1) The contribution to the consolidated statement of profit or loss for 2018 includes EUR 78 million (EUR 45 million in net profit) relating to the net impact of recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport (see Note 27-c).

(2) The contribution to the consolidated statement of profit or loss for 2018 of the companies that operate in US dollars includes USD -51,639 thousand (2017: USD -61,238 thousand) relating to Central Korbana, S.a.r.l., which holds the additional 50% of the acquired share capital of **Autopista Central**; the latter company operates in Chilean pesos.

(3) Due mainly to the Indian rupee (INR) and the pound sterling (GBP) in the case of revenue and gross profit from operations and to the Colombian peso (COP) in the case of the net profit.

31 December 2017 (*)

	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss)	%
Mainly Arteris subgroup (Brazil)	BRL	779,063	14.8%	429,996	12.4%	6,781	0.7%
Mainly Invin subgroup and Abertis Chile (Chile)	CLP	489,450	9.3%	378,360	10.9%	36,460	4.1%
GCO and Ausol (Argentina)	ARS	227,238	4.3%	71,061	2.1%	17,720	2.0%
Mainly APR and Metropistas (Puerto Rico) and Central Korbana (Luxembourg) (1)	USD	137,721	2.6%	88,317	2.6%	(42,500)	(4.7%)
Other (2)	Other	74,580	1.4%	35,036	1.0%	5,890	0.6%
Contribution in foreign currency		1,708,052	32.4%	1,002,770	29.0%	24,351	2.7%
Total Abertis		5,270,909		3,455,775		897,413	

(*) Contributions of revenue and gross profit from operations for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements indicated in Note 5-b.

(1) The contribution to the consolidated statement of profit or loss for 2017 of the companies that operate in US dollars includes USD -61,238 thousand relating to Central Korbana, S.a.r.l., which holds the additional 50% of the acquired share capital of **Autopista Central**; the latter company operates in Chilean pesos.

(2) Due mainly to the Indian rupee (INR) and the pound sterling (GBP) in the case of revenue and gross profit from operations and to the Colombian peso (COP) in the case of the net profit.

The detail of the contribution to the main aggregates in the **Abertis** Group's consolidated balance sheet by the companies that operate in a functional currency other than the euro is as follows:

		2018				2017			
	Functional currency	Total assets	%	Equity	%	Total assets	%	Equity	%
Mainly Arteris subgroup (Brazil) [(1)]	BRL	2,409,344	8.4%	(347,216)	(5.8%)	2,700,691	9.1%	(81,774)	(1.7%)
Mainly Invin subgroup and Abertis Chile (Chile) [(1)]	CLP	3,105,762	10.8%	926,522	15.6%	4,205,700	14.1%	945,252	19.8%
Other [(2)]	Other	2,012,242	7.0%	151,282	2.5%	902,057	3.0%	(122,553)	(2.6%)
Contribution in foreign currency		7,527,348	26.2%	730,588	12.3%	7,808,448	26.2%	740,925	15.5%
Total Abertis		28,667,497		5,943,632		29,830,777		4,776,674	

(1) The contributions detailed do not include the contributions of their respective parents as the latter operate with the euro as their functional currency.

(2) Mainly the US dollar (USD) and the Indian rupee (INR).

The contribution to the 2018 consolidated statement of profit or loss of the companies that operate in Brazilian reais, Chilean pesos, Argentine pesos and US dollars was adversely affected by the depreciation in the average value of the aforementioned currencies against the euro in 2018 (in 2017 the Brazilian real and the Chilean peso increased in value and the Argentine peso and the US dollar decreased in value).

The contribution to the consolidated balance sheet at 31 December 2018 of the companies that operate in Brazilian reais, Chilean pesos and Argentine pesos was affected by the depreciation in the year-end exchange rate of the aforementioned currencies in 2018 (in 2017 these currencies also depreciated in value). The contribution to the consolidated balance sheet at 31 December 2018 of the companies that operate in US dollars was affected by the appreciation in the year-end exchange rate of the aforementioned currency in 2018 (in 2017 the US dollar depreciated in value).

In this regard, the estimated sensitivity of the consolidated statements of profit or loss and consolidated equity to a change of 10% in the exchange rates against the euro of the main currencies in which the **Abertis** Group operates with respect to the exchange rate considered at year-end would be as follows:

Millions of euros	2018 (1)				2017 (*)			
Functional currency	Revenue	Gross profit from operations	Net profit (loss)	Equity (2)	Revenue	Gross profit from operations	Net profit (loss)	Equity (2)
10% change:								
BRL	61.7	29.3	(2.6)	140.3	77.9	43.0	0.7	132.6
CLP	53.8	42.1	8.5	208.3	48.9	37.8	3.6	209.6
ARS	14.1	4.6	3.0	27.1	22.7	7.1	1.8	2.2
USD	13.4	9.3	(3.7)	8.6	13.4	8.8	(4.3)	1.8

(*) Contributions of revenue and gross profit from operations for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements indicated in Note 5-b.

(1) The estimated sensitivity of aggregates for 2018, excluding the non-recurring impact of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport (see Note 27-c).

(2) Impact on equity of translation differences arising on consolidation.

In this connection, the impacts with an effect on the Group's equity would be partially offset by the impact also on equity of the hedges of net investments made (see Notes 12 and 16.i).

ii) Interest rate risk

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

The borrowings issued at floating rates expose the Group to interest rate risk on its cash flows, whereas the borrowings arranged at a fixed rate expose the Group 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 the volatility in the consolidated statement of profit or loss over a multi-year time horizon. In this regard, at 31 December 2018 82% of borrowings were at fixed interest rates or fixed through hedging (31 December 2017: 79%), in line with Group policy, with the estimated net impact after taxes (and before minority interests) on profit or loss of a change of 50 basis points in the interest rate on floating rate debt of EUR 11.3 million in 2018 (2017: EUR 14.6 million) (see Note 16), after considering the effect of the hedging instruments arranged.

In this connection, and 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 Group 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 (see Note 12).

Also, in order to comply with the aforementioned policy, the Group arranges fixed-to-floating interest rate swaps to hedge fair value interest rate risk (see Note 12).

iii) Credit risk

Due to the nature of the Group's businesses, there are no significant concentrations of credit risk, since there are no significant accounts receivable except for those receivable from public authorities (which the Group monitors on a monthly basis) and balances with banks (mainly derivative instruments and cash and cash equivalents).

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.

In this regard, the Group -in order to mitigate the aforementioned credit risk- performs derivative transactions and cash transactions only with banks of proven creditworthiness, recognised by international rating agencies. This creditworthiness, expressed by 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 no losses are expected to arise from the default of any of the counterparties indicated.

iv) Liquidity risk

The Group manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit facilities and the ability to liquidate market positions. Given the dynamic nature of the Group's businesses, management of the Finance Area has the objective of maintaining flexible financing through the availability of the credit lines arranged.

The cash outflows projected in relation to the Group's borrowings and available credit facilities are detailed in Note 16.

v) Inflation risk

Most of the toll road concessions generate revenue through tariffs which vary directly on the basis of inflation and, accordingly, a scenario of rising inflation would bring with it an increase in the 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 economic de-indexing, it is estimated that the aforementioned Royal Decree should not have any impact on the tariffs applicable to the Spanish concessions operated by the Group (see Note 27-c), since the Royal Decree does not generally apply to concession arrangements already in force.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3-e.v, the breakdown at 31 December of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2018	**Level 1**	**Level 2**	**Level 3**	**2018**
Assets				
Financial assets at fair value through equity (*)	-	-	108,693	108,693
Derivative financial instruments:				
Cash flow hedges	-	2,301	-	2,301
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	92,802	-	92,802
Derivatives not designated as hedges	-	-	-	-
Total derivative financial instruments	-	95,103	-	95,103
Total assets	**-**	**95,103**	**108,693**	**203,796**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	226,813	-	226,813
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	42,147	-	42,147
Total derivative financial instruments	-	268,960	-	268,960
Borrowings subject to fair value hedging	-	-	-	-
Other liabilities at fair value	-	-	-	-
Total liabilities	**-**	**268,960**	**-**	**268,960**

(*) Relating to equity instruments classified under "Other Financial Assets" (see Note 11) that until IFRS 9 became effective on 1 January 2018 had been presented under "Available-for-Sale Financial Assets" in the consolidated balance sheet.

31 December 2017	Level 1	Level 2	Level 3	2017
Assets				
Available-for-sale financial assets (*)	-	-	118,348	118,348
Derivative financial instruments:				
Cash flow hedges	-	423	-	423
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	65,714	-	65,714
Derivatives not designated as hedges	-	-	-	-
Total derivative financial instruments	-	66,137	-	66,137
Total assets	**-**	**66,137**	**118,348**	**184,485**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	240,875	-	240,875
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	72,808	-	72,808
Derivatives not designated as hedges	-	-	-	-
Total derivative financial instruments	-	313,683	-	313,683
Borrowings subject to fair value hedging	-	-	-	-
Other liabilities at fair value	-	302,000	-	302,000
Total liabilities	**-**	**615,683**	**-**	**615,683**

(*) Relating to equity instruments.

In 2018 and 2017 there were no transfers between Levels 1 and 2.

As indicated in Notes 3-d and 3-e, 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 Group 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. In this regard, the fair value based on the aforementioned hierarchies of the loans and bonds at 31 December 2018 and 2017 is detailed in Note 16.

c) Capital management

The Group's objective in relation to capital management is to safeguard its ability to continue operating as a going concern so that it can continue to generate returns for shareholders and profits for other holders of equity instruments, maintain an optimum capital structure and reduce the cost of capital.

The Group monitors capital on the basis of its leverage ratio, which is in line with the industry norm. This ratio is calculated by dividing net bond issues and bank borrowings by total capital. Net bond issues and bank borrowings are calculated as total borrowings from these banks (including current and non-current, as evidenced in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as disclosed in the consolidated financial statements, plus net debt to these banks.

In 2018 the Group's strategy in this connection did not change significantly. In this regard, the decrease in Group's net bond issues and bank borrowings in 2018, due mainly to the sale of 34% of Cellnex (see Note 7), together with the increase in the Group's equity, mainly as a result of the positive impact on equity recognised, relating to reserves attributable to shareholders of the Parent arising from the gain on the aforementioned sale of Cellnex (see Note 22-e), made it possible to reduce the leverage ratio at 31 December 2018 in comparison with that at 2017 year-end.

At 31 December 2018 and 2017, the leverage ratios were as follows:

	31 December 2018	31 December 2017
Bond issues and bank borrowings (*) (Note 16)	16,712,835	18,525,267
Cash and cash equivalents (Note 14)	(2,737,070)	(2,458,101)
Bond issues and bank borrowings, net	13,975,765	16,067,166
Equity (Note 15)	5,971,387	4,776,674
Total capital	19,947,152	20,843,840
Leverage ratio	**70%**	**77%**

(*) Including the debt payable to associates and joint ventures (accounted for using the equity method), the accrued interest payable on loans and bonds at the reporting date and other liabilities.

5. MATTERS ARISING FROM THE TRANSITION TO IFRSs 9 AND 15 AND OTHERS

a) Matters arising from the transition to IFRSs 9 and 15

As indicated in Note 2-b.i, these consolidated financial statements for the year ended 31 December 2018 are the first in which IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers have been applied.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is the new comprehensive standard on the recognition of revenue from contracts with customers which, from periods beginning on or after 1 January 2018, has superseded the following standards and interpretations that until then had been in force: IAS 18, Revenue; IAS 11, Construction Contracts; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfers of Assets from Customers; and SIC-31, Revenue-Barter Transactions Involving Advertising Services.

In accordance with the requirements of IFRS 15, revenue must be recognised in such a way as to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard establishes a revenue recognition approach based on five steps as detailed in Nota 3-o.

Pursuant to IFRS 15, revenue must be recognised as an entity satisfies the obligations, i.e. when the "control" of the goods or services underlying the obligation in question is transferred to the customer. IFRS 15 includes much more prescriptive guidelines for specific scenarios and requires extensive disclosures.

In relation to the aforementioned standard, in the toll road concession management business (operating segment now representing 100% of the Group's revenue), the application of the criteria provided for in IFRS 15 has not led to a significant change in the revenue recognition method with respect to that formerly applied.

Lastly, it should be noted in relation to the transition methods that the Group has applied IFRS 15 retrospectively without restating the comparative information.

IFRS 9, Financial Instruments

From the annual reporting period beginning on 1 January 2018 onwards IFRS 9 has superseded IAS 39 and affects both financial assets and financial liabilities, in three main blocks: (i) Classification and measurement; (ii) impairment methodology; and (iii) hedge accounting.

The Group has analysed the impacts of applying IFRS 9, which has significant differences with respect to the preceding financial instrument recognition and measurement standard (IAS 39), the most significant of which are as follows:

- Debt instruments held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest are, in general, measured at amortised cost. When these debt instruments are held in a business model whose objective is achieved by both collecting contractual cash flows (payments of principal and interest) and selling financial assets, they are, in general, measured at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss. However, an entity may make an irrevocable election to present in "Other Comprehensive Income" subsequent changes in the fair value of particular investments in equity instruments and, in general, only the dividends from those investments will be recognised subsequently in profit or loss.
- Changes in the contractual cash flows of a financial liability not leading to the derecognition of the financial liability must be recognised as a change in estimate of the contractual cash flows of the liability, maintaining the original effective interest rate and adjusting its carrying amount at the date of the change, and the related modification gain or loss is recognised in profit or loss.
- In relation to impairment losses on financial assets, IFRS 9 requires the application of a model based on expected credit loss, as opposed to the model in the former IAS 39 which is based on incurred credit losses. Under this model, the entity updates the expected loss and the changes therein at each reporting date to reflect the changes in credit risk since initial recognition. In other words, it is no longer necessary for an impairment event to have occurred before credit losses are recognised.
- IFRS 9 has provided a greater degree of flexibility in terms of the types of transactions that qualify for hedge accounting, specifically, broadening the types of instruments that fulfil the criteria to be considered as hedging instruments and the types of risk components of non-financial items that qualify for hedge accounting. Also, the effectiveness test was reviewed, and was replaced by the "economic relationship" principle. Retrospective assessment of hedge effectiveness is no longer necessary.

The most significant conclusions drawn as a result of the application of IFRS 9 by the Group are as follows:

i) Classification and measurement of financial instruments:

Loans granted and accounts receivable measured at amortised cost, the amounts of which are detailed in Note 13, as well as current financial assets, the amounts of which are detailed in Note 11, are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principle amount outstanding. Consequently, these financial assets continue to be measured at amortised cost under IFRS 9.

Quoted and unquoted equity instruments classified under "Other Non-Current Financial Assets" (see Note 11) continue to be measured at fair value, the Group having made the irrevocable election to classify them as at fair value through other comprehensive income whereby cumulative gains or losses cannot subsequently be recognised in profit or loss (previously cumulative fair value gains or losses on these assets were recognised in equity but were reclassified to profit or loss when the instruments were sold). In this regard, the cumulative net gains at the date of first-time application (1 January 2018), amounting to EUR 24 million, were reclassified within the Group's equity, reducing "Reserves" and increasing "Retained Earnings and Other Reserves" in the consolidated balance sheet).

In 2014 the Group renegotiated its financial liabilities which under the then effective IAS 39 were considered non-material and, consequently, did not require an adjustment to the carrying amount of the financial liabilities that had not been derecognised. In this connection, the treatment of these transactions under IFRS 9 requires a change in the carrying amount of the amortised cost of these financial liabilities at the date of the change, the impact at the date of first-time application (1 January 2018) being EUR -64 million (decrease in "Bond Issues and Bank Borrowings" in the consolidated balance sheet, with a net increase of EUR 47 million in "Retained Earnings and Other Reserves").

All the other financial assets and liabilities continue to be classified and measured on the same basis as that previously adopted under the former IAS 39.

ii) Impairment of financial assets

Financial assets measured at amortised cost, finance lease receivables, contract assets and financial guarantee contracts are subject to the impairment requirements of IFRS 9.

The new standard replaces the former IAS 39 "incurred credit loss" models with a single "expected credit loss" model. This new model requires the recognition, at the date of initial recognition of a financial asset, of the expected credit loss that results from a default event on a financial instrument that are possible within the twelve months after the reporting date (twelve-month expected credit losses) or over the expected life of the financial instrument, depending on the changes in the credit risk of the financial assets since initial recognition or applying the simplified approach permitted by the standard for certain financial assets.

At the date of first-time application (1 January 2018) the Group had recognised write-downs on trade receivables and certain concession assets or loans, although at that date it increased the balance thereof in accordance with the IFRS 9 expected credit loss model.

As a result of the evaluations performed, the Group ultimately opted to apply the general approach (recognition of the 12-month expected credit loss that results from a default event over the next 12 months or over the expected life of the financial instrument, depending on the changes in the credit risk of the financial assets since initial recognition) to the financial asset balances at 1 January 2018 (date of first-time application), recognising additional write-downs, net of the related tax effect, of EUR -32 million at that date (decrease in "Retained Earnings and Other Reserves" in the consolidated balance sheet).

The most significant expected credit losses recognised at 1 January 2018 relate to financial assets associated with concession arrangements (see Note 13).

In determining the expected credit loss on these assets, the Group considered mainly observable market data on credit risk coverage and the credit rating of the counterparty, as well as the changes in the credit risk since initial recognition in order to evaluate the expected credit loss during the next 12 months or over the lifetime of the asset.

iii) Hedge accounting

Since the new hedge accounting requirements are more closely aligned with the Group's risk management policies, and, in general, more hedging instruments and hedged items meet the relevant requirements, the Group’s existing hedging relationships at the date of first-time application (1 January 2018) met the conditions to continue as hedging relationships on application of IFRS 9, and the accounting treatment and method used to recognise fair value changes were maintained.

Lastly, it should be noted that the Group applied IFRS 9 retrospectively, without restating the comparative information.

As a result of the foregoing, the detail of the main effects of applying IFRSs 9 and 15 (the latter with no impact) at the date of first-time application (1 January 2018), as well as the reconciliation between the magnitudes of the consolidated balance sheet and the Group's consolidated equity at 1 January 2018 in accordance with IFRSs without applying IFRSs 9 and 15 to those obtained by applying IFRSs 9 and 15:

Consolidated balance sheet at 1 January 2018
(date of first-time application)

	31 December 2017 (opening balances at 01/01/18 without applying IFRSs 9 and 15)	Financial instruments classification	Financial instruments valuation	Impairment of financial assets (1)	Hedge accounting	**1 January 2018** (applying IFRSs 9 and 15)
ASSETS						
Non-current assets						
Property, plant and equipment	420,843	-	-	-	-	420,843
Goodwill	4,422,125	-	-	-	-	4,422,125
Other intangible assets	15,285,119	-	-	-	-	15,285,119
Intangible assets	19,707,244	-	-	-	-	19,707,244
Investments in associates and interests in joint ventures	1,314,536	-	-	-	-	1,314,536
Financial assets available for sale	118,348	(118,348)	-	-	-	-
Financial assets at fair value through equity	-	118,348	-	-	-	118,348
Non-current financial assets	1,432,884	-	-	-	-	1,432,884
Concession arrangements - financial asset model	1,583,010	-	-	(32,884)	-	1,550,126
Receivables from companies accounted for using the equity method	34,510	-	-	-	-	34,510
Other financial assets	26,032	-	-	(4,036)	-	21,996
Derivative financial instruments	24,312	-	-	-	-	24,312
Other non-current financial assets	1,667,864	-	-	(36,920)	-	1,630,944
Other assets	77,802	-	-	(5,633)	-	72,169
Deferred tax assets	896,836	-	-	12,417	-	909,253
Non-current assets	**24,203,473**	**-**	**-**	**(30,136)**	**-**	**24,173,337**
Current assets						
Inventories	12,958	-	-	-	-	12,958
Trade receivables	701,629	-	-	-	-	701,629
Current tax assets	300,138	-	-	-	-	300,138
Concession arrangements - financial asset model	107,413	-	-	(1,489)	-	105,924
Receivables from companies accounted for using the equity method	14,367	-	-	-	-	14,367
Other financial assets	62,706	-	-	(1,654)	-	61,052
Derivative financial instruments	41,825	-	-	-	-	41,825
Other current financial assets	226,311	-	-	(3,143)	-	223,168
Other assets	132,403	-	-	(2,350)	-	130,053
Cash and cash equivalents	2,458,101	-	-	-	-	2,458,101
Current assets	3,831,540	**-**	**-**	**(5,493)**	**-**	**3,826,047**
Non-current assets classified as held for sale and discontinued operations	1,795,764	-	-	-	-	1,795,764
Assets	29,830,777	**-**	**-**	**(35,629)**	**-**	**29,795,148**

(1) Expected loss associated mainly with the amounts pending collection from the Grantors under various agreements reached, some of which are recorded, under IFRIC 12, as an account receivable from the grantor in application of the mixed model or the financial model (see Note 13).

Consolidated balance sheet at 1 January 2018
(date of first-time application)

	31 December 2017 (opening balances at 01/01/18 without applying IFRSs 9 and 15)	Financial instruments classification	Financial instruments valuation	Impairment of financial assets	Hedge accounting	1 January 2018 (applying IFRSs 9 and 15)
EQUITY						
Share capital and reserves attributable to shareholders of the Parent						
Share capital	2,971,144	-	-	-	-	2,971,144
Treasury shares	(1,168,679)	-	-	-	-	(1,168,679)
Reserves (1)	(301,044)	(23,761)	-	-	-	(324,805)
Retained earnings and other reserves	1,027,438	23,761	47,090	(32,497)	-	1,065,792
	2,528,859	**-**	**47,090**	**(32,497)**	**-**	**2,543,452**
Non-controlling interests	**2,247,815**	**-**	**-**	**(3,132)**	**-**	**2,244,683**
Equity	**4,776,674**	**-**	**47,090**	**(35,629)**	**-**	**4,788,135**
LIABILITIES						
Non-current liabilities						
Bond issues and bank borrowings	16,716,438	-	(63,640)	-	-	16,652,798
Derivative financial instruments	272,041	-	-	-	-	272,041
Other financial liabilities	734,111	-	-	-	-	734,111
Non-current financial liabilities	17,722,590	-	(63,640)	-	-	17,658,950
Employee benefit obligations	133,651	-	-	-	-	133,651
Other provisions	1,204,938	-	-	-	-	1,204,938
Long-term provisions	1,338,589	-	-	-	-	1,338,589
Deferred income	28,495	-	-	-	-	28,495
Deferred tax liabilities	1,647,162	-	16,550	-	-	1,663,712
Other liabilities	467,987	-	-	-	-	467,987
Non-current liabilities	**21,204,823**	**-**	**(47,090)**	**-**	**-**	**21,157,733**
Current liabilities						
Bond issues and bank borrowings	1,808,829	-	-	-	-	1,808,829
Derivative financial instruments	41,642	-	-	-	-	41,642
Other financial liabilities	6,706	-	-	-	-	6,706
Current financial liabilities	1,857,177	-	-	-	-	1,857,177
Employee benefit obligations	60,519	-	-	-	-	60,519
Other provisions	230,877	-	-	-	-	230,877
Short-term provisions	291,396	-	-	-	-	291,396
Payable to suppliers and other payables	672,028	-	-	-	-	672,028
Current tax liabilities	264,931	-	-	-	-	264,931
Other liabilities	135,509	-	-	-	-	135,509
Current liabilities	**3,221,041**	**-**	**-**	**-**	**-**	**3,221,041**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	628,239	-	-	-	-	628,239
Liabilities	**25,054,103**	**-**	**(47,090)**	**-**	**-**	**25,007,013**
Equity and liabilities	**29,830,777**	**-**	**-**	**(35,629)**	**-**	**29,795,148**

(1) Reclassification between "Reserves" and "Retained earnings and other reserves" associated to the accumulated gains for the adjustment of the fair value of the financial assets available for sale.

Consolidated equity at 1 January 2018

Impact at date of first-time application at 01/01/18	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Attributable to shareholders of Abertis	Non-controlling interests	1 January 2018
Equity without applying IFRSs 9 and 15	1,802,465	(301,044)	1,027,438	2,528,859	2,247,815	4,776,674
Impact:						
Classification and measurement of financial instruments - Available-for-sale financial assets	-	(23,761)	23,761	-	-	-
Classification and measurement of financial instruments - renegotiation of liabilities	-	-	47,090	47,090	-	47,090
Impairment of financial assets	-	-	(32,497)	(32,497)	(3,132)	(35,629)
Hedge accounting	-	-	-	-	-	-
IFRS 9	-	(23,761)	38,354	14,593	(3,132)	11,461
Equity applying IFRSs 9 and 15	**1,802,465**	**(324,805)**	**1,065,792**	**2,543,452**	**2,244,683**	**4,788,135**

Note: The amounts relating to equity adjustments are shown net of the related tax effects including, where applicable, the amounts relating to both fully consolidated companies and companies accounted for using the equity method.

IFRS 9 and IFRS 15 have been applied as of the first application date at 1 January 2018 and, according to the transition options included in the aforementioned standards, both have been applied retroactively by the Group without restating the comparative information.

b) Other

In 2018 the Group made changes in the presentation of its consolidated financial statements in order, in the framework of the change in the Parent's shareholders, to provide more homogeneous information for users of financial statements in the context of the integration thereof in a higher group and, consequently, adapting the comparative information pursuant to IAS 1.

The main changes in the presentation of these financial statements affect the consolidated statement of profit or loss and the detail thereof, together with the impacts in relation to the information included in the consolidated financial statements for 2017, is as follows:

1. Presentation of the income associated with financial assets recognised in accordance with IFRIC 12 at amortised cost as finance income rather than operating income (EUR 24.2 million in 2017).
2. Presentation of certain items relating to charges associated with the activity of the consolidated companies as a reduction in income rather than as an operating expense (EUR 27.6 million in 2017).
3. Presentation of capitalised borrowing costs as concession infrastructure accounted for under the intangible asset model in the consolidated statement of profit or loss as construction services instead of directly reducing finance costs (EUR 48.9 million in 2017).

Accordingly, the reconciliation of the consolidated financial statements (presented in condensed format) for 2017 to the consolidated financial statements for 2017 under the new presentation rules updated by the Group for 2018 is as follows:

	2017	Effect of changes in presentation	**2017 Adapted**
Operating income	5,322,697	(51,788)	5,270,909
Infrastructure upgrade revenue	696,175	55,156	751,331
Income from operations	6,018,872	3,368	6,022,240
Operating expenses	(3,264,474)	27,600	(3,236,874)
Infrastructure upgrade expenses	(696,175)	-	(696,175)
Expenses from operations	(3,960,649)	27,600	(3,933,049)
Profit from operations	2,058,223	30,968	2,089,191
Net financial loss	(786,092)	(30,968)	(817,060)
Result of companies accounted for using the equity method	19,096	-	19,096
Profit before tax	1,291,227	-	1,291,227
Income tax	(364,570)	-	(364,570)
Profit from continuing operations	926,657	-	926,657
Profit from discontinued operations	72,318	-	72,318
Profit for the year	**998,975**	-	**998,975**
Profit attributable to non-controlling interests	101,562	-	101,562
Profit attributable to shareholders of the Parent	**897,413**	-	**897,413**

6. BUSINESS COMBINATIONS

In 2018 no business combinations took place that might be material with respect to these consolidated financial statements.

Also, the initial accounting for the business combinations involving **TTPL** and **JEPL** described in Note 5 to the consolidated financial statements for 2017 is now considered to have been completed, since one year has elapsed since the acquisitions made in March 2017. In this regard, with respect to the impacts indicated in Note 5 to the consolidated financial statements for 2017, the fair value of the provisions recognised by **TTPL** and **JEPL** increased by EUR 2,342 thousand and EUR 2,750 thousand, respectively, and consequently the related goodwill increased.

7. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The detail of the profit or loss from discontinued operations, the non-current assets classified as held for sale and discontinued operations and the liabilities associated with non-current assets classified as held for sale and discontinued operations at 31 December 2018 and 2017 is as follows:

		2018			2017		
		Loss from discontinued operations	Non-current assets classified as held for sale and discontinued operations	Liabilities associated with non-current assets classified as held for sale and discontinued operations	Profit from discontinued operations	Non-current assets classified as held for sale and discontinued operations	Liabilities associated with non-current assets classified as held for sale and discontinued operations
Satellite telecommunications business (**Hispasat**)	i.	(33,205)	1,621,795	519,773	55,565	1,785,054	622,449
Cellnex, S.A.	ii.	-	-	-	-	-	-
Globalcar Services S.p.A.	iii.	-	-	-	1,323	10,710	5,790
Sabsa compulsory purchase compensation (Bolivia)		-	-	-	15,430	-	-
		(33,205)	**1,621,795**	**519,773**	**72,318**	**1,795,764**	**628,239**

i) Hispasat (satellite telecommunications)

As indicated in Notes 1 and 6 to the consolidated financial statements for 2017, at the end of 2017 the Group decided to discontinue the satellite telecommunications business (**Hispasat** subgroup) effective November 2017, since it had initiated an orderly divestment process for the satellite telecommunications business in order to focus the growth of **Abertis** only on the Toll roads operating segment.

Consequently, based on IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, since 30 November 2017 the assets and liabilities relating to the satellite telecommunications business have been presented as assets and liabilities associated with disposal groups held for sale. Also, since the divestment involves a significant and separate line of business, all the income and expenses for the year are presented as "Profit (Loss) from Discontinued Operations".

In this respect, it should be noted that on 12 February 2019 **Abertis** entered into an agreement with Red Eléctrica Corporación for the sale of the Group's 89.68% ownership interest in **Hispasat** for EUR 949 million (not adjustable by such dividends as might be paid by **Hispasat** to **Abertis** before the completion of the transaction). In this connection, based on the amounts reflected in the accompanying consolidated financial statements as at 31 December 2018, the agreement entered into is not expected to give rise to any gain or loss.

The main financial aggregates relating to the discontinued operations arising from the discontinuation of the satellite telecommunications business at 31 December 2018 and the corresponding comparative figures at 2017 year-end are as follows:

Statement of profit or loss	2018	2017
Services	192,491	219,813
Other income	11,638	16,258
Operating income	**204,129**	**236,071**
Operating expenses	(41,833)	(41,801)
Operating provisions and allowances	(1,200)	(1,164)
Gross profit from operations	**161,096**	**193,106**
Depreciation and amortisation charge	(132,720)	(109,673)
Changes in impairment losses on assets	(70,967)	-
Profit (Loss) from operations	**(42,591)**	**83,433**
Financial loss	(12,190)	(16,684)
Share of results of associates	-	-
Pre-tax profit (loss) from discontinued operations	**(54,781)**	**66,749**
Income tax [(1)]	21,576	(11,184)
Profit (Loss) from discontinued operations	**(33,205)**	**55,565**
Gain or loss relating to the divestment of the satellite telecommunications business	-	-
Profit (Loss) from discontinued operations	**(33,205)**	**55,565**

(1) **Hispasat** acts as the parent of a consolidated tax group in Spain which includes all of the Spanish subsidiaries in which it holds an ownership interest of at least 75%.

Assets and liabilities of disposal groups classified as held for sale	31/12/18	31/12/17
Non-current assets		
Property, plant and equipment	1,003,038	1,049,603
Goodwill	134,568	134,568
Other intangible assets	289,079	395,595
Intangible assets	423,647	530,163
Investments in associates and interests in joint ventures	63,320	63,721
Non-current financial assets	63,320	63,721
Other non-current financial assets	3,535	-
Other assets	11,639	11,583
Deferred tax assets	17,525	6,816
Non-current assets	**1,522,704**	**1,661,886**
Current assets		
Trade receivables	44,623	59,398
Current tax assets	7,160	20,554
Derivative financial instruments	114	4,920
Other current financial assets	114	4,920
Other assets	5,245	6,415
Cash and cash equivalents	41,949	31,881
Current assets	**99,091**	**123,168**
Non-current assets classified as held for sale and discontinued operations	**1,621,795**	**1,785,054**
Non-current liabilities		
Bond issues and bank borrowings	236,581	306,857
Derivative financial instruments	1,767	3,453
Non-current financial liabilities	238,348	310,310
Non-current provisions	18,031	17,432
Deferred income	278	382
Deferred tax liabilities	63,573	88,180
Other liabilities	57,622	45,827
Non-current liabilities	**377,852**	**462,131**
Current liabilities		
Bond issues and bank borrowings	75,550	76,827
Current financial liabilities	75,550	76,827
Current provisions	8,841	6,222
Payable to suppliers and other payables	16,671	28,479
Current tax liabilities	1,607	2,975
Other liabilities	39,252	45,815
Current liabilities	**141,921**	**160,318**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	**519,773**	**622,449**

Cash flows from discontinued operations	**2018**	**2017**
Net cash flows from operating activities	161,362	142,461
Net cash flows from investing activities	(61,851)	(122,217)
Net cash flows from financing activities	(89,443)	(13,171)
Effect on cash flows	**10,068**	**7,073**

At 31 December 2018, Abertis Telecom Satélites, S.A. (a wholly-owned investee of **Abertis** which directly holds 89.68% of **Hispasat** (31 December 2017: 57.05%)) owed **Abertis** a total of EUR 489,508 thousand (31 December 2017: EUR 199,608 thousand), which were duly eliminated on consolidation. This amount is therefore excluded from the balance of "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the balance sheet shown above. As a balancing entry for the aforementioned account payable to the Group, **Abertis** has recognised borrowings from third parties under "Non-Current Liabilities- Bond Issues and Bank Borrowings" in the consolidated balance sheet which, consequently, was not included under "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations".

The income and expense recognised directly in equity relate mainly to translation differences and valuation adjustments relating to hedges, which in 2018 presented changes in value of EUR -5,281 thousand and EUR -2,808 thousand, respectively (2017: decrease of EUR -4,917 thousand and increase of EUR 7,456 thousand).

Also, at 31 December 2018 the **Hispasat** subgroup did not have any property, plant and equipment purchase commitments (2017 year-end: EUR 27,320 thousand for the development of new satellites).

ii) Cellnex Telecom, S.A. (Cellnex)

In the framework of the tender offer for shares of **Abertis** described in Note 15-a.i, in 2018 the divestment was completed of the entire ownership interest in the investee Cellnex Telecom, S.A. (Cellnex), in which an ownership interest of 34% was held at 31 December 2017. In this connection, the main milestones of the aforementioned process that took place in 2018 were as follows:

i. On 14 March 2018, 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 (see Note 15-a.i) 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:

   a) 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).

   b) 29.9% or 34% of the share capital of Cellnex would be transferred, as decided by Atlantia.

   c) 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.

ii. 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. 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.

iii. 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.

iv. 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), giving rise to a non-taxable gain of EUR 79,726 thousand (see Note 22).

v. 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), giving rise to a non-taxable gain of EUR 525,698 thousand (see Note 22).

In connection with all the foregoing, it should be noted that following the completion in May 2018 of the tender offer for all the shares of **Abertis** (see Note 15-a.i), the Group considered that the requirements provided for in IFRS 5 for classifying the ownership interest that it held in the share capital of Cellnex as a non-current asset held for sale had been met. Consequently, based on IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, since 31 May 2018 the asset relating to the ownership interest in Cellnex, until then recognised under "Investments in Associates and Interests in Joint Ventures", has been recognised as assets and liabilities of disposal groups held for sale, although, as mentioned above, at 31 December 2018 **Abertis** had completed the divestment of its entire ownership interest in Cellnex.

Also, since this asset was not a separate major line of business, the profit or loss contributed by Cellnex in the year up to its sale continued to be presented under "Result of Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss for the year, and the gain obtained on the sale of the ownership interest as a whole (34.0%) is presented under "Gains or Losses on Disposals of Financial Instruments" in that consolidated statement of profit or loss (see Note 22).

ii) Other

At 31 December 2017, "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet included, in addition to the items detailed in section i) above, the operations and respective assets and liabilities of Globalcar Service S.p.A. (EUR 10,710 thousand and EUR 5,790 thousand, respectively, at 31 December 2017). This company had ceased to be classified as a discontinued operations at 2018 year-end.

Lastly, it should be noted that in May 2017 the Bolivian Government paid **Abertis** a pre-tax amount of USD 23 million (EUR 21.5 million) as indemnification for the nationalisation in 2013 of Servicios de Aeropuertos Bolivianos, S.A. (Sabsa), the then Group subsidiary which managed the three main airports in Bolivia. Since this asset formed part of the Airports operating segment that was discontinued in 2013, in accordance with IFRS 5.35, the impact of the indemnity payment was recognised at its post-tax value under "Profit (Loss) from Discontinued Operations" in the consolidated statement of profit or loss for 2017.

8. PROPERTY, PLANT AND EQUIPMENT

The changes in the main items composing "Property, Plant and Equipment" were as follows:

	Toll road management assets	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Other	Total
1 January 2018						
Cost	568,606	64,230	145,766	772,932	93,073	1,644,607
Accumulated depreciation and impairment losses	(467,931)	(13,914)	(106,928)	(590,399)	(44,592)	(1,223,764)
Carrying amount	**100,675**	**50,316**	**38,838**	**182,533**	**48,481**	**420,843**
2018						
Beginning carrying amount	100,675	50,316	38,838	182,533	48,481	420,843
Exchange differences	-	(1,249)	(1,740)	(1,972)	1,696	(3,265)
Additions	3,452	1,551	5,755	54,255	15,858	80,871
Disposals (net)	(216)	(657)	(1,468)	(399)	(320)	(3,060)
Transfers	3,115	(670)	1,991	(9,491)	(3,625)	(8,680)
Changes in the scope of consolidation and business combinations	-	-	-	-	-	-
Depreciation charge	(27,979)	(1,456)	(10,537)	(37,790)	(13,613)	(91,375)
Impairment losses	-	-	34	-	555	589
Other	-	2,037	1,628	6,012	(415)	9,262
Transfers to/from assets classified as held for sale and discontinued operations	-	-	32	4	6,961	6,997
Ending carrying amount	**79,047**	**49,872**	**34,533**	**193,152**	**55,578**	**412,182**
At 31 December 2018						
Cost	575,407	65,737	139,701	814,357	111,444	1,706,646
Accumulated depreciation and impairment losses	(496,360)	(15,865)	(105,168)	(621,205)	(55,866)	(1,294,464)
Carrying amount	**79,047**	**49,872**	**34,533**	**193,152**	**55,578**	**412,182**

	Toll road management assets	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Other [1]	Total
1 January 2017						
Cost	553,890	80,017	453,847	2,263,927	560,678	3,912,359
Accumulated depreciation and impairment losses	(434,060)	(22,966)	(302,422)	(1,487,275)	(62,467)	(2,309,190)
Carrying amount	**119,830**	**57,051**	**151,425**	**776,652**	**498,211**	**1,603,169**
2017						
Beginning carrying amount	119,830	57,051	151,425	776,652	498,211	1,603,169
Exchange differences	-	(844)	(1,587)	(2,519)	(4,963)	(9,913)
Additions	3,044	1,203	7,618	55,418	95,362	162,645
Disposals (net)	-	(164)	(11,402)	(2,365)	(8,294)	(22,225)
Transfers	11,672	(933)	2,422	306,945	(320,528)	(422)
Changes in the scope of consolidation and business combinations	-	(58)	(92,563)	5	297	(92,319)
Depreciation charge [2]	(33,770)	(1,454)	(18,745)	(108,842)	(12,234)	(175,045)
Impairment losses	-	-	-	-	-	-
Other	(101)	931	1,733	786	(631)	2,718
Transfers to assets classified as held for sale and discontinued operations	-	(5,416)	(63)	(843,547)	(198,739)	(1,047,765)
Ending carrying amount	**100,675**	**50,316**	**38,838**	**182,533**	**48,481**	**420,843**
At 31 December 2017						
Cost	568,606	64,230	145,766	772,932	93,073	1,644,607
Accumulated depreciation and impairment losses	(467,931)	(13,914)	(106,928)	(590,399)	(44,592)	(1,223,764)
Carrying amount	**100,675**	**50,316**	**38,838**	**182,533**	**48,481**	**420,843**

(1) Relating basically to satellite assets that were discontinued in 2017 (see Note 6).

(2) Including depreciation of EUR -68,169 thousand associated with the **Hispasat** subgroup, prior to the discontinuation thereof in 2017 (see Note 6).

The detail of the net property, plant and equipment owned by the Group companies located abroad is as follows:

	31 December 2018		31 December 2017	
	Currency	Euros	Currency	Euros
France (euro)	188,038	188,038	181,866	181,866
Puerto Rico (US dollar, USD)	41,088	35,885	38,565	32,156
Italy (euro)	31,030	31,030	31,076	31,076
Chile (Chilean peso, CLP)	13,485,752	16,971	13,641,647	18,483
Brazil (Brazilian real, BRL)	54,794	12,330	60,019	15,107
Other	-	9,584	-	6,497
Net property, plant and equipment owned by Group companies located abroad	**-**	**293,838**	**-**	**285,185**

The exchange differences that arose in the year relate primarily to assets in Brazil, Chile and Puerto Rico and were a result of the decrease in the year-end exchange rates of the Brazilian real and the Chilean peso in the case of Brazil and Chile and the increase in the year-end exchange rate of the US dollar in the case of Puerto Rico. In 2017 the exchange differences related mainly to the decrease in the year-end exchange rates of the Brazilian real, the Chilean peso and the US dollar.

The additions in 2018 relate mainly to certain upgrades to assets of the **Hit** subgroup amounting to EUR 51 million. The additions in 2017 related mainly to advances paid for the acquisition of non-current assets (new satellites) by the **Hispasat** subgroup amounting to EUR 89 million, until the discontinuation thereof in 2017.

It should be noted that no interest was capitalised in 2018 (2017: EUR 5,022 thousand).

It should also be highlighted that the variations in 2017 arising from changes in the scope of consolidation and business combinations related to:

- The impact associated with the sale in July 2017 of the investee Infracom (EUR -92,785 thousand).
- The impact of the acquisition of 100% and 74% of the share capital of the Indian companies TTPL and JEPL, respectively (EUR 466 thousand).

The detail of the grants related to assets -which are taken to profit or loss on a straight-line basis over the useful life of the asset financed with a reduction in the depreciation charge for the year and are recognised as a reduction of property, plant and equipment and returnable assets, is as follows:

	2018		**2017**	
	Net grant (balance)	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss (adjusted)
Other	9	68	65	61
	9	**68**	**65**	**61**

At 31 December 2018 (as at 31 December 2017), property, plant and equipment did not include returnable assets of a material net amount.

The detail of "Other" is as follows:

	31 December 2018	**31 December 2017**
Property, plant and equipment in the course of construction	17,149	13,303
Other items of property, plant and equipment, net	38,429	35,178
	55,578	**48,481**

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. If any indication of impairment exists, it estimates the asset's recoverable amount applying the general policies described in Note 3-c. The assessment carried out at 31 December 2018 did not reveal any indications of impairment or, therefore, the need to recognise significant impairment losses (as was also the case at 2017 year-end).

Also, at 31 December 2018 the Group had firm property, plant and equipment purchase commitments of EUR 3,848 thousand (2017 year-end: EUR 2,522 thousand) corresponding mainly to assets of **Metropistas**.

Also, at 31 December 2018 the following items of property, plant and equipment were subject to restrictions and/or had been pledged as security for liabilities:

	31 December 2018	**31 December 2017**
Metropistas	34,299	30,710
A4 subgroup	10,950	13,309
TTPL	1,151	203
JEPL	732	65
	47,132	44,287

Lastly, it should be noted that the Group takes out the insurance policies considered necessary to cover the possible risks to which the property, plant and equipment might be subject.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the main items comprising these headings are as follows:

		Other intangible assets			
	Goodwill	Administrative concessions	Computer software	Other	Total
At 1 January 2018					
Cost	4,422,125	32,207,819	191,729	185,154	32,584,702
Accumulated amortisation and impairment losses	-	(17,125,797)	(155,195)	(18,591)	(17,299,583)
Carrying amount	**4,422,125**	**15,082,022**	**36,534**	**166,563**	**15,285,119**
2018					
Beginning carrying amount	4,422,125	15,082,022	36,534	166,563	15,285,119
Translation differences	(44,167)	(533,257)	(749)	(13,162)	(547,168)
Additions	-	662,390	15,262	1,009	678,661
Disposals (net)	-	(13,353)	-	-	(13,353)
Transfers	-	17,229	1,370	(111,333)	(92,734)
Changes in the scope of consolidation and business combinations	-	-	-	-	-
Amortisation charge	-	(1,268,880)	(10,587)	(6,479)	(1,285,946)
Impairment losses	-	-	-	-	-
Other	5,076	145,901	233	2	146,136
Transfers to/from assets classified as held for sale and discontinued operations	-	-	-	12	12
Ending carrying amount	**4,383,034**	**14,092,052**	**42,063**	**36,612**	**14,170,727**
At 31 December 2018					
Cost	4,383,034	32,143,770	204,994	60,990	32,409,754
Accumulated amortisation and impairment losses	-	(18,051,718)	(162,931)	(24,378)	(18,239,027)
Carrying amount	**4,383,034**	**14,092,052**	**42,063**	**36,612**	**14,170,727**

		Other intangible assets			
	Goodwill	Administrative concessions	Computer software	Other	Total
At 1 January 2017					
Cost	4,550,461	31,941,845	256,927	654,927	32,853,699
Accumulated amortisation and impairment losses	-	(16,116,275)	(203,181)	(181,441)	(16,500,897)
Carrying amount	**4,550,461**	**15,825,570**	**53,746**	**473,486**	**16,352,802**
2017					
Beginning carrying amount	4,550,461	15,825,570	53,746	473,486	16,352,802
Translation differences	(29,457)	(700,872)	(911)	(5,764)	(707,547)
Additions	-	1,109,683	17,965	10,702	1,138,350
Disposals (net)	-	(12,498)	(1,233)	(1,871)	(15,602)
Transfers	-	(30,572)	622	88,001	58,051
Changes in the scope of consolidation and business combinations	35,689	210,112	(15,379)	599	195,332
Amortisation charge [(1)]	-	(1,299,329)	(11,396)	(34,965)	(1,345,690)
Impairment losses	-	-	(543)	-	(543)
Other	-	13,016	(2,667)	40	10,389
Transfers to assets classified as held for sale and discontinued operations	(134,568)	(33,088)	(3,670)	(363,665)	(400,423)
Ending carrying amount	**4,422,125**	**15,082,022**	**36,534**	**166,563**	**15,285,119**
At 31 December 2017					
Cost	4,422,125	32,207,819	191,729	185,154	32,584,702
Accumulated amortisation and impairment losses	-	(17,125,797)	(155,195)	(18,591)	(17,299,583)
Carrying amount	**4,422,125**	**15,082,022**	**36,534**	**166,563**	**15,285,119**

(1) Including amortisation of EUR -31,369 thousand associated with the **Hispasat** subgroup, prior to the discontinuation thereof in 2017 (see Note 6).

The detail of the goodwill and other intangible assets (net) at the Group companies located abroad is as follows:

(in thousands)	31 December 2018		31 December 2017	
	Currency	Euro	Currency	Euro
France (euro)	7,485,600	7,485,600	7,627,682	7,627,682
Brazil (Brazilian real, BRL)	14,249,799	3,206,525	14,045,452	3,535,315
Chile (Chilean peso, CLP)	2,236,170,308	2,814,103	2,287,444,141	3,099,311
Italy (euro)	1,207,658	1,207,658	1,322,643	1,322,643
Puerto Rico (US dollar, USD)	1,160,656	1,013,673	1,188,527	991,017
India (rupee, INR)	14,656,228	183,824	15,723,935	205,259
Other	-	797	-	12,163
Intangible assets (net) at companies located abroad	**-**	**15,912,180**	**-**	**16,793,390**

The exchange differences that arose in the year relate primarily to assets in Brazil, Chile and Puerto Rico and were a result of the decrease in the year-end exchange rates of the Brazilian real and the Chilean peso, and the increase in the year-end exchange rate of the US dollar. In 2017 the exchange differences related mainly to the decrease in the year-end exchange rates of the Brazilian real, the Chilean peso and the US dollar.

The additions in 2018 (as in 2017) to "Administrative Concessions" relate mainly to the following subgroups and/or concession operators.

(in thousands)	31 December 2018		31 December 2017	
	Currency	Euro	Currency	Euro
Arteris subgroup (Brazil, Brazilian real, BRL)	1,324,644	298,075	3,488,169	877,991
Chilean concession operators (Chile, Chilean peso, CLP)	141,800,283	178,448	58,160,471	78,803
Sanef (France, euros)	176,095	176,095	141,417	141,417
Other	-	9,772	-	11,472
Additions to administrative concessions	**-**	**662,390**	**-**	**1,109,683**

The additions shown are a result of investments made in the year primarily to expand the capacity of the toll road networks owned by these subgroups and/or concession operators. In the case of the Chilean concession operators, this includes CLP 119,284 million (EUR 150 million) corresponding to the investment obligation of **Sol**, recognised at the present value thereof with a balancing entry under the corresponding other liabilities account (see Note 21), in relation to the agreement executed in the year for the performance of construction work associated mainly with the construction of third lanes leading to Talagante (see Note 9-iv).

It should be noted that the additions in 2017 of the **Arteris** subgroup included the amount of the tender for the new **Via Paulista** concession (BRL 1,516 million, approximately EUR 396 million).

The transfers in 2018 include, by virtue of the agreements entered into by the Argentine consolidated companies **Ausol** and **Gco** to amend the concession arrangements operated by them (see Note 27-c), a transfer on 24 July 2018 to "Concession arrangements – financial asset model", for an amount of EUR 101,167 thousand (at the exchange rate then prevailing) relating to the value of the unamortised intangible asset associated therewith (see Note 13-i-h, previously restated for the effects of hyperinflation in accordance with IAS 29 as indicated below).

Also, “Other” includes mainly:

- On the one hand, the recognition by the Chilean company **Andes** of a grant from the Chilean Ministry of Public Works (CLP 22,758,749 thousand, EUR 29,844 thousand, at 31 December 2018) in connection with the new stretch of toll road brought into service in February 2018. As indicated in Note 3-a, grants related to assets received are recognised as a reduction of property, plant and equipment and returnable asset balances and are recognised in profit or loss on a straight-line basis over the years of useful life of the asset being financed, reducing the related period depreciation charge.
- On the other, in relation to the consolidated companies **Gco** and **Ausol**, as described in Note 2-g.vi, as the Argentine economy was considered to be hyperinflationary, it was necessary to adjust the financial statements of these Group companies located in Argentina in order to express them in terms of the measuring unit current at the end of the reporting period. In this connection, the cumulative historical differences between the restated costs and the previous costs of intangible asset items at 31 December 2017, amounting to EUR 167,901 thousand, were recognised with a credit to “Translation Differences” and “Non-Controlling Interests” in consolidated equity with effect for accounting purposes from 1 January 2018.

In 2018 the capitalised borrowing costs amounted to EUR 21,013 thousand (2017: EUR 48,902 thousand) and related mainly to the extension and upgrade work carried out by the **Arteris** subgroup (EUR 20,303 thousand in 2018 and EUR 43,723 thousand in 2017).

It should also be noted that the changes in 2017 arising from changes in the scope of consolidation and business combinations related to:

- The impact associated with the sale in July 2017 of the investee Infracom (EUR -15,087 thousand).
- The impact of the acquisition of 100% and 74% of the share capital of the Indian companies TTPL and JEPL, respectively (EUR 210,419 thousand).

i) Goodwill

The detail of the goodwill of the subsidiaries allocated to each of the various cash-generating units identified by Group management, broken down by business segment and concession that generated the goodwill, is as follows:

	31 December 2018	**31 December 2017**
Toll roads		
HIT/Sanef subgroup	2,824,087	2,824,087
Autopista Central [(1)]	486,355	523,640
Iberpistas/Castellana	308,224	308,224
Avasa	245,650	245,650
A4 subgroup	181,305	181,305
Aucat	178,447	178,447
Túnels	37,099	37,099
TTPL [(1)]	25,167	23,754
Rutas del Pacífico [(1)]	24,462	26,337
Los Andes [(1)]	18,898	20,347
Libertadores [(1)]	15,849	17,064
JEPL [(1)]	11,407	9,007
Aulesa	9,985	9,985
Autopista del Sol [(1)]	8,279	8,914
Emovis subgroup	6,711	6,711
Other [(1)]	1,109	1,554
	4,383,034	4,422,125
Goodwill	**4,383,034**	**4,422,125**

(1) Goodwill associated with assets that operate in a currency other than the euro (mainly the Chilean peso) and whose value in euros was therefore affected by the change in the year-end exchange rate.

ii) Administrative concessions

The detail of the main administrative concessions (see Note 27-c), by operating segment, is as follows:

	31 December 2018	31 December 2017
Toll roads		
HIT/Sanef subgroup	4,634,452	4,777,993
Arteris subgroup [(1)]	3,202,417	3,405,529
Autopista Central [(1)]	1,671,497	1,934,770
A4 subgroup	990,085	1,101,592
Metropistas [(1)]	978,482	956,069
Avasa	632,118	712,223
Túnels	421,854	444,073
Iberpistas/Castellana	269,194	294,650
Aucat	177,029	185,791
Autopista del Sol [(1)]	173,625	50,477
Los Andes [(1)]	157,237	197,376
Acesa	156,170	214,734
Rutas del Pacífico [(1)]	129,339	165,525
TTPL [(1)]	92,050	107,837
Aulesa	75,194	77,268
Libertadores [(1)]	65,337	78,942
Invicat	58,861	80,937
Aumar	57,148	114,297
JEPL [(1)]	55,198	64,651
Ausol [(1)]	-	6,920
Gco [(1)]	-	3,799
Other [(1)]	94,765	106,569
	14,092,052	15,082,022
Administrative concessions (carrying amount)	**14,092,052**	**15,082,022**

[(1)] Administrative concessions associated with assets that operate in a currency other than the euro (mainly the Brazilian real, the Chilean peso and the US dollar) and whose value in euros was therefore affected by the change in the year-end exchange rate.

iii) Impairment losses

As detailed in Notes 3-b and 3-c, at each balance sheet date (and at least at each year-end) the Group assesses whether there is any indication that any of the assets may have become impaired, such as a very significant drop in traffic and/or highly adverse changes in the main macroeconomic aggregates of the countries in which the assets are located (GDP, inflation, interest rates, etc.), taking into account the potential impact on the aggregates of the concession asset. If any such indication exists, or when an annual impairment test has to be performed (in the case of goodwill and intangible assets with an indefinite useful life), the Group estimates the recoverable amount of the asset, for which purpose, as stated in the aforementioned Notes, the following steps were taken:

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

  Projections for periods longer than five years are used, since concession infrastructure has a finite life and, therefore, the period over which cash flows are projected has been clearly restricted and defined (as indicated above, the remaining concession term is used).

- Before preparing the revenue and expense projections, the Group checked, inter alia, the changes in the most significant variables included in the impairment test for 2017, and the achievement of the key assumptions used in that test, against the results obtained in 2018, in order to assess any possible variances.

  The comparison of the projections for 2018 included in the impairment tests of 2017 and the actual results for 2018 did not disclose any significant variances.

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

  - In the case of revenue, in order to estimate changes in tolls, the Group took into consideration the official CPI forecast of each country in which investments are made (considering the corresponding toll revision formulas established in the concession arrangements of the various toll roads, 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 projected activity and the operating efficiency plans implemented by the Group.
  - Also, the impact of future infrastructure maintenance and upgrade work was considered on the basis of the best estimates available and the Group'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.

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

All of these considerations with regard to the most significant items of goodwill and intangible assets (mainly administrative concessions) are summarised as follows:

2018

Cash-generating unit	Last year projected (concession term)	Cumulative annual growth (2018 - end of concession) CPI	Tolls	Activity (ADT)	Expenses	Discount rate
Avasa	2026	1.91%	1.91%	1.96%	1.50%	5.15%
Iberpistas/Castellana	2029	1.94%	1.94%	1.84%	2.13%	5.11%
Aucat	2039	1.97%	1.87%	1.64%	2.46%	5.25%
Túnels	2037	1.96%	1.86%	1.18%	1.69%	5.25%
HIT/Sanef subgroup	2031-33	1.91%	1.18%	1.46%	1.22%	4.61%
A4 subgroup	2026	1.50%	3.23%	1.70%	2.03%	5.08%
Arteris subgroup	2033-47	4.01%	5.13%	4.43%	2.87%	9.50%
Autopista Central	2031	3.00%	6.53%	3.51%	3.99%	7.26%
Abauchi III subgroup	2026	3.00%	2.28%	4.20%	5.26%	8.05%
Metropistas	2061	1.98%	3.47%	1.25%	1.56%	12.04%
TTPL and JEPL	2026	5.00%	4.79%	6.93%	3.18%	9.82%

2017

Cash-generating unit	Last year projected (concession term)	Cumulative annual growth (2017 - end of concession) CPI	Tolls	Activity (ADT)	Expenses	Discount rate
Avasa	2026	2.15%	2.18%	2.30%	1.78%	5.18%
Iberpistas/Castellana	2029	2.19%	2.09%	1.90%	2.39%	5.14%
Aucat	2039	2.08%	2.08%	1.86%	2.94%	6.02%
Túnels	2037	2.07%	2.05%	1.57%	2.52%	5.99%
HIT/Sanef subgroup	2031-33	1.83%	1.26%	1.46%	1.59%	4.84%
A4 subgroup	2026	1.50%	5.75%	1.95%	1.18%	5.24%
Arteris subgroup	2033-47	4.01%	4.83%	4.50%	3.83%	10.80%
Autopista Central	2031	3.38%	6.77%	3.06%	2.94%	7.45%
Abauchi III subgroup	2026	3.38%	3.02%	4.05%	3.21%	7.45%
Metropistas	2061	1.93%	3.48%	1.19%	2.60%	11.27%
TTPL and JEPL	2026	4.71%	4.80%	8.43%	4.15%	10.24%

The results of the impairment tests conducted on the various cash-generating units to which the various items of goodwill recognised are allocated (as well as the respective revalued assets) at 31 December 2018 are as follows:

HIT/Sanef subgroup (France)

As regards the goodwill of **Hit/Sanef**, it should be noted 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 obtained sufficiently exceeds the carrying amount of the goodwill that was recognised and that of the allocated assets. There is no indication of a significant risk of impairment arising from changes in the assumptions used (the sensitivity analyses conducted on the projections indicate that the assets could withstand a reduction of more than 15% in their values).

Arteris (Brazil)

In relation to the impairment tests on the intangible assets of the **Arteris** subgroup, it should be stated that on the one hand, as mentioned above, the changes in 2018 are in line with those envisaged in the 2017 impairment test and that, on the other, in 2018 traffic -having excluded the exceptional events in the year-, tolls and the main macroeconomic assumptions were in line with those budgeted for the year. Thus, the recoverable amount obtained exceeds the carrying amount of the allocated assets, although the sensitivity analyses performed on the projections considered disclose a limited tolerance (of around 5%) to changes in the key assumptions used.

Spanish concession operators

As regards the impairment tests on the goodwill of the Spanish toll roads, in the case of **Iberpistas/Castellana** and **Aucat** the recoverable amount obtained significantly exceeds the carrying amount of each company's goodwill and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of a significant impairment risk (the sensitivity analyses conducted on the projections evidence clearly that the goodwill of these companies could withstand a reduction in value of more than 15%).

In the case of **Avasa**, the results of the impairment tests also suggest that the carrying amount of the goodwill and the revalued allocated assets would be recovered, although they are less resistant to changes in the key assumptions used (around 5%). The projections considered are above those considered in 2017 as a result of the increase in traffic during the year.

Chilean concession operators

Based on the impairment tests on the goodwill and allocated assets of **Autopista Central** , the revenue recognised in 2018 is higher than the figures budgeted and included in the impairment test for 2017 for this year, and the recoverable amount obtained sufficiently exceeds the carrying amount of the goodwill recognised and of the assets and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of a significant impairment risk, although they are less resistant to changes in the key assumptions used (around 5%).

As regards the impairment tests on the goodwill and allocated assets of the **Abauchi III** subgroup, the recoverable amount sufficiently exceeds their carrying amount and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of a significant risk of impairment, since the sensitivity analyses conducted on the projections clearly evidence that the goodwill and allocated assets of these companies could withstand a reduction in value of about 15%. The projections considered are in line with those considered in 2017 as a result of the increase in traffic during the year.

A4 (Italy)

Based on the impairment tests on the goodwill and allocated assets of **A4** , the revenue recognised in 2018 is higher than the figures budgeted and included in the impairment test for 2017 for this year, and the recoverable amount obtained sufficiently exceeds the carrying amount of the goodwill recognised and of the assets and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of a significant impairment risk, although they are less resistant to changes in the key assumptions used (around 5%).

Metropistas (Puerto Rico)

The Group's investment in Puerto Rico has been affected by the worsening macroeconomic situation in the country since 2015, which was exacerbated by the major hurricanes that hit the island at the end of 2017. 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).

The impairment tests on the concession infrastructure of **Metropistas** do not disclose any problems in relation to the valuation of the aforementioned asset, indicating that it could withstand reductions in activity and reasonable increases in the discount rate (around 5%).

TTPL and JEPL (India)

Based on the impairment tests on the goodwill and allocated assets of **TTPL** and **JEPL** (of which control was obtained in March 2017), their recoverable amount is in line with that considered during the purchase price allocation process carried out during the year and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of a significant impairment risk, although they are less resistant to changes in the key assumptions used (around 5%). It should be noted that the projections considered are in line with the figures included in the impairment test for 2017.

Therefore, according to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the various items of goodwill are allocated will make it possible to recover the carrying amount of all the goodwill and intangible assets recognised at 31 December 2018 and, therefore, no impairment losses were recognised at 2018 year-end (as at 2017 year-end).

iv) Other disclosures

Grants related to assets

The detail of the grants related to assets -which are taken to profit or loss on a straight-line basis over the useful life of the asset financed with a reduction in the amortisation charge for the year and are recognised as a reduction of other intangible assets (mainly "Administrative Concessions"), is as follows:

	2018		2017	
	Net grant	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss (adjusted)
Hit/Sanef subgroup [1]	97,220	6,630	103,613	6,629
Andes [1]	27,360	1,281	-	-
Other	322	37	30	40
Ausol [2]	-	-	6,920	2,752
	124,902	**7,948**	**110,563**	**9,421**

[1] Granted by the French Government in the case of Hit/Sanrf and by the Chilean Ministry of Public Works in the case of Andes.

[2] Change affected by the transfer on 24 July 2018 of the entire unamortised asset to "Concession arrangements – financial asset model" pursuant to the new concession arrangement entered into by **Ausol**.

Investment obligations

In connection with the concession arrangements of the toll road concession operators of the **Arteris** subgroup, the Group has the following obligations to invest in upgrading the infrastructure or increasing its capacity:

	31 December 2018		31 December 2017	
(nominal amount)	Millions of Brazilian reais	Millions of euros	Millions of Brazilian reais	Millions of euros
Concession operators dependent on the Brazilian Federal Government [1]	1,986	447	2,323	585
Concession operators dependent on the State of São Paulo [2]	3,937	886	3,158	795
	5,923	**1,333**	**5,481**	**1,380**

[1] The construction period is expected to last for the concession term, which ends in 2033.

[2] Including BRL 3,707 million (approximately EUR 834 million) associated with the new Via Paulista concession that was put out for tender in 2017 and will foreseeably be executed over the concession term up to 2047.

The following investment obligations of the Group are also worthy of mention:

- 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**).
- The **Hit/Sanef** subgroup, within the framework of "Plan Relance" for French toll roads formalised in 2015, reached an agreement with the French Government to make investments of approximately EUR 600 million to upgrade the toll road network in exchange for the extension of the term of the concessions (two years for **Sanef** and three years and eight months for **Sapn**). At the reporting date, investments amounting to EUR 266 million had been made (2017 year-end: EUR 151 million).
- In August 2016 the **A4** subgroup received approval from the Comitato Interministeriale per la Programazione Economica (CIPE) to upgrade the A31 toll road by carrying out the "Valdastico Norte" project, which led to the confirmation of the term of the concession arrangements for the A4 and A31 toll roads until 31 December 2026 (see Note 27-c). The purpose of this project, which is currently being designed, is to build a road interconnection corridor between the d'Astico Valley, the La Valsugana Valley and the Adige Valley and will entail for the **A4** subgroup, by the time the project has been completed, estimated total investments of around EUR 2,200 million pursuant to the current economic and financial plan. The investments will be recovered, as described in Note 3-b.ii, partly during the remaining concession term (up to December 2026) and partly through an unconditional right to receive an amount from the grantor that will be exercised at the end of the concession term. At the reporting date, investments amounting to EUR 24 million had been made.

- Also in 2016 **Autopista Central** entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work in connection with the Nudo de Quilicura junction (the estimated investment in building works amounts to close to CLP 389 billion, approximately EUR 489 million at 31 December 2018), which in return would lead to the extension of the concession arrangement by around 32 months from July 2031 to March 2034 (see Note 27-c). At the date of preparation of these consolidated financial statements, this memorandum of understanding had not yet been executed.
- In the case of **Sol**, in March 2018 a Supreme Decree was published formalising the framework memorandum of understanding and the resolution ordering the performance of the engineering work (both documents signed in 2016 with the Chilean Ministry of Public Works) relating to the project for construction work associated mainly with the construction of third lanes leading to Talagante (the estimated maximum investment is around CLP 132 billion, approximately EUR 166 million at 31 December 2018 including VAT and project administration expenses), which in return has led to the extension of the concession arrangement from May 2019 to March 2021 (see Note 27-c). At the reporting date, investments amounting to CLP 1.4 billion had been made (approximately EUR 1.8 million at 31 December 2018).
- Also, on 25 January 2018 **Sol** entered into a new non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work in connection with the new access to San Antonio Port ("NAPSA") the estimated maximum investment being around CLP 26 billion (approximately EUR 33 million at 31 December 2018), which in return would lead to the extension of the concession arrangement by 13 months from March 2021 to April 2022. At the date of preparation of these consolidated financial statements, this memorandum of understanding had not yet been executed.

- Lastly, also in the case of **Sol**, on 6 December 2018 a resolution was handed down ordering the performance of engineering and construction work associated with the implementation of a free-flow electronic tolling system, with an estimated maximum investment of close to CLP 17 billion (around EUR 22 million at 31 December 2018). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by an eight-month extension to the concession arrangement, and the Ministry of Public Works may choose to replace this extension with a direct payment of the balance not yet settled in this connection. At the date of formal preparation of these consolidated financial statements, this arrangement had not yet been executed, the related ad referendum agreement had not been signed and the Supreme Decree had not yet been published in the Chilean Official Gazette.
- In addition, **Rutas del Pacífico**, also on 25 January 2018, entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work with an estimated maximum investment of close to CLP 120 billion (approximately EUR 151 million at 31 December 2018), which in return would entail the extension of the concession arrangement by 24 months. At the date of preparation of these consolidated financial statements, this memorandum of understanding had not yet been executed.
- Also, on 31 May 2018 **Rutas del Pacífico** entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work associated with the implementation of a free-flow electronic tolling system, with an estimated maximum investment of close to CLP 16 billion (around EUR 20 million at 31 December 2018). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by a ten-month extension to the concession arrangement. This memorandum of understanding was executed in November 2018 by means of an ad referendum agreement, and was published in the Chilean Official Gazette on 15 December 2018, at which time it became fully effective.

- On 31 May 2018, **Libertadores** agreed with the Chilean Ministry of Public Works the bases for a future non-binding framework memorandum of understanding relating to the possible performance of construction work associated with the implementation of a free-flow and stop & go electronic tolling system, with an estimated maximum investment of close to CLP 5 billion (around EUR 6 million at 31 December 2018). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by a 12-month extension to the concession arrangement, and the Ministry of Public Works may choose to replace this extension with a direct payment of the balance not yet settled in this connection. The corresponding resolution ordering the performance of the engineering and construction work associated with the aforementioned project was handed down on 23 November 2018, pending formalisation through the signing of the agreement which will execute the arrangement.
- The Group also has various investment obligations under agreements entered into with the grantors (see Note 13-i).

Guarantees

The companies listed below have provided guarantees to creditor banks in relation to their administrative concessions (see Note 16):

	"Administrative Concessions" - carrying amount, net of accumulated amortisation and impairment losses	
	31 December 2018	**31 December 2017**
Consolidated Arteris subgroup companies	3,202,417	3,405,529
Sociedad Concesionaria Autopista Central, S.A.	1,671,497	1,934,770
Autopistas Metropolitanas de Puerto Rico, Llc.	978,482	956,069
Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A.	421,854	444,073
Sociedad Concesionaria Autopista de Los Andes, S.A.	157,237	197,376
Trichy Tollway Private Limited	92,050	107,837
Jadcherla Expressways Private Limited	55,198	64,651
Sociedad Concesionaria del Elqui, S.A.	13,726	18,426

Lastly, the Group takes out all the insurance policies it considers necessary to cover the risks that might affect investments in its infrastructure under the concession arrangements that it operates (see Note 27-c).

10. INVESTMENTS IN ASSOCIATES AND INTERESTS IN JOINT VENTURES

The changes in 2018 and 2017 in "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet were as follows:

	2018			2017		
	Interests in joint ventures	Investments in associates (2)	Total	Interests in joint ventures	Investments in associates	Total
At 1 January	68,886	1,245,650	1,314,536	67,088	1,303,440	1,370,528
Increase	-	614	614	-	384	384
Changes in the scope of consolidation and business combinations	-	-	-	-	(2,030)	(2,030)
Share of (loss)/profit(1) (Note 15-c.iii)	7,324	(10,509)	(3,185)	7,645	11,451	19,096
Translation differences	16	(234)	(218)	(37)	(2,199)	(2,236)
Accrued dividends (Note 21-c)	(6,112)	(328)	(6,440)	(5,540)	(7,050)	(12,590)
Cash flow hedges (Note 15)	-	(558)	(558)	-	1,394	1,394
Other (3)	(130)	19,253	19,123	(270)	3,882	3,612
Transfers to assets classified as held for sale and discontinued operations	-	(1,107,296)	(1,107,296)	-	(63,622)	(63,622)
At 31 December	**69,984**	**146,592**	**216,576**	**68,886**	**1,245,650**	**1,314,536**

(1) The share of (loss)/profit is stated after tax and non-controlling interests. For the purposes of the presentation of the changes in investments in associates, the profit or loss of Cellnex is included up to the date of its discontinuation in 2018 (see Note 7).

(2) Corresponding basically to the 34% ownership interest held in Cellnex, which was classified in the year as a non-current asset held for sale until its disposal (see Note 7).

(3) In 2018 this includes EUR 15,658 thousand recognised with an impact on equity and corresponding to Cellnex; an investment subsequently sold in the year (see Note 7).

The detail of the Group's investments in associates and interests in joint ventures located abroad is as follows:

	31 December 2018		31 December 2017	
	Currency	Euro	Currency	Euro
France (euro)	60,743	60,743	57,596	57,596
Colombia (Colombian peso, COP)	35,577,973	9,566	52,119,240	14,565
Italy (euro)	1,790	1,790	2,594	2,594
Other (mainly in the UK)	-	17,048	-	14,188
Investments in associates and interests in joint ventures located abroad	**-**	**89,147**	**-**	**88,943**

In this respect, the exchange differences arising in the year correspond mainly to assets located in Colombia due to the depreciation of the year-end exchange rate of the Colombian peso (also depreciation at 2017 year-end), and to assets located in the UK due to the drop in the year-end exchange rate of the pound sterling (also depreciation at 2017 year-end).

The most notable changes in 2018, in addition to the Group's share of profit or loss and the accrued dividends, are as follows:

- The increases in the year relate to the subscription of the capital increases carried out at Bip&Drive, S.A. and Leonord, S.A.S. (in which **Abertis** continues to hold an ownership interest of 35% in both cases).
- As detailed in Note 7, the transfer to "Assets Classified as Held for Sale" corresponds to 34% of the capital held in Cellnex at the time of the transfer, which had been disposed of in full at 2018 year-end.
- Derecognition of investments in Irasa, Alazor and Ciralsa (totally impaired) as associate entities afther the decision to open the liquidation phase, cause of full dissolution of a company and irrevocable liquidation, and the transfer of the management of its assets to Seittsa.
- The translation differences relate mainly to Coviandes and Coninvial (as a result of the decrease in the year-end exchange rate of the Colombian peso) and RMG (due to the drop in the year-end exchange rate of the pound sterling).

Also, the most noteworthy changes in 2017 were as follows:

- The increases in the year related to the subscription of the capital increase carried out at Bip&Drive, S.A. (in which **Abertis** continues to hold an ownership interest of 35%).
- The changes in the scope of consolidation and business combinations related to the impact associated with the sale of the investee Infracom in relation to the associates in which Infracom held an ownership interest.
- The translation differences related mainly to Coviandes and Coninvial (as a result of the decrease in the year-end exchange rate of the Colombian peso) and RMG (due to the drop in the year-end exchange rate of the pound sterling).

The detail of the investments in associates and of the interests in companies under joint control (joint ventures), all of which are accounted for using the equity method based on their respective business segments, is as follows:

	31 December 2018		31 December 2017	
	Value of the investment	Goodwill (1)	Value of the investment	Goodwill (1)
Toll roads				
Trados 45	64,774	29,872	61,518	29,872
Areamed	5,123	-	6,797	-
Tc Flow	87	-	571	-
Interests in joint ventures	69,984	29,872	68,886	29,872
A'lienor	58,110	-	55,291	-
Autema	54,672	-	50,877	-
RMG	16,961	1,335	13,617	1,346
Coninvial	5,846	-	10,732	-
Coviandes	3,720	103	3,834	107
Alis/Routalis	2,333	1,950	2,291	1,950
Bip&Drive	2,860	-	2,281	-
Pedemontana Veneta	1,790	-	1,862	-
G.R.A. di Padova	-	-	732	-
Leonord	300	-	14	-
Investments in associates(2)	146,592	3,388	141,531	3,403
	216,576	33,260	210,417	33,275
Telecommunications				
Cellnex subgroup (3)	-	-	1,104,119	690,639
Investments in associates	-	-	1,104,119	690,639
Investments in associates and interests in jointly controlled entities	**216,576**		**1,314,536**	

(1) The goodwill detailed in the foregoing table is included in the value of the investments in associates and interests in jointly controlled entities accounted for using the equity method. In the case of Coviandes, it arose from the year-end depreciation of the Colombian peso; and in the case of RMG, it was a result of the depreciation of the pound sterling at year-end.

(2) Also included are the Italian companies Rio de Vetrai, CIS and G.R.A di Padova the carrying amount of which at 2018 and 2017 year-end (except in the case of G.R.A di Padova and also this year the Spanish companies Irasa, Alazor and Ciralsa) was EUR 0 thousand.

(3) Investment included up to its disposal in July 2018 under "Assets Classified as Held for Sale and Discontinued Operations" in the interim condensed consolidated balance sheet following its classification as a non-current asset classified as held for sale in May 2018 (see Note 7).

As indicated in Note 2-g.i, if the Group's share of the losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses, unless it has incurred obligations or has payment commitments on behalf of the associate.

In this context, and as in prior years, no additional losses were recognised in the case of the associates Alis, Rio de Vetrai, C.I.S. and G.R.A. di Padova (in 2017 additionally to the previous ones, Irasa Alazor and Ciralsa), the carrying amount of all of which has been reduced to zero (in the case of the Irasa, Alazor and Ciralsa the carrying amount of the loans to them have also been reduced to zero).

The detail of the accumulated losses of these investees, based on the percentage of ownership held by **Abertis**, is as follows:

	31 December 2018 (1)			**31 December 2017**		
	Loss for the year	Accumulated losses from prior years (2)	Total	Loss for the year	Accumulated losses from prior years	Total
Irasa (3)	-	-	-	5,420	94,337	99,757
Alazor (3)	-	-	-	4,508	72,039	76,547
Ciralsa (3)	-	-	-	3,788	84,391	88,179
Alis (4)	(3,180)	20,102	16,922	(1,736)	23,273	21,537
Italian Golf Development (5)/(6)	-	-	-	-	151	151
Exdo (5)/(6)	-	-	-	-	1,315	1,315
Sherpatv (5)/(6)	-	-	-	-	565	565
C.I.S. (5)	-	232	232	-	232	232
G.R.A di Padova (5)	-	259	259	-	-	-
	(3,180)	**20,593**	**17,413**	**11,980**	**276,303**	**288,283**

(1) Equity values at 31 December 2018 subject to the legally stipulated periods for authorisation for issue by the respective boards of directors.

(2) Accumulated losses from years prior to 31 December 2018 include a total impact of EUR 1,435 thousand relating to Alis (2017: EUR +5,395 thousand corresponding mainly to Alis) relating to transactions recognised directly in other comprehensive income.

(3) Most recent information available corresponding to 2017 year-end after the transfer of its management to Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Seittsa), as detailed in Note 10-i below. Investments derecognised as described previously.

(4) Associate of the **Hit** subgroup wholly owned by **Abertis** at 2018 and 2017 year-end.

(5) Associate of the **A4** subgroup in which **Abertis** holds an ownership interest of 90.03% at 2018 year-end following the purchase of non-controlling interests (83.56% at 2017 year-end).

(5) Associates of the **A4** subgroup liquidated in 2018 (see Note 2-h).

i) Investments in Irasa, Alazor and Ciralsa

In relation to the investments in Irasa, Alazor and Ciralsa, since the companies had not passed the common phase of the insolvency proceedings as the various arrangement proposals submitted had not been approved, in 2017 the respective courts issued orders agreeing to the opening of the liquidation phase and, consequently, the resolution of the respective concession contracts was requested (in the case of Alazor and Irasa, the concession arrangements were operated by the investees Accesos and Henarsa, respectively). Subsequently, in March, April and May 2018, the concession infrastructure of these operators, R2 (Irasa), Circunvalación de Alicante (Ciralsa) and R3-R5 (Alazor), began to be managed by Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Seittsa), which was subrogated to the activity and the personnel of the original operators. In this context and within the framework of the aforementioned irrevocable liquidation processes, the aforementioned concession infrastructure has been replaced by the amount resulting from Governmental Liability (Responsabilidad Patrimonial de la Administración (RPA)).

It should be noted in relation to the investment held in Alazor that its shareholders and the guarantors of the latter, including **Iberpistas** and **Acesa**, entered into an agreement with its creditor banks to provide financial support. Pursuant to this support agreement, certain of the creditor banks filed a claim against the shareholders and their guarantors in 2014 for the enforcement of possible obligations with regard to a portion of the borrowings. In this regard, at the end of February 2014 the Group arranged the payment into court of the deposit for the amount claimed, totalling EUR 131 million.

In relation to the aforementioned claims, on 27 March 2015 an order enforcing the aforementioned judgment was received upholding the enforcement claim submitted by Alazor's creditor banks and obliging Alazor's shareholders to pay the amounts claimed. By virtue of this order, on 28 April 2015 the claimant creditor banks requested the payment of the amounts claimed which **Iberpistas** and **Acesa** had already deposited into the court in 2014 in accordance with the foregoing.

In view of these circumstances, on 5 May 2015 the Group requested the court to suspend the payment request and on 11 May 2015 it filed an appeal against the enforcement order, reiterating the request to suspend the obligation to hand over any amounts to the claimants. In this regard, in May 2016 the Court granted leave to proceed with the request of the enforcing banks and, therefore, EUR 89 million of the total EUR 131 million deposited into court were handed over by **Iberpistas** and **Acesa**, following which a portion of the provision recognised in relation to the existing deposit was recognised in profit or loss. In relation to the aforementioned enforcement proceeding, on 19 September 2017 the Madrid Provincial Appellate Court handed down a decision on the appeal against the court judgment obliging payment to be made to the creditor banks, finding for the shareholders of Alazor and thereby setting aside the enforcement proceeding and ordering the creditor banks to refund the amounts they had received provisionally. Accordingly, at the end of December 2017 **Iberpistas** and **Acesa** were refunded most of the amounts paid into the court previously (the entire amount at 31 December 2018), which was recognised with a credit to the aforementioned provisions.

On 4 and 11 December 2018, the purported new agent bank of the syndicate of current creditor banks of Alazor and Accesos required -out of court- the shareholders of Alazor and its guarantors, by virtue of the aforementioned agreement to provide financial support, to pay the amounts they consider outstanding of the subordinated loan arranged by Alazor with Accesos (EUR 176 million corresponding to the guarantee they attribute to the Group companies). In this regard, on 22 January 2019, an action in ordinary declaratory proceedings was lodged by five funds that claim to be current creditors of a portion of the bank debt of Alazor and Accesos, claiming from Alazor's shareholders and its guarantors certain financial contribution obligations arising from the aforementioned agreement to provide financial support (EUR 223.5 million relating to the guarantee they attribute to the Group companies).

In any event, **Abertis** will respond with as many legal actions as may be necessary to protect its interests and those of its shareholders.

In this context, as the risks giving rise to the initial recognition of the provisions by the Group in prior years, it was considered reasonable to maintain them to cater for probable future payments as a result of the guarantees given to Alazor’s creditor banks (see Note 20-ii).

Lastly, as regards these investments, it is considered that with the provisions recognised in prior years the resolution of the aforementioned insolvency proceedings and lawsuits will not have a significant impact on these consolidated financial statements.

ii) Joint ventures

The Group has interests in the following joint ventures accounted for using the equity method:

		% of ownership	
Company	Line of business	31 December 2018	31 December 2017
Trados 45	Toll road concession	50.00%	50.00%
Areamed	Operation of toll road service areas	50.00%	50.00%
TC-Flow	Toll system management services	50.00%	50.00%
Rio Dei Vetrai	Real estate construction and management	50.00%	50.00%

The toll road concession arrangements of the joint ventures of the **Abertis** Group, accounted for using the intangible asset model under IFRIC 12, at 31 December 2018 (as at 31 December 2017) relate to the concession arrangement for the construction, maintenance and operation of the O'Donnell - N-IV stretch of the M-45 road in Madrid entered into by the Madrid Autonomous Community Government and Trados 45, ending in August 2029.

At 31 December 2018 and 2017, the joint ventures did not have any contingent liabilities or commitments to purchase property, plant and equipment or intangible assets of a significant value.

The financial information on the assets and liabilities and profit or loss for the year of the joint ventures detailed above (all of which are included in the toll roads operating segment), which are accounted for using the equity method, broken down by business segment, is summarised as follows:

31 December 2018

	Trados 45	Other	Total
ASSETS			
Non-current assets	50,796	4,818	55,614
Current assets	35,624	3,112	38,736
	86,420	7,930	94,350
LIABILITIES			
Non-current liabilities	42,574	-	42,574
Current liabilities	8,944	2,215	11,159
	51,518	2,215	53,733
NET ASSETS	**34,902**	**5,715**	**40,617**
STATEMENT OF PROFIT OR LOSS			
Revenue	15,392	6,611	22,003
Expenses	(8,473)	(6,206)	(14,679)
Profit attributable to shareholders of the Parent	**6,919**	**405**	**7,324**

Note: These amounts are accounted for in the consolidated balance sheet and consolidated statement of profit or loss using the equity method and do not include consolidation adjustments.

31 December 2017

	Trados 45	Other	Total
ASSETS			
Non-current assets	55,118	6,024	61,142
Current assets	35,959	4,293	40,252
	91,077	10,317	101,394
LIABILITIES			
Non-current liabilities	51,182	91	51,273
Current liabilities	8,249	2,255	10,504
	59,431	2,346	61,777
NET ASSETS	**31,646**	**7,971**	**39,617**
STATEMENT OF PROFIT OR LOSS			
Revenue	15,947	7,972	23,919
Expenses	(8,696)	(7,578)	(16,274)
Profit attributable to shareholders of the Parent	**7,251**	**394**	**7,645**

Note: These amounts are accounted for in the consolidated balance sheet and consolidated statement of profit or loss using the equity method and do not include consolidation adjustments.

iii) Impairment losses

In addition to the impairment tests referred to above, the Group performed impairment tests to determine the recoverability of the investments in associates as well as in companies under joint control (joint ventures). To perform these tests, the Group considered future cash flow projections in a manner similar to that indicated in Note 2-g.i.

A summary of all of these matters for the most significant assets is as follows:

2018		Cumulative annual growth (2018 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tolls	Traffic (ADT)	Expenses	Discount rate
Autema	2037	1.96%	1.87%	1.03%	2.24%	6.83%

2017		Cumulative annual growth (2017 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tolls	Traffic (ADT) (*)	Expenses	Discount rate
Autema (1)	2037	2.07%	2.08%	1.70%	2.82%	7.10%
Cellnex (2)	-	1.88%	1.88%	3.64%	2.59%	7.75%

(*) ADT in the case of toll roads and revenue in the case of Cellnex.

(1) Cumulative annual growth from 2017 onwards is indicated due to the estimated adverse impact of the application of the new concession framework.

(2) Cumulative annual growth for the first five projected years is indicated, although the measurement considers a longer time frame by including perpetual income.

The following should be noted in connection with the impairment tests to determine the recoverability of the investments in associates and interests in companies under joint control (joint ventures) at 31 December 2018:

Autema

It should be noted in relation to the recoverability of the investment in Autema that the performance in the year of the aggregates of this investee, on which in 2015 the Group recognised an impairment loss, is in line with the estimates made for the current period in the impairment test of 2017 (which already took into account the new terms and conditions unilaterally established by the Catalonia Autonomous Community Government in the concession arrangement).

In this regard, as a result of the amendment of the terms and conditions of the concession arrangement (the main reason for recognising the impairment loss), Autema filed pleadings with the Catalonia Autonomous Community Government expressly opposing the projected amendment of the terms and conditions of the concession arrangement. The pleadings were not addressed by the Catalonia Autonomous Community Government, which passed a Decree unilaterally amending the concession arrangement. Autema filed an appeal against this Decree at the Catalonia High Court, on which a decision had not been handed down at the date of authorisation for issue of these consolidated financial statements.

iv) Other disclosures

Also, as at 2017 year-end, at the end of 2018 there were no significant restrictions on the capacity of associates or joint ventures (companies under joint control) to transfer funds to the Parent in the form of dividends, debt repayments or advances other than such restrictions as might arise from the financing agreements of those associates or from their own financial situation, and there are no contingent liabilities relating to associates and joint ventures that might ultimately be assumed by the Group.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

The assets included in this line item include investments over which the Group does not have significant influence or control. As indicated in Note 5, these quoted and unquoted equity instruments (which until the application of IFRS 9 were classified as "Available-for-Sale Financial Assets") are recognised at their fair value and the Group made the irrevocable election to recognise the changes in the fair value thereof in equity.

The changes in "Available-for-Sale Financial Assets" in 2018 and 2017 were as follows:

	2018	2017
At 1 January	118,348	103,948
Additions	251	-
Disposals	(260)	(1,899)
Revaluation gains/(losses) recognised in other comprehensive income (Note 15-b)	(9,632)	28,929
Impairment losses	-	(12,630)
Other	(14)	-
At 31 December	**108,693**	**118,348**

The most noteworthy changes in 2018 were as follows:

- The additions relate to the conversion of a loan granted to Confederazione Autostrade, S.p.A. into capital.
- The disposals relate mainly to the sale of Veneto Strade, S.p.A. for its carrying amount (EUR 258 thousand).
- "Revaluation Gains/(Losses) Recognised in Other Comprehensive Income" relates to the revaluation loss on the investment in the real estate fund "Sansovino" (recognised based on an appraisal by an independent valuer) and Confederazione Autostrade, S.p.A.

In addition, the following significant changes occurred in 2017:

- "Revaluation Gains/(Losses) Recognised in Other Comprehensive Income" related mainly to the change in value of the interest held in Autostrada del Brennero, S.p.A.
- The impairment losses in the year relate to the investment in the "Serenissima Vitruvio" and "Sansovino" property funds, which were recognised in accordance with an appraisal conducted by an independent valuer.

The net total accumulated amount recognised in the equity of **Abertis** arising from changes in the fair value of these equity instruments was an accumulated gain of EUR 18,651 thousand at 31 December 2018 (2017 year-end: accumulated gain of EUR 23,761 thousand, amount recognised in reserves at the date of first-time application (1 January 2018).

The detail of these equity instruments at 31 December 2018 and 2017 is as follows:

	31 December 2018		**31 December 2017**	
	% (1)	Carrying amount	% (1)	Carrying amount
"Serenissima Vitruvio" real estate fund	35.29%	26,705	35.29%	26,705
Autostrade Lombarde, S.p.A.	4.90%	23,074	4.90%	23,074
"Sansovino" real estate fund	25.71%	3,000	25.71%	10,969
Autostrada del Brennero, S.p.A.	4.23%	50,001	4.23%	50,001
Soc. di Progetto Bre.Be.Mi., S.p.A.	0.54%	1,800	0.54%	1,800
Autovie Venete, S.p.A.	0.42%	1,779	0.42%	1,779
Interporto Padova, S.p.A.	3.59%	1,417	3.59%	1,417
Confederazione Autostrade, S.p.A.	16.67%	-	16.67%	1,412
Veneto Strade, S.p.A.	-	-	5.00%	258
Other	-	917	-	933
Equity instruments at fair value through equity	**-**	**108,693**	**-**	**118,348**

(1) Percentage of direct ownership held by companies of the **A4** subgroup over which **Abertis** holds an ownership interest of 90.03% (2017: 83.56%).

12. DERIVATIVE FINANCIAL INSTRUMENTS

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

	31 December 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	260	91,085	423	62,989
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Interest rate and/or cross currency swaps:				
Cash flow hedges	2,041	135,728	-	177,886
Hedges of a net investment in a foreign operation	92,802	42,147	65,714	72,808
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Derivative financial instruments	**95,103**	**268,960**	**66,137**	**313,683**
Interest rate swaps and cross currency interest rate swaps:				
Cash flow hedges	2,301	222,428	423	241,344
Hedges of a net investment in a foreign operation	54,824	36,104	23,889	30,697
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Non-current portion	**57,125**	**258,532**	**24,312**	**272,041**
Current portion	**37,978**	**10,428**	**41,825**	**41,642**

The Group has arranged interest rate swap derivative financial instruments as well as interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

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	4,641,250	-	50,000	-	-	112,500	4,478,750	(90,825)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	4,641,250	**-**	**50,000**	**-**	**-**	**112,500**	**4,478,750**	**(90,825)**
Interest rate and/or cross currency swaps:								
Cash flow hedges	734,367	-	43,668	-	-	-	690,699	(133,687)
Hedges of a net investment in a foreign operation	821,812	292,562	260,000	139,250	130,000	-	-	50,655
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	1,556,179	**292,562**	**303,668**	**139,250**	**130,000**	**-**	**690,699**	**(83,032)**

31 December 2017

	Notional amount	2018	2019	2020	2021	2022	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	1,122,125	-	-	50,000	-	-	1,072,125	(62,566)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	1,122,125	**-**	**-**	**50,000**	**-**	**-**	**1,072,125**	**(62,566)**
Interest rate and/or cross currency swaps:								
Cash flow hedges	745,487	41,691	-	-	-	-	703,796	(177,886)
Hedges of a net investment in a foreign operation	821,812	414,250	162,562	115,000	-	130,000	-	(7,094)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	1,567,299	**455,941**	**162,562**	**115,000**	**-**	**130,000**	**703,796**	**(184,980)**

a) Interest rate swaps

The notional principal amount of the interest rate swaps outstanding at 31 December 2018 totalled EUR 4,641,250 thousand (2017: EUR 1,122,125 thousand), and the fixed interest rates ranged from 0.39% to 4.11% (2017: from 0.65% to 4.11%) with the Euribor as the main floating interest reference rate.

In this respect, Túnels de Barcelona i Cadí, Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**), which is in the process of refinancing its bank debt (see Note 16), arranged new interest rate swaps totalling EUR 48,750 thousand, expiring in 2034 and with fixed interest at 1.54%.

Also, in December 2018 **Abertis**, in anticipation of future debt issues to be carried out in 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, that these debt issues were considered to be highly probable transactions. These transactions would be performed throughout 2019, and it is expected that the issues will expire between 2024 and 2031.

b) Cross currency interest rate swaps

In 2018 no interest rate and/or cross currency swaps were settled early, and the notional principal amount was not increased as a result of the arrangement of new instruments.

In this connection, the following transactions were performed in the year:

- **Abertis** renewed derivative financial instruments in Chilean pesos amounting to CLP 206,824,975 thousand with an equivalent euro value of EUR 239,250 thousand. The hedges were instrumented in a cross currency interest rate swap, which is designated as a partial hedge of the net investment made in various Chilean companies. Following that renewal, these hedges now expire in 2019 and 2021.
- **Abertis** renewed derivative financial instruments in Brazilian reais amounting to BRL 524,138 thousand with an equivalent euro value of EUR 175,000 thousand. The hedges were instrumented in cross currency interest rate swaps, which are designated as hedges of the net investment in **Arteris**. Following that renewal, these hedges now expire in 2019 and 2020.

- In 2018 **Arteris** renewed an interest rate and foreign currency swap for a nominal value of EUR 44,704 thousand, whereby it converted a loan of USD 50 million bearing fixed interest into an account payable in Brazilian reais and bearing floating interest tied to the CDI rate. Following that renewal, the hedge now expires in 2020.

Also, no interest rate and/or cross currency swap transactions expired in the year.

Also, in 2017 interest rate and/or cross currency swaps with a notional principal amount of EUR 209,537 thousand expired and/or were settled early, and the notional principal amount also increased by EUR 130 million, due mainly to the arrangement of new instruments.

In this regard, in 2017 the interest rate and/or cross currency swap transactions carried out in the year included most notably the following:

- **Abertis** renewed derivative financial instruments in Brazilian reais amounting to BRL 129,100 thousand with an equivalent euro value of EUR 40,000 thousand. The hedges were instrumented in a cross currency interest rate swap, which is designated as a hedge of the net investment in **Arteris**. Following that renewal, these hedges expire in 2022.
- **Abertis** renewed derivative financial instruments in Chilean pesos amounting to CLP 20,221,000 thousand with an equivalent euro value of EUR 24,803 thousand, which had been designated as part of the hedge of the net investments in various Chilean companies. Following that renewal, these hedges expire in 2019.
- **Abertis** settled derivative financial instruments in Chilean pesos amounting to CLP 20,000,000 thousand with an equivalent euro value of EUR 24,532 thousand, which had been designated as part of the hedge of the net investments in various Chilean companies.

- **Abertis** settled derivative financial instruments in US dollars amounting to USD 27,220 thousand with an equivalent euro value of EUR 20,000 thousand, which had been designated as part of the hedge of the net investment in **Metropistas**.
- **Abertis Finance** settled derivative financial instruments in US dollars amounting to USD 103,000 thousand (with an equivalent euro value of EUR 80,892 thousand), which converted a US dollar fixed rate bond issue to a euro-denominated floating rate instrument tied to Euribor (fair value hedge), following the early settlement of the aforementioned issue.
- **Abertis India** arranged hedges in Indian rupees amounting to INR 6,341,800 thousand with an equivalent euro value of EUR 90,000 thousand. The hedges were instrumented in several cross currency interest rate swaps, which were designated as hedges of the net investment made with the acquisition of **TTPL** and **JEPL** in 2017. These hedges expire in 2022.

Also, the interest rate and/or cross currency swap transactions that expired in 2017 included most notably the following:

- In relation to the hedges of the net investments in **Elqui**, **Gesa**, **Abertis Chile**, **Rutas del Pacífico**, a portion of **Autopista Central** and **Opsa**, CLP 78,313,273 thousand (EUR 87,574 thousand) expired.
- In relation to the hedge of a portion of the net investment in the **Arteris** subgroup, BRL 74,675 thousand (EUR 25,000 thousand) expired.

As a result of all the foregoing, the detail of the main interest rate and/or cross currency swaps held by the Group at 31 December 2018 and 2017 is as follows:

			31 December 2018			31 December 2017		
			Notional amount			Notional amount		
Company	Purpose of the hedge	Hedged currency	Currency	Euro	Expiry date	Currency	Euro	Expiry date
Abertis	Net investment in Elqui, Gesa, Abertis Chile, Rutas del Pacífico, a portion of Autopista Central and Opsa[(1)]	Chilean peso (CLP)	218,469,524	239,053	2019-2021	218,469,524	239,053	2018-2020
Abertis	A portion of the net investment in the Arteris subgroup[(1)]	Brazilian real (BRL)	912,979	295,000	2019-2022	912,979	295,000	2018-2022
Abertis	A portion of the net investment in Metropistas[(1)]	US dollar (USD)	37,780	27,759	2019	37,780	27,759	2019
Abertis	A portion of the net investment in Autopista Central[(1)]	Chilean peso (CLP)	132,277,500	170,000	2019-2020	132,277,500	170,000	2018-2019
Abertis India	A portion of the net investment in TTPL and JEP[(1)]	Indian rupee (INR)	6,341,800	90,000	2022	6,341,800	90,000	2022
Abertis Finance	Conversion of a JPY fixed-interest issue into a EUR fixed-interest debt	Japanese yen (JPY)	20,000,000	153,610	Associated with the maturity of the debt in 2039	20,000,000	153,610	Associated with the maturity of the debt in 2039
Arteris	Conversion of a USD fixed-interest loan into a debt in BRL bearing floating interest tied to the CDI rate (fair value hedge).	US dollar (USD)	50,000	43,668	Associated with the maturity of the debt in 2020	50,000	41,690	Associated with the maturity of the debt in 2018
Los Andes	Conversion of a loan in CLP into a loan in CLF (CLF 5,279).	Chilean peso (CLP)	120,041,661	151,066	2034	121,019,368	163,972	2034
Metropistas	Various cash flow hedges	US dollar (USD)	251,996	220,084	2026	236,194	205,901	2026
Autopista Central	Eliminates the currency risk associated with a USD bond issue	US dollar (USD)	190,000	165,939	2026	216,250	180,314	2026
				1,556,179			**1,567,299**	

(1) Through several interest rate and cross currency swaps.

c) Other disclosures

With regard to the derivative financial instruments arranged by the Group 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 (collections/payments) (*)	(8,004)	(91,819)	(78,382)	(30,000)	(37,182)	(126,183)

(*) Excluding adjustments for credit risk.

13. OTHER FINANCIAL AND NON-FINANCIAL ASSETS

The detail of other financial assets (excluding the derivative financial instruments detailed in Note 12) and of the non-financial assets at 31 December 2018 and 2017 is as follows:

		31 December 2018			31 December 2017		
		Non-current	Current	Total	Non-current	Current	Total
Concession arrangements – financial asset model	i)	2,202,100	110,871	2,312,971	1,583,010	107,413	1,690,423
Impairment (expected credit losses) (1)	v)	(162,648)	(1,758)	(164,406)	-	-	-
		2,039,452	**109,113**	**2,148,565**	**1,583,010**	**107,413**	**1,690,423**
Receivables from companies accounted for using the equity method:							
Accounts receivable		-	14,141	14,141	-	13,678	13,678
Loans		114,300	379	114,679	116,982	689	117,671
Impairment		(82,675)	-	(82,675)	(82,472)	-	(82,472)
	ii)	**31,625**	**14,520**	**46,145**	**34,510**	**14,367**	**48,877**
Trade receivables		-	732,498	732,498	-	756,688	756,688
Allowance for doubtful debts (impairment loss)		-	(75,868)	(75,868)	-	(55,059)	(55,059)
	iii)	-	**656,630**	**656,630**	**-**	**701,629**	**701,629**
Current tax assets	iv)	-	876,265	876,265	-	300,138	300,138
Current financial assets maturing at more than three months		65,340	50,509	115,849	26,032	62,706	88,738
Impairment (expected credit losses) (2)	v)	-	(422)	(422)	-	-	-
		65,340	**50,087**	**115,427**	**26,032**	**62,706**	**88,738**
Other non-financial assets:							
Other accounts receivable		80,899	166,923	247,822	77,802	132,403	210,205
Impairment (expected credit losses) (3)	v)	(5,063)	(3,655)	(8,718)	-	-	-
Other assets		**75,836**	**163,268**	**239,104**	**77,802**	**132,403**	**210,205**

(1) The impact calculated on first-time application of IFRS 9 on 1 January 2018 in relation to expected credit losses on accounts receivable from public authorities amounted to an impairment loss of EUR 34,373 thousand.

(2) In accordance with IFRS 9, the impact calculated on the first-time application of that IFRS (1 January 2018) in relation to expected credit losses on current financial assets maturing at more than three months was the recognition of a loss allowance of EUR 5,690 thousand (EUR 4,036 thousand recognised at long term and EUR 1,654 thousand at short term).

(3) The impact calculated on first-time application of IFRS 9 on 1 January 2018 in relation to expected credit losses on other accounts receivable amounted to an impairment loss of EUR 7,983 thousand (EUR 5,633 thousand recognised at long term and EUR 2,350 thousand at short term).

Receivables are recognised at amortised cost.

At 31 December 2018 (as at the end of 2017), the financial assets of **Abertis** did not include any sovereign debt.

i) Concession arrangements – financial asset model

The changes in the non-current receivables from public authorities were as follows:

	Concession arrangements – financial asset model	
	2018	**2017 (*)**
At 1 January	1,583,010	1,571,928
Additions due to investments made in the year	1,892	4,240
Charge to the consolidated statement of profit or loss:		
- Due to economic compensation (revenue) (1)	113,702	32,370
- Due to financial compensation (Note 22-e)	144,292	107,431
- Due to compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (Note 22-e)	13,585	12,751
Transfers (2)	293,548	(85,029)
Amounts used in the year	(92,996)	(60,327)
Other	3,837	5,555
Exchange differences	141,230	(5,909)
At 31 December	**2,202,100**	**1,583,010**

(*) Change in the 2017 statement of financial position heading "Concession arrangements – financial asset model" considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements indicated in Note 5-b.

(1) Includes the impacts relating to the recognition of the amendment to the concession arrangements held by the Argentine consolidated companies **Ausol** and **GCO** under the financial asset model in accordance with IFRIC 12 at their fair value upon their execution, net of the value of the unamortised intangible asset associated with the aforementioned concession arrangements(see Note 22-b).

(2) The transfers in 2018 include mainly the impact associated with the recognition of the amendment to the concession arrangements of **Ausol** and **GCO** mentioned above.

The transfers in 2017 relate mainly to EUR 55,909 thousand associated with Royal Decree 1467/2008 (**Iberpistas**) falling due in 2018, which were transferred to "Concession arrangements – financial asset model", and EUR 28,947 thousand relating to **Sol** which following its waiver of the minimum guaranteed revenue, were transferred to "Other Intangible Assets - Administrative Concessions" in the consolidated balance sheet.

"Concession arrangements – financial asset model" includes the amounts receivable from grantors under various agreements entered into with them (toll rebates, free services, compensation and other). Some of these agreements were recognised, in accordance with IFRIC 12, as a receivable from the grantor through application of either the bifurcated model or the financial asset model, as indicated in Note 3-d.ii. These balances receivable earn the related interest.

The detail of these agreements is as follows:

		31 December 2018			31 December 2017		
		Concession arrangements – financial asset model	Economic compensation (revenue) for the period [1]	Financial compensation for the period [1]	Concession arrangements – financial asset model	Economic compensation (revenue) for the year [1]	Financial compensation for the year [1]
Arising from agreements entered into with the grantor:							
Royal Decree 457/2006 (**Acesa**)	a)	890,357	-	54,337	835,953	-	51,004
Royal Decree 483/1995 (**Invicat**)	c)	212,641	20,596	11,713	179,439	18,840	9,678
GOV. 185/2013 (**Invicat**) and GOV. 186/2013 (**Aucat**)	d)	174,478	22,547	10,415	136,746	20,750	7,443
Royal Decree 1467/2008 (**Iberpistas**)[2]	e)	-	-	-	-	(7,220)	4,566
Royal Decree 971/2011 (**Castellana**)	f)	176,269	(7,861)	11,238	172,893	-	10,552
Arising from minimum guaranteed revenue and other guarantees in the concession arrangement (application of bifurcated model):							
Elqui	g)	43,495	-	8,406	77,459	-	10,073
Libertadores	g)	75,567	-	13,381	86,933	-	14,115
Arising from minimum guaranteed revenue (application of the financial asset model):							
Ausol	h)	335,048	41,199	21,831	-	-	-
Gco	h)	187,073	37,221	12,971	-	-	-
Other:							
Other	i)	107,172	-	13,585	93,587	-	12,751
		2,202,100	**113,702**	**157,877**	**1,583,010**	**32,370**	**120,182**

(1) Amounts included under "Other non-current financial assets – Concession arrangements – financial asset model".

(2) Agreement expiring in 2018 and, therefore, the related balance was transferred to "Other current financial assets – Concession arrangement – financial asset model".

At the end of each reporting period a portion of these balances receivable from public authorities is subject to review as part of the audits performed by the grantor.

a) Royal Decree 457/2006 (**Acesa**)

Royal Decree 457/2006 approved the Agreement between the Spanish Government and **Acesa** to amend certain terms of the Barcelona-La Jonquera, Barcelona-Tarragona, Montmeló-El Papiol and Zaragoza-Mediterráneo toll road concessions.

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.

The detail of the balance of the compensation at 31 December 2018 and 2017 for each of the items of which it is composed and of the theoretical changes in line with the Group's interpretation under Royal Decree 457/2006 of this compensation balance is as follows:

	31 December 2017	Additions	Compensation for guaranteed traffic	Interest cost relating to the compensation balance	31 December 2018
Investments made since 2006	557,793	67	-	-	557,860
Interest cost relating to the investments	278,160	-	-	54,337	332,497
Balance of compensation for investments	**835,953**	**67**	**-**	**54,337**	**890,357**
Compensation for guaranteed traffic	1,402,714	-	179,364	-	1,582,078
Interest cost relating to the guaranteed traffic balance	364,428	-	-	114,865	479,293
Balance of compensation for guaranteed traffic [(1)]	**1,767,142**	**-**	**179,364**	**114,865**	**2,061,371**
Balance relating to Royal Decree 457/2006 (Acesa)	**2,603,095**	**67**	**179,364**	**169,202**	**2,951,728**

(1) As detailed in this section, since 1 January 2015, compensation for guaranteed traffic ceased to be recognised in the consolidated statement of profit or loss; the related balance at 31 December 2014 was also provisioned in full in 2015. The foregoing detail shows the balance of compensation for guaranteed traffic at 31 December 2018 based on the Group's interpretation of Royal Decree 457/2006 despite the discrepancies with the Spanish Ministry of Public Works.

Lastly, this figure will increase or decrease until the end of the concession based on the difference between actual traffic and the traffic levels envisaged in Royal Decree 457/2006.

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 consolidated 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.

In the Administrative Review for 2013 **Acesa** was informed 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 consolidated 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 consolidated 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 consolidated 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 Note 13.i). 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 consolidated 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) Nor would unilaterally amending the Royal Decree and the Agreement which it approved 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 does 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 written 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 can only be 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 consolidated 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 into Spanish domestic legislation in 2017, 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 of authorisation for issue of these consolidated financial statements and it is expected to be maintained 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) Royal Decree 1132/1986 (**Aumar**)

Although no receivables had been recognised for accounting purposes by **Aumar** at 31 December 2018 (as at 31 December 2017), it must be stated that on 18 February 2011 **Aumar** submitted a request to the Spanish Government for the restoration of the economic and financial feasibility of the AP7/AP4 concession which it managed (see Note 27-c) 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 Note 13-a).

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 only partially upheld 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 Spanish Cabinet for its consideration and decision.

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, having set 13 February 2019 as the date for the vote and decision on this appeal, although at the date of authorisation for issue of these consolidated financial statements, the decision about this judicial review have not yet been communicated.

c) Royal Decree 483/1995 (**Invicat**)

Royal Decree 483/1995 sets forth the Agreement entered into in January 2010 between **Invicat** and the Catalonia Autonomous Community Government and includes a schedule containing a framework cooperation agreement setting forth the general conditions for modifying and adapting the stretch of the C-32 toll road between Palafolls and the junction with the GI-600 road that is being widened, in addition to other road and mobility management improvements linked to the toll road and its operation in the Maresme corridor.

In the framework of the aforementioned Agreement, on 19 March 2015 a new Agreement was entered into to include the construction, upkeep and operation of a new toll-free access road connecting the toll road with Blanes and Lloret de Mar.

The investments to be made are estimated at EUR 96 million (at 2010 prices) (at 31 December 2018, the investment made amounted to EUR 27,263 thousand, as compared with EUR 26,508 thousand at 2017 year-end).

The C-32 toll road Agreement provides that any additional revenue stemming from the increased capacity of the toll road shall be used for restoring the economic and financial balance altered by the work provided for in the Agreement. It also sets out the procedure for calculating the economic compensation that the concession operator would receive if, once the concession term had ended, the economic and financial balance had not been restored.

d) Government Agreement 185/2013 (**Invicat**) and Government Agreement 186/2013 (**Aucat**)

In early 2014 the Agreement with the Catalonia Autonomous Community Government entered into by **Invicat** (Royal Decree 185/2013), the concession operator of the Montgat-Palafolls up to the GI-600 (C-31/C-32) and Barcelona-Montmeló (C-33) toll roads and by **Aucat** (Royal Decree 186/2013), the concession operator of the Pau Casals (C-32, Castelldefels-Sitges-El Vendrell) toll road, came into force. These Agreements provide for the implementation of a uniform toll system and a closed-toll system in which users pay on the basis of the stretch of road they use, as well as a series of auxiliary projects, an exemption on payment of tolls by regular public-transportation passenger vehicles operating under administrative concessions and, in the case of **Aucat**, compensation for the loss of property tax rebate. The investments to be made were estimated at approximately EUR 100 million (at 2014 prices) (at 31 December 2018, the investment made amounted to EUR 23,971 thousand, as compared with EUR 23,436 thousand at 2017 year-end).

As with other agreements, this Agreement provides for the restoration of the economic and financial balance that has been altered by the work that it envisages, using a compensation account that will be settled on expiry of the concession.

e) Royal Decree 1467/2008 (**Iberpistas**)

The Agreement contained in Royal Decree 1467/2008, entered into on 29 August 2008 by **Iberpistas** and the Spanish Government, provided for the construction of a third lane in each direction on the San Rafael-Villacastín stretch of the toll road and the performance of work necessary for the infrastructure to meet the standards set forth in current legislation regarding road layout and safety. The Agreement estimated that, following the recent price revisions, the total value of the investment needed to carry out this work -at 2008 prices- is EUR 70 million (at 31 December 2018, the value of the investment amounted to EUR 77,529 thousand and to EUR 77,059 thousand at 31 December 2017).

As with the other agreements, this Agreement provided that any additional revenue stemming from the increased capacity of the toll road, as well as from the 1.7% additional increase in tolls from 2009 to 2013 (up to 5.5%), shall be used for restoring the economic and financial balance altered by the work set forth provided for in the Agreement. It also sets out the procedure for calculating the economic compensation that the concession operator would receive if, once the concession term had ended, the economic and financial balance had not been restored, up to a limit of EUR 75 million.

Taking into account that, as indicated in Note 27-c, the concession arrangement involving the Villalba-Adanero (AP-6) toll road for which **Iberpistas** is the concession operator expired on 29 January 2018, the compensation balance is expected to be collected once it has been reviewed by the Ministry of Public Works, and no significant differences are expected with respect to the net amount of the compensation reflected in these consolidated financial statements.

f) Royal Decree 971/2011 (**Castellana**)

Royal Decree 971/2011, of 1 July, amends certain terms of the administrative concession operated by **Castellana** (construction, maintenance and operation of the section of the AP-6 toll road that connects with Segovia (AP-61) and the section of the AP-6 toll road that connects with Ávila (AP-51), as well as the maintenance and operation, from 30 January 2018, of the Villalba-Adanero stretch of the AP-6 toll road), to offset cost overruns for additional work, as set forth in Additional Provision Forty-One of 2010 General Budget Law 26/2009, of 23 December, through which the General Directorate of Roads acknowledged the need for additional work for the toll road construction project not initially foreseen amounting to EUR 89,018 thousand.

This Royal Decree was intended to restore the economic and financial feasibility of the concession affected by the additional work that had to be carried out. To this end, in light of the situation of the concession, it was considered that the most appropriate course of action was to extend the period during which the AP-6 toll road tolls would apply, regulated by the Agreements approved by Royal Decree 315/2004, of 20 February, and Royal Decree 1467/2008, of 29 August, in both cases until the aforementioned cost overruns resulting from the additional work amounting to EUR 89,018 thousand and the interest for the delay in the payment to restore the economic balance as a result of this, amounting to EUR 29,471 thousand, had been offset.

g) Minimum guaranteed revenue and other guarantees in the concession arrangement (application of the bifurcated model)

In addition, the Chilean toll road concession operators **Elqui** and **Libertadores** have an account relating to the minimum guaranteed revenue and other guarantees established in the concession agreements. These amounts are recognised as a financial asset as a result of applying the bifurcated model in accordance with IFRIC 12, as described in Note 3-b.ii.

h) Ausol and Gco agreements

As described in Note 27-c, on 24 July 2018 the concession arrangements held by the Argentine consolidated companies **Ausol** and **GCO** were amended. Under the terms of the agreement reached, the applicable model under IFRIC 12 is the financial asset model since **Ausol** and **GCO** are granted an unconditional right to receive an amount from the grantor (in accordance with the application of the financial asset model described in Note 3-b.ii). In this respect, the agreement resulted in the recognition of a financial asset in accordance with IFRIC 12 at the fair value upon execution of the agreement, net of the value of the unamortised intangible asset associated with the aforementioned concession arrangements (see Note 9 and Note 13.i).

i) Other

"Concession arrangements – financial asset model" relates to the balance receivable by the Group under Section B of Schedule 3 of the Agreement entered into by **Acesa** and the Spanish Government (Royal Decree 457/2006) whereby the latter compensates **Acesa** with respect to the income tax it pays in relation to the interest expense on the balance.

Lastly, at 31 December 2018 "Other current financial assets – Concession arrangements – financial asset model" includes a past-due balance of EUR 34,393 thousand (primarily at toll road concession operators). A loss allowance has not been recognised for this amount, since the Group expects it to be paid by the related authorities (2017 year-end: EUR 9,123 thousand, for which, similarly, no loss allowance was recognised).

ii) Balances receivable from companies accounted for using the equity method

The detail of the balances receivable from associates and joint ventures is as follows:

	31 December 2018			31 December 2017		
	Non-current	Current	Total	Non-current	Current	Total
Areamed	-	3,972	3,972	-	3,403	3,403
Bip&Drive	-	2,489	2,489	-	663	663
CIS	-	1,717	1,717	-	4,380	4,380
A'lienor	-	2,340	2,340	-	1,604	1,604
Rio de Vetrai	-	1,411	1,411	-	1,411	1,411
Routalis	-	831	831	-	856	856
Pedemontana Veneta	-	520	520	-	546	546
Alis	-	263	263	-	213	213
Coviandes	-	111	111	-	113	113
Leonord	-	23	23	-	61	61
Cellnex	-	-	-	-	54	54
Ciralsa	-	-	-	-	135	135
Other investments	-	464	464	-	239	239
Accounts receivable	**-**	**14,141**	**14,141**	**-**	**13,678**	**13,678**
Irasa [1]	35,296	-	35,296	35,296	-	35,296
Ciralsa [1]	30,773	-	30,773	30,570	-	30,570
Alazor [1]	16,606	-	16,606	16,606	-	16,606
RMG	14,960	73	15,033	13,460	73	13,533
Rio de Vetrai	8,589	-	8,589	9,756	-	9,756
Alis	6,516	137	6,653	10,840	349	11,189
Leonord	928	-	928	-	-	-
Pedemontana Veneta	594	-	594	-	-	-
CIS	-	120	120	-	150	150
A'lienor	38	-	38	38	-	38
Other investments	-	49	49	416	117	533
Loans granted	**114,300**	**379**	**114,679**	**116,982**	**689**	**117,671**
Impairment losses						
Irasa	(35,296)	-	(35,296)	(35,296)	-	(35,296)
Ciralsa	(30,773)	-	(30,773)	(30,570)	-	(30,570)
Alazor	(16,606)	-	(16,606)	(16,606)	-	(16,606)
	(82,675)	**-**	**(82,675)**	**(82,472)**	**-**	**(82,472)**
Total	**31,625**	**14,520**	**46,145**	**34,510**	**14,367**	**48,877**

[1] Derecognised investments in associates as it is described in Section i) of this Note.

At 31 December 2018 (as at the end of 2017 and previous years), non-current receivables from Irasa, Alazor and Ciralsa related mainly to loans, basically to finance the companies owing to the payment cost overruns for compulsory purchases and, to a lesser extent, to meet their own financing needs, which, just as at 2017 year-end, were fully provisioned (see Note 10.i).

iii) Trade receivables

At 31 December 2018 and 2017, the account did not have any significant past-due balances that had not been provisioned.

iv) Current tax assets

The detail of "Current Tax Assets" at 31 December 2018 and 2017 is as follows:

	2018	2017
VAT refundable	47,940	42,977
Tax withholdings and pre-payments	130,275	92,782
Other taxes	698,050	164,379
Current tax assets	**876,265**	**300,138**

"Current Tax Assets - Other Taxes" includes mainly:

- 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 2018.
- Also, the amount to be recovered by **Abertis**, as the parent of the Spanish consolidated tax group, in relation to income tax for 2017 amounted to EUR 112,885 thousand (2017: EUR 113,148 thousand). This amount has been collected during January 2019.

v) Impairment (expected credit losses)

The changes in "Impairment (Expected Credit Losses)" in 2018 were as follows:

	2018					
Impairment (expected credit losses)	Concession arrangements – financial asset model			Other accounts receivable		
	Non-current	Current	Total	Non-current	Current	Total
At 1 January	-	-	-	-	-	-
Changes in accounting policies	32,884	1,489	34,373	9,669	4,004	13,673
Charge to the consolidated statement of profit or loss:						
- With a charge to profit from operations	-	-	-	(169)	-	(169)
- With a charge to financial profit (Note 22-e)	127,533	-	127,533	908	-	908
Transfers	(890)	890	-	(1,309)	1,309	-
Other	3,489	(499)	2,990	(4,036)	(1,232)	(5,268)
Exchange differences	(368)	(122)	(490)	-	(4)	(4)
At 31 December	**162,648**	**1,758**	**164,406**	**5,063**	**4,077**	**9,140**

The impairment recognised in the period (a total of EUR 132,916 thousand) relates mainly to the recognition of the expected credit losses associated with the concession arrangements which, in accordance with IFRIC 12, were recognised as financial assets. In this respect, the Group recognised expected credit losses on the financial assets associated with the concession arrangements of **Ausol** and **GCO** (see section i) above) amounting to EUR 127 million, in view of the significant worsening of the macroeconomic situation in Argentina and of the counterparty's credit risk since the initial recognition of the arrangements, resulting in the calculation of the losses over the entire term of the arrangement in accordance with IFRS 9 (see Note 22-e).

With respect to the expected credit losses associated with the other financial assets, according to the analysis performed by the Group in 2018, there was no significant increase in the credit risk.

There were no changes in the estimation techniques or the main assumptions used in assessing expected losses in 2018.

14. 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 and at banks	1,811,304	1,268,870
Bank deposits maturing within three months	925,766	1,189,231
Cash and cash equivalents	**2,737,070**	**2,458,101**

The balance of this heading at 31 December 2018 and 2017 relates mainly to the following companies/subgroups:

	2018	2017
Abertis Infraestructuras	1,133,310	10,787
Abertis Chile subgroup (Chile)	494,859	541,186
HIT/Sanef subgroup (France)	441,375	1,393,435
A4 subgroup (Italy)	229,979	165,074
Arteris subgroup (Brazil)	235,074	177,404
Other	202,473	170,215
Cash and cash equivalents	**2,737,070**	**2,458,101**

"Cash and Cash Equivalents" increased in 2018 mainly as a result of the sale of 34.0% of Cellnex, which gave rise to a cash inflow of EUR 1,703 million, offsetting in the year the investments made, the payment of dividends and the debt repayments made.

In this regard, the increase in cash of Abertis Infraestructuras, S.A. is due mainly to the impact of the sale of the 34% of Cellnex mentioned above. It should be noted that at 2017 year-end the cash of the **Hit** subgroup included the impact of various financing operations carried out towards the end of the year for a total of EUR 1,000 million, which were not fully drawn down.

15. EQUITY

The changes in consolidated equity in the 2018 and 2017 were as follows:

		Reserves (b)						
	Share capital and treasury shares (a)	Valuation adjustments relating to hedges	Available-for-sale financial assets	Translation differences	Total	Retained earnings and other reserves (c)	Non-controlling interests (d)	Equity
At 1 January 2018	1,802,465	(135,512)	23,761	(189,293)	(301,044)	1,027,438	2,247,815	4,776,674
Changes in accounting policies (Note 5)	-	-	(23,761)	-	(23,761)	38,354	(3,132)	11,461
At 1 January 2018 adjusted	1,802,465	(135,512)	-	(189,293)	(324,805)	1,065,792	2,244,683	4,788,135
Income (expense) recognised in equity:								
Financial assets	-	-	-	-	-	(6,949)	(770)	(7,719)
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	26,288	-	-	26,288	958	(3,801)	23,445
Translation differences	-	-	-	(207,183)	(207,183)	-	(80,354)	(287,537)
Actuarial gains and losses	-	-	-	-	-	1,749	7	1,756
Other (1)	-	-	-	-	-	54,763	8,428	63,191
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,681,371**	**153,372**	**1,834,743**
2nd payment of 2017 dividend	-	-	-	-	-	(396,152)	(17,733)	(413,885)
1st payment of 2018 dividend	-	-	-	-	-	-	(48,236)	(48,236)
Treasury shares	932,075					(932,231)	-	(156)
Capital increase	-	-	-	-	-	-	2,870	2,870
Reimbursement of shareholder contributions	-	-	-	-	-	-	(6,382)	(6,382)
Changes in the scope of consolidation and other	-	113	-	(10,546)	(10,433)	434,166	(448,326)	(24,593)
At 31 December 2018	**2,734,540**	**(109,111)**	**-**	**(407,022)**	**(516,133)**	**1,903,467**	**1,803,758**	**5,925,632**

(1) Including a positive impact of EUR 31,526 thousand on "Retained Earnings and Other Reserves" in relation to second payment of the 2017 dividend corresponding to treasury shares held when it was paid.

Note: The income and expense recognised in equity are shown net of the related tax effect.

	Share capital and treasury shares	Reserves (b)				Retained earnings and other reserves	Non-controlling interests	
	(a)	Valuation adjustments relating to hedges	Available-for-sale financial assets	Translation differences	Total	(c)	(d)	Equity
At 1 January 2017	1,759,600	(188,324)	(9)	30,389	(157,944)	1,974,557	3,324,422	6,900,635
Income (expense) recognised in equity:								
Available-for-sale financial assets	-	-	17,890	-	17,890	-	11,039	28,929
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	70,798	-	-	70,798	(960)	8,103	77,941
Translation differences	-	-	-	(231,180)	(231,180)	-	(203,129)	(434,309)
Actuarial gains and losses	-	-	-	-	-	4,657	258	4,915
Other [(1)]	-	-	-	-	-	60,149	(22,206)	37,943
Profit for the year	**-**	**-**	**-**	**-**	**-**	**897,413**	**101,562**	**998,975**
2nd payment of 2016 dividend	-	-	-	-	-	(366,441)	(37,086)	(403,527)
1st payment of 2017 dividend	-	-	-	-	-	(396,153)	(16,611)	(412,764)
Treasury shares	42,865	-	-	-	-	(770)	-	42,095
Reimbursement of shareholder contributions	-	-	-	-	-	-	(3,939)	(3,939)
Capital increase	-	-	-	-	-	-	325,590	325,590
Changes in the scope of consolidation and other	-	(17,986)	5,880	11,498	(608)	(1,145,014)	(1,240,188)	(2,385,810)
At 31 December 2017	**1,802,465**	**(135,512)**	**23,761**	**(189,293)**	**(301,044)**	**1,027,438**	**2,247,815**	**4,776,674**

(1) Including a positive impact of EUR 61,748 thousand under "Retained Earnings and Other Reserves" in relation to the dividends paid corresponding to treasury shares held at the time of distribution (EUR 30,231 thousand for the second payment of the dividend for 2016 and EUR 31,517 thousand for the payment of the first payment of the dividend for 2017).

Note: The income and expense recognised in equity are shown net of the related tax effect.

a) Share capital 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 2018	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	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
Increases/(Decreases)	-	-	-
At 31 December 2017	**2,971,144**	**(1,168,679)**	**1,802,465**

i) Share capital

At 31 December 2018, 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	**2017**
At 1 January	990,381,308	990,381,308
Capital reduction (retirement of treasury shares)	(78,815,937)	-
At 31 December	**911,565,371**	**990,381,308**

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 (representing 7.9581% of its share capital) held by the Group at 30 June 2018 amounting to EUR 1,168,679 thousand, which also had an impact of EUR -932,231 thousand on the Group's reserves (overall, no impact on the Group's equity).

In this respect, on 25 September 2018 the Board of Directors, exercising the powers delegated by the aforementioned Extraordinary General Meeting, agreed to this capital reduction, which 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. According to the information available, at 31 December 2018 and 2017 the shareholdings that had given rise to the appointment of directors were as follows:

	31 December 2018	**31 December 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 HolCo, 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 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:

	31 December 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 Parent had been engaged since 2017, and on the other hand, 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 with respect 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 of the dividend paid by **Abertis** previously to the completion 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 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 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 3.06% in **Abertis** once it was completed on 27 July 2018. At the date of signing of these consolidated financial statements approximately 1.3% of the shares of **Abertis** were in the hands of other non- controlling 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 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.

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 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. 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. now 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.

ii) 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, **Abertis** 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 Board of Directors of **Abertis** 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
Retirement (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

i) Valuation adjustments relating to hedges

These relate to the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

ii) Available-for-sale financial assets

At 31 December 2017, these related to the unrealised gains or losses that arise from changes in the fair value of the available-for sale financial assets

Since 1 January 2018, within the framework of IFRS 9 application, these reserves were transferred to reserves for revaluation of investments under "Retained Earnings and Other Reserves" since they will not be transferred to the consolidated statement of profit or loss, and related, mainly, to changes in the fair value of various financial investments held by **A4** subgroup.

iii) Translation differences

The detail of "Translation Differences" at 31 December 2018 and 2017 is as follows:

	31 December 2018	**31 December 2017**
Metropistas (US dollar)	24,531	16,317
TTPL/JEPL (Indian rupee)	(14,146)	(8,260)
APR (US dollar)	(15,114)	(13,244)
Invin subgroup/Abertis Chile [*] (Chilean peso)	(60,829)	86,356
Arteris subgroup (Brazilian real)	(316,718)	(233,642)
Other subsidiaries [2]	(13,401)	(26,803)
Group	(395,677)	(179,276)
Coviandes (Colombian peso)	(4,460)	(4,481)
Other associates	(6,885)	(5,536)
Associates and joint ventures	(11,345)	(10,017)
	(407,022)	**(189,293)**

[*] Relating mainly to the translation differences of **Autopista Central** (EUR -59,306 thousand in 2018 and EUR 81,055 thousand in 2017).

[2] Associated mainly with **Gco** and **Ausol** (Argentine peso, EUR 17,213 thousand at 31 December 2018 and EUR -10,654 thousand at 2017 year-end) and the **Hispasat** subgroup (Brazilian real and US dollar, EUR -31,288 thousand at 31 December 2018 and EUR -17,029 thousand at 2017 year-end).

The changes in translation differences in 2018 are due, on the one hand, to the depreciation at the reporting date of the Brazilian real and the Chilean peso, and the appreciation of the US dollar and, on the other hand, to the application of the criteria established in IAS 29 to the Argentine consolidated companies **Gco** and **Ausol** as described in Note 2-g. Also, the changes in the translation differences in 2017 were due mainly to the depreciation at the reporting date of the Brazilian real, the Chilean peso and the US dollar.

c) Retained earnings and other reserves

The detail of “Retained Earnings and Other Reserves” at 31 December 2018 and 2017 is as follows:

31 December 2018
(adjusted)

	1 January 2018	Changes in accounting policies (Note 5)	At 1 January 2018, adjusted	Actuarial gains and losses	Distribution of profit	Profit	Interim dividend	Treasury shares	Capital increase/ reduction and changes in the scope of consolidation (1)	Other (2)	31 December 2018
Legal reserve	581,858	-	581,858	-	12,371	-	-	-	-	-	594,229
Retained earnings (excluding profit) and other reserves	(245,520)	38,354	(207,166)	1,749	282,577	-	-	(932,231)	434,166	48,772	(372,133)
Profit	897,413	-	897,413	-	(897,413)	1,681,371	-	-	-	-	1,681,371
Interim dividend	(206,313)	-	(206,313)	-	206,313	-	-	-	-	-	-
	1,027,438	**38,354**	**1,065,792**	**1,749**	**(396,152)**	**1,681,371**	**-**	**(932,231)**	**434,166**	**48,772**	**1,903,467**

(1) Relating to the impact of changes in the scope of consolidation, as detailed in Note 14-d, on the one hand, and to the acquisition of non-controlling interests in **Hispasat** (EUR 396,064 thousand), **A4** (EUR 28,067 thousand) and **JEPL** (EUR 10,035 thousand).

(2) Including a positive impact of EUR 31,526 thousand resulting from the second payment of the 2017 dividend corresponding to treasury shares held when it was paid.

(3) In 2018 this includes EUR 18,651 thousand (see Note 11) relating to “Investment Revaluation Reserve” as detailed in Note 3-d.

31 December 2017

	1 January 2017	Actuarial gains and losses	Distribution of profit	Profit	1st payment of 2017 dividend	Treasury shares	Capital increase/ reduction and changes in the scope of consolidation (1)	Other (2)	31 December 2017
Legal reserve	565,932	-	15,926	-	-	-	-	-	581,858
Retained earnings (excluding profit) and other reserves	749,863	4,657	276,395	-	(189,840)	(770)	(1,145,014)	59,189	(245,520)
Profit	795,576	-	(795,576)	897,413	-	-	-	-	897,413
Interim dividend	(136,814)	-	136,814	-	(206,313)	-	-	-	(206,313)
	1,974,557	**4,657**	**(366,441)**	**897,413**	**(396,153)**	**(770)**	**(1,145,014)**	**59,189**	**1,027,438**

(1) Relating to impacts due to changes in the scope of consolidation, as detailed in Note 14-d, to the acquisition of non-controlling interests in **Hit** (EUR -1,257,349 thousand) and **A4** (EUR 116,562 thousand) and to the impact of the dilution of the ownership interest held in **Arteris**, as a result of the capital increase performed which was not subscribed by Partícipes en Brasil (EUR -4,227 thousand).

(2) Including EUR 61,748 thousand in relation to the dividends paid corresponding to treasury shares held at the time of distribution (EUR 30,231 thousand for the second payment of the dividend for 2016 and EUR 31,517 thousand for the first payment of the dividend for 2017).

i) Legal reserve of the Parent

Under the Consolidated 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.

ii) Retained earnings (excluding profit for the year) and other reserves

In addition to the effect of the capital reduction through the retirement of treasury shares described in Note 15-a above and to the recognition of the dividend paid in the year, as shown in Note 15-e, the most significant changes in this line item in 2018 were as follows:

- The impact recognised in equity as a result of the transactions carried out with non-controlling interests of the **A4** and **Hispasat** subgroups and of **JEPL** described in Notes 2-h and 14-d):

	Retained earnings and other reserves	Reserves				
	Impact of changes in the scope of consolidation	Valuation adjustments relating to hedges	Translation differences	Impact on Group reserves	Non-controlling interests (Note 15-d)	Total impact on equity 2018
Acquisition of an additional 6.47% of A4 Holding, S.p.A. (**A4**)	28,067	-	-	28,067	(60,832)	(32,765)
Acquisition of an additional 26.00% of Jadcherla Expressways Private Ltd. (**JEPL**)	10,035	-	(1,568)	8,467	(9,794)	(1,327)
Acquisition of an additional 32.63% of Hispasat, S.A. (**Hispasat**)	396,064	113	(8,978)	387,199	(377,700)	9,499
Total	**434,166**	**113**	**(10,546)**	**423,733**	**(448,326)**	**(24,593)**

(*) In connection with the aforementioned effects, if the effect of the initial recognition against reserves of the respective liabilities amounting to EUR 14 million and EUR 302 million, recognised in prior years, is taken into account, the net impact of the aforementioned transactions totals EUR -5 million and EUR +85 million, respectively.

The acquisitions of the non-controlling interests in **JEPL** and **Hispasat** were carried out following the fulfilment in the year of the purchase commitments that the Group had to the aforementioned companies' third-party shareholders, the recognition of which in prior years had an accumulated negative impact on reserves of EUR -14,012 thousand and EUR -302,000 thousand, respectively (see Note 21). Therefore, following the recognition in prior years of the purchase commitments relating to shares of **JEPL** and **Hispasat** and their subsequent exercise in the first half of 2018, the accumulated impact in the year on the Group's reserves amounted to EUR +8,467 thousand and EUR +387,199 thousand, respectively.

- The positive impact on reserves of EUR 31,526 thousand (2017: EUR 61,748 thousand) of the dividend paid relating to treasury shares.

In addition to the recognition of the dividend paid, the most significant changes in this line item in 2017 were as follows:

- The impact recognised in equity as a result of the transactions carried out with non-controlling interests in the **Hit** subgroup and **A4** amounting to EUR -1,275,335 thousand (of which EUR 17,986 thousand relate to valuation adjustments relating to hedges) and EUR 122,442 thousand (of which EUR 5,880 thousand relate to available-for-sale financial assets), respectively.
- The positive impact on reserves of EUR 61,748 thousand of the dividend paid relating to treasury shares.
- In the framework of the acquisition of **JEPL**, the negative impact on reserves of EUR -14,012 thousand in relation to the contingent commitment to purchase shares of **JEPL** from its third-party shareholders, the ultimate strike price of which would be the market value of the shares.
- The negative impact of EUR -770 thousand partially offsetting the effect of the same amount recognised under "Treasury Shares" following the deliveries made in the year.

iii) Profit for the year

The detail of the contribution of each company included in the scope of consolidation to the consolidated profit, indicating the portion corresponding to non-controlling interests, is as follows:

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Abertis	451,487	-	451,487
Sanef	348,350	-	348,350
Acesa	307,763	-	307,763
Aumar	165,411	-	165,411
Ausol	155,039	(106,062)	48,977
Gco	120,467	(61,920)	58,547
Sapn	114,388	(34)	114,354
Invicat	60,037	-	60,037
Autostrada Br-Vr-Vi-Pd	60,006	(5,983)	54,023
Aucat	53,555	-	53,555
Castellana	52,700	-	52,700
Rutas del Pacífico [1]	46,760	(9,352)	37,408
Avasa	43,209	-	43,209
Centrovias	22,332	(12,959)	9,373
Elqui [1]	20,758	(4,152)	16,606
Autopista del Sol [1]	20,742	(4,148)	16,594
Autopista Central [1]	15,511	(3,102)	12,409
Iberpistas	14,414	-	14,414
Invin [1]	13,967	(2,793)	11,174
Autopista Los Libertadores [1]	12,975	(2,595)	10,380
Vianorte [2]	10,713	(6,217)	4,496
Túnels de Barcelona i del Cadí	8,948	(4,473)	4,475
Intervias	8,845	(5,133)	3,712
APR	8,473	-	8,473
Bip & Go	6,900	-	6,900
Emovis	4,850	-	4,850
A4 Mobility	3,910	(390)	3520
Metropistas	2,490	(1,220)	1,270
Autopista Los Andes [1]	2,439	(488)	1,951
Abertis Motorway UK Ltd.	1,409	-	1,409
Abertis Italia	1,008	-	1,008
Serenissima Trading	903	(90)	813
Emovis Operations Leeds	819	-	819
Emovis Operations Ireland	762	-	762
Globalcar Services	571	(232)	339
JEPL	552	8	560
SE BPNL SAS	506	-	506
Emovis Technologies Croatia	395	-	395
Eurotoll	371	-	371
Gesa [1]	313	(63)	250

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Operadora del Pacífico [1]	298	(60)	238
Sanef FM 107	286	-	286
Emovis Technologies UK	273	-	273
Emovis Operations Mersey Ltd.	269	-	269
Emovis Tag UK	244	-	244
Emovis Operations Caribe	187	-	187
Emovis Technologies Ireland	162	-	162
Emovis Technologies US	114	-	114
Abertis Finance	83	-	83
Sanef Aquitane	94	-	94
Acufon [2]	60	(6)	54
Technologie Emovis Quebec	27	-	27
Leonord Explotation SAS [3]	21	(3)	18
Abertis Mobility Services	(1)	-	(1)
HIT 2	(3)	-	(3)
Abertis USA	(8)	-	(8)
Emovis Technologies Chile	(13)	-	(13)
Mulhacen	(20)	2	(18)
Abertis Chile	(24)	-	(24)
PDC	(29)	14	(15)
Emovis Technologies BC	(35)	-	(35)
SPI	(49)	24	(25)
Eurotoll Central Europe	(177)	-	(177)
Central Korbana Chile [1]	(201)	40	(161)
Partícipes en Brasil II	(244)	119	(125)
Operadora Los Andes [1]	(273)	55	(218)
Operadora Sol [1]	(294)	59	(235)
Arteris Participações	(297)	172	(125)
A4 Holding [1]	(529)	123	(406)
Partícipes en Brasil	(536)	262	(274)
Operadora Los Libertadores [1]	(719)	144	(575)
Abertis India Toll Road Services	(748)	-	(748)
Serenissima Partecipazioni	(756)	75	(681)
Aulesa	(1,354)	-	(1,354)
Latina Manuntenção de Rodovias	(2,306)	1,338	(968)
TTPL	(3,601)	-	(3,601)
Abertis India	(3,631)	-	(3,631)
Abertis Telecom Satélites	(3,740)	-	(3,740)
Societat d'Autopistes Catalanes	(5,126)	-	(5,126)
Litoral Sul	(5,423)	3,147	(2,276)
Abertis Autopistas España	(7,427)	-	(7,427)
Autovias	(8,841)	5,130	(3,711)
Arteris Via Paulista	(9,897)	5,744	(4,153)
Abertis Autopistas Chile [1]	(11,489)	2,298	(9,191)
Fernão Dias	(11,989)	6,958	(5,031)
Planalto Sul	(12,342)	7,162	(5,180)
Abertis Internacional	(13,359)	-	(13,359)

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Regis Bittencourt	(15,533)	9,014	(6,519)
Fluminense	(18,538)	10,758	(7,780)
Arteris	(24,501)	14,218	(10,283)
Central Korbana (1)	(54,656)	10,931	(43,725)
HIT	(73,387)	-	(73,387)
Group profit attributable to subsidiaries from continuing operations	**1,875,070**	**(153,680)**	**1,721,390**
Group profit from discontinued operations	(33,205)	(308)	(32,897)
Group profit attributable to subsidiaries	**1,841,865**	**(153,372)**	**1,688,493**

(1) Since Adia's entry into **Abertis**'s business in Chile in October 2016, profit equal to 20% of the dividend rights is included as profit attributable to non-controlling interests.

(2) In the case of **Vianorte** the profit earned up to the end of the concession in May 2018 is included as Group profit. In the case of **Acufon** the profit generated up to its liquidation in December 2018 is included in Group profit.

(3) The profit attributable to non-controlling interests includes the share of the results of investees accounted for using the equity method.

Associates and joint ventures	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Autema	3,795	-	3,795
A'lienor	3,377	-	3,377
RMG	2,511	-	2,511
Routalis	370	-	370
Bip&Drive	147	-	147
Leonord	56	-	56
G.R.A. di Padova	(713)	-	(713)
Coviandes	(2,803)	-	(2,803)
Coninvial	(4,768)	-	(4,768)
Cellnex Telecom	(16,418)	-	(16,418)
Loss of associates	(14,446)	-	(14,446)
Trados 45	6,919	-	6,919
Areamed	257	-	257
Tc-Flow	148	-	148
Profit of joint ventures	7,324	-	7,324
Loss of associates and joint ventures from continuing operations	**(7,122)**	**-**	**(7,122)**
Profit/Loss of associates from discontinued operations	-	-	-
Loss of associates and joint ventures	**(7,122)**	**-**	**(7,122)**
Profit for the year from continuing operations	**1,867,948**	**(153,680)**	**1,714,268**
Profit for the year from discontinued operations	(33,205)	(308)	(32,897)
Profit for the year	**1,834,743**	**(153,372)**	**1,681,371**

d) Non-controlling interests

The detail of the non-controlling interests is as follows:

	Line of business of subgroup	Country	% owned by Abertis	31 December 2018	31 December 2017
Partícipes en Brasil S.A. (**Partícipes**)	Toll roads	Spain	51.00%	936,749	1,088,624
Inversora de Infraestructuras, S.L. (**Invin**)	Toll roads	Spain	71.84%	214,606	219,794
Autopistas Metropolitanas Llc. (**Metropistas**)	Toll roads	P. Rico	51.00%	167,995	163,926
Autopista del Sol, S.A. (**Ausol**) (2)	Toll roads	Argentina	31.59%	126,418	3,230
Hispasat, S.A. (**Hispasat**) (1)	Satellites	Spain	89.68%	122,987	506,728
A4 Holding, S.p.A. (**A4**)	Toll roads	Italy	90.03%	96,152	156,549
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Toll roads	Spain	50.01%	82,102	90,265
Jadcherla Expressways Private Limited (**Jepl**)	Toll roads	India	100.00%	-	10,276
Grupo Concesionario del Oeste, S.A. (**Gco**) (2)	Toll roads	Argentina	48.60%	56,473	8,148
Holding d'Infrastructures de Transport S.A.S (**Hit**) (3)	Toll roads	France	100.00%	276	275
				1,803,758	**2,247,815**

(1) In 2018 and 2017, in the case of **Hispasat**, a company/subgroup associated with the satellite telecommunications business that was discontinued in 2017 (see Note 7).

(2) Companies controlled by **Abertis** as described in Note 2-g.i.

In relation to **Gco**, on 8 November 2018 the Group, as required by the Argentine National Securities Market Commission, set up a trust as described in Note 2-h).

(3) Relating to non-controlling interests in the **Hit** subgroup.

The increase in the non-controlling interests in **Ausol** and **Gco** was due mainly to the impact associated with the recognition of the outstanding measures to restore the economic and financial balance of these Argentine companies following agreements reached on 3 July 2018 with the Argentine Ministry of Transport extending the respective concession arrangements until December 2030 (see Notes 13-i-h and 27-c).

In relation to the main non-controlling interests detailed above, the summarised financial information on the assets, liabilities, profit or loss for the year and the cash flows of the related subgroups included in the consolidation process is as follows:

31 December 2018

	A4	Partícipes	Hispasat (*)	Invin	Túnels	Metropistas	Ausol	Gco
Non-current assets	996,887	3,120,192	1,132,327	3,076,028	424,792	1,014,052	289,163	180,342
Current assets	334,593	300,646	99,180	852,925	21,678	29,410	90,880	55,706
ASSETS	1,331,480	3,420,838	1,231,507	3,928,953	446,470	1,043,462	380,043	236,048
Non-current liabilities	650,149	1,473,952	298,831	2,293,238	398,410	667,542	74,832	50,411
Current liabilities	131,193	485,328	124,200	487,570	16,613	30,200	94,117	51,790
LIABILITIES	781,342	1,959,280	423,031	2,780,808	415,023	697,742	168,949	102,201
NET ASSETS	**550,138**	**1,461,558**	**808,476**	**1,148,145**	**31,447**	**345,720**	**211,094**	**133,847**
Revenue	432,268	617,122	204,129	538,074	62,608	118,076	164,464	131,303
Expenses	(197,384)	(324,431)	(42,983)	(117,548)	(11,548)	(41,413)	(63,243)	(45,559)
Gross profit from operations	**234,884**	**292,691**	**161,146**	**420,526**	**51,060**	**76,663**	**101,221**	**85,744**
Profit attributable to shareholders of the Parent	**79,668**	**(30,749)**	**33,856**	**89,016**	**13,988**	**2,490**	**155,039**	**120,467**
Operating activities	163.345	46,206	161,362	299.955	38,153	44,721	44,492	34,004
Investing activities	(36.263)	(85,159)	(61,851)	(56.593)	(82,696)	(8,137)	(1,752)	497
Financing activities	(62.176)	51,891	(89,443)	(289.139)	40,455	(38,252)	(38,846)	(34,560)
CASH FLOWS	**64.906**	**12,938**	**10,068**	**(45.777)**	**(4,088)**	**(1,668)**	**3,894**	**(59)**

(*) Company/subgroup associated with the satellite telecommunications business that was discontinued in 2017 (see Note 7).

31 December 2017

	A4	Partícipes	Hispasat (*)	Invin	Túnels	Metropistas
Non-current assets	1,081,843	3,325,108	1,177,866	3,477,702	356,536	986,808
Current assets	263,509	280,115	123,365	898,695	23,891	35,979
ASSETS	1,345,352	3,605,223	1,301,231	4,376,397	380,427	1,022,787
Non-current liabilities	658,985	1,429,554	358,282	2,692,811	330,151	661,927
Current liabilities	156,376	502,984	142,705	517,531	7,539	23,423
LIABILITIES	815,361	1,932,538	500,987	3,210,342	337,690	685,350
NET ASSETS	**529,991**	**1,672,685**	**800,244**	**1,166,055**	**42,737**	**337,437**
Revenue	422,608	851,255	235,067	513,547	60,157	112,692
Expenses	(206,912)	(422,462)	(42,965)	(111,472)	(14,417)	(35,795)
Gross profit from operations	**215,696**	**428,793**	**192,102**	**402,075**	**45,740**	**76,897**
Profit attributable to shareholders of the Parent	**(43,854)**	**56,980**	**75,054**	**5,366**	**13,527**	**(6,717)**
Operating activities	133,908	560,529	142,461	179,617	36,629	27,506
Investing activities	52,159	(841,313)	(122,217)	(235,237)	(11,067)	(22,510)
Financing activities	(313,933)	345,002	(13,171)	(44,067)	(21,830)	(9,798)
CASH FLOWS	**(127,866)**	**64,218**	**7,073**	**(99,687)**	**3,732**	**(4,802)**

(*) Company/subgroup associated with the satellite telecommunications business that was discontinued in 2017.

Also, at 31 December 2018 and 2017 the non-controlling interests with holdings of 10% or more in the share capital of the most significant fully consolidated Group companies were as follows:

	2018		2017	
	Non-controlling shareholder(s)	%	Non-controlling shareholder(s)	%
Partícipes en Brasil S.A. (**Partícipes**)	Brookfield Brazil Motorways Holding, S.L.	49.00%	Brookfield Brazil Motorways Holding, S.L.	49.00%
Hispasat, S.A. (**Hispasat**)	Sociedad Estatal de Participaciones Industriales (SEPI)	7.41%	Eutelsat	33.69%
Autopistas Metropolitanas Llc. (**Metropistas**)	Goldman Sachs Infrastructure Partners & Co	49.00%	Goldman Sachs Infrastructure Partners & Co	49.00%
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Ardian	49.99%	Ardian	49.99%
Inversora de Infraestructuras, S.L. (**Invin**)	Abu Dhabi Investment Authority (Adia) (1)	28.16%	Abu Dhabi Investment Authority (Adia) (1)	28.16%
Autopista del Sol, S.A. (**Ausol**) (2)	Impregilio International Infrastructures N.V.	19.82%	Impregilio International Infrastructures N.V.	19.82%
	Natal Inversiones, S.A.	14.12%	Natal Inversiones, S.A.	14.12%
Grupo Concesionario del Oeste, S.A. (**Gco**) (2)	IJM Corporation Berhad	20.1%	IJM Corporation Berhad	20.1%

(1) Although in share ownership terms Abu Dhabi Investment Authority (Adia) holds a stake of 28.16% in Invin (2017: 28.16%) through Silver Beagle, S.a.r.l., its ownership interest in the two years is equal to 20% of the dividend rights of Abertis's business in Chile.

(2) A company whose shares are listed on the Buenos Aires Stock Exchange.

The most noteworthy changes in 2018 were as follows:

Dividends

The detail of "2017 Final Dividend" for a total amount of EUR 17,733 thousand and of "2018 Interim Dividend" for a total amount of EUR 48,236 thousand, corresponding to the payments made to the rest of these companies' respective shareholders in relation to those dividends, is as follows:

	Final dividend for prior year		Interim dividend for current year	
	2018	**2017**	**2018**	**2017**
Autopista del Sol, S.A. (**Ausol**)	6,205	14,970	23,166	9,004
Grupo Concesionario del Oeste, S.A. (**Gco**)	4,976	5,600	15,346	-
A4 Holding, S.p.A. (**A4**)	179	8,220	4,985	-
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	4,712	6,018	4,739	4,840
Hispasat, S.A. (**Hispasat**)	1,661	2,159	-	-
Partícipes en Brasil S.A. (**Partícipes**)	-	-	-	2,767
Other non-controlling interests	-	119	-	-
	17,733	**37,086**	**48,236**	**16,611**

Reimbursement of shareholder contributions

The detail of "Reimbursement of Shareholder Contributions", totalling EUR 6,382 thousand and relating to the payments made in this connection to the rest of the respective shareholders, is as follows:

	Reimbursement of shareholder contributions	
	2018	**2017**
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) [1]	6,382	3,939
	6,382	**3,939**

(1) At 2018 and 2017 year-end as a result of a reimbursement of capital

Capital increases

The detail of "Capital Increases" totalling EUR 2,870 thousand corresponding to the contribution subscribed in this connection by the non-controlling interest is as follows:

	Capital increases	
	2018	**2017**
Partícipes en Brasil S.A. (**Partícipes**) (1)	490	182,564
Arteris, S.A. (**Arteris**) (2)	2,380	136,585
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) (3)	-	6,441
	2,870	**325,590**

(1) In 2017 corresponding to 49.00% of the capital increase subscribed by Brookfield.

(2) In 2018 corresponding to 17.70% of the capital increase subscribed by Brookfield Aylesbury and in 2017 to 14.94% of the capital increase subscribed by Brookfield Aylesbury.

(3) Corresponding to 49.00% of the capital increase subscribed by Goldman Sachs.

Changes in the scope of consolidation and other

"Changes in the Scope of Consolidation and Other", totalling EUR -448,326 thousand, relates to the impact of the following:

		Changes in the scope of consolidation and other	
		2018	**2017**
Acquisition of an additional 6.47% of A4 Holding, S.p.A. (**A4**)	i.	(60,832)	(301,519)
Acquisition of an additional 26.00% of Jadcherla Expressways Private Ltd. (**JEPL**)	ii.	(9,794)	-
Acquisition of an additional 32.63% of Hispasat, S.A. (**Hispasat**)	iii.	(377,700)	-
Acquisition of 74% of Jadcherla Expressways Private Ltd. (**JEPL**)		-	14,692
Acquisition of an additional 47.5% of Holding d'Infrastructures de Transport S.A.S. (**Hit**)		-	(939,050)
Other (1)		-	(14,311)
		(448,326)	**(1,240,188)**

(1) In 2017 including mainly the impact on non-controlling interests of the dilution of the ownership interest held in **Arteris**, as a result of the capital increase performed which was not subscribed by Partícipes en Brasil and departure of the non-controlling interests of the **Infracom** subgroup sold in July.

i) Acquisition of an additional 6.47% of the share capital of **A4**.

As indicated in Note 2-h, in 2018 **Abertis** acquired an additional 6.47% of the share capital of A4 Holding, S.p.A. (**A4**), which gave it an ownership interest of 90.03% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition was reduced by a total amount of EUR 60,832 thousand.

Additionally, since this was an equity transaction carried out with the non-controlling interest in a subsidiary that did not modify the controlling position in the **A4** subgroup, it gave rise to the recognition of a positive impact of EUR 28,067 thousand on "Retained Earnings and Other Reserves" in the consolidated balance sheet.

ii) Acquisition of an additional 26.00% of the share capital of **JEPL**.

As indicated in Note 2-h, in 2018 **Abertis**, following the exercise of the purchase commitment vis-à-vis third-party shareholders, acquired an additional 26.00% of the share capital of Jadcherla Expressways Private Ltd. (**JEPL**), which gave it an ownership interest of 100% in this company, thereby completing its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition, totalling EUR 9,794 thousand (see Note 14-c), ceased to exist.

iii) Acquisition of an additional 32.63% of the share capital of **Hispasat**.

As indicated in Note 2-h, in 2018 **Abertis**, following the exercise of the purchase commitment vis-à-vis third-party shareholders, acquired an additional 32.63% of the share capital of Hispasat, S.A. (**Hispasat**), which gave it an ownership interest of 89.68% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition was reduced by a total amount of EUR 377,700 thousand (see Note 14-c).

Also, “Changes in the Scope of Consolidation and Other” in 2017 related mainly to the impact of the following:

i) Acquisition of an additional 47.45% of the share capital of **Hit**.

In the first half of 2017 **Abertis**, through several purchase transactions, acquired an additional 47.45% of the share capital of Holding d’Infrastructures de Transport (**Hit**, which controls all the share capital of Sanef), which made it the sole shareholder of this company and completed its controlling position, as a result of which the non-controlling interest existing at the date of the various acquisitions totalling EUR 939,050 thousand ceased to exist.

Additionally, since these were equity transactions carried out with the non-controlling interest in a subsidiary that did not modify the controlling position in the **Hit** subgroup, they gave rise to the recognition of a negative impact on the Group’s equity of EUR -1,275,335 thousand (EUR -1,257,349 thousand on “Retained Earnings and Other Reserves” in the consolidated balance sheet and EUR -17,986 thousand on “Reserves - Valuation Adjustments Relating to Hedges”).

ii) Acquisition of an additional 32.16% of the share capital of **A4**.

In 2017 **Abertis**, through various purchase transactions, completed the acquisition of an additional 32.16% of the share capital of A4 Holding, S.p.A. **(A4)**, which gave it an ownership interest of 83.56% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the various acquisitions was reduced by EUR 301,519 thousand.

Additionally, since these were equity transactions carried out with the non-controlling interest in a subsidiary that did not modify the controlling position in the **A4** subgroup, they gave rise to the recognition of a positive impact of EUR 122,442 thousand (EUR 116,562 thousand on “Retained Earnings and Other Reserves” in the consolidated balance sheet and EUR 5,880 thousand on “Reserves - Available-for-Sale Financial Assets”).

iii) Acquisition with obtainment of control over **JEPL** as a result of the acquisition of 74.00% of its share capital.

In March 2017 **Abertis** acquired an indirect ownership interest of 74.00% of the share capital of **JEPL** (thereby becoming the majority and controlling shareholder). **JEPL** started to be fully consolidated on 1 March 2017, which at the date of acquisition gave rise to the recognition of a non-controlling interest of EUR 14,692 thousand.

e) Dividends and dividend proposal

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 14-a.ii, 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	EUR/share (gross)	Accrued dividend	EUR/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**

The distribution of dividends is determined on the basis of the separate financial statements of Abertis Infraestructuras, S.A. and pursuant to the corporate law currently in force in Spain.

The dividends to be distributed to the shareholders are recognised as a liability in the consolidated financial statements from the time the dividends are approved by the shareholders at the Annual General Meeting (or by the Board of Directors in the case of interim dividends) until they are paid.

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

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

In this regard, the directors of Abertis Infraestructuras, S.A. will submit for approval by the shareholders at the Annual General Meeting the following distribution of the 2018 profit of **Abertis**:

Basis of distribution (Profit)	**2,406,758**
Distribution:	
To 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 (2018 proposal)	0.96	875,103	0.21	206,313
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**

f) Earnings per share

i) Basic

As shown below, basic earnings per share are calculated by dividing the net profit for the year attributable to the shareholders of **Abertis** by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group and, in the event that a capital increase through a scrip issue were performed, considering its impact as if it had been performed at the beginning of the year, adjusting the impact retrospectively for the years presented.

	2018			**2017**		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit attributable to the shareholders (Note 15-c.iii)	1,714,268	(32,897)	1,681,371	849,660	47,753	897,413
Weighted average number of ordinary shares outstanding (thousands)	911,567	911,567	911,567	910,672	910,672	910,672
Basic earnings per share (EUR/share)	1.881	(0.036)	1.845	0.933	0.052	0.985
Diluted earnings per share (EUR/share)	1.881	(0.036)	1.845	0.933	0.052	0.985

ii) Diluted

Diluted earnings per share are determined by including in the calculation described above the effect (should there be one) of converting all potentially dilutive shares (share options) into shares of **Abertis**. In this regard, the conversion is considered to take place at the beginning of the year or, if the potentially dilutive shares were issued during the year, at their issue date.

In 2018 (as in 2017) **Abertis** did not hold any potentially dilutive shares consisting of share options and, therefore, diluted earnings per share do not differ from basic earnings per share.

16. BOND ISSUES AND BANK BORROWINGS

The detail of the Group's bank borrowings is as follows:

	31 December 2018			31 December 2017		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans	4,740,471	242,227	4,982,698	5,454,794	643,897	6,098,691
Bond issues and other loans	10,162,856	866,576	11,029,432	10,762,267	963,668	11,725,935
	14,903,327	1,108,803	16,012,130	16,217,061	1,607,565	17,824,626
Payables to companies accounted for using the equity method	8,368	2,115	10,483	8,437	1,635	10,072
Interest on loans and bonds	-	181,608	181,608	-	199,629	199,629
Other bank borrowings	508,614	-	508,614	490,940	-	490,940
Bond issues and bank borrowings	**15,420,309**	**1,292,526**	**16,712,835**	**16,716,438**	**1,808,829**	**18,525,267**

Given the Group's cash position indicated in Note 14, in 2018 **Abertis** increased its net debt from bond issues and bank borrowings (excluding the accounts payable to companies accounted for using the equity method and interest on loans and bonds and other assets and liabilities) by EUR 2,091,465 thousand to EUR 13,275,060 thousand.

The reduction in the year in the Group's net bank borrowings was due mainly, in addition to the cash generated by the Group in its operations, to:

- The sale of 34.0% of Cellnex, which gave rise to a cash inflow of EUR 1,702,629 thousand.
- The impact of the adoption of IFRS 9, effective from 1 January 2018, amounting to EUR 63,640 thousand (see Note 5).
- The exchange rate effect at 31 December 2018, due mainly to the depreciation of the Brazilian real and the Chilean peso at the reporting date, which reduced the Group’s net bank borrowings by EUR 158,112 thousand.

These effects were partially offset mainly by:

- The impact of the purchase of an additional 32.63% of **Hispasat** for EUR 292,501 thousand, the purchase of an additional 6.47% of **A4** for EUR 32,765 thousand and the purchase of an additional 26% of **JEPL** for EUR 15,338 thousand.
- The effect of the investments (in operations and for expansion purposes) made in the year amounting to EUR 604 million.
- The payment of dividends in the year (EUR 396,152 thousand relating to the second payment of the dividend for 2017, from which EUR 31,526 thousand, corresponding to the dividend associated with treasury shares, must be deducted).
- The payment of EUR 634,012 thousand, relating mainly to the pre-payment made in relation to the dividends received by Abertis Infraestructuras, S.A. and to the gain obtained on the sale of Cellnex, which are exempt for tax purposes but which, pursuant to current legislation, were treated as taxable in the income tax pre-payments made.

Various financing transactions carried out in 2018 provided new funds for the Group, for a net amount of EUR 1,279,190 thousand (2017: EUR 3,966,730 thousand), aimed at allowing it to service part of the debt maturing in 2018 (with debt totalling EUR 2,878,551 thousand being serviced and refinanced) (2017: EUR 2,388,697 thousand), increasing its liquidity and optimising its debt maturity profile and borrowing costs, thereby strengthening its financial position. The transactions included most notably the following:

- The arrangement of loans maturing in 2024 and 2025 amounting to EUR 815 million by Abertis Infraestructuras, S.A. against which no drawdowns had been made at 31 December 2018.

  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.

  Lastly, 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 issue by certain companies in the **Arteris** subgroup of new bonds and promissory notes of BRL 1,400 million (approximately EUR 315 million at 2018 year-end) the detail of the maturity and rates of which during the year is as follows:

Issuer	Amount (millions of BRL)	Amount (millions of EUR) (1)	Maturity	Coupon rate
Intervias	200	45	May 2020	12m CDI +0.47%
Intervias	191	43	May 2023	12m CDI +0.90%
Intervias	283	64	May 2025	12m CDI +1.35%
Intervias	126	28	May 2025	12m HICP +6.76%
Total Intervias	800	180		
Régis Bittencourt (promissory note)	600	135	June 2020	107% of the CDI
Total	**1,400**	**315**		

(1) Amount measured at the exchange rate prevailing at 31 December 2018.

- The drawdown by **Régis Bittencourt** of BRL 334 million (approximately EUR 78 million at 2018 year-end) against a loan maturing in December 2029 bearing a fixed interest rate of 10.74% (up to BRL 775 million, approximately EUR 174 million at 31 December 2018) may be drawn down.
- The arrangement of loans of EUR 50 million and EUR 15 million by **A4 Holding** and **A4 Mobility** maturing in January and December 2023, respectively.
- In July 2018 **Túnels** completed the novation of the financing agreement for EUR 305 million (previously EUR 240 million) in order to extend the term to maturity of the financing to December 2034 and reduce the related borrowing costs. In this connection, the costs associated with this novation amounted to EUR 7 million, and this amount was recognised as an expense in the consolidated statement of profit or loss for 2018 (see Note 22-e).
- In January 2018 **Rutas del Pacífico** repurchased in full the outstanding balance (CPL 139,448 million, approximately EUR 175 million at 2018 year-end) of bonds issued by it in previous years, amounting to CPL 305,376 million (approximately EUR 385 million at 2018 year-end), maturing in December 2024 and with an annual coupon rate of UF +5.8%.

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2018 credit facilities amounting to EUR 1,450 million (2017: EUR 900 million). Accordingly, the volume of the credit facilities of Abertis Infraestructuras, S.A. at 31 December 2018 and 2017 was as follows (see Note 15.i-a):

Millions of euros	**31 December 2018**		**31 December 2017**	
	Total	Amount drawn down	Total	Amount drawn down
Credit facilities of Abertis Infraestructuras, S.A.	2,600	-	2,600	-
Maturing within one year	-	-	-	
Maturing at more than one year	2,600		2,600	
Average maturity period (years)	1.9		2.3	

Of the EUR 2,600 million of the credit facilities of Abertis Infraestructuras, S.A., 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.

Also, pursuant to the amendments to IAS 7, following is a reconciliation of the cash flows arising from financing activities, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

	31/12/2017	Adoption of IFRS 9	Cash flows	Exchange rate	Transfers from liabilities held for sale	Other	**31/12/2018**
Bank loans	6,098,691	-	(1,023,303)	(110,017)	1,191	16,136	4,982,698
Bond issues and other loans	11,725,935	(63,640)	(583,633)	(105,620)	-	55,390	11,029,432
	17,824,626	(63,640)	(1,605,936)	(215,637)	1,191	71,526	16,012,130
Payables to companies accounted for using the equity method	10,072	-	(480)	(69)	-	-	10,483
Interest on loans and bonds	199,629	-	15,532	(2,489)	-	-	181,608
Other bank borrowings	490,940	-	-	-	-	17,674	508,614
Bond issues and bank borrowings	**18,525,267**	**(63,640)**	**(1,620,988)**	**(218,195)**	**1,191**	**89,200**	**16,712,835**

	31/12/2016	Cash flows	Changes in the scope of consolidation	Exchange rate	Transfers to liabilities held for sale	Other	31/12/2017
Bank loans	5,004,033	1,709,807	(11,099)	(193,944)	(381,932)	(28,174)	6,098,691
Bond issues and other loans	11,901,826	(190,297)	36,672	(166,505)	-	144,239	11,725,935
	16,905,859	1,519,510	25,573	(360,449)	(381,932)	116,065	17,824,626
Payables to companies accounted for using the equity method	11,049	(667)	-	(310)	-	-	10,072
Interest on loans and bonds	257,585	(53,785)	2,227	(5,576)	(822)	-	199,629
Other bank borrowings	473,881	-	-	-	-	17,059	490,940
Bond issues and bank borrowings	**17,648,374**	**1,465,058**	**27,800**	**(366,335)**	**(382,754)**	**133,124**	**18,525,267**

The financing transactions carried out in 2017 included most notably the following:

- The arrangement by Abertis Infraestructuras, S.A. of loans amounting to EUR 2,140 million, maturing between 2018 and 2022 (with an average term of 3.4 years) and promissory note issues amounting to EUR 100 million in order to cater for the maturity in June 2017 of a EUR 785 million bond and a portion of the acquisition of shares of **Hit**.
- **Hit** carried out a public bond issue of EUR 500 million maturing at six years (March 2023) and with a coupon rate of 0.625%, as well as another public bond issue also amounting to EUR 500 million maturing, in this case, at ten years (November 2027) with a coupon rate of 1.625%. A portion of the amount obtained was used to partially repurchase bonds issued in previous years by **Hit** itself amounting to EUR 140 million, maturing in October 2021, and with an annual coupon rate of 4.875%. It should also be noted that although the amounts obtained at 2017 year-end were not used in full, they are expected to be used to refinance current borrowings and for other corporate purposes.
- The **A4** subgroup (through Autostrada Brescia Verona Vicenza Padova, S.p.A.) partially repurchased (for EUR 200 million) bonds issued by it in previous years, amounting to EUR 600 million, maturing in 2020 and with an annual coupon rate of 2.375%.

- The detail of the issue by certain **Arteris** subgroup companies of new debt instruments in 2018 is as follows:

Issuer	Amount (millions of BRL)	Amount (millions of EUR) (1)	Maturity	Coupon rate
Arteris	1,454	366	October 2022	12m CDI +1.60%
Via Paulista	200	50	October 2019	12m CDI +2.10%
Arteris	162	41	October 2024	12m HICP +5.09%
Autovias	100	25	September 2018	12m CDI +1.40%
Centrovias	100	25	March 2019	12m CDI +1.25%
Arteris	75	18	January 2018	12m CDI +1.80%
Total	**2,091**	**525**		

(1) Amount measured at the exchange rate prevailing at 31 December 2017.

Also, **Arteris** arranged a loan of USD 50 million (approximately EUR 40 million at 31 December 2017) maturing in 2018 and with a coupon rate of 12m CDI +1.60%.

- The repurchase in full by **Libertadores** of the outstanding balance (CLP 90,341 million, approximately EUR 122 million at 2017 year-end) of bonds issued by it in previous years, amounting to CPL 128,661 million (approximately EUR 175 million at 2017 year-end), maturing in January 2025 and with an annual coupon rate of UF +5.07%.
- The early repurchase by **Abertis Finance** of bonds amounting to USD 103 million (approximately EUR 85 million at 31 December 2017) maturing in 2019 and with an annual coupon rate of 5.26%.

It should be noted in connection with the transactions to repurchase the aforementioned bonds carried out by **Hit**, **A4** and **Libertadores** that the bond redemption costs amounted to EUR 27 million, EUR 12 million and EUR 14 million, respectively, and these amounts were recognised in the consolidated statement of profit or loss for 2017 (see Note 22-e).

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2017 credit facilities amounting to EUR 900 million. Accordingly, the total and drawable volume of the credit facilities of Abertis Infraestructuras, S.A. at the end of 2017 was 2,600 million (all the credit facilities mature at more than one year).

i) Bank loans, bonds and other loans

The breakdown of the gross bank borrowings of **Abertis** (excluding borrowings from companies accounted for using the equity method, interest on loans and bonds and other liabilities), by country and financial instrument, is as follows:

	31 December 2018			31 December 2017		
	Loans	Bonds	Total	Loans	Bonds	Total
Abertis (1)	1,365,331	4,708,843	6,074,174	2,180,733	4,822,080	7,002,813
Spain	553,669	-	553,669	529,362	-	529,362
France	1,573,316	4,103,564	5,676,880	1,692,356	4,616,679	6,309,035
Italy	87,760	398,321	486,081	87,374	404,398	491,772
Brazil	714,645	867,720	1,582,365	793,924	703,592	1,497,516
Chile	393,644	474,144	867,788	511,300	706,525	1,217,825
Puerto Rico	253,290	445,749	699,039	259,148	436,385	695,533
Argentina	-	-	-	-	-	-
Other (2)	41,043	31,091	72,134	44,494	36,276	80,770
Total	**4,982,698**	**11,029,432**	**16,012,130**	**6,098,691**	**11,725,935**	**17,824,626**

(1) Including at 31 December 2018 EUR 221,303 thousand corresponding to Abertis Infraestructuras Finance B.V., relating in full to bonds (2017 year-end: EUR 210,920 thousand also relating in full to bonds).

Of the total borrowings obtained by the Parent and Abertis Infraestructuras Finance B.V., at 31 December 2018 EUR 1,770,571 thousand had been lent in turn to other Group companies (2017 year-end: EUR 2,226,666 thousand).

(2) Corresponding substantially in full, both in 2018 and 2017, to the gross payables to third parties of the toll roads business in India.

The main changes in gross bank borrowings in 2018 were as follows:

- The change in gross borrowings in Brazil and Chile was affected by the depreciation of the exchange rate at the reporting date of the Brazilian real (impact of EUR 158,749 million, offset by the issues launched by Brazilian companies indicated above) and the Chilean peso (impact of EUR -86,714 million). On the other hand, in the case of Puerto Rico the increase in the Group's gross borrowings was affected by the appreciation of the exchange rate at the reporting date of the US dollar (impact of EUR 32,998 million).
- Also, the reduction in gross borrowings at **Abertis** France and Chile was due mainly to the repayment of borrowings in the year (EUR 915 million, EUR 620 million and EUR 313 million, respectively).

The weighted average interest rate in 2018 on bond issues and bank borrowings was 3.73% (2017: 4.04%).

The Group's borrowings based on the contractually stipulated cash flows, taking into consideration the related hedges referred to Note 12, are denominated in the following currencies:

	2018 (*)	**2017 (*)**
Euro	12,893,557	14,405,777
Brazilian real	1,548,609	1,461,159
Chilean peso	778,008	1,127,997
US dollar	950,427	972,297
Japanese yen	153,610	153,610
Indian rupee	72,527	83,512
Bond issues and bank borrowings	**16,396,738**	**18,204,352**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

As indicated in Note 12, a portion of the borrowings in US dollars and all the borrowings in Japanese yen are converted to euros through derivative financial instruments.

The detail of the bank borrowings by maturity based on the amounts payable to maturity at each reporting date, as provided for in the respective contracts, is as follows:

	31 December 2018 (*)			**31 December 2017 (*)**		
	Loans	Bonds	Total	Loans	Bonds	Total
Between one and two years	601,473	1,298,752	1,900,225	263,250	871,337	1,134,587
Between two and three years	413,877	1,613,439	2,027,316	1,202,535	1,120,487	2,323,022
Between three and four years	2,017,698	284,232	2,301,930	413,441	1,633,471	2,046,912
Between four and five years	565,193	1,242,260	1,807,453	2,208,261	282,003	2,490,264
After five years	1,201,997	6,034,842	7,236,839	1,433,632	7,161,160	8,594,792
Non-current maturities	**4,800,238**	**10,473,525**	**15,273,763**	**5,521,119**	**11,068,458**	**16,589,577**
Current maturities	**245,086**	**877,889**	**1,122,975**	**627,517**	**987,258**	**1,614,775**
Total debt	**5,045,324**	**11,351,414**	**16,396,738**	**6,148,636**	**12,055,716**	**18,204,352**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

Of the EUR 16,396,738 thousand, EUR 10,159,223 thousand (62%) relate to debt of subsidiaries without recourse to Abertis Infraestructuras, S.A. (2017: EUR 11,051,076 thousand (61%)).

At 31 December 2018, the average term to maturity of the debt was 5.0 years (2017 year-end: 5.3 years).

Also, interest on the aforementioned loans and bonds accrues and is settled on the basis of the specific terms and conditions and maturities. In 2019 interest on the borrowings based on the debt at 31 December 2018 is expected to amount to approximately EUR 617 million (EUR 686 million estimated at 2017 year-end for 2018).

At 31 December 2018, 82% (2017: 79%) of the borrowings bore a fixed interest rate or a rate fixed through hedges. Therefore, possible interest rate fluctuations are not expected to have a significant impact on these consolidated financial statements.

The estimated sensitivity of the consolidated statement of profit or loss to a 50 bp change in the interest rates applied to the floating-rate debt is as follows:

	2018			**2017**		
	Financing in			Financing in		
(millions of euros)	Euros	Other currencies (*)	Total	Euros	Other currencies (*)	Total
Change of 50 bp:						
Gross impact before tax	9.4	5.6	15.0	14.1	5.3	19.4
Net impact after tax (and before non-controlling interests)	7.1	4.2	11.3	10.6	4.0	14.6

(*) At the end of 2018 and 2017 due mainly to Brazilian reais and Chilean pesos.

In addition, it should be noted in relation to the sensitivity of derivative transactions to interest rate fluctuations that, in terms of the derivative transactions analysed at 31 December 2018 taken as a whole, with a 50 bp change in the EUR, USD, YEN, INR, CLP and BRL interest rate curves, and other variables staying constant, the fair value of the derivative transactions taken as a whole would have changed by EUR 165 million (2017: EUR 29 million), with a net impact of EUR 124 million on equity and virtually no impact on profit after tax (2017: impact of EUR 21 million on equity and again virtually no impact on profit after tax).

Lastly, the detail of the carrying amount and fair value of the bonds and non-current bank borrowings at the end of 2018 and 2017 is as follows:

	2018				
		Fair value (*)			
	Carrying amount	Level 1	Level 2	Level 3	Total
Bank loans	4,740,471	-	5,306,380	-	5,306,380
Bonds	10,162,856	8,832,736	1,983,485	-	10,816,221
	14,903,327	**8,832,736**	**7,289,865**	**-**	**16,122,601**

(*) Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3. Inputs for the asset or liability that are not based on observable market data.

	2017				
		Fair value (*)			
	Carrying amount	Level 1	Level 2	Level 3	Total
Bank loans	5,454,794	-	5,399,160	488,502	5,887,662
Bonds	10,762,267	9,351,742	2,367,632	-	11,719,374
	16,217,061	**9,351,742**	**7,766,792**	**488,502**	**17,607,036**

(*) Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3. Inputs for the asset or liability that are not based on observable market data.

The carrying amount of the current bank borrowings approximates their fair value. The fair value of the fixed-rate borrowings is calculated by discounting the payment flows of each debt by the interest rate curve of the currency to which they are tied, and in the case of bonds, the issuer's credit curve is added, which is estimated on the basis of the market prices of the liquid obligations observed for the same issuer in its reference markets.

i.a) Bank loans

The breakdown by maturity (as stipulated in the related agreements) and country of the bank loans is as follows:

2018 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	265	50,066	-	1,315,000	-	-	1,365,066	1,365,331
Spain	44,545	47,482	48,036	51,863	51,104	315,544	514,029	558,574
France	20,000	258,000	221,500	264,500	363,000	456,000	1,563,000	1,583,000
Italy	10,883	30,935	10,941	10,828	23,225	-	75,929	86,812
Brazil	73,560	126,147	93,692	101,531	110,033	213,469	644,872	718,432
Chile	89,928	83,698	32,531	8,182	10,160	210,758	345,329	435,257
Puerto Rico	-	-	-	256,485	-	-	256,485	256,485
Argentina	-	-	-	-	-	-	-	-
Other	5,905	5,145	7,177	9,309	7,671	6,226	35,528	41,433
Bank loans	**245,086**	**601,473**	**413,877**	**2,017,698**	**565,193**	**1,201,997**	**4,800,238**	**5,045,324**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

2017 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	240,403	-	675,329	-	1,265,000	-	1,940,329	2,180,732
Spain	40,860	44,545	47,482	48,036	291,863	61,647	493,573	534,433
France	120,000	20,000	258,000	221,500	264,500	819,000	1,583,000	1,703,000
Italy	29,483	19,399	37,991	451	284	162	58,287	87,770
Brazil	111,551	78,298	89,844	101,040	104,778	293,703	667,663	779,214
Chile	79,598	94,862	88,535	34,946	9,558	244,655	472,556	552,154
Puerto Rico	-	-	-	-	262,688	-	262,688	262,688
Argentina	-	-	-	-	-	-	-	-
Other	5,622	6,146	5,354	7,468	9,590	14,465	43,023	48,645
Bank loans	**627,517**	**263,250**	**1,202,535**	**413,441**	**2,208,261**	**1,433,632**	**5,521,119**	**6,148,636**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

At 31 December 2018 and 2017, the main loans held by Group companies with banks and the main characteristics thereof were as follows:

	31/12/18 [1]	31/12/17 [1]	Reference rate [3]	Average interest rate - 2018 [2]	Average interest rate - 2017 [2]	Currency [3]	Final maturity - 2018	Final maturity - 2017	Financial obligations [4]	Security interests, pledges and other guarantees
Abertis (several)	1,365,000	2,180,000	Euribor			EUR	2020-2022	2018-2022	-	-
Abertis (other)	331	732	Fixed rate			EUR	2020	2020	-	-
Abertis	**1,365,331**	**2,180,732**		**0.65%**	**0.58%**					
Avasa	225,000	265,500	Euribor			EUR	2023	2023	Financial ratios	Other [5]
Túnels	305,000	240,000	Euribor			EUR	2034	2022	Financial ratios	Company shares, concession infrastructure and other [5]
Aulesa	28,574	28,933	Fixed rate			EUR	2029	2029	Financial ratios	Company shares, concession infrastructure and other [5]
Spain	**558,574**	**534,433**		**2.63%**	**2.70%**					
Sanef/Sapn (several)	1,500,000	1,500,000	Fixed rate			EUR	2024	2024	Financial ratios	Financial collateral
Sanef/Sapn (several)	-	100,000	Fixed rate			EUR	-	2018	-	-
Sanef	83,000	103,000	Euribor			EUR	2021-2023	2021-2023	Financial ratios	-
France	**1,583,000**	**1,703,000**		**5.14%**	**5.06%**					
A4 Holding	49,935	48,912	Euribor			EUR	2023	2020	Financial ratios	% of the shares of Autostrada and other [5]
Partecipazioni	20,000	24,000	Euribor			EUR	2020	2018	Financial ratios	Other [5]
A4 Mobility (several)	15,000	12,500	Euribor			EUR	2023	2020	Financial ratios	Other [5]
Other (several)	1,877	2,358	Euribor			EUR	2021-23	2021-23	-	Other [5]
Italy	**86,812**	**87,770**		**1.73%**	**2.33%**					
Federal concessions (several)	676,214	739,373	Fixed rate			BRL	2023-29	2023-29	Financial ratios	Company shares and other [5]
Arteris	42,192	39,752	Fixed rate			USD	2020	2018	-	-
Other	26	89	Fixed rate			BRL	2019	2019	-	Concession infrastructure
Brazil	**718,432**	**779,214**		**9.85%**	**9.91%**					
Los Andes	182,032	191,789	Fixed rate			CLP	2034	2034	-	Concession infrastructure
Abertis Autop. Chile	108,276	155,942	TAB			UF	2020	2020	Financial ratios	-
Elqui	61,679	84,165	Fixed rate			UF	2021	2021	-	Company shares and concession infrastructure
Autp. Central	62,022	82,967	Fixed rate			UF	2029	2029	-	Concession infrastructure
Elqui	21,248	28,277	TAB			CLP	2021	2021	-	Company shares and concession infrastructure
Los Andes	-	9,014	TAB			CLP	-	2018	-	Other [5]
Chile	**435,257**	**552,154**		**4.10%**	**3.94%**					
Metropistas	256,485	262,688	Libor			USD	2022	2022	Financial ratios	Concession infrastructure and other [5]l
Puerto Rico	**256,485**	**262,688**		**6.28%**	**5.66%**					
TTPL and JEPL (several)	41,433	48,580	ICICI			INR	2023-24	2023-24	Financial ratios	% of company shares, concession infrastructure and other [5]
Other (several)	-	65	Fixed rate				-	2018	-	
Other	**41,433**	**48,645**		**9.44%**	**9.68%**					
Total	**5,045,324**	**6,148,636**		**4.33%**	**3.74%**					

[1] Amount relating to the contractual cash flows (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

[2] Average interest rate for the year taking into account, where applicable, the impact of the related hedge.

[3] Average interest rate for the year not taking into account, where applicable, the impact of the related hedge.

[4] Relating mainly to the achievement of certain ratios related to aggregates, such as EBITDA, financial debt, equity or cash available for debt servicing.

[5] This type of financing includes the pledge of assets of the concession operators, which can generally be demand deposits, collection rights arising from concession arrangements, collection rights relating to insurance contracts, credit facilities and, on occasions, personal guarantees of the shareholders.

In this regard, at the date of authorisation for issue of these consolidated financial statements, the clauses or obligations included in the financing agreements have been fulfilled.

In addition, in order to cater for its cash needs, the Group has the following undrawn credit facilities and loans:

	31 December 2018							
	Maturing at less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Maturing at more than one year	Total
Abertis [1]	-	1,650,000	950,000	-	-	815,000	3,415,000	3,415,000
Spain	-	-	-	-	-	-	-	-
France	-	50,000	-	500,000	-	-	550,000	550,000
Italy	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	138,498	138,498	138,498
Chile	-	-	-	-	-	41	41	41
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Undrawn credit facilities and loans	**-**	**1,700,000**	**950,000**	**500,000**	**-**	**953,539**	**4,103,539**	**4,103,539**

[1] Including EUR 2,600,000 thousand relating to undrawn credit facilities and EUR 815,000 thousand relating to undrawn loans.

	31 December 2017							
	Maturing at less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Maturing at more than one year	Total
Abertis	-	800,000	1,450,000	350,000	-	-	2,600,000	2,600,000
Spain	-	-	-	-	-	-	-	-
France	-	-	350,000	-	-	200,000	550,000	550,000
Italy	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	56,485	56,485	56,485
Chile	-	-	-	-	-	-	-	-
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Undrawn credit facilities and loans	**-**	**800,000**	**1,800,000**	**350,000**	**-**	**256,485**	**3,206,485**	**3,206,485**

Lastly, the weighted average interest rate in 2018 on bank borrowings was 4.33% (2017: 3.74%).

i.b) Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2018 and 2017 is as follows:

	2018	2017
Bond issues	10,894,419	11,625,935
Promissory notes and commercial paper	135,013	100,000
Other marketable debt securities	-	-
Bond issues and other loans	**11,029,432**	**11,725,935**

The breakdown by maturity (as stipulated in the respective agreements) and country is as follows:

2018 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	364,100	640,900	-	-	600,000	3,238,610	4,479,510	4,843,610
Spain	-	-	-	-	-	-	-	-
France	300,000	-	1,359,800	-	500,000	2,050,000	3,909,800	4,209,800
Italy	-	400,041	-	-	-	-	400,041	400,041
Brazil	140,989	181,861	166,991	191,472	49,495	141,559	731,378	872,367
Chile	53,154	53,154	53,154	60,242	60,242	258,684	485,476	538,630
Puerto Rico	16,288	17,603	27,097	26,561	27,383	340,940	439,584	455,872
Argentina	-	-	-	-	-	-	-	-
Other	3,358	5,193	6,397	5,957	5,140	5,049	27,736	31,094
Bond issues and other loans	**877,889**	**1,298,752**	**1,613,439**	**284,232**	**1,242,260**	**6,034,842**	**10,473,525**	**11,351,414**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

2017 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	100,000	364,100	640,900	-	-	3,838,610	4,843,610	4,943,610
Spain	-	-	-	-	-	-	-	-
France	500,000	300,000	-	1,359,800	-	2,550,000	4,209,800	4,709,800
Italy	-	-	400,041	-	-	-	400,041	400,041
Brazil	134,329	132,557	1,700	186,129	188,878	78,104	587,368	721,697
Chile	235,977	55,636	55,636	55,636	63,054	333,813	563,775	799,752
Puerto Rico	13,379	15,551	16,806	25,249	24,870	350,028	432,504	445,883
Argentina	-	-	-	-	-	-	-	-
Other	3,573	3,493	5,404	6,657	5,201	10,605	31,360	34,933
Bond issues and other loans	**987,258**	**871,337**	**1,120,487**	**1,633,471**	**282,003**	**7,161,160**	**11,068,458**	**12,055,716**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements, converted at the closing exchange rate or at the fixed in the associated coverage, which also differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

The weighted average interest rate in 2018 on the bond issues was 3.50% (2017: 3.78%).

At 31 December 2018 and 2017, the main bond issues outstanding launched by Group companies and the main characteristics thereof were as follows:

	31/12/18 (1)	31/12/17 (1)	Reference rate(3)	Average interest rate - 2018 (2)	Average interest rate - 2017 (2)	Currency (3)	Final maturity - 2018	Final maturity - 2017	Financial obligations (4)	Security interests, pledges and other guarantees
Abertis (several)	4,430,000	4,430,000	Fixed rate			EUR	2019-38	2019-38	-	-
Abertis	160,000	160,000	Euribor			EUR	2024	2024	-	-
Abertis Finance	153,610	153,610	Fixed rate			JPY	2039	2039	-	Complete unconditional guarantee provided by Abertis
Abertis Finance	100,000	100,000	Fixed rate			EUR	2024	2024	-	Complete unconditional guarantee provided by Abertis
Abertis (promissory note)	-	100,000	Euribor			EUR	-	2018	-	-
Abertis	**4,843,610**	**4,943,610**		**2.90%**	**2.84%**					
Hit (several)	3,009,800	3,509,800	Fixed rate			EUR	2021-27	2018-2027	-	-
Sanef (several)	1,200,000	1,200,000	Fixed rate			EUR	2019-2028	2019-2028	-	-
France	**4,209,800**	**4,709,800**		**2.70%**	**3.03%**					
A4	400,041	400,041	Fixed rate			EUR	2020	2020	Financial ratios	% of the shares of Autostrada and other (5)
Italy	**400,041**	**400,041**		**2.38%**	**2.38%**					
Arteris	327,233	366,036	CDI			BRL	2022	2022	Financial ratios	% of the shares of Intervias and other (5)
State (several)	224,797	116,108	CDI/IPCA			BRL	2019-25	2018-2019	Financial ratios	-
State (Regis)	135,013	-	CDI			BRL	2020	-	Financial ratios	Guarantee provided by Arteris
State (Intervias)	28,355	56,634	IPCA			BRL	2025	2019	Financial ratios	-
State (Via Paulista)	67,507	50,341	CDI			BRL	2019	2019	-	Shares, concession infrastructure and other (4)
Federal (several)	53,112	48,524	IPCA			BRL	2025-2026	2025-2026	Financial ratios	Shares, concession infrastructure and other (5)
Arteris	36,350	40,660	IPCA			BRL	2024	2024	Financial ratios	% shares of Intervías and other (5)
State (toll roads)	-	25,171	CDI			BRL	-	2018	Financial ratios	Guarantee provided by Arteris
Arteris	-	18,223	CDI			BRL	-	2018	-	-
Brazil	**872,367**	**721,697**		**8.64%**	**11.45%**					
Autopista Central	342,751	391,793	Fixed rate			UF	2026	2026	Financial ratios	Concession infrastructure
Autopista Central	195,879	223,907	Fixed rate			USD	2026	2026	Financial ratios	Concession infrastructure
Rutas del Pacífico	-	184,052	Fixed rate			UF	-	2024	Financial ratios	Concession infrastructure
Chile	**538,630**	**799,752**		**5.58%**	**5.63%**					
Metropistas	362,437	352,193	Fixed rate			USD	2035	2035	-	Concession infrastructure and other (5)
Autopistas P. Rico	93,435	86,478	Fixed rate			USD	2020-27	2020-27	Financial ratios	Other (5)
Autopistas P. Rico	-	7,212	Fixed rate			USD	-	2018	Financial ratios	Other (5)
Puerto Rico	**455,872**	**445,883**		**6.57%**	**6.56%**					
TTPL and JEPL (several)	31,094	34,933	Fixed rate			INR	2023-24	2023-2024	-	% of company shares, concession infrastructure and other (5)
Other	**31,094**	**34,933**		**9.44%**	**9.40%**					
Total	**11,351,414**	**12,055,716**		**3.50%**	**3.78%**					

(1) Amount relating to the contractual cash flows (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

(2) Average interest rate for the year taking into account, where applicable, the impact of the related hedge.

(3) Average interest rate for the year not taking into account, where applicable, the impact of the related hedge.

(4) Relating mainly to the achievement of certain ratios related to aggregates, such as EBITDA, financial debt, equity or cash available for debt servicing.

(5) This type of financing includes the pledge of assets of the concession operators, which can generally be demand deposits, collection rights arising from concession arrangements, collection rights relating to insurance contracts, credit facilities and, on occasions, personal guarantees of the shareholders.

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

Lastly, it should be noted that since 20 April 2017 Abertis Infraestructuras, S.A. has had a EUR 500 million promissory note issue programme registered (in force at 31 October 2018), against which no amount had been drawn down at 31 October 2018 (2017 year-end: EUR 100 million). Also, at 2018 year-end **Régis Bittencourt** had a EUR 600 million promissory note (approximately EUR 135 million), maturing in June 2020 with a spread of 107% of the CDI.

ii) Payables to companies accounted for using the equity method

The detail of the balances with associates is as follows:

	31 December 2018			**31 December 2017**		
	Non-current	Current	Total	Non-current	Current	Total
Road Management Group	8,368	-	8,368	8,437	-	8,437
Alis	-	1,093	1,093	-	940	940
Alienor	-	669	669	-	642	642
Other interests	-	353	353	-	53	53
Total	**8,368**	**2,115**	**10,483**	**8,437**	**1,635**	**10,072**

iii) Other bank borrowings

As at 2017 year-end, at 2018 year-end the other non-current bank borrowings related to the account payable for the acquisition in 2016 of 51.4% of A4 Holding, S.p.A. (**A4**) for EUR 594 million, of which EUR 589 million will be paid in February 2023 (present value of EUR 509 million at 31 December 2018 and EUR 491 million at 31 December 2017).

It should be noted in this regard that the seller factored the receivables from **Abertis** to a syndicate of banks (with **Abertis** as a party to the arrangement) and, accordingly, in 2016 those banks became creditors of the Group.

iv) Corporate rating

At the date of formal preparation of these consolidated 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".

17. DEFERRED INCOME

The changes in 2018 and 2017 were as follows:

	2018	2017
At 1 January	28,495	35,581
Changes in the scope of consolidation and business combinations	-	-
Additions	11,215	716
Disposals	(4,032)	(5,577)
Transfers	(1,492)	(94)
Transfers to liabilities associated with disposal groups classified as held for sale	-	(457)
Translation differences	(1,703)	(1,674)
At 31 December	**32,483**	**28,495**

At 31 December 2018, "Deferred Income" included mainly:

- Compensation to **Aumar** from the government for work performed in Sagunto, amounting to EUR 1,522 thousand (2017: EUR 2,623 thousand). This compensation is recognised in profit or loss over the term of the concession (until 2019).
- Collections by **Acesa** for the right to use optical fibre conduits, amounting to EUR 1,452 thousand (2017: EUR 1,959 thousand), which are being transferred to profit or loss on a straight-line basis until the end of the concession in 2021 (duration of the related right).
- Collections received by the **Andes** toll road (EUR 10,063 thousand in 2018 and EUR 4,503 thousand in 2017), the **Sol** toll road (EUR 2,241 thousand in 2018 and EUR 453 thousand in 2017) and the **Autopista Central** toll road (EUR 10,307 thousand in 2018 and EUR 10,645 in 2017) for the maintenance of the work specified under various supplementary agreements to the respective concession arrangements, which are recognised in profit or loss on an accrual basis.
- Amounts received by **Metropistas** for undertaking certain actions to upgrade the toll facilities and to perform other services on behalf of the concession grantor amounting to EUR 1,499 thousand (2017: EUR 1,977 thousand), which are recognised in profit or loss on an accrual basis.

18. PAYABLE TO SUPPLIERS AND OTHER PAYABLES

The detail of "Payable to Suppliers and Other Payables" at 31 December 2018 and 2017 is as follows:

	2018	2017
Trade payables	416,964	521,546
Payable to non-current asset suppliers	21,509	20,564
Payable to related parties	7,300	1,683
Remuneration payable	97,235	111,361
Other payables	20,061	16,874
Payable to suppliers and other payables	**563,069**	**672,028**

The decrease in this line item was affected by the depreciation of the exchange rate of the Brazilian real and the Chilean peso against the euro.

Also, for the Group companies with tax residence in Spain, the following information is required by Additional Provision Three of Law 15/2010, of 5 July ("Disclosure Requirement"), 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 financial statements for years beginning on or after 1 January 2015 in relation to the average period of 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) [1]	32	35
Ratio of transactions settled (no. of days)	33	37
Ratio of transactions not yet settled (no. of days)	28	26
Total payments made	182,024	154,592
Total payments outstanding	13,712	17,560

[1] The maximum payment period applicable to the Group companies with tax residence in Spain is, under Law 11/2013, of 26 July, 30 days, unless a longer period has been contractually specified, although such period may not exceed 60 days.

The payments 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 and, therefore, they are included under "Payable to Suppliers and Other Payables" in the consolidated balance sheet.

19. INCOME TAX

a) Tax-related disclosures

At the end of 2018 **Abertis** filed consolidated tax returns as the parent of the tax group, the subsidiaries of which are the investees that are at least 75%-owned by it and that are resident for tax purposes in Spain. In this regard, as result of the change of shareholders described in Note 15-a, from 1 January 2019 **Abertis** files consolidated income tax in a new tax group which the parent is Abertis HoldCo, S.A. Also, the Group's subsidiaries with tax residence in France and Italy file consolidated income tax returns in those countries. The other companies included in the scope of consolidation file individual tax returns (except the **Hispasat** subgroup, see Note 7).

At 31 December 2018, in general the Group companies had open for review by the tax authorities all the taxes applicable to them for which the statute of limitations period had not expired at that date in each of the jurisdictions where they are located.

It should be noted in this connection that:

- In July 2018 **Abertis** received notification of the commencement of 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.
- In Spain, the tax group the parent of which is **Abertis** received tax assessments for income tax for 2010 to 2013, personal income tax withholdings for 2012 and 2013 and VAT for July 2011 to December 2013. Those assessments were signed on a contested basis and were appealed against; at the date of authorisation for issue of these consolidated financial statements no decision thereon had been handed down.
- In France in 2017 **Hit** received a tax assessment for income tax for 2014, which did not have a significant impact on equity. A decision was handed down in **Hit**’s favour in relation to the appeal filed in 2018 against the aforementioned tax assessment.

In this regard, as at 2017 year-end, **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 consolidated financial statements.

Lastly, 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 (First Decision) on acquisitions within the EU and Decision 2011/282/EU of 12 January 2011 (Second Decision) on foreign shareholding acquisitions, 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 (Third Decision) 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 cassation 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.

In this connection, 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 2007. These decisions 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 decisions 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 Parent'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.

b) Income tax expense

The standard income tax rates in the main countries in which **Abertis** carries on its operations are as follows:

	2018	**2017**
Spain	25%	25%
France (1)	34.4%	39.4%
Italy (2)	24% + 3.9%	24% + 3.9%
Brazil	34%	34%
Chile (3)	27.0%	25.5%

(1) An amendment to the French General State Budget Law for 2017 approved in December 2017 established an increase in the income tax rate for large companies from 34.43% to 39.43% solely for 2017. In addition, the income tax rate in France envisaged for 2020 remained at 28% and an additional reduction of the rate to 25% in 2022 was included in the Budget Law.

(2) The Italian companies are subject to the income tax known as IRES (Imposta sul reddito sulle società) at a rate of 24%, and to the IRAP (Imposta regionale sulle attività produttive) at a rate of 3.9%, although the IRAP tax base is broadly equivalent to the gross margin of the company.

(3) Law 20.780, of 28 September 2014, on the Reform of the Chilean tax system, established a gradual increase in the income tax rate in Chile over five years from 21% in 2014 to 27% from 2018 onwards (it is assumed that the **Abertis** Group companies will apply the income tax calculation system known as the "parcialmente integrado" (partially integrated) system.

It should be noted that an amendment to the Vizcaya Income Tax Regulation was approved in Spain in March 2018, giving rise to a reduction in the tax rate to 26% in 2018 and to 24% from 2019 onwards (until 2017 the tax rate was 28%).

Also, it should be noted that the French General State Budget Law for 2018 approved in December 2017 established, on the one hand, an increase solely for 2017 in the income tax rate from 34.43% to 39.43% (maintaining the envisaged reduction to 28% in 2020) and, on the other, included an additional reduction to 25% in 2022.

The reconciliation of the theoretical tax expense to the tax expense recognised in the consolidated statement of profit or loss for the year is as follows:

	2018	**2017**
Profit before tax	2,163,449	1,291,227
Theoretical tax rate - 25% in 2018 and 2017 (1)	540,863	322,807
Effect on the tax expense of:		
Non-taxable income	(337,045)	(22,526)
Non-deductible expenses	28,195	6,459
Tax losses and other tax assets	(4,826)	13,099
Change in tax rate (2)	(15,687)	(20,831)
Other tax effects	84,001	65,562
Tax expense (continuing operations)	**295,501**	**364,570**

(1) The impact of the different tax rates in certain countries, as well as the profit or loss of companies accounted for using the equity method (taxed at source), is reflected in the other line items (mainly in "Other Tax Effects").

(2) In 2018 it relates, on the one hand, to Spain in connection with the reduction, in the Province of Vizcaya, of the tax rate from 28% to 26% in 2018 and to 24% from 2019 onwards (EUR 14,330 thousand) and, on the other, to Argentina due to the reduction of the tax rate from 35% to 30% (EUR 1,357 thousand). In 2017 it related to France and the reduction in the tax rate from 28% to 25% from 2022 onwards (EUR 20,831 thousand).

"Non-Taxable Income" and "Non-Deductible Expenses" in 2018 and 2017 include items that, in accordance with the tax legislation applicable to the respective consolidated companies, are not taxable or deductible, respectively.

In this regard, at 2018 year-end "Non-Taxable Income" includes mainly the tax effect associated with the gain on the sale of Cellnex, and the tax effect associated with the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession contracts until December 2030.

The main components of the income tax expense for the year (for the fully consolidated companies) are as follows:

	2018	2017
Current tax	471,115	450,375
Deferred taxes:		
Change in tax rate [(1)]	(15,687)	(20,831)
Changes in deferred taxes [(2)]	(150,295)	(36,029)
Other	(9,632)	(28,945)
Tax expense (continuing operations)	**295,501**	**364,570**
Tax expense (discontinued operations)	**(21,576)**	**11,184**
Tax effects recognised in equity	**11,863**	**26,326**
	285,788	**402,080**

(1) In 2018 it relates, on the one hand, to Spain in connection with the reduction, in the Province of Vizcaya, of the tax rate from 28% to 26% in 2018 and to 24% from 2019 onwards (EUR 14,330 thousand) and, on the other, to Argentina due to the reduction of the tax rate from 35% to 30% (EUR 1,357 thousand). In 2017 it related to France and the reduction in the tax rate from 28% to 25% from 2022 onwards (EUR 20,831 thousand).

(2) In addition, in 2017 a EUR -1,759 thousand change associated with the satellite telecommunications business until it was discontinued must be taken into account.

As a result of the reduction in the income tax rate from 28% to 26% in 2018 and to 24% from 2019 onwards in the Province of Vizcaya (Spain), the Group company with tax residence in this province (**Avasa**) recognised a reduction of EUR 14,330 thousand in the current income tax expense for the year mainly as a result of the decrease in net deferred tax liabilities that were expected to reverse in 2018 and subsequent years.

The change in deferred taxes was due mainly to the effect of the reversal of the deferred tax liabilities associated with business combinations detailed below.

The income tax for 2017 included, in addition to the effect of the reversal of the deferred tax liabilities associated with business combinations, the following:

- As a result of the one-off increase for 2017 in the standard income tax rate in France from 34.4% to 39.4%, the Group companies with tax residence in France recognised a higher income tax expense accrued in the year (current tax) amounting to EUR -30,010 thousand.
- On the other hand, as a result of the reduction in the standard income tax rate in France from 28% to 25% from 2022 onwards, the Group companies with tax residence in France recognised a reduction of EUR 20,831 thousand in the income tax expense for 2017 mainly as a result of the decrease in net deferred tax liabilities that were expected to reverse in 2022 and subsequent years.
- In addition, in December 2017 an amendment to the French General State Budget Law for 2017 was approved which eliminated the 3% tax on dividends distributed by French companies, and also permitted the refund of the amounts paid in this connection by French companies in 2017 and prior years. In this respect, in 2013 the French company **Hit** began an appeals process against the application of this tax and in December 2017 the related appeals were upheld resulting, among other impacts, in the recognition of a refund of EUR 25,651 thousand which was paid in 2017.

Lastly, it should be noted that Royal Decree-Law 3/2016, of 2 December, which came into force on 1 January 2016, established the obligation to reverse those impairment losses on holdings in the share capital or equity of entities that were deductible for income tax purposes in the income tax base in tax periods commencing prior to 1 January 2013. The amount reversed shall be included, at least, in equal parts in the tax base for each of the first five tax periods commencing on or after 1 January 2016.

The aforementioned Royal Decree-Law also limited the offset of tax losses to 25% of the tax base prior to offset. This change will not affect the recoverability of deferred tax assets recognised at the Group (see Section c.i) of this Note).

c) Deferred taxes

The detail of the deferred tax assets and liabilities recognised and of the changes therein in 2018 and 2017 is as follows:

	2018		2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	896,836	(1,647,162)	1,050,593	(1,937,316)
Changes in accounting policies (Note 5)	12,417	(16,550)	-	-
At 1 January adjusted	909,253	(1,663,712)	1,050,593	(1,937,316)
Amount charged/(credited) to profit or loss [(1)]	(61,207)	227,189	(87,345)	145,964
Debit/(credit) due to inclusions in the scope of consolidation and business combinations	-	-	(6,494)	(6,329)
Amount charged/(credited) to equity	1,764	(13,627)	(21,538)	(4,788)
Exchange differences	(25,106)	43,758	(27,412)	62,276
Transfers	(22,942)	(177,193)	(5,748)	5,748
Net transfer to/from assets/(liabilities) associated with disposal groups classified as held for sale	86	-	(5,220)	87,283
At 31 December	**801,848**	**(1,583,585)**	**896,836**	**(1,647,162)**
Deferred taxes expected to reverse in the following year	(79,708)	126,806	(76,661)	274,135

(1) In 2018 it included the impact indicated in b) above due to the change in the tax rate in the Province of Vizcaya in Spain (EUR 14,330 thousand) and the change in the tax rate in Argentina from 35% to 30% (EUR 1,357 thousand). In 2017 it included the aforementioned impact of the change in the tax rate in France (EUR 20,831 thousand).

The exchange differences arising in the year relate mainly to deferred tax assets and liabilities of companies with tax residence in Brazil (BRL 556,482 thousand and BRL 429,609 thousand, respectively, in 2018, and BRL 447,481 thousand and BRL 539,483 thousand, respectively, in 2017), and to deferred tax assets and liabilities of Chilean companies (CLP 94,761,214 thousand and CLP 387,303,468 thousand, respectively, in 2018, and CLP 123,334,616 thousand and CLP 449,121,122 thousand, respectively, in 2017), as a result of the depreciation of the Brazilian real and the Chilean peso at year-end (2017 year-end also depreciation of the Brazilian real and the Chilean peso).

It should also be noted, in relation to the consolidated companies **Gco** and **Ausol**, as described in Note 2-g.vi, that as the Argentine economy was considered to be hyperinflationary, it was necessary to adjust the financial statements of these Group companies located in Argentina in order to express them in terms of the measuring unit current at the end of the reporting period. In this connection, the cumulative historical differences between the restated costs and the previous costs of deferred tax liabilities at 31 December 2017, amounting to EUR -29,230 thousand, were recognised with a credit to "Translation Differences" and "Non-Controlling Interests" in consolidated equity with effect for accounting purposes from 1 January 2018.

Also, the changes in 2017 arising from changes in the scope of consolidation and business combinations related to:

- The impact associated with the sale in July 2017 of the investee Infracom (EUR -6,494 thousand of deferred tax assets and EUR 13,091 thousand of deferred tax liabilities).
- The impact of the acquisition of 100% and 74% of the share capital of the Indian companies **TTPL** and **JEPL**, respectively (EUR -19,420 thousand of deferred tax liabilities).

i) Deferred tax assets

The detail of the deferred tax assets is as follows:

	2018	**2017**
Tax loss carryforwards	316,463	322,677
Reversal of financial charge (1)	57,745	60,406
Non-deductible provisions (2)	282,884	365,639
Revaluation of derivative financial instruments	39,289	39,810
Other	105,467	108,304
Deferred tax assets	**801,848**	**896,836**

(1) Corresponding only to companies with tax residence in Spain relating to the tax effect of the reversal of the financial charge recognised in accordance with the Spanish National Chart of Accounts and its industry adaptations.

(2) Tax effect of certain provisions associated with the application of the intangible asset model pursuant to IFRIC 12, as well as other provisions

The tax loss carryforwards at 31 December 2018 amount to EUR 1,490,449 thousand (2017: EUR 1,493,682 thousand), of which EUR 584,026 thousand (2017: EUR 675,350 thousand) relate to tax loss carryforwards generated in 2015 by the tax group in Spain (with no statute-of-limitations period and associated mainly with the impairment loss of the traffic guarantee under the AP-7 concession arrangement), EUR 280,265 thousand (2017: EUR 201,187 thousand) correspond to Brazilian companies (with no statute-of-limitations period), EUR 273,716 thousand (2017: 311,709 thousand) correspond to Chilean companies (with no statute-of-limitations period) and the remainder with statute-of-limitations periods ending largely in the period from 2023 to 2027.

ii) Deferred tax liabilities

The detail of the deferred tax liabilities is as follows:

	2018	**2017**
Due to business combinations (1)	953,689	1,117,470
Revaluation of derivative financial instruments	39,028	18,778
Different depreciation and amortisation rates for tax and accounting purposes (2)	250,584	259,291
Other (3)	340,284	251,623
Deferred tax liabilities	**1,583,585**	**1,647,162**

(1) Tax effect associated with the recognition at fair value of the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation.

(2) Tax effect of applying different depreciation and amortisation rates for tax and accounting purposes.

(3) Including EUR 127,424 thousand (2017: EUR 94,058 thousand) due to the application of the cash basis of accounting in relation to the revenue associated with the arrangements with grantors in Spain and, in addition in 2018, EUR 104,749 thousand relating to the financial assets associated with the concession arrangements of the Argentine companies **Ausol** and **Gco**.

The detail of the deferred tax liabilities recognised at 31 December 2018 and 2017 in relation to the tax effect associated with the recognition at fair value of the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation is as follows:

	Inclusion	2018	2017
Acquisition of 100% of TTPL (1)	2017	10,134	11,819
Acquisition of 74% of JEPL (1)	2017	3,814	4,470
Acquisition of 51.4% of the A4 subgroup	2016	78,452	88,258
Acquisition of Autopista Central (additional 50%) (1)	2016	329,181	381,887
Acquisition of Túnels	2015	31,897	33,577
Acquisition of the Arteris Group (1)	2012	92,285	123,265
Acquisition of Autopista Libertadores (1)	2012	11,374	13,919
Acquisition of Autopista del Sol (1)	2012	608	2,478
Acquisition of Los Andes (1)	2012	5,394	6,121
Acquisition of Avasa (additional 50%) (2)	2009	95,440	125,484
Acquisition of Rutas del Pacífico (additional 50%) (1)	2009	4,508	6,147
Acquisition of the Invin Group (1)	2008	4,514	5,727
Acquisition of the HIT/Sanef subgroup	2006	285,032	312,854
Other	-	1,056	1,464
		953,689	**1,117,470**

(1) In the case of the **Arteris** subgroup, the change was brought about by the depreciation at year-end of the Brazilian real and in the case of **Autopista Central**, **Libertadores**, **Sol**, **Los Andes**, **Rutas del Pacífico** and the **Invin** subgroup, the change was brought about by the depreciation of the Chilean peso at year-end. In the case of **TTPL** and **JEPL** the change was brought about by the depreciation of the Indian rupee.

(2) In the case of **Avasa**, the change was brought about by the amendment to the Vizcaya Income Tax Regulation that was approved in Spain in March 2018, giving rise to a reduction in the tax rate to 26% in 2018 and to 24% from 2019 onwards (until 2017 the tax rate was 28%).

d) Current tax liabilities

The detail of “Current Tax Liabilities” at 31 December 2018 and 2017 is as follows:

	2018	2017
VAT payable	123,481	115,074
Income tax payable	184,355	122,584
Accrued social security taxes payable	3,712	3,615
Personal income tax withholdings	3,660	2,416
Deferred output VAT	113	12,869
Other taxes	3,200	8,373
Current tax liabilities	**318,521**	**264,931**

20. PROVISIONS

The breakdown of "Long-Term Provisions" and "Short-Term Provisions" is as follows:

		31 December 2018			31 December 2017		
		Non-current	Current	Total	Non-current	Current	Total
Employee benefit obligations	i)	160,260	38,541	198,801	133,651	60,519	194,170
Other provisions	ii)	1,038,362	291,644	1,330,006	1,204,938	230,877	1,435,815
Provisions		**1,198,622**	**330,185**	**1,528,807**	**1,338,589**	**291,396**	**1,629,985**

i) Employee benefit obligations

The detail of "Employee Benefit Obligations" is as follows:

		31 December 2018			31 December 2017		
		Non-current	Current	Total	Non-current	Current	Total
Pension obligations	a	66,143	901	67,044	69,432	-	69,432
Other obligations	b	13,250	2,205	15,455	9,276	27,040	36,316
Employee termination plan obligations	c	80,867	35,435	116,302	54,943	33,479	88,422
Employee benefit obligations		**160,260**	**38,541**	**198,801**	**133,651**	**60,519**	**194,170**

a) Pension obligations

Among the obligations to their employees, various Group companies in Spain sponsor defined contribution employment-based pension plans and/or have defined contribution and/or defined benefit pension obligations, arranged through insurance policies, as provided for in the legislation governing the externalisation of pension obligations.

Abroad, various Group companies have defined contribution and/or defined benefit obligations to their employees. These obligations are instrumented through external entities, except in countries where local legislation allows internal allowances to be set up.

The economic-actuarial information on the existing liability for the various Group companies' pension obligations to their employees is as follows:

i) Defined contribution obligations

The amount recognised as staff costs in the consolidated statement of profit or loss for the year in relation to defined contribution obligations totalled EUR 6,649 thousand (2017: EUR 7,699 thousand) (see Note 22-c).

ii) Defined benefit obligations

Except in countries where local legislation allows internal allowances to be set up, pension obligations are instrumented through insurance policies or separate entities, in accordance with the applicable legislation in each country, and are not included in the balance sheet. However, this line item includes the obligations and the related plan assets in cases in which the legal or constructive obligation to provide the benefits agreed upon is retained.

In relation to obligations of this nature, at 31 December 2018 (as at 31 December 2017), **Abertis** had pension obligations relating to defined benefit plans in the following countries:

- In Spain, **Abertis**, **Aumar**, **Acesa**, **Invicat** and **Aucat** have pension obligations arising from retirement bonuses regulated in collective agreements. These obligations are financed externally pursuant to local legislation.
- In France, the **Hit/Sanef** subgroup companies and **Emovis** and **Eurotoll** offer retirement bonuses corresponding to a legal obligation (IFC). In addition, **Sapn** has a healthcare plan for retired former employees.

- In Italy, **A4** offers termination indemnities corresponding to a legal obligation (TFR*: Trattamento di fine Rapporto*). Since 1 July 2007, the benefit rights of employees of companies in the subgroup with more than 50 employees are covered by other external systems (National Social Security Institute (INPS) or a defined contribution pension plan) and, therefore, the TFR plan does not offer additional rights for services beyond this date at those companies. The TFR is not externally financed.

In relation to the aforementioned defined benefit obligations of the various Group companies to their employees, the reconciliation of the beginning and ending balances of the actuarial present value of these obligations is as follows:

	2018	**2017**
At 1 January	71,630	83,682
Current service cost	2,729	2,892
Interest cost	1,003	969
Effects of changes in demographic assumptions	-	(4,077)
Effects of changes in financial assumptions	(36)	(3,334)
Experience adjustments	(2,525)	(9)
Benefits paid	(4,615)	(4,485)
Curtailments/settlements	-	-
Changes in the scope of consolidation (1)	-	(4,008)
Transfer to/from liabilities associated with disposal groups classified as held for sale	311	-
At 31 December	**68,497**	**71,630**

(1) Impact arising in 2017 due to sale of Infracom.

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	2,198	3,014
Expected return on plan assets	9	6
Actual return on plan assets (minus the expected return)	83	(18)
Sponsor contributions	3,778	3,681
Benefits paid	(4,615)	(4,485)
At 31 December	**1,453**	**2,198**

At 31 December 2018, as at 31 December 2017, the Group had not recognised any plan assets relating to insurance policies taken out with related entities.

The changes in 2018 and 2017 in the liability recognised in the consolidated balance sheet were as follows:

	2018	2017
At 1 January	69,432	83,682
Plan assets at related companies	-	(3,014)
Net obligation at 1 January	69,432	80,668
Increase with a charge to:		
profit or loss (Note 22-c)	3,723	3,855
Equity	(2,644)	(7,402)
Sponsor contributions	(3,778)	(3,681)
Changes in the scope of consolidation (1)	-	(4,008)
Transfers to/from assets and liabilities associated with disposal groups classified as held for sale	311	-
Net obligation at 31 December	**67,044**	**69,432**
Plan assets at related companies	-	-
At 31 December	**67,044**	**69,432**

(1) Impact arising in 2017 due to sale of Infracom.

The total amount accumulated in equity as a result of changes in calculation assumptions (effects of changes in demographic assumptions, effects of changes in financial assumptions and experience adjustments) is an accumulated loss of EUR 41,174 thousand in 2018 (2017: accumulated loss of EUR 43,818 thousand).

The detail of the wholly or partly funded obligations and of the unfunded obligations at 31 December is as follows:

	2018	2017
Wholly or partly funded obligations	1,830	2,550
Unfunded obligations	66,667	69,080
Obligations	**68,497**	**71,630**

The detail of the total expense recognised in the consolidated statement of profit or loss and in the consolidated statement of comprehensive income is as follows:

	2018	2017
Current service cost	2,729	2,892
Net interest cost	994	963
Past service cost	-	-
Total expense/(income) recognised in the consolidated statement of profit or loss (Note 22-c)	**3,723**	**3,855**
Effects of changes in demographic assumptions	-	(4,077)
Effects of changes in financial assumptions	(36)	(3,334)
Experience adjustments	(2,525)	(9)
Actual return on assets (minus expected return)	(83)	18
Total expense/(income) recognised in the consolidated statement of comprehensive income	**(2,644)**	**(7,402)**
Total expense/(income) recognised for accounting purposes	**1,079**	**(3,547)**

The detail of the proportion of the fair value of the plan assets represented by each asset is as follows:

	2018	2017
Asset-backed securities - insurance policies	100%	100%
	100%	**100%**

At 31 December 2018 (as at 31 December 2017), all the assets related to guaranteed interest rate group insurance policies and profit-sharing.

For obligations financed through insurance contracts, the entity is not exposed to unusual market risks and it does not need to apply asset-liability matching strategies or longevity swaps. For the other obligations, the Group does not have any asset-liability matching strategies, as there are no plan assets. Similarly, there are no transferable financial instruments held as plan assets or plan assets that are property occupied by the entity.

The Group does not have any responsibilities for the governance of the plans, apart from participating in the negotiation of collective agreements that determine the benefits to be paid and in the settlement of the required contributions.

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
Discount rate (based on type of obligation and currency)	1.48%	1.41%
Percentage salary increase (based on type of obligation and currency)	2.72%	2.70%
Pension obligations in Spain:		
Mortality tables	PERMF200p	PERMF200p
Disability tables	InvAbs_OM77	InvAbs_OM77
Pension obligations in France:		
Mortality tables	TGHG/F 2005	TGHG/F 2005
Disability tables	-	-
Pension obligations in Italy:		
Mortality tables	RG48	RG48
Disability tables	INPS	INPS

The discount rate used was determined on the basis of the “iboxx AA” corporate bond rate curve at 31 December 2018, depending on the duration of the obligations (as in 2017).

It should also be noted that for the main defined benefit plans the estimated sensitivity of the obligation recorded at year-end to a 50 bp change (in the variables shown below) would be:

	2018	2017
Discount rate	4.9% - 4.6%	4.1% - 3.1%
Percentage salary increase	3.4% - 3.6%	3.3% - 3.6%

There were no changes in the methods and assumptions used for the sensitivity analysis with respect to the preceding year. The method used to perform the sensitivity analysis was the “projected unit credit” method, changing each assumption while keeping the others constant.

The contributions expected to be made in 2019 amount to EUR 65 million (EUR 68 million estimated at the end of 2017 for 2018).

Lastly, the weighted average duration of the defined benefit obligations at year-end is 10.6 years (2017 year-end: 11.3 years).

b) Other obligations

Together with the aforementioned obligations, several Group companies have long-term obligations to their employees in the form of incentives to attain the business targets established in the 2018-2020 Plan, length of service bonuses and vacation pay, also regulated in the collective agreements, after a given number of years of uninterrupted service and other requirements have been achieved. With regard to the measurement of these obligations, a liability totalling EUR 15,455 thousand (2017: EUR 36,316 thousand) is included under this heading in the consolidated balance sheet, and the non-current liability recognised in this connection amounts to EUR 13,250 thousand (2017: EUR 9,276 thousand).

The change in these obligations includes mainly, on the one hand, the provision for the corresponding portion of the obligation associated with the "2018-2020 Incentive Plan" and, on the other, the settlement in the year of the "2015-2017 Incentive Plan" (see Note 26-a).

The staff costs recognised in 2018 in relation to these obligations amounted to EUR 7,790 thousand (2017: EUR 3,744 thousand) (see Note 22-c).

c) Employee termination plan obligations

The changes in the provisions for employee termination plan obligations were as follows:

	2018			2017		
	Long-term	Short-term	Total	Long-term	Short-term	Total
At 1 January	54,943	33,479	88,422	47,001	34,622	81,623
Charge to consolidated statement of profit or loss (period provisions)	2,113	-	2,113	14,466	-	14,466
Amounts used in the year	-	(3,774)	(3,774)	-	(7,667)	(7,667)
Transfers	23,811	5,730	29,541	(6,524)	6,524	-
At 31 December	**80,867**	**35,435**	**116,302**	**54,943**	**33,479**	**88,422**

It should be noted in relation to the obligations assumed by the Group to employees as a result of employment termination plans that at 31 December 2018 provisions had been recognised amounting to EUR 117 million (31 December 2017: EUR 88 million) in connection with the various toll road modernisation plans in progress (primarily in Spain and France) associated with the various efficiency plans implemented by the Group, and to meet the future employee benefit obligations associated with the end of certain concessions.

ii) Other provisions

The detail of "Other Provisions" is as follows:

		31 December 2018			31 December 2017		
		Non-current	Current	Total	Non-current	Current	Total
Provisions required under IFRIC 12 (*)	a	498,637	204,101	702,738	575,207	187,015	762,222
Other provisions	b	539,725	87,543	627,268	629,731	43,862	673,593
Other provisions		**1,038,362**	**291,644**	**1,330,006**	**1,204,938**	**230,877**	**1,435,815**

(*) Mainly provisions for road surfaces, maintenance cycles and major overhauls.

The changes in the long- and short-term provisions in 2018 and 2017 were as follows:

	2018					
	Long-term			Short-term		
	Provisions required under IFRIC 12	Other provisions	Total	Provisions required under IFRIC 12	Other provisions	Total
At 1 January	575,207	629,731	1,204,938	187,015	43,862	230,877
Changes in the scope of consolidation and business combinations	-	-	-	-	-	-
Charge to the consolidated statement of profit or loss:						
- Period provisions/(reversals)	141,275	36,406	177,681	47,671	10,204	57,875
- Interest cost (Note 22-e)	31,355	6,847	38,202	946	6,967	7,913
Transfers	(236,833)	(100,303)	(337,136)	232,039	75,556	307,595
Amounts used in the year	-	-	-	(250,352)	(48,301)	(298,653)
Other	1,646	(21,659)	(20,013)	3,929	4,042	7,971
Exchange differences	(14,013)	(11,297)	(25,310)	(17,147)	(4,787)	(21,934)
Transfers to liabilities associated with disposal groups classified as held for sale	-	-	-	-	-	-
At 31 December	**498,637**	**539,725**	**1,038,362**	**204,101**	**87,543**	**291,644**

	2017					
	Long-term			Short-term		
	Provisions required under IFRIC 12	Other provisions	Total	Provisions required under IFRIC 12	Other provisions	Total
At 1 January	610,824	774,997	1,385,821	240,896	65,544	306,440
Changes in the scope of consolidation and business combinations [(1)]	8,398	(1,083)	7,315	-	-	-
Charge to the consolidated statement of profit or loss:						
- Period provisions/(reversals)	143,050	(31,494)	111,556	11,804	14,822	26,626
- Interest cost (Note 22-e)	34,281	16,367	50,648	1,671	885	2,556
Transfers [(2)]	(223,149)	(178,205)	(401,354)	213,172	62,903	276,075
Amounts used in the year	-	-	-	(260,300)	(88,243)	(348,543)
Other	31,201	80,004	111,205	231	1,982	2,213
Exchange differences	(29,398)	(13,423)	(42,821)	(20,459)	(11,888)	(32,347)
Transfers to liabilities associated with disposal groups classified as held for sale	-	(17,432)	(17,432)	-	(2,143)	(2,143)
At 31 December	**575,207**	**629,731**	**1,204,938**	**187,015**	**43,862**	**230,877**

(1) The additions in 2017 under "Changes in the Scope of Consolidation and Business Combinations" relate to the impact of the obtainment of control of **TTPL** and **JEPL**; on the other hand, the decreases under "Changes in the Scope of Consolidation and Business Combinations" relate to the impact associated with the sale in July 2017 of the investee **Infracom**.

(2) Net transfers in 2017 amounting to EUR -125,279 thousand relating to fees and contributions to "Non-Current Liabilities - Other Liabilities" and "Current Liabilities - Other Liabilities".

The exchange differences that arose in 2018 were due mainly to the decrease in the year-end exchange rate of the Brazilian real, the Chilean peso, the Argentine peso and the US dollar (2017: due mainly to the decrease in the year-end exchange rate of those currencies).

a) Provisions required under IFRIC 12

"Provisions Required under IFRIC 12" relates to the provision associated with future work, essentially road surfaces (in concessions accounted for using the intangible asset or bifurcated model), that the Group's concession operators are required to carry out as a result of the use of the infrastructure in order to maintain and restore it.

These provisions are recognised on the basis of the best estimate of future disbursements required to carry out the next cycle of work on the infrastructure, with the provisions being systematically recognised during each cycle with a charge to the consolidated statement of profit or loss on the basis of the usage of the infrastructure (with an average duration at each of the concessions of between seven and ten years) until the work is actually carried out. These future disbursements are estimated on the basis of technical studies, the quantification of which is subject, inter alia, to the condition of the infrastructure when the work is performed and to fluctuations in construction service price indexes. Consequently, the annual cash outflows associated with these provisions vary according to the duration of each work cycle, and it is estimated that provisions of approximately EUR 217 million will be used in 2019 (EUR 198 million estimated at 2017 year-end to be used in 2018).

b) Other provisions

The other long-term provisions at 31 December 2018 (as at 31 December 2017) include mainly:

- Provisions, estimated in the same manner as the provision described above, for replacement or substitution as a result of the expiry of the various concessions. Consequently, the cash outflows arising in this connection are tied to the work to be carried out at the end of each of the Group's concessions and, therefore, such outflows are not expected to be significant in the coming years.
- The provision in relation to the possible liabilities associated with the obligations acquired vis-à-vis the creditors of Alazor (see Note 10.i), the balance of which at 31 December 2018 amounted to EUR 228 million following the refund in 2017 of the amounts executed in 2016 (31 December 2017: also EUR 228 million). In connection with this provision, the amount and timing of the disbursement ultimately made will depend on the outcome of any processes that may arise as a result of the guarantees given.

21. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

The breakdown of other financial and non-financial liabilities is as follows:

	31 December 2018		31 December 2017	
	Non-current	Current	Non-current	Current
Other financial liabilities	79,024	351,528	734,111	6,706
Other non-financial liabilities	397,035	362,245	467,987	135,509
Other liabilities	**476,059**	**713,773**	**1,202,098**	**142,215**

"Non-Current Liabilities - Other Liabilities" includes mainly:

- The amount payable by **Invin** to its non-controlling shareholder (EUR 188 million at 31 December 2018 compared with EUR 192 million at 31 December 2017) in relation to the financing granted to it by the shareholders of the consolidated company.
- The revised value of the contributions that the toll road concession operators in the **Hit/Sanef** subgroup must make to the French Government pursuant to the agreements entered into within the framework of the "Plan Relance" for French toll roads (EUR 112 million at 31 December 2018 and EUR 123 million at 31 December 2017 classified under "Other Long-Term Provisions" (see "Transfers" relating to changes in "Other Provisions" detailed above)).
- The amount payable by **Aulesa** to the Spanish Government (EUR 44 million at both 31 December 2018 and 31 December 2017) by virtue of the participating loans granted by it.
- The amount payable by **Túnels** to the Catalonia Autonomous Community Government, the present value of which at 31 December 2018 was EUR 53 million (31 December 2017: EUR 50 million) in relation, on the one hand, to the fee of EUR 120 million payable at the end of the concession term (December 2037) and, on the other, the additional fee (also payable in 2037) recognised in 2013 and 2014 as a result, as established in the concession arrangement, of net toll revenue in said years exceeding the projections in the Economic and Financial Plan.
- The balance payable to the Government by the subsidiary **Acesa** as a result of the obligation acquired under the merger agreement with the previous operator of the concession for the Montmeló-El Papiol stretch of the related toll road (EUR 20,973 thousand at 31 December 2018 and 2017).
- It also includes payables to non-current asset suppliers amounting to EUR 7,344 thousand (2017: EUR 8,590 thousand).

Likewise, at 31 December 2018, it included in "Other liabilities – Cuurent" the investment commitment of **Sol**, recognised at its present value (EUR 150 million), for the performance of construction work as detailed in Note 9.ii

Also, it should be noted that at 31 December 2017, "Non-Current Liabilities - Other Liabilities" included the following payment obligations that are included in "Current Liabilities - Other Liabilities" at 31 December 2018 on the basis of their maturities:

- A liability for the acquisition in 2014 of all the shares of Infraestructuras Americanas, S.L.U. (**IA**, merged with **Invin** since 2017) for EUR 295 million payable in August 2019 (EUR 290 million at 31 December 2018 and EUR 282 million at 31 December 2017 at the net present values at the respective reporting dates).
- The amount payable by **Via Paulista** to Agencia de Transporte do Estado de São Paulo (ARTESP), the value of which at 31 December 2018 was EUR 56 million (31 December 2017: EUR 60 million), in relation to the fee of BRL 249 million (31 December 2017: BRL 239 million) payable in 2019, in accordance with the concession arrangement of the Rodovias dos Calçados toll road granted in 2017.

In addition, it should be noted that at 31 December 2017 the Group had two liabilities related to share purchase commitments, which were executed in the first half of 2018. Specifically:

- A liability of EUR 302 million for the commitment to purchase **Hispasat** shares (33.69%) from third-party shareholders of the latter, whose interests in this consolidated company were reflected at 31 December 2017 under "Non-Controlling Interests".

  In this connection, on 18 April 2018, following the execution of the right of first refusal of the other shareholders, the acquisition from Eutelsat, S.A. of a final amount of 32.63% of the share capital of **Hispasat** for EUR 293 million was completed (see Notes 2-h and 14-c).
- A liability of EUR 14 million for the commitment to purchase **JEPL** shares (26.00%) from third-party shareholders of the latter, whose interests in this consolidated company were reflected at 31 December 2017 under "Non-Controlling Interests".

  This purchase commitment was executed on 27 March 2018 with the acquisition from the funds Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trust of 26% of the share capital of **JEPL** for EUR 15 million (see Notes 2-h and 14-c).

22. INCOME AND EXPENSES

a) Services

The breakdown of "Services" by category is as follows:

	2018	2017 (*)
Toll road revenue (1)	4,954,546	4,946,292
Toll reductions and volume rebates	(38,504)	(37,896)
Other services	133,704	200,020
Services	**5,049,746**	**5,108,416**

(*) Breakdown of "Services" in the consolidated statement of profit or loss for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

(1) Including, in the case of Chilean companies, the toll road revenue net of the estimated amount recognised that foreseeably will not be collected due to doubtful debts (CLP -21,655,697 thousand in 2018 compared with CLP -29,111,484 thousand in 2017 corresponding to Autopista Central in Chile, equal to EUR -28,557 thousand and EUR -39,720 thousand, respectively).

The toll road revenue in 2018 was boosted mainly by the increase in traffic in the various countries in which the Group operates, as well as the toll increases at the various concessions. However, all of this was substantially offset by the exchange losses incurred in the reporting period as a result of the depreciation of the average exchange rate experienced by the Brazilian real, Chilean peso, Argentine peso and US dollar at 31 December 2018.

"Other Services" was adversely affected by the impact on the scope of consolidation associated with the sale of Infracom in July 2017.

b) Other operating income and other income

"Other Operating Income" includes income from the assignment of the operation of the service areas and the telematic services of certain toll road concession operators, indemnity payment collections, etc.

Substantially all of "Other Income" at 31 December 2018 relates to the net impact of the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession arrangements until December 2030 (see Notes 13-i-h and 27-c). "Other Income" also includes the gain on the disposal of property, plant and equipment.

c) Staff costs

The detail of "Staff Costs" is as follows:

	2018	**2017**
Wages and salaries	374,134	416,716
Social security contributions	119,859	133,421
Pension costs:		
Defined contribution plans (Note 20.i.a.i)	6,649	7,699
Defined benefit plans (Note 20.i.a.ii)	3,723	3,855
Cost of other long-term obligations (Note 20.i.b)	7,790	3,744
Other employee welfare costs	69,559	71,451
Staff costs	**581,714**	**636,886**

The decrease in "Staff Costs" arose mainly due to the exchange losses incurred in the reporting period as a result of the depreciation of the average exchange rate experienced by the Brazilian real, Chilean peso, Argentine peso and US dollar at 31 December 2018.

The average number of employees at **Abertis** and its subsidiaries in 2018 and 2017, by category and gender, is as follows:

	2018			2017		
Employees (average)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chairman (2017 only) and CEO	1	-	1	2	-	2
- Senior managers	103	25	128	108	22	130
- Middle management and junior managers	761	259	1,020	759	245	1,004
- Other employees	7,800	4,709	12,509	8,723	5,014	13,737
Temporary employees	118	104	222	96	77	173
Average number of employees	**8,783**	**5,097**	**13,880**	**9,688**	**5,358**	**15,046**

Note: The average number of **Abertis** employees at 31 December 2018 includes 190 employees associated with non-current assets classified as held for sale (31 December 2017: 216 employees). Therefore, the average number of employees excluding those associated with those assets and/or businesses was 13,690 in 2018 (2017: 14,830).

In addition, the final number of employees at **Abertis** and its subsidiaries at 31 December 2018 and 2017, by category and gender, is as follows:

	2018			2017		
Employees (final)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chairman (2017 only) and CEO	1	-	1	2	-	2
- Senior managers	101	25	126	104	22	126
- Middle management and junior managers	756	270	1,026	745	243	988
- Other employees	7,844	4,997	12,841	8,530	5,185	13,715
Temporary employees	161	152	313	155	113	268
Final number of employees	**8,863**	**5,444**	**14,307**	**9,536**	**5,563**	**15,099**

Note: The final number of **Abertis** employees at 31 December 2018 includes 188 employees associated with non-current assets classified as held for sale (31 December 2017: 203 employees). Therefore, at year-end the number of employees excluding those associated with those assets and/or businesses was 14,119 in 2018 (2017: 14,896).

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. At 31 December 2018, the aforementioned Board of Directors consisted of five members, with all the seats on the Board occupied.

d) Other operating expenses

The detail of the main items of "Other Operating Expenses" in 2018 and 2017 is as follows:

	2018	**2017** (*)
Upkeep activities and other operating expenses	614,635	664,537
Local taxes other than income tax	280,230	277,487
Rent and royalties	96,945	106,373
Other expenses	189,370	228,748
Other operating expenses	**1,181,180**	**1,277,145**

(*) Breakdown of "Other Operating Expenses" in the consolidated statement of profit or loss for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

The decrease in "Other Operating Expenses" arose mainly due to the exchange losses incurred in the reporting period as a result of the depreciation of the average exchange rate experienced by the Brazilian real, Chilean peso, Argentine peso and US dollar at 31 December 2018.

e) Financial loss

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

	2018	2017 (*)
- Interest and other income	35,696	66,184
- Derivative financial instruments:		
Cash flow hedges	10,505	10,690
Fair value hedges	-	4,651
Hedges of a net investment in a foreign operation	-	-
- Dividends	1,702	1,521
- Financial compensation and other income (Note 13.i)	144,292	107,431
- Income from compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (Note 13.i)	13,585	12,751
- Exchange gains (1)	182,198	24,462
Finance income	**387,978**	**227,690**
- Interest on bank loans and other	(706,665)	(820,323)
- Derivative financial instruments:		
Cash flow hedges	(25,477)	(19,606)
Fair value hedges	-	(69)
Hedges of a net investment in a foreign operation	(35,627)	(51,910)
- Interest cost relating to provisions required under IFRIC 12 and other provisions (Note 20.ii)	(46,115)	(53,204)
- Interest cost relating to other financial liabilities (Notes 20 and 21)	(34,746)	(30,277)
- Termination costs due to refinancing (Note 16)	(6,593)	(52,520)
- Provision for loans and guarantees granted to associates and other financial assets (Notes 11 and 13.ii)	(936)	(13,453)
- Impairment - expected credit losses (Note 13.v)	(128,441)	-
- Exchange losses	(29,113)	(41,765)
Finance costs	**(1,013,713)**	**(1,083,127)**

(*) Breakdown of the financial loss for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

(1) In 2018 the exchange gains relate mainly to the impact of the depreciation of the Argentine peso against the US dollar as a result of the agreement described in Note 27-c.

Also, the detail of "Changes in Fair Value of Financial Instruments" in the consolidated statement of profit or loss is as follows:

	2018				2017			
	Cash flow hedges and hedges of a net investment in a foreign operation (1)	Fair value hedges	I. Derivatives not qualifying for hedge accounting and other	Total	Cash flow hedges and hedges of a net investment in a foreign operation (1)	Fair value hedges	I. Derivatives not qualifying for hedge accounting and other	Total
- Changes in the fair value of derivative financial instruments	(1,823)	-	-	(1,823)	2,022	(40,752)	8,792	(29,938)
- Changes in the fair value of hedged debt	-	-	-	-	-	36,931	-	36,931
- Changes in the fair value of equity instruments and other (2)	-	-	-	-	-	-	13,125	13,125
	(1,823)	**-**	**-**	**(1,823)**	**2,022**	**(3,821)**	**21,917**	**20,118**

(1) Amount recognised as a financial asset/liability with a balancing entry in the consolidated statement of profit or loss for the year corresponding to the ineffective portion of the cash flow hedges and hedges of a net investment in a foreign operation.

(2) In 2017 including the impact of the valuation adjustment to the liability corresponding to the commitment to purchase shares of **Hispasat** amounting to EUR 13,125 thousand.

Lastly, it should be noted that the net financial loss for 2018 includes a non-taxable positive gross impact, net of the costs associated with the transactions, of EUR 604,877 thousand associated with the sale in the year of 34.0% of the share capital of Cellnex, recognised under "Net Gains on Disposals of Financial Instruments" in the consolidated statement of profit or loss (see Note 7-ii).

Also, it should be noted that the net financial loss for 2017 included a positive gross impact, including the costs associated with the transactions, of EUR 18,259 thousand associated with the sale in the year of 94.12% of the share capital of **A4** held by Infracom Italia S.p.A, recognised under "Net Gains on Disposals of Financial Instruments" in the consolidated statement of profit or loss (a net impact of EUR 15,257 thousand on the profit or loss of **Abertis**).

23. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

i) Contingencies

The detail of the Group's guarantees to third parties provided by banks, which are not expected to give rise to significant costs, is as follows:

	31 December 2018	**31 December 2017**
For operating obligations and commitments	410,846	307,345
For other obligations and commitments [1]	315,815	194,518
	726,661	**501,863**

[1] Basically for obligations and commitments associated with investments and financing, etc.

The increase in the year is explained mainly, on the one hand, by the impact of the provision by **Vias Chile** of guarantees to third parties in relation to certain **Autopista Central** credit notes (CLP 90,687,111 thousand, approximately EUR 114 million at 31 December 2018) and, on the other hand, by the provision of new guarantees by **Gco** (ARP 3,221,979 thousand, approximately EUR 75 million at 31 December 2018).

As at 2017 year-end, the subsidiary **Aumar** has undertaken to provide guarantees for its investee Ciralsa amounting to EUR 4,987 thousand; a provision was recognised in this connection in 2015. Also, **Abertis** has undertaken to provide guarantees for its subsidiary **Aulesa** amounting to EUR 29 million in relation to a financing agreement entered into by the latter (2017: EUR 28 million). In addition, **Abertis** guarantees the settlement of derivatives arranged by **Abertis India**, the fair value of which at 31 December 2018 amounted to an asset of EUR 9,736 thousand (31 December 2017: an asset of EUR 4,854 thousand).

Likewise, **Abertis** provides guarantees in relation to the exploitation agreements signed by the company Emovis for EUR 46,922 thousand (2017: EUR 49,687 thousand) and by the company Eurotoll for EUR 5,034 thousand (2017: EUR 5,035 thousand).

In addition, the financing agreements of the associate Alazor include the commitment of its shareholders to make additional contributions in the event that certain events relating to the achievement of financial ratios should occur and in order to service debts and cover certain additional costs for which financing is not available. Provisions were recognised in prior years for the best estimate of all the possible liabilities associated with these commitments assumed and guarantees provided (see Note 10.i).

Lastly, it should be noted that at 31 December 2018 the concession operators in the **Arteris** subgroup that were granted concessions by the Brazilian Government have in progress with the grantor certain notices and/or other negotiations, relating primarily to these companies' normal liability within the framework of the bidding for, and performance and termination of their concession arrangements, for a total combined amount of BRL 981 million (2017 year-end: BRL 838 million, equal, at the end of the respective periods, to approximately EUR 221 million and EUR 215 million, respectively), as well as other various legal proceedings, the unfavourable resolution of which to the interests of the Group is deemed possible, totalling BRL 57 million (2017 year-end: BRL 48 million, equal to approximately EUR 13 million and EUR 12 million at the end of the respective reporting periods), and it is considered that they will not give rise to other liabilities at the date of authorisation for issue of these consolidated financial statements that might give rise to material cash outflows other than those described in Note 20.

The contingencies detailed in Note 19 in relation to potential tax contingencies that might arise should also be taken into consideration.

ii) Commitments and obligations

In addition to the property, plant and equipment, intangible asset investment commitments and concession arrangements – financial asset model indicated in Notes 8, 9 and 13, respectively, at 31 December 2018 the Group had the following commitments and obligations:

- 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). The contribution of **Abertis** as the sole shareholder of the French subgroup **Hit/Sanef** 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).

Also, at 2017 year-end, in addition to the aforementioned commitment, the Group had recognised, on the one hand, the commitments to purchase shares of **Hispasat** and **JEPL**, which were honoured in 2018 (see Note 2-h) and, on the other, various agreements with certain with the non-controlling shareholders of **A4** (Provincia di Verona and Provincia di Vicenza) to acquire an additional 6.47% of its share capital (up to 90.03%) for EUR 34 million, which were completed in January 2018 (see Note 2-h).

24. INFORMATION ON THE ENVIRONMENT

It is Group policy to pay maximum attention to environmental protection and conservation activities, and each investee adopts measures to minimise the environmental impact of the infrastructure that it manages in order to ensure the maximum degree of environmental integration of the infrastructure in their respective geographical areas.

In 2018 the Group's expenditure on improving the environment amounted to EUR 23,256 thousand (2017: EUR 22,609 thousand), mainly through the following actions:

- Cleaning, landscaping and clearing along the toll roads, as well as upgrades to the service and rest areas and work to reduce visual and acoustic impact.
- Collection and removal of hazardous urban waste.
- Aquifer resource protection plans (especially in the framework of the "Plan Relance" agreement reached with the French government for the modernisation of the toll road network).
- Environmental impact studies, mainly in relation to the work to expand the capacity of the toll roads in Brazil.
- To a lesser extent, implementation of measures to optimise water management and energy consumption and reduce noise pollution.

25. SEGMENT REPORTING

The Group’s various activities are organised and managed separately based on the nature of the infrastructure managed, with each operating segment constituting a strategic business unit that manages different types of infrastructure in different markets. Consequently, the Group's decision-making bodies base their decision making on information broken down by operating segment.

Management has defined an operating segment as a group of assets and operations used for managing infrastructure subject to risks and rewards that are distinct from those managed by other business segments. The main factors considered in identifying operating segments are the nature of the infrastructure managed and the operations carried on. Consequently, the Group organises its management into the following operating segments:

- Toll roads: construction, maintenance and operation of toll roads under concession arrangements; management of toll road concessions in Spain and abroad; construction of road infrastructure and activities complementary to toll road construction, maintenance and operation.

  It should be noted that **Abertis** manages its toll roads by dividing its operations into the following operating segments: toll roads in Spain, toll roads in France, toll roads in Italy, toll roads in Brazil, toll roads in Chile, toll roads in Puerto Rico, toll roads in Argentina and toll roads in the rest of the world.

- Other: relates mainly to the activity carried on by the Parent (holding shares of the Group companies and managing those companies) and other companies that provide financing to Group companies.

The operating segments reported on obtain their revenue on the basis of the nature of the service provided, as described in Note 3-o, and their customers are the end users of the toll road infrastructure.

The directors, who constitute the Group's highest operating decision-making authority, analyse the results of each segment, down to the profit or loss from operations, given that this is the item from which operating expense and revenue can be directly attributed to, or reasonably distributed among, the segments.

The detail of the profit or loss from operations for the year of each segment and of the share of the profit or loss of the associates is as follows:

31 December 2018

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world	Total Toll roads	Other	Total
Services	1,396,093	1,726,540	403,389	604,606	510,572	136,621	154,265	116,968	5,049,054	692	5,049,746
Other income	29,264	24,638	28,896	12,516	27,470	1,703	78,445	1,861	204,793	842	205,635
Operating income	**1,425,357**	**1,751,178**	**432,285**	**617,122**	**538,042**	**138,324**	**232,710**	**118,829**	**5,253,847**	**1,534**	**5,255,381**
Operating expenses	(275,570)	(572,925)	(194,313)	(332,199)	(125,139)	(44,361)	(110,319)	(86,475)	(1,741,301)	(23,037)	(1,764,338)
Changes in provisions for infrastructure maintenance and restoration obligations	16,195	21,713	(3,438)	15,497	7,673	(216)	1,545	2,662	61,631	-	61,631
Changes in operating provisions and allowances	5,836	(242)	139	(7,745)	-	(1,651)	-	(40)	(3,703)	-	(3,703)
Gross profit (loss) from operations	**1,171,818**	**1,199,724**	**234,673**	**292,675**	**420,576**	**92,096**	**123,936**	**34,976**	**3,570,474**	**(21,503)**	**3,548,971**
Net construction income/expenses	-	-	-	20,303	710	-	-	-	21,013	-	21,013
Depreciation and amortisation charge	(308,830)	(363,366)	(127,395)	(267,545)	(232,935)	(27,091)	(24,638)	(22,656)	(1,374,456)	(2,865)	(1,377,321)
Impairment losses on assets	(435)	-	(17)	-	-	-	-	1,041	589	-	589
Profit (Loss) from operations	**862,553**	**836,358**	**107,261**	**45,433**	**188,351**	**65,005**	**99,298**	**13,361**	**2,217,620**	**(24,368)**	**2,193,252**
Share of result of associates and joint ventures (1)	11,118	3,803	(713)	-	-	-	-	(4,912)	9,296	(16,418)	(7,122)
Unallocated profits and losses (2)											(22,681)
Profit before tax											**2,163,449**

(1) The loss of the Other operating segment relates to the 34% ownership interest held in Cellnex until May 2018 and the 29.9% interest held until July 2018.

(2) Including mainly the interest income and expenses on borrowings, which are mostly managed by corporate central services, and the financial impact of the application of IFRIC 12, and at 2018 year-end, the gain on the sale of 34.0% of Cellnex for EUR 604,877 thousand.

31 December 2017 (*)

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world (3)	Total Toll roads	Other	Total
Services	1,333,305	1,670,176	440,725	748,419	464,396	127,335	212,076	110,784	5,107,216	1,200	5,108,416
Other income	28,772	26,581	26,543	30,644	24,930	3,913	15,162	4,644	161,189	1,304	162,493
Operating income	**1,362,077**	**1,696,757**	**467,268**	**779,063**	**489,326**	**131,248**	**227,238**	**115,428**	**5,268,405**	**2,504**	**5,270,909**
Operating expenses	(275,002)	(552,154)	(254,604)	(397,760)	(123,397)	(38,995)	(155,595)	(78,816)	(1,876,323)	(39,203)	(1,915,526)
Changes in provisions for infrastructure maintenance and restoration obligations	19,873	17,313	(329)	60,635	11,905	(474)	(582)	(2,895)	105,446	-	105,446
Changes in operating provisions and allowances	5,452	(131)	2,722	(13,158)	-	-	-	60	(5,055)	1	(5,054)
Gross profit (loss) from operations	**1,112,400**	**1,161,785**	**215,057**	**428,780**	**377,834**	**91,779**	**71,061**	**33,777**	**3,492,473**	**(36,698)**	**3,455,775**
Net construction income/expenses	-	-	-	48,147	7,009	-	-	-	55,156	-	55,156
Depreciation and amortisation charge	(313,393)	(369,920)	(134,645)	(305,360)	(237,605)	(27,868)	(9,029)	(19,974)	(1,417,794)	(3,403)	(1,421,197)
Impairment losses on assets	-	-	(543)	-	-	-	-	-	(543)	-	(543)
Profit (Loss) from operations	**799,007**	**791,865**	**79,869**	**171,567**	**147,238**	**63,911**	**62,032**	**13,803**	**2,129,292**	**(40,101)**	**2,089,191**
Share of result of associates and joint ventures (1)	10,326	2,979	-	-	-	-	-	709	14,014	5,082	19,096
Unallocated profits and losses (2)											(817,060)
Profit before tax											**1,291,227**

(*) Consolidated statement of profit or loss for 2017 considering the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements detailed in Note 5-b.

(1) The loss of the Other operating segment relates to the 34% ownership interest held in Cellnex.

(2) Including mainly the interest income and expenses on borrowings, which are mostly managed by corporate central services, and the financial impact of the application of IFRIC 12.

(3) Including the ten-month contribution of **TTPL** and **JEPL**, after the acquisition by **Abertis** of 100% and 74%, respectively, of their share capital in March 2017.

The increase in the operating figures of the Toll roads operating segment was due mainly to (i) the impact, net of the related tax of EUR 78 million, of the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession arrangements until December 2030 (with an impact on the Toll roads Argentina operating segment, see Note 13.i.h); (ii) the increase in traffic in the various countries in which the Group operates; and (iii) the toll increases at the various concessions.

These impacts were partially offset by (i) the impact of the sale of Infracom in July 2017 (with an impact on the Toll roads Italy operating segment); (ii) the expiry of the concession arrangement for the Via Norte toll road in May 2018 (with an impact on the Toll roads Brazil operating segment); and (iii) the impact of the depreciation of the average exchange rate at the end of December 2018 of the Brazilian real, the Chilean peso, the US dollar and the Argentine peso, affecting negatively the figures of the Toll roads Brazil, Toll roads Chile, Toll roads Puerto Rico and Toll roads Argentina operating segments, respectively (in the latter case without taking into account the recognition of the outstanding measures described above to restore the economic and financial balance).

The detail of the assets and liabilities of the segments at 31 December 2018 and 2017 and of the investments in non-current assets made in each year is as follows:

31 December 2018

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world [2]	Total Toll roads	Telecom	Other	Total
Assets	4,451,702	8,457,815	1,798,148	3,711,682	3,929,949	1,097,310	550,852	449,773	24,447,231	-	2,357,895	26,805,126
Associates and joint ventures	127,429	60,743	1,790	-	-	-	-	26,614	216,576	-	-	216,576
Non-current assets classified as held for sale and discontinued operations [1]	-	-	-	-	-	-	-	-	-	1,621,795	-	1,621,795
Total assets	**4,579,131**	**8,518,558**	**1,799,938**	**3,711,682**	**3,929,949**	**1,097,310**	**550,852**	**476,387**	**24,663,807**	**1,621,795**	**2,357,895**	**28,643,497**
Liabilities	2,412,569	6,860,082	1,330,224	2,094,149	2,806,765	793,075	252,650	279,070	16,828,584	-	5,369,508	22,198,092
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-	-	-	-	-	519,773	-	519,773
Total liabilities	**2,412,569**	**6,860,082**	**1,330,224**	**2,094,149**	**2,806,765**	**793,075**	**252,650**	**279,070**	**16,828,584**	**519,773**	**5,369,508**	**22,717,865**
Period investment in non-current assets [*]	**19,116**	**231,301**	**12,044**	**302,046**	**183,014**	**5,910**	**2,547**	**1,965**	**757,943**	**-**	**3,481**	**761,424**

[1] The non-current assets classified as held for sale and discontinued operations of the Telecommunications segment relate to the assets of the **Hispasat** subgroup (see Note 7).

[2] Including mainly the assets and liabilities contributed at 31 December 2018 by **TTPL** and **JEPL**, which were acquired in March 2017.

[*] Excluding the additions due to business combinations.

31 December 2017

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world [2]	Total Toll roads	Telecom	Other	Total
Assets	4,640,393	9,676,189	1,901,095	3,984,892	4,377,500	1,074,933	89,792	315,612	26,060,406	-	660,071	26,720,477
Associates and joint ventures [1]	121,473	57,596	2,594	-	-	-	-	28,754	210,417	1,104,119	-	1,314,536
Non-current assets classified as held for sale and discontinued operations [2]	-	-	10,710	-	-	-	-	-	10,710	1,785,054	-	1,795,764
Total assets	**4,761,866**	**9,733,785**	**1,914,399**	**3,984,892**	**4,377,500**	**1,074,933**	**89,792**	**344,366**	**26,281,533**	**2,889,173**	**660,071**	**29,830,777**
Liabilities	3,182,760	7,680,652	1,416,169	2,103,568	3,225,921	781,781	65,680	181,796	18,638,327	-	5,787,537	24,425,864
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	5,790	-	-	-	-	-	5,790	622,449	-	628,239
Total liabilities	**3,182,760**	**7,680,652**	**1,421,959**	**2,103,568**	**3,225,921**	**781,781**	**65,680**	**181,796**	**18,644,117**	**622,449**	**5,787,537**	**25,054,103**
Period investment in non-current assets [*]	**18,519**	**191,719**	**15,973**	**882,786**	**83,382**	**7,738**	**2,443**	**1,573**	**1,204,133**	**99,687**	**1,415**	**1,305,235**

[1] The assets at associates and joint ventures of the Telecommunications segment relate to the value of the 34% interest in Cellnex held at 31 December 2017.

[2] The non-current assets classified as held for sale and discontinued operations of the Telecommunications segment relate to the assets of the **Hispasat** subgroup.

[2] Including mainly the assets and liabilities contributed by **TTPL** and **JEPL** at 31 December 2017, after **Abertis** acquired 100% and 74%, respectively, of their share capital in March 2017.

[*] Excluding the additions due to business combinations. The investments in the Telecommunications segment relate to the investments made by the **Hispasat** subgroup until its discontinuation.

The changes in the balance sheet figures of the "Toll roads" segment were due mainly to the impact of the depreciation at the reporting date of the Brazilian real, the Chilean peso and the Argentine peso, and to the appreciation at the reporting date of the US dollar. The increase in the "Toll roads Argentina" segment was due mainly to the impact of the recognition of the extension of the concession arrangements of **Ausol** and **Gco** (see Note 13.i-h). In addition, the change in the "Other" segment was due mainly to the impact of the exercise of the purchase commitments of non-controlling interests of **Hispasat** and the sale of 34% of the share capital of Cellnex (see Note 2-h).

Also, it should be noted that there were no significant inter-segment transactions in 2018 or 2017.

The segment assets include primarily property, plant and equipment, intangible assets and financial assets arising from the application of the bifurcated model and the financial asset model under IFRIC 12, inventories, accounts receivable, cash from operations and deferred tax assets.

The segment liabilities comprise operating liabilities and the bank borrowings arranged to carry on operations.

The investments in non-current assets comprise additions to property, plant and equipment and other intangible assets, as well as financial assets accounted for under IFRIC 12 using the bifurcated and financial asset models.

26. RELATED PARTY TRANSACTIONS AND BALANCES

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 15-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 received 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:

i. 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).

ii. 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 received, 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.

iii. 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 the **Abertis** Group 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 5,483 thousand (2017: EUR 6,509 thousand). It should also be noted that in the first quarter of 2018 the senior executives received EUR 10,673 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 social welfare obligations and other remuneration in kind amounting to EUR 453 thousand and EUR 361 thousand, respectively (2017: EUR 596 thousand and EUR 315 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 third-party liability insurance policies of the Parent’s directors for damage caused or omissions, which totalled EUR 288 thousand in 2018, following the various changes of control of **Abertis** that took place in the year (2017: EUR 63 thousand).

b) Significant shareholders

A significant shareholder is defined as a shareholder that has significant influence over the Parent (see Note 15-a).

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 15-a).

  Therefore, following the various changes of control of **Abertis** that took place in the year, at 31 December 2018 **Abertis** had as following significant shareholders Atlantia, ACS and Hochtief, as it is described in Note 15-a.
- On the other hand, on 26 September 2017 there was a change of control at CaixaBank (a company with which **Abertis** has balances and performs transactions) and, as a result, CriteriaCaixa, which at that date 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 IAS 34, for comparative purposes a detail is provided of the transactions performed with CaixaBank until 26 September 2017. Also, at 31 December 2018 (as at 31 December 2017): **Abertis** has no balances with the former 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 (in this case, to the former significant shareholder CriteriaCaixa), the breakdown of the balances and transactions with significant shareholders (in the respective periods in which they were significant shareholders) is as follows:

i) Bond issues, loans and credit lines received

At 31 December 2018, as at 31 December 2017, the Group had not issued any bonds and had not arranged any loans or guarantee lines with related entities.

In the year ended 31 December 2018 no finance income received from or finance costs paid to related entities were recognised (in 2017: EUR 3,657 thousand and EUR -17,385 thousand, respectively, from and to the former related entity "la Caixa", through CaixaBank).

ii) Financial swaps arranged

At 31 December 2018, as at 31 December 2017, the Group had not arranged any financial swaps with related banks relating to foreign currency and/or interest rate hedges.

iii) Financing of retirement obligations

In the year ended 31 December 2018 (as in 2017), the Group did not make any contributions to insurance policies that it may have arranged with any related entity in order to meet the defined benefit obligations to the Group's employees. Also, at 31 December 2018 and 2017 no plan assets associated with such policies were held.

iv) Assets purchased and services received/rendered

	2018	2017
Assets purchased:		
Property, plant and equipment purchases	1,004	-
	1,004	**-**
Services received (1):		
Services received	4,137	857
Card collection fees	-	3,979
Other fees	-	-
	4,137	**4,836**
Services received	**120**	**-**

(1) Until February 2017 the services received related mainly to Inmobiliaria Colonial, S.A. (a company in the Inmobiliaria Espacio Group, a significant shareholder until that date), whereas in 2017 the card collection and other fees related in full to "la Caixa".

Also, there are balances payable to and receivable from related parties relating to services received amounting to EUR 3,415 thousand and EUR 43,120 thousand, respectively (in the latter case relating mainly to the account receivable of the concession operator **A4** from Autostrade per l'Italia, S.p.A. in connection with toll collection management relating to the interconnection between the **A4** toll road with those of other concession operators).

v) Obligations and contingencies

At 31 December 2018, as at 31 December 2017, the Group had not arranged any credit lines, loans or guarantee lines with related entities.

vi) Other items

It should also be noted that, as indicated in Note 7.ii, on 12 July 2018, **Abertis** sold shares representing the remaining 29.9% of the share capital of Cellnex (69,273,289 shares) to the Italian company ConnecT S.p.A. (Connect, a subsidiary of Edizione S.r.l.) for EUR 1,489,376 thousand (i.e., EUR 21.50 per share).

In addition, in connection with the acquisition in 2016 of A4 Holding, S.p.A. (**A4**) with deferred payment of EUR 589 million payable in February 2023, as indicated in Note 16.iii, the seller has factored the receivables from **Abertis** to a syndicate of banks (with **Abertis** as a party to the arrangement), including the former related entity "la Caixa" (a related entity until 26 September 2017), to which EUR 100 million of the total EUR 589 million indicated will have to be paid in February 2023.

c) Associates and joint ventures

The most significant transactions with associates and joint ventures relate to accrued dividends (EUR 328 thousand and EUR 6,112 thousand, respectively, in 2018 -collected in full in 2018-, and EUR 7,050 thousand and EUR 5,540 thousand in 2017 -collected in full in 2017- see Note 10). The balances with these companies at the end of 2018 and 2017 are detailed in Notes 13.ii and 16.ii.

d) 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 Parent's interests.

27. OTHER RELEVANT INFORMATION

a) Fees paid to auditors

	2018			2017		
	Audit of financial statements (1)	Tax advisory services	Other services	Audit of financial statements (1)	Tax advisory services	Other services
Deloitte, S.L.	1,307	-	263	820	-	151
Other Deloitte (*)	1,899	102	368	2,078	59	602
Total Deloitte	3,206	102	631	2,898	59	753
Other auditors	85	434	1,622	74	316	1,511
Total	**3,291**	**536**	**2,253**	**2,972**	**375**	**2,264**

(*) Other companies that use the Deloitte trade name.

(1) In 2018 Deloitte, S.L.'s fees include those associated with the audit of the consolidated financial statements of **Abertis** as at 31/10/18, as well as the balance sheet of Abertis Infraestructuras, S.A. at that same date, in relation to the obtainment of control of the new majority shareholder (see Note 15-a)

In 2017 the fees of "Other Deloitte" relating to the audit of the financial statements of Group companies included the cost of the complete annual audit of **TTPL** and **JEPL**, of which **Abertis** obtained control in March 2017; the aforementioned companies are fully consolidated.

b) Economic and financial plan

In accordance with current legislation in each country, the toll road concession operators have economic and financial plans approved by the competent authorities.

c) Concession arrangements

The main concession arrangements of the **Abertis** Group relate to the maintenance and operation of the various toll roads managed by the Group's concession operators. At the end of the concession term, the infrastructure must be returned in perfect condition to the grantor. Also, tolls are indexed to inflation, through specific formulas for each concession.

The main concession arrangements of the subsidiaries of the **Abertis** Group, most of which are accounted for using the intangible asset model under IFRIC 12, are as follows:

Spanish toll road concession operators

- Concession arrangement for the construction, maintenance and operation of toll roads entered into by the Spanish Ministry of Public Works and **Acesa** in relation to the AP-7 and AP-2 toll roads, which expires on 31 August 2021 (granted in 1967). Subsequent to the signing of aforementioned concession arrangement and without extending the term thereof, an agreement was entered into with the grantor (amending certain aspects of the concession arrangement) to widen the AP-7 toll road between la Jonquera and Vilaseca/Salou to three lanes over a 123 km stretch, for a planned investment of EUR 500 million (at 2006 prices) (see Note 13).
- Concession arrangement for the construction, maintenance and operation of the C-32, C-31 and C-33 toll roads of the Catalonia Autonomous Community entered into by the Catalonia Autonomous Community Government and **Invicat**, which expires on 31 August 2021 (granted in 1967). Subsequent to the signing of aforementioned concession arrangement and without extending the term thereof, an agreement was entered into with the grantor amending certain aspects of the concession arrangement and establishing the general conditions for modifying and adapting the stretch of the C-32 toll road between Palafolls and the junction with the GI-600 road that is being widened, in addition to other road and mobility management improvements linked to the toll road and its operation in the Maresme corridor, with a planned investment of EUR 96 million (see Note 13).

  In addition, an agreement with the concession grantor dated 23 December 2013 (which came into force on 1 January 2014) amended certain aspects of the concession and provided for toll unification measures, auxiliary upgrade work in the area of influence of the toll road and measures to favour the financing of public-transportation policies and mobility. A system to remunerate these measures was decided upon, including the possible extension of the concession term.

- Concession arrangement entered into by the Catalonia Autonomous Community Government and **Aucat** for the construction, maintenance and operation of the C-32 Pau Casals toll road. The concession expires on 26 January 2039 (granted in 1989). Subsequently, an agreement with the Catalonia Autonomous Community Government dated 23 December 2013 (which came into force on 1 January 2014) amended certain aspects of the concession and provided for toll unification measures, auxiliary upgrade work in the area of influence of the toll road and measures to favour the financing of public-transportation policies and mobility. A system to remunerate these measures was decided upon, including the possible extension of the concession term.
- Concession arrangement for the maintenance and operation of the Vallvidriera tunnel and the Cadí tunnel (and their corresponding accesses) entered into by the Catalonia Autonomous Community Government and **Túnels** for a term of 25 years, which ends on 31 December 2037 (granted on 31 December 2012).
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Aumar** for the construction, maintenance and operation of the AP-7 (Tarragona-Valencia and Valencia-Alicante) and AP-4 (Seville-Cádiz) toll roads. The concession was unified by Royal Decree 1132/1986, of 6 June, and expires on 31 December 2019, pursuant to Royal Decree 1674/1997, of 31 October.
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Iberpistas** for the construction, maintenance and operation of the Villalba-Adanero (AP-6) toll road, which expires on 29 January 2018 (granted in 1968). Subsequent to the signing of the concession arrangement and without extending the term thereof, an agreement modifying certain terms and conditions of the concession was entered into providing for the widening of the toll road to three lanes in each direction on the San Rafael-Villacastín stretch, with a projected investment of EUR 70 million (at 2008 prices) (see Note 13).
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Castellana** for the construction, maintenance and operation of the section of the AP-6 toll road that connects with Segovia (AP-61) and the section of the AP-6 toll road that connects with Avila (AP-51). The arrangement expires in November 2029 (granted in 1999) pursuant to the arrangement itself and based on the traffic levels between November 2015 and November 2019. In addition, it should be noted that this company was awarded, from January 2018 (until November 2029), the concession arrangement operated until that date by **Iberpistas**, as detailed above.

- Concession arrangement entered into by the Spanish Ministry of Public Works and **Avasa** for the construction, maintenance and operation of the Bilbao-Zaragoza stretch of the Ebro Toll Road, now the AP-68 toll road, which expires on 11 November 2026 (granted in 1973).
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Aulesa** for the construction, maintenance and operation of the León-Astorga toll road, which expires on 11 March 2055 (granted in 2000).

French toll road concession operators

- Concession arrangement entered into by the French Government and **Sanef** for the maintenance and operation of toll roads in northern France (A1, Paris-Lille, and A2, Paris-Valenciennes) and eastern France (A4, Paris-Strasbourg) as well as the Paris ring road (A16, Paris-Boulogne-sur-Mer; A26, Calais-Troyes; and A29, Amiens-Neuchatel-en-Bray). Following the June 2015 agreement with the French Government on "Plan Relance" for the French toll roads, in order to upgrade the toll road network, the concession was extended by two years, until 31 December 2031 (granted in 1964).
- Concession arrangement entered into by the French Government and **Sapn** (wholly owned by Sanef) for the maintenance and operation of toll roads in western France (A13, Paris-Caen, and A14, Paris-Strasbourg) as well as the Paris ring road (A29, Le Havre-Saint Quentin). Following the June 2015 agreement with the French Government on "Plan Relance" for French toll roads, in order to upgrade the toll road network, the concession (granted in 1964) was extended by three years and eight months, until 31 August 2033.

Italian toll road concession operators

- Concession arrangement entered into by the Italian Government and the concession company Autostrada Brescia Verona Vicenza Padova S.p.A. (**A4**, wholly owned by A4 Holding, S.p.A.) for the construction, maintenance and operation of the A4 (Brescia-Padova) and A31 (Vicenza-Piovene Rocchette and Vicenza-Badia Polesine) toll roads which was extended to 31 December 2026.

Brazilian toll road concession operators

- Concession arrangement for the construction, maintenance and operation of the SP-334, SP-255, SP-330, SP-318 and SP-345 toll roads that connect the municipalities of Franca, Batatais, Ribeirão Preto, Araraquara, São Carlos and Santa Rita do Passa Quatro, signed by the São Paulo Road and Highway Department (Departamento de Estradas e Rodagem de São Paulo) and **Autovias** (DER/SP no. 18/CIC/97, governed by State Decree no. 42.646 of 18 December 1997, modified by Amendments (Termos Aditivos e Modificativos) nos. 19/14 of 16 January 2015 and 20/18 of 14 December 2018), which expires in January 2019 (granted on 1 September 1998).
- Concession arrangement for the construction, maintenance and operation of the SP 310-225 toll road between the municipalities of Cordeirópolis and São Carlos and between Itirapina and Bauru, signed by the São Paulo Road and Highway Department and **Centrovias** (DER/SP no. 16/CIC/97, governed by State Decree no. 42,411 of 30 October 1997, which was modified by Amendment (Termo Aditivo e Modificativo) no. 11 of 21 December 2006), and which expires in June 2019 (granted in June 1998).
- Concession arrangement for the construction, maintenance and operation of the toll road covering the SP-147-370-215 routes, which connect the municipalities of Itapira, Mogi-Mirim, Limeira, Piracicaba, Conchal, Araras, Rio Claro, Casa Branca, Porto Ferreira and São Carlos (lot 6), entered into by the São Paulo Road and Highway Department and **Intervias** (DER/SP no. 19/CIC/98, governed by State Decree no. 42,411 of 30 October 1997, which was amended by Amendment no. 14/06 of 21 December 2006 and the resolution of the Managing Council of the Regulatory Agency for Delegate Public Transport Services of the State of São Paulo (Consejo Director de la Agencia Reguladora de Servicios Públicos Delegados de Transporte do Estado de São Paulo), ARTESP, of 14 January 2016), which expires in April 2028 (operation began in February 2000).
- Concession arrangement for the construction, maintenance and operation of the SP-330 (Anhangüera), SP-322 (Attílio Balbo/Armando Salles de Oliveira), SP-328 (Alexandre Balbo/Contorno Norte de Ribeirão Preto) and SP-325/322 (Avenida dos Bandeirantes) toll roads entered into by the São Paulo Road and Highway Department and **Vianorte** (DER/SP no. 009/CIC/97, governed by State Decree no. 42,411 of 30 October 1997, modified by Amendment (Termo Aditivo Modificativo) no. 15 of 16 March 2018), which expired in March 2018 (operation began in March 1998).

- Concession arrangement for the construction, maintenance and operation of the BR-116/PR/SC toll road (lot 02) from the outskirts of Curitiba in the State of Paraná to the state line between Río Grande do Sul and Santa Catarina entered into by the National Highway Transportation Agency (Agência Nacional de Transportes Terrestres (ANTT)) and **Planalto Sul** (governed by Bid Announcement (Edital de Licitação) no. 006/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-101/RJ toll road (lot 04) that crosses Rio de Janeiro State, running from the Niteroi bridge north of the city to the Espírito Santo state line, entered into by the ANTT and **Fluminense** (regulated by Bid Announcement no. 004/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-381-MB/SP toll road (lot 05), which connects the São Paulo ring road to Belo Horizonte, Minas Gerais, entered into by the ANTT and **Fernão Dias** (regulated by Bid Announcement no. 002/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-116-SP/PR toll road (lot 06), which connects the São Paulo ring road to Curitiba, Paraná, entered into by the ANTT and **Regis Bittencourt** (regulated by Bid Announcement no. 001/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-116, BR-376/PR and BR-101/SC toll roads (lot 07), which connect the city of Curitiba, Paraná, and Florianópolis, Santa Catarina, entered into by the ANTT and **Litoral Sul** (regulated by Bid Announcement no. 003/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the SP-334, SP-255, SP-257, SP-330, SP-318, SP-328, SP-249, SP-304, SP-281, SP-304/310 and SP-345 toll roads that connect the municipalities of Franca, Batatais, Ribeirão Preto, Araraquara, São Carlos, Santa Rita do Passa Quatro, Jaú, Avaré, Itaí, Itaporanga and Riversul, signed by the São Paulo Road and Highway Department (Departamento de Estradas e Rodagem de São Paulo) and **Via Paulista** (ARTESP nº0359-ARTESP-2017, governed by State Decree no. 62,333 of 21 December 2016), which expires in November 2047 (granted on 22 November 2017).

Chilean toll road concession operators

- Concession arrangement for the construction, maintenance and operation of the North-South corridor and the General Velásquez corridor (61 Km), both in Santiago, Chile, entered into by the Ministry of Public Works of Chile and **Autopista Central**, the original term of which ends in July 2031, although it may be extended by 12 months pursuant to the ad referendum 2 agreement if the remuneration for the construction work associated with the construction of the Maipo bridge has not yet been paid. It should be noted in connection with the non-binding framework memorandum of understanding relating to the possible performance of construction work detailed in Note 9-iv that negotiations are in progress with the grantor with a view to extending the concession term until March 2035.
- Concession arrangement for the construction, maintenance and operation of the Santiago-Valparaíso-Viña del Mar link road and the Southern Artery (Troncal Sur), entered into by the Ministry of Public Works of Chile and **Rutas del Pacífico**, with a maximum term of 25 years, until August 2024, conditional upon a Total Concession Revenue stipulation, which at the reporting date could be met in 2023. The term of the agreement with the Ministry of Public Works for the performance of the construction work associated with the free-flow electronic tolling system (see Note 9.iv) has been extended by ten months as a result of the fulfilment of the aforementioned Total Concession Revenue stipulation.
- Concession arrangement for the construction, maintenance and operation of the Los Vilos-La Serena stretch of Ruta 5, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria del Elqui, S.A. (**Elqui**), which expires in December 2022.
- Concession arrangement for the construction, maintenance and operation of the Camino Internacional Ruta 60 Ch toll road, which crosses the districts of Los Andes, San Esteban, Santa María, San Felipe, Panquehue, Catemu, Llay, Hijuelas, La Calera, La Cruz, Quillota, Limache, and Villa Alemana, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria de los Andes, S.A. (**Andes**), which expires in July 2036.

- Concession arrangement for the construction, maintenance and operation of the Santiago-San Antonio toll road, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria Autopista del Sol, S.A. (**Sol**), which was to expire in May 2019. It should be noted in this regard that on 12 March 2018 **Sol** formalised an agreement with the Ministry of Public Works of Chile (MOP) amending the concession arrangement for the Santiago-San Antonio toll road, extending the concession term of the road by 22 months. It now expires in March 2021 (see Note 9.iv).
- Concession arrangement for the construction, maintenance and operation of the Santiago-Colina-Los Andes toll road, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria Autopista Los Libertadores, S.A. (**Libertadores**), which expires in March 2026.

Puerto Rican toll road concession operators

- Concession arrangement for the design, construction, maintenance and operation of the Teodoro Moscoso Bridge in San Juan, Puerto Rico, entered into by the Highway and Transportation Authority (Autoridad de Carreteras y Transportación) and Autopistas de Puerto Rico y Compañía, S.E. (**Apr**), which expires on 22 February 2044.
- Concession arrangement for the upgrade, maintenance and operation of the PR-22 toll road (83 kilometres connecting the capital of Puerto Rico, San Juan, with the city of Arecibo) and the PR-5 toll road (4 kilometres of the PR-22, crossing the San Juan metropolitan area), entered into by the Puerto Rico Highway and Transportation Authority and Autopistas Metropolitanas de Puerto Rico Llc. (**Metropistas**), which was due to expire on 22 September 2051. Subsequently, on 21 April 2016 **Metropistas** entered into an agreement with the Puerto Rico Highway and Transportation Authority ("ACT") amending the concession arrangement for the PR-5 and PR-22 toll roads to extend the term of the concession of these toll roads by ten years. It now expires on 22 September 2061.

Argentine toll road concession operators

- Concession arrangement for the construction, maintenance and operation of Autopista del Oeste of Buenos Aires, entered into by the Argentine Government and **Gco**, which was to expire on 31 December 2018.

  In this connection, on 15 June 2017 **Gco** and the National Highway Administration of Argentina (Dirección Nacional de Vialidad de Argentina) entered into an agreement that initiated the modification of the concession arrangement for the Autopista del Oeste de Buenos Aires toll road to extend its term by twelve years, that would end on 31 December 2030.

  On 24 July 2018, the agreement entered into by **Gco** and the Argentine Government was completed giving rise, inter alia, to the acknowledgment of the measures, amounting to USD 247 million (approximately EUR 209 million at 31 December 2018), to restore the economic and financial feasibility of the concession, a plan for additional investment of USD 250 million (approximately EUR 212 million at 31 December 2018) to improve the existing network, a new toll 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 31 December 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 granting entity of the amount of the compensation balance not recovered during the extension period.

- Concession arrangement granted to Sociedad Concesionaria Autopista del Sol, S.A. (Ausol) on 19 July 1994, for the upgrade, expansion, remodelling, upkeep, maintenance, operation and management of the northern access to the city of Buenos Aires (Autopista del Acceso Norte de Buenos Aires), which was initially scheduled to expire on 31 December 2020.

  In this connection, on 18 August 2017 **Ausol** and the National Highway Administration of Argentina entered into an agreement that initiated the modification of the concession arrangement for the Autopista del Acceso Norte de Buenos Aires toll road to extend its term by ten years to 31 December 2030.

On 24 July 2018, the agreement entered into by **Ausol** and the Argentine Government was completed, giving rise, inter alia, to the acknowledgment of the measures, amounting to USD 499 million (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 toll 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 31 December 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 granting entity of the amount of the compensation balance not recovered during the extension period.

Toll road concession operators in other countries

- Concession arrangement for the maintenance and operation of the 94-km NH-45 toll road and its corresponding access roads entered into by the National Highways Authority of India and **TTPL** for a term of 20 years, which ends on 25 December 2026 (granted on 30 June 2006).
- Concession arrangement for the maintenance and operation of the 58-km NH-7 toll road and its corresponding access roads entered into by the National Highways Authority of India and **JEPL** for a term of 20 years, which ends on 18 August 2026 (granted on 20 February 2006).

28. EVENTS AFTER THE REPORTING PERIOD

Other than the matters indicated in Notes 7.i, 10.i and 15-a in relation to the agreement reached on 12 February 2019 for the sale of **Hispasat**, to the action in ordinary declaratory proceedings lodged on 22 January 2019 in connection with a portion of the bank debt of Alazor and Accesos and 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., respectively, at the date of authorisation for issue of these consolidated 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.

29. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

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Madrid, 19 February 2019

APPENDIX I. Subsidiaries included in the scope of consolidation

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Shareholder company	Consolidation method	Line of business	Auditor
DIRECT OWNERSHIP INTEREST							
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Ámsterdam (the Netherlands)	2,000	100%	Abertis	Full consolidation	Financial services	Deloitte
Operation of toll roads							
Abertis Autopistas España, S.A.	Paseo de la Castellana, 39, 28046-Madrid	1,107,881	100%	Abertis	Full consolidation	Study, development and construction of civil infrastructure	Deloitte
Societat d'Autopistes Catalanes, S.A. (Socaucat)	Av. Parc Logístic, 12-20 08040 Barcelona	878,060	100%	Abertis	Full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte
Abertis Motorways UK, Ltd.	Hill House, 1 Little New Street, EC4A 3TR London (UK)	15,421	100%	Abertis	Full consolidation	Holding company	Deloitte
Abertis Infraestructuras Chile SPA (Abertis Chile)	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1	100%	Abertis	Full consolidation	Holding company	Deloitte
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellanos Sector Embalse San José - San Juan de Puerto Rico 00923 (Puerto Rico)	22,489	100%	Abertis	Full consolidation	Infrastructure concession operator	Deloitte
Inversora de Infraestructuras, S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	661,448	71.84%	Abertis	Full consolidation	Holding company	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	2,959,239	100%	Abertis	Full consolidation	Holding company	Deloitte
Holding d'Infrastructures de Transport, 2 S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	3,230	100%	Abertis	Full consolidation	Holding company	Deloitte
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	28,418	100%	Abertis	Full consolidation	Design, development, implementation and maintenance of technological solutions for the management of transport infrastructures	Deloitte
Sociedade Para Participação em Infraestrutura, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	-(1)	51.00%	Abertis	full consolidation	Operation of concessions	Deloitte
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	891,335	51.00%	Abertis	full consolidation	Holding company	Deloitte
Autopistas Metropolitanas de Puerto Rico, LLC	City View Plaza 500, Torre 1 Carretera #165 Núm. 48 Guaynabo 00968 (Puerto Rico)	212,672	51.00%	Abertis	full consolidation	Toll road concession operator	Deloitte
Autopistas del Sol, S.A. (AUSOL) (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	77,550	31.59%	Abertis	full consolidation	Toll road concession operator	Deloitte
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	336,330	100%	Abertis	full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte

(1) Carrying amount of ownership interest zero at 31 December 2018 due to impairment losses recognised.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2018 was ARS 103.98. At 2017 year-end, the market price was ARS 119.85. 49.92% of the voting rights are held.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
Telecommunications							
Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	193,924	100%	Abertis	Full consolidation	Holding (satellite telecommunications)	Deloitte
INDIRECT OWNERSHIP INTEREST							
Through Abertis Autopistas España							
Autopistas, Concesionaria Española, S.A. (ACESA)	Av. Parc Logístic, 12-20 08040 Barcelona	1,248,999	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte
Autopistas Aumar, S.A. Concesionaria del Estado (AUMAR)	Paseo de la Alameda, 36, Valencia	602,675	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte
Iberpistas, S.A. Concesionaria del Estado	Autopista AP-6 PK57 San Rafael Segovia	554,000	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte
Grupo Concesionario del Oeste, S.A. (Gco) (3)	Ruta Nacional nº7, km25,92 Ituzaingó (Argentina)	24,498	42.87% (4)	Acesa	Full consolidation	Toll road concession operator	Deloitte
Castellana de Autopistas, S.A.C.E.	Autopista AP-6, P.K. 57 Centro de Explotación y Control 40410 San Rafael (Segovia)	248,730	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte
Autopistas de León, S.A.C.E. (AULESA)	Crta. Sta. Mª del Paramo, s/n Villadangos del Paramo, León	24,441	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte
Autopistas Vasco-Aragonesa, C.E.S.A. (Avasa)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	635,289	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte

(3) The shares of Gco are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2018 was ARS 36.56. At 2017 year-end, the market price was ARS 35.00. 19.86% of the voting rights are held.

(4) Ownership interest as described in Note 2-h.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Shareholder company	Consolidation method	Line of business	Auditor

Through Societat d'Autopistes Catalanes, S.A.

Company	Registered office	Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
Infraestructuras Viàries de Catalunya, S.A.	Av. Parc Logístic, 12-20 08040 Barcelona	440,739	100%	Societat d'Autopistes Catalanes, S.A. (Socaucat)	Full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte
Autopistes de Catalunya, S.A. (AUCAT)	Av. Parc Logístic, 12-20 08040 Barcelona	726,679	100%	Societat d'Autopistes Catalanes, S.A. (Socaucat)	Full consolidation	Toll road concession operator	Deloitte
Túnels de Barcelona i Cadí concesionaria de la Generalitat de Cataluña, S.A.	C. de Vallvidrera a San Cugat BV-1462 km 5,3 Barcelona	57,830	50.01%	Infraestructuras Viàries de Catalunya, S.A.	Full consolidation	Toll road concession operator	Deloitte

Through Abertis Infraestructuras Chile e Inversora de Infraestructuras

Company	Registered office	Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
Vias Chile S.A. (formerly Abertis Autopistas Chile S.A.)	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	40,137	80.53%	Abertis Chile / INVIN	Full consolidation	Development, maintenenace and operation of all manner of construction projects	Deloitte
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,397	80.53%	Vias Chile	Full consolidation	Management, upkeep and operation of roads, dual carriageways and toll roads	Deloitte
Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	103,335	80.53%	Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista del Sol, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	156,771	80.53%	GESA / Vias Chile	Full consolidation	Toll road concession operator	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	72,787	80.53%	GESA / Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	43,150	80.53%	Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Operadora Sol, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	2,361	80.53%	Vias Chile	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora los Libertadores, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,540	80.53%	Vias Chile	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora Andes, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	2,842	80.53%	Vias Chile	Full consolidation	Upkeep, management and operation of transport infrastructure	Deloitte
Operadora del Pacífico, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	1,058	80.53%	Vias Chile	Full consolidation	Maintenance, operation and upkeep of roads	Deloitte
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	123,613	80.53%	Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista Central, S.A.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	113,632	76.18%	Central Korbana Chile /Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Central Korbana Chile, S.A.	El Bosque Central nº 92, Las Condes, Santiago (Chile)	82,898	71.84%	Central Korbana, S.a.r.l.	Full consolidation	Holding company	Deloitte
Central Korbana, S.a.r.l.	19, rue Eugène Ruppert, L-2453 Luxembourg	126,036	71.84%	Invin SL	Full consolidation	Holding company	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Shareholder company	Consolidation method	Line of business	Auditor
Through Abertis Mobility Services S.L.							
Eurotoll S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	6,877	100%	Abertis Mobility Services	Full consolidation	Processing of toll road transactions	Deloitte
Emovis S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	21,632	100%	Abertis Mobility Services	Full consolidation	Toll road systems operator and provider	Deloitte
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15 (Ireland)	1,632	100%	Emovis SAS	Full consolidation	Toll road operator	Deloitte
Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137. (Hungary)	18	100%	Eurotoll	Full consolidation	Processing of toll road transactions	Deloitte
Emovis Operations Mersey Ltd	Hornbeam House, Hornbeam Park, Hookstone Road, Harrogate (UK)	6,498	100%	Emovis SAS	Full consolidation	Marketer of Tags in the UK	Deloitte
Emovis technologies US, Inc.	c/o The Corporation Trust Incorporated, 2405 York Road, Lutherville Timonium, Maryland 21093-2264 (USA)	-	100%	Emovis SAS	Full consolidation	Toll road systems provider	Deloitte
Emovis Operations Puerto Rico Inc (formerly Sanef ITS technologies Caribe Inc.)	c/o The Corporation Trust Incorporated, 2405 York Road, Lutherville Timonium, Maryland 21093-2264 (USA)	8	100%	Emovis technologies US, Inc.	Full consolidation	Toll road systems operator	Deloitte
Tolling Operations Puerto Rico Inc.	c/o Strategic Solutions, Inc., 250 Muñoz Rivera Ave., Suite 1500, San Jun, 00918 (Puerto Rico)	0	100%	Emovis SAS	Integración global	Proveedor de sistemas de peaje, mantenimiento de sistemas de peaje y operador de peajes	n.a
Emovis technologies UK Limited	5th Floor, Kinnaird House 1 Pall Mall East - London SW1Y 5AU - (UK)	1,531	100%	Emovis SAS	Full consolidation	Upkeep of toll road systems	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Shareholder company	Consolidation method	Line of business	Auditor
Emovis Technologies Chile, S.A.	4557 Calle El Rosal Huechurraba, Santiago (Chile)	138	100%	Emovis SAS	Full consolidation	Upkeep of toll road systems	Deloitte
Emovis technologies d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	311	100%	Emovis SAS	Full consolidation	Toll road systems provider	Deloitte
Emovis technologies BC, Inc.	1050 West Georgia Street 15th Floor, Vancouver (Canada)	602	100%	Emovis SAS	Full consolidation	Upkeep of toll road systems	Deloitte
Emovis technologies Ireland Limited	c/o David Ebbs & co, 31 Westland Square, Dublin 2 (Ireland)	10	100%	Emovis SAS	Full consolidation	Upkeep of toll road systems	Deloitte
Emovis Operations Leeds (UK)	St John Offices Albion Street Leeds L52 8LQ (UK)	6,743	100%	Emovis SAS	Full consolidation	Toll road operator	Deloitte
Emovis Technologies Québec, Inc.	3700-800 Place Victoria Montréal Québec H4Z1E9 (Canada)	0	100%	Emovis SAS	Full consolidation	Toll road systems operator	Deloitte
Emovis TAG UK Limited	St John Offices Albion Street Leeds L52 8LQ (UK)	-(5)	100%	Emovis SAS	Full consolidation	Marketer of Tags in the UK (from 03/16)	Deloitte

(5) Carrying amount of ownership interest zero at 31 December

Through Holding d'Infrastructures de Transport, S.A.S

Company	Registered office	Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
SANEF S.A. (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	4,443,678	100%	Holding d'Infrastructures de Transport, S.A.S	Full consolidation	Toll road concession operator	Deloitte
SAPN S.A. (Société des autoroutes Paris-Normandie)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	599,909	99.97%	Sanef	Full consolidation	Toll road concession operator	Deloitte
Sanef Aquitaine S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	500	100%	Sanef	Full consolidation	Management and operation of toll roads	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Bip&Go S.A.S.	30, boulevard Galliéni 92130 Issy-les-Moulineaux (France)	1	100%	Sanef	Full consolidation	Electronic toll device distributor	Deloitte
Leonord Exploitation, S.A.S	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	34	85%	Sanef	Full consolidation	Management of operating contracts	Deloitte
SE BPNL	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	53	100%	Sanef	Full consolidation	Maintenance, operation and upkeep of roads	Deloitte
Sanef 107.7, SAS	30, boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	15	100%	Sanef	Full consolidation	Sound broadcasting service operator	Deloitte

Through Abertis Internacional

Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	159,108	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
Abertis India Toll-Road Services LLP	Express Towers, 03rd Floor, Nariman Point, Mumbai - 400 021, India	2,400	100%	Abertis India/ Abertis Internacional	Full consolidation	Holding company	Deloitte
Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	89,672	100%	Abertis India	Full consolidation	Toll road concession operator	Other auditors
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	60,587	100%	Abertis India	Full consolidation	Toll road concession operator	Other auditors
Abertis Italia S.r.l.	Via Flavio Gioia 71, Verona	650,907	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
A4 Holding S.p.A.	Via Enrico Fermi 4, Verona	684,986	90.03%	Abertis Italia	Full consolidation	Holding company	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
Autostrada Bs Vr Vi Pd S.p.A	Via Flavio Gioia 71, Verona	510,404	90.03%	A4 Holding S.p.A.	Full consolidation	Toll road concession operator	Deloitte
Serenissima Partecipazioni S.p.A	Via Flavio Gioia 71, Verona	64,759	90.03%	A4 Holding S.p.A.	Full consolidation	Construction and maintenance	Deloitte
A4 Trading S.r.l.	Via Flavio Gioia 71, Verona	21,950	90.03%	A4 Holding S.p.A.	Full consolidation	Parking facility maintenance and development consulting services	Deloitte
Mulhacen	Via Enrico Fermi 4, Verona	10	90.03%	A4 Holding S.p.A	Full consolidation	Preparation of insolvency agreement proposals.	Deloitte
Globalcar Services, S.p.A	Via Enrico Fermi 4, Verona	5,280	59.42%	A4 Holding S.p.A.	Full consolidation	Lease of vehicles	Deloitte
A4 Mobility S.r.l.	Via Antonio Meucci 14, Verona	7,000	90.03%	A4 Holding S.p.A	Full consolidation	Maintenance, operation and upkeep of infrastructure	Deloitte

Through Partícipes em Brasil

PDC Participações, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	151,143	51.00%	Partícipes em Brasil, S.A.	full consolidation	Operation of concessions	Deloitte
Arteris Brasil, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	1,325,417	41.97%	Partícipes en Brasil II / PDC Participações, S.A.	full consolidation	Holdings of non-financial institutions	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

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Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Partícipes en Brasil II S.L.	Paseo de la Castellana 39, Madrid	835,635	51.00%	Partícipes em Brasil, S.A.	full consolidation	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
Arteris Participações, S.A.	Av. Presidente Juscelino Kubtschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	16,616	41.97%	Arteris Brasil, S.A.	Full consolidation	Holding company	Deloitte
Autovias, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	32,871	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	21,512	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Concessionária de Rodovias do Interior Paulista, S.A.	Rodovia Anhanguera - SP 330 - Km 168 - Pista Sul - Jardim Sobradinho - CEP 13601-970 Araras. SP (Brazil)	32,720	41.97%	Arteris Brasil, S.A. / Arteris Participações, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	26,401	41.97%	Arteris Brasil, S.A.	Full consolidation	Concession and operation of toll road in São Paulo (Brazil)	Deloitte
ViaPaulista S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão	290,973	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
	Preto - (state) SP. (Brazil)					Paulo (Brazil)	
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow nº 4040 - Bairro Industrial - Rio Negro - CEP 83880-000 - PR (Brasil)	232,456	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Fluminense, S.A.	Avda.Sao Gonçalo, nº 100, un 101 Bairro Boa Vista - Sao Gonçalo Shopping - RJ - CEP 24466-315 (Brazil)	206,523	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	315,343	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	261,540	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	286,295	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Latina Manutenção de Rodovias Ltda.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	6,987	41.97%	Arteris Brasil, S.A.	Full consolidation	Upkeep and repair of dual carriageways in São Paulo (Brazil)	Deloitte

Through Abertis Telecom Satélites

Hispasat, S.A.	Paseo de la Castellana 39, 28046 Madrid	795,076	89.68%	Abertis Telecom Satélites, S.A.	Full consolidation	Operation of satellite communications systems	Deloitte

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Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Hispasat Brasil, Ltda	Praia do Flamengo 200. Rio de Janeiro - (Brazil)	43,066	89.68%	Hispasat, S.A.	Full consolidation	Sale of satellite capacity/space	Deloitte
Hispasat Canarias, S.L.U.	Tomas Miller 47-49, Las Palmas de Gran Canaria	102,003	89.68%	Hispasat, S.A.	Full consolidation	Sale and lease of satellites, and their space capacity	Deloitte
Consultek Inc.	1550 Cowper st. Palo Alto (US)	16	89.68%	Hispasat, S.A.	Full consolidation	Technical consultancy services	-
Hispasat México S.A. de CV	Agustín Manuel Chávez 1 - 001; Centro de Ciudad Santa Fe; 01210, México, D.F. (Mexico)	6,555	89.68%	Hispasat, S.A	Full consolidation	Use of the radio spectrum, telecommunications networks and satellite communications	Deloitte
Hispamar Satélites, S.A.	Praia do Flamengo, 200. Río de Janeiro - (Brazil)	18,452	72.60%	Hispasat Brasil Ltda. / Hispasat, S.A.	Full consolidation	Sale of satellite capacity/space	Deloitte
Hispamar Exterior, S.L.U.	Paseo de la Castellana 39, 28046 Madrid	800	72.60%	Hispamar Satélites	Full consolidation	Satellite telecommunications	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

APPENDIX II. Joint ventures included in the scope of consolidation

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (Thousands of euros)	% (*)				
Through Abertis Autopistas España							
Autopista Trados-45, S.A. (Trados-45)	Ctra. M-203 P.K. 0,280. Madrid	43,441	50.00%	Iberpistas	Equity method	Infrastructure concession operator	Deloitte
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta 08014 Barcelona	11,342	50.00%	Abertis Autopistas España	Equity method	Operation of service areas	Other auditors
Through Abertis Mobility Services, S.A.							
Trans-Canada Flow Tolling Inc.	1200, Waterfront Centre, 200 Burrard Street, Vancouver BC V6C3L6 (Canada)	1,736	50.00%	Emovis SAS	Equity method	Toll road operator	Other auditors

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

APPENDIX III. Associates included in the scope of consolidation

Company	Registered office	Ownership interest: Cost (Thousands of euros)	Ownership interest: % (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
DIRECT OWNERSHIP INTEREST											
Concesionaria Vial de los Andes, S.A. (COVIANDES)	Avenida Calle 26 nº 59-41.Piso 9 (Edificio CCI) Santafé de Bogotá (Colombia)	18,563	40.00%	76,343	43,154	86,288	6,335	Abertis	Equity method	Infrastructure concession operator	Deloitte
Constructora de Infraestructura Vial, S.A.S. (CONINVIAL)	Avenida Calle 26 nº 59-41.Piso 9 (Edificio CCI) Santafé de Bogotá (Colombia)	8	40.00%	36,304	21,690	16,593	(11,992)	Abertis	Equity method	Construction	Deloitte
INDIRECT OWNERSHIP INTEREST											
Through Abertis Autopistas España, S.A.											
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA) (10)	Autopista C-16, km 41. Barcelona	49,568	23.72%	992,044	281,833	110,284	68,233	Acesa	Equity method	Toll road concession operator	Deloitte
Ciralsa, S.A.C.E.	Av. Maisonnave, 41. Alicante	- (7)	25.00%	-	-	-	-	Aumar	Equity method	Construction, upkeep and operation of toll roads	Deloitte
Alazor Inversiones, S.A.	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	- (7)	31.22%	-	-	-	-	Iberpistas	Equity method	Holding company	Deloitte
Infraestructuras y Radiales, S.A. (IRASA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (7)	30.0% (8)	-	-	-	-	Iberpistas / Avasa	Equity method	Administration and management of infrastructure	Deloitte
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	277	25.00%	870	246	1,540	55	Trados-45	Equity method	Upkeep and maintenance of toll roads	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (Thousands of euros)	Ownership interest: % (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
Bip & Drive, S.A.	Paseo de la Castellana 95, Torre Europa, Planta 16, 28046 Madrid	4,214	35.00%	20,630	12,458	237,042	421	Abertis Autopistas España	Equity method	Marketing of tags	Other auditors
Accesos de Madrid, C.E.S.A. (7)	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	- (6)	31.22%	-	-	-	-	Alazor Inversiones	Equity method	Toll road concession operator	Deloitte
Autopista del Henares, S.A.C.E. (HENARSA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (6)	30.00%	-	-	-	-	Infraestructuras y Radiales	Equity method	Toll road concession operator	Deloitte
Erredosa Infraestructuras S.A. (ERREDOSA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (6)	30.00%	-	-	-	-	Infraestructuras y Radiales	Equity method	Administration and management of infrastructure	Deloitte

Through Abertis Motorways UK Ltd.

Road Management Group Ltd. (RMG)	Cannon Place 78 Cannon Street London EC4N 6AF (UK)	13,087	33.33%	183,016	140,131	47,527	8,120	Abertis Motorways UK, Ltd.	Equity method	Toll road concession operator	Other auditors

Through Holding d'Infrastructures de Transport, S.A.S

A'lienor S.A.S.	40, rue de Liége 64000 Pau- (France)	96,471	35%	1,093,336	828,306	63,516	10,089	Sanef	Equity method	Toll road concession operator	Deloitte
Alis S.A.	Lieu-dit Le Haut Groth 27310 Bourg-Achard, (France)	2,258	19.67%	1,121,119	911,022	90,607	16,166	Sanef / Sapn	Equity method	Toll road concession operator	Deloitte
Routalis S.A.S	11, avenue du Centre 78280 Guyancourt. (France)	12	30.00%	3,741	2,292	11,403	1,234	Sapn	Equity method	Management of terrestrial transport infrastructure	Deloitte
Leonord S.A.S	Immeuble First Part Dieu - 2 avenue Lacassagne - 69003 LYON, (France)	14	35.00%	105,415	104,557	17,591	161	Sanef	Equity method	Management of operating contracts	Other auditors

(6) Carrying amount of ownership interest zero at 31 December 2018 due to impairment losses recognised.

(7) Financial statements at 31 December 2016, latest information available.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (Thousands of euros)	Ownership interest: % (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
Through Abertis Telecom Satélites											
Hisdesat Servicios Estratégicos, S.A.	Paseo de la Castellana, 143 - Madrid	46,512	38.56%	319,463	120,391	54,519	3,350	Hispasat, S.A.	Equity method	Marketing of space systems for governmental applications	Other auditors
Grupo Navegación por Satélites, Sistemas y Servicios, S.L.	Isaac Newton, 1 - Madrid	- (8)	12.82%	1,295	360	-	-	Hispasat, S.A.	Equity method	Operation of satellite systems	-
Through Abertis Internacional											
Pedemontana Veneta S.p.A. (10)	Verona (VR) Via Flavio Gioia 71	1,916	28.74%	9,312	3,703	0	-114	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
G.R.A. di Padova S.p.A.	Venezia (VE) Viale Ancona 26	- (9)	30.52%	3,883	1,781	-	-58	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
C.I.S. S.p.A. in liquidaz. in concordato preventivo	Vicenza (VI) Contra' Gazzolle 1	- (9)	22.71%	10,754	11,977	5	-264	A4 Holding, S.p.A.	Equity method	Construction and maintenance	Other auditors
Rio de Vetrai S.r.l.	Milano (MI) Via Crocefisso 8	- (9)	45.01%	38,908	37,898	37	-81	Serenissima Partecipazioni, S.p.A.	Equity method	Construction and maintenance	Other auditors

(8) Carrying amount of ownership interest zero at 31 December 2018 due to impairment losses recognised.

(9) Carrying amount of ownership interest zero at 31 December 2018 due to impairment losses recognised.

(10) Financial statements at 31 December 2017, latest information available.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2018 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end 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

CONSOLIDATED 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, 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 200 km of roads in France, the UK and Colombia.

Thanks to the internationalisation strategy implemented by the Group in recent years, more than 70% of **Abertis**'s revenue now comes from outside Spain, with France, Italy, Brazil and Chile being particularly important.

For **Abertis**, driver safety is a priority. The Group continuously invests in technology and intelligent engineering to ensure that its customers experience a safe, comfortable, fast and easy journey when they choose the Group's motorways.

Committed to research and innovation, **Abertis** combines advances in high-capacity infrastructure with new technologies to drive innovative solutions to meet the mobility challenges of the future.

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's subsidiaries, joint ventures and associates at 31 December 2018 and of the percentages of ownership is shown in Appendices I, II and III, respectively, to the consolidated 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 strategy, focuses its activities and growth on the toll roads industry. It should be noted in this connection that:

- 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**) and, therefore, at 31 December 2018 the assets and liabilities associated with the aforementioned subgroup, which had not yet been disposed of at that date, are presented as discontinued operations and the results of the subgroup are presented as profit or loss from discontinued operations.

  In this connection, it should be noted that, as indicated in Note 7.i, 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 consolidated gain of EUR 80 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 consolidated gain of EUR 525 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) 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 share 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 **Hispasat** 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 consolidated gain of EUR 605 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.

On the other hand, the Directors of Abertis Infraestructuras, S.A. have proposed to distribute a 2018 dividend charged to the income of the year for an amount of EUR 875,013 thousand, representing 0.96 gross euros per share, which represents an increase of 10.5% over the total dividend distributed in 2017.

The detail of the dividends paid in 2018, 2017 and 2016 is as follows:

	2018		2017		2016	
Dividends paid	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend	Euros/share (gross)	Accrued dividend
1st payment (2018 proposal)	0.96	875,103	0.21	206,313	0.14	136,814
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 15-a.i, 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:

Atlantia tender offer

- 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, once considered the adjustment of the dividend paid by **Abertis** previously the completion of tender offer, 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.

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 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 6.34 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 15.i-a, on 1 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 December 10, 2018, the Extraordinary General Shareholders' Meeting of Abertis Infraestructuras, S.A. agreed to modify the Company's Bylaws to adapt them to the new social reality of the Group. Likewise, and as a consequence of the new shareholding structure of the Company, the Extraordinary General Shareholders Meeting agreed to modify the composition of the Board of Directors of the Company, establishing itself in article 23.c) of the Bylaws that the Board of Directors may constitute any specialized commissions that it deems appropriate and among which the Audit Committee and the Appointments and Remuneration Committee are expressly mentioned. As of December 31, 2018, the Board of Directors has not yet 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. According to the pattern of **Abertis**, the Audit and Control Committee regularly monitors complaints and irregularities at all the Group companies. As of December 31, 2018, for the aforementioned reasons, the new Audit and Control Committee has not yet been formed, and is expected to be completed 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 generally by the Audit and Control Committee, or, when 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 in value to 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 and 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

Business performance

In the toll road management business as a whole, which now represents the sole line of business in terms of the contribution to consolidated revenue, up to 31 December 2018 the average daily traffic (ADT), the main indicator of the level of activity, saw a like-for-like increase of +1.8% to 25,120 vehicles, positively impacting the Group's revenue.

In 2018 the volume of business of virtually all of the Group's toll road concession operators improved, the detail of their ADT up to 31 December 2018 being as follows:

	km	ADT 2018	% Change 2018-2017
Toll roads Spain	1,559	21,560	3.3%
Toll roads France	1,761	25,268	1.7%
Toll roads Italy	236	65,395	1.2%
Toll roads Brazil	3,013	18,681	0.8%
Toll roads Chile	773	27,626	3.0%
Toll roads Puerto Rico	90	69,185	7.0%
Toll roads Argentina	175	82,239	(0.7%)
Toll roads India	152	20,556	4.8%
Abertis	**7,759**	**25,120**	**1.8%**

It can be seen that at 2018 year-end there was a positive trend in activity on the toll roads of **Abertis**, thanks to strong increases in traffic in the main countries in which the Group operates. Of particular note in this connection were the activity levels achieved in Spain (that continue along the growth trend seen since 2016), the growth of traffic in France and the contribution to growth of Italy and Chile.

Also noteworthy is the recovery, in general terms, in activity in Brazil (a trend that began in 2017 after the fall in traffic recorded in 2016 and 2015, due mainly to a significant fall in heavy vehicle traffic as a result of the negative performance of the Brazilian economy), although during the year it was penalised by the circumstantial effect of a major strike in the transport sector in May, adversely affecting heavy vehicle traffic (which in any case grew by nearly 2%).

Lastly, mention should be made of the positive performance of the business in Puerto Rico, favoured by, among other aspects, the reconstruction work on the island after the damage caused by the hurricanes suffered during September 2017, especially Hurricane Maria.

The main figures in the consolidated statements of profit or loss for 2018 and 2017 are as follows:

Millions of euros	**2018**	**2017** (*)
Operating income	5,255	5,271
Operating expenses	(1,706)	(1,815)
Gross profit from operations	**3,549**	**3,456**
Depreciation and amortisation charge	(1,377)	(1,421)
Impairment losses on assets	-	(1)
Construction income and expenses	21	55
Profit from operations	**2,193**	**2,089**
Financial loss	(23)	(817)
Result of companies accounted for using the equity method	(7)	19
Profit before tax	**2,163**	**1,291**
Income tax	(295)	(364)
Profit from continuing operations	**1,868**	**927**
Profit (Loss) from discontinued operations	(33)	72
Profit for the year	**1,835**	**999**
Profit attributable to non-controlling interests	155	102
Profit attributable to shareholders of the Parent	**1,682**	**897**

(*) Consolidated statement of profit or loss for 2017 the adoption for comparison purposes, pursuant to IAS 1, of the changes in certain presentation criteria in the financial statements indicated in Note 5-b.

Operating income amounted to EUR 5,255 million in 2017, a slight decrease of -0.3% from 2017, due mainly to:

- The depreciation of the Brazilian real, the Argentine peso, the Chilean peso and the US dollar, the average exchange rates of which against the euro fell by 19%, 4%, 130% and 5%, respectively, with respect to the average exchange rates for 2017, which gave rise to a decrease of EUR 280 million in the Group's revenue.
- The impact of the sale in July 2017 of the Italian **A4** subgroup company Infracom.
- The expiry in May 2018 of the concession arrangement of the Brazilian **Arteris** subgroup company Via Norte.

These impacts were offset substantially in full by:

- The upturn in activity and the impact of the revision of the average tolls at the toll road concession operators.
- The full consolidation of **TTPL** and **JEPL** from March 2017 onwards.
- The impact associated with the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport.

In addition, the Group's results were boosted by the implementation of a series of measures to improve efficiency and optimise operating expenses, on which the Group is continuing, and will continue, to focus in the coming years in order to continue to improve operational efficiency and to optimise costs.

As a result, profit from operations amounted to EUR 2,193 million (2017: EUR 2,089 million).

The decrease in the financial loss is mainly due to the fact that at the end of 2018 it includes a positive impact of EUR 605 million due to the gain obtained on the sale of 34.0% of Cellnex. It should also be noted that the financial loss at 2017 year-end included a negative impact of EUR 53 million associated with the costs incurred in the bond repurchase transactions carried out by **Hit**, **A4** and **Libertadores**.

Borrowing costs fell due mainly to the decrease in the average interest rate on the borrowings in the euro zone and Chile as a result of the refinancing transactions carried out in 2017.

The decrease in the result of the companies accounted for using the equity method was due mainly to the fact that at 2018 year-end it included a non-recurring expense of EUR 14 million in the earnings contributed by Cellnex up to its sale associated with efficiency plans implemented by this investee.

As a result of all the foregoing, the consolidated profit for 2018 attributable to the shareholders of the Parent amounted to EUR 1,698 million.

Lastly, it should be noted that since the discontinuation of the satellite telecommunications business at the end of 2017 all the Group's revenue has been earned in the toll roads sector.

Changes in the consolidated balance sheet

The main figures in the consolidated balance sheets (presented summarised) as at 31 December 2018 and 2017 are as follows:

Millions of Euros	31 December 2018	31 December 2017		31 December 2018	31 December 2017
Property, plant and equipment	412	421	Share capital and reserves attributable to shareholders of the Parent	4,122	2,529
Goodwill	4,383	4,422	Non-controlling interests	1,804	2,248
Other intangible assets	14,171	15,285	**Equity**	**5,926**	**4,777**
Investments in associates and interests in joint ventures	217	1,315	Bond issues and bank borrowings	15,420	16,716
Other non-current assets	3,180	2,760	Other non-current liabilities	3,549	4,489
Non-current assets	**22,362**	**24,203**	**Non-current liabilities**	**18,969**	**21,205**
Other current assets	1,922	1,374	Bond issues and bank borrowings	1,293	1,809
Cash and cash equivalents	2,737	2,458	Other current liabilities	1,935	1,412
Current assets	**4,659**	**3,832**	**Current liabilities**	**3,228**	**3,221**
Non-current assets classified as held for sale and discontinued operations	1,622	1,796	Liabilities associated with non-current assets classified as held for sale and discontinued operations	520	628
Assets	**28,643**	**29,831**	**Equity and liabilities**	**28,643**	**29,831**

Total assets at 31 December 2018 amounted to EUR 28,643 million, a decrease of -3.9% from 2017 year-end, due mainly to the impact of the depreciation of the Brazilian real, the Chilean peso and the Argentine peso at year-end.

Around 51% of total assets relate to property, plant and equipment and other intangible assets (mainly concessions), in line with the nature of the Group's businesses relating to infrastructure management.

The Group invested a total of EUR 944 million in 2018, relating mostly to investments for expansion purposes (88% of the total), mainly in:

- Expanding the capacity of the toll roads, especially those located in Brazil (EUR 257 million) and in France for the improvement and extension of the network (EUR 185 million).
- The acquisition of non-controlling interests in **A4** (EUR 33 million) and, following the execution of the purchase commitments acquired in previous years, non-controlling interests in the Indian concession operator **JEPL** (EUR 15 million) and in **Hispasat** (EUR 293 million).

Consolidated equity amounted to EUR 5,926 million, +24.1% higher than at 2017 year-end, due, in addition to the profit for the year (the main reason for the aforementioned increase) and the dividends paid, to the following factors:

- The changes in the scope of consolidation with effects on both non-controlling interests and the Group's accumulated reserves, as a result of the acquisition of non-controlling interests in **A4** (EUR +28 million on the Group's reserves and EUR -61 million on non-controlling interests), on **JEPL** (EUR +8 million on the Group's reserves and EUR -10 million on non-controlling interests) and on **Hispasat** (EUR +387 million on the Group's reserves and EUR -378 million on non-controlling interests); in the case of **JEPL** and **Hispasat** after the execution of the purchase commitments.
- The increase in translation losses (EUR -288 million, of which EUR -80 million correspond to non-controlling interests), due mainly to the depreciation of the Brazilian real, the Chilean peso and the Argentine peso.

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 13.i-a, 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 13.i-b).

Liquidity and capital resources

The gross bank borrowings at 31 December 2018 (excluding payables to companies accounted for using the equity method and interest on loans and bonds and other liabilities) amounts to EUR 16,012 million and represents, on the one hand, 269% of equity, lower than at the end of 2017 (373%), due to the decrease in gross financial debt detailed below and the aforementioned increase in equity, and, on the other, 56% of liabilities and equity, slightly lower than at 2017 year-end (60%) as a result of the above-mentioned increase in net assets due mainly to the profit for the year.

Also, the net bank borrowings of **Abertis** (excluding payables to companies accounted for using the equity method and interest on loans and bonds and other liabilities) in 2018 decreased by EUR 2,091 million to EUR 13,275 million.

The aforementioned decrease in gross and net bank borrowings was due mainly due to:

- The impact of the sale of 34.0% of Cellnex for EUR 1,703 million.
- The impact of the adoption of IFRS 9 effective 1 January 2018 amounting to EUR 64 million.
- The exchange rate effect at 31 December 2018, which led to a decrease in the Group's net debt of EUR 158 million (due basically to the depreciation of the Brazilian real and the Chilean peso at 31 December 2018).

These effects were partially offset mainly by:

- The effect of the investments in operations and for organic expansion purposes made in the year amounting to EUR 604 million.
- The impact of the acquisition of non-controlling interests in **A4** (EUR 33 million), **JEPL** (EUR 15 million) and **Hispasat** (EUR 293 million).
- The second payment of shareholder remuneration for 2017 (EUR 365 million considering the dividend associated with the treasury shares).

- The payment of EUR 634 million, relating mainly to the pre-payment made in relation to the dividends received by Abertis Infraestructuras, S.A. and to the gain obtained on the sale of Cellnex, which are exempt for tax purposes but which, pursuant to current legislation, were treated as taxable in the income tax pre-payments made.

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 (5.0 years at both 31 December 2018 and 5.3 years at 31 December 2017, respectively) and, following a policy of minimising exposure to financial risks, a high percentage of debt bears interest at a fixed rate or at a rate fixed through hedges (82% at 31 December 2018 as compared with 79% at 2017 year-end), thus largely minimising the possible effects of credit market tensions.

Noteworthy in this regard are the following transactions carried out by various Group companies in 2018:

- The arrangement of loans maturing in 2024 and 2025 amounting to EUR 815 million by Abertis Infraestructuras, S.A. against which no drawdowns had been made at 31 December 2018.
- The issue by **Intervias** of new bonds of BRL 800 million (approximately EUR 180 million at 31 December 2018) maturing between May 2020 and May 2025 and with a coupon rate of between 12m CDI +0.47% and 12m CDI +6.76%.
- The issue by **Regis Bittencourt** of a promissory note of BRL 600 million (approximately EUR 135 million at 31 December 2018) maturing in June 2020 and bearing interest at CDI +107%.
- The drawdown by **Régis Bittencourt** of BRL 334 million (approximately EUR 78 million at 2018 year-end) against a facility maturing in December 2029 bearing a fixed interest rate of 10.05% (up to BRL 775 million, approximately EUR 174 million at 31 December 2018) may be drawn down.

- The arrangement of loans of EUR 50 million and EUR 15 million by **A4 Holding** and **A4 Mobility**, respectively, maturing in January and December 2023, respectively.
- The novation by **Túnels** of the financing agreement of EUR 305 million, extending the term to maturity of the financing to December 2034 and reducing the related borrowing costs.
- The repurchase in full by **Rutas del Pacífico** of the outstanding balance (CLP 139,448 million, approximately EUR 175 million at 31 December 2018) of bonds issued by it in previous years, amounting to CLP 305,376 million (approximately EUR 385 million at 31 December 2018), maturing in December 2024 and with an annual coupon rate of UF +5.8%.

It should be noted that with these and other transactions the Group reinforces its ability to take advantage of the opportunities offered by the credit market to achieve attractive conditions and continue to generate value for its shareholders. Thus, in 2018 alone the Group has carried out financing transactions (both corporate and at its subsidiaries) exceeding EUR 1,250 million.

Lastly, it should be noted that the high cash flow generation of the majority of **Abertis**'s main businesses allows for a financial balance to be achieved, enabling new investments to be made in upgrading the infrastructure it currently manages, as well as the continuation within the current economic and financial scenario of the selective policy of growth investments developed in recent years without the need for additional capital contributions from the shareholders.

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.

As a result of this strategy, the Group works in all its networks to consolidate the low accident levels in its more mature networks, such as Spain, France and Italy, and to continuously improve accident rates in growing markets such as Brazil and India (the latter being a market in which there is significant scope for improvement in the coming years).

In this way, the Group has achieved in recent years constant improvement in accident and mortality rates in the main units of the Group, a trend that continued in 2018.

	2018	% Change 2018 - 2017	% Change 2017 - 2016	% Change 2016 - 2015	% Change 2015 - 2014
IF1 index (accidents with vict./100 mill veh.km)	20.2	-6.4%	-3.2%	-2.6%	-3.6%
IF3 index (fatalities/100 mill veh.km)	1.2	-10.0%	-6.1%	-5.4%	-15.8%

(*) Data calculated homogenising the scope of consolidation in the respective years.

Abertis is continuing to work on a vision of road safety that shares the values of the Global Plan for the Decade of Action for Road Safety 2011-2020, which is founded on five pillars: (i) safe infrastructure; (ii) road safety management; (iii) safer vehicles; (iv) safer road users; and (v) post-crash response.

Optimum safety management

In 2018 the Group worked towards standardising best internal practices across all the Group's units in order to achieve a global stance on road safety.

The Group continued to promote the road safety training of its employees to ensure optimum operation and maintenance through safety drills at most of the concessions.

With a view to systematising practices and monitoring performance on an ongoing basis, in a cycle of continuous improvement, the Group continued with the implementation of a formal road safety management system on its toll roads. Thus, 49% of the toll roads business (Spain except for Túnels, Chile, Argentina with **Ausol** in the process of obtaining certification and **Via Paulista** in Brazil) has a management system compliant with the international ISO 39001 standard that has been implemented and/or certified. The Group intends to progressively implement this system in the other countries and/or toll roads.

Agreements for safer mobility

Abertis is a member of the Waze 'Connected Citizens' programme, a pioneering application in social navigation and mobile technology that offers free real-time traffic information, fed by the largest community of drivers in the world. Seven countries in which the Group operates (Spain, France, Italy, Argentina, Brazil, Chile and Puerto Rico) work with Waze to improve the information and road safety of their citizens.

Abertis uses this application as a sensor to understand traffic in real time as well as another communication channel to inform its customers about traffic conditions, roadworks or the presence of workers on the road. At the same time, **Abertis** receives anonymous real-time information directly from source, namely, the drivers.

Predictive approach

Abertis uses its in-house software and control systems of independent entities such as the iRAP Foundation (International Road Assessment Programme), to improve road control. **Abertis** is the first private toll road operator to cooperate globally with iRAP. This methodology allows **Abertis** to ascertain the level of safety on its toll roads in a uniform and highly professional manner, identifying all areas open to improvement in order to define the Group's future investment plans.

Safer road users

Abertis focuses not only on infrastructure, but also on its customers, through studies and observatories of their driving to get to know them better and through safe-driving awareness campaigns.

Post-crash response

The Group continues to work to offer the best solutions in the event of an accident. The latest innovations at **Abertis** include advanced intelligent transport systems and an application that automatically detects irregular situations in tunnels.

Innovation: R&D+i 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.

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).

Efficient toll roads

At **Abertis**, innovation encompasses many areas. On the one hand, through analysis of how new mobility trends can impact the traditional business model and, on the other, through a commitment to a new line of business, based on Mobility as a Service (MasS), which shifts the focus of mobility away from the mode of transport to the individual, who understands mobility as a point-to-point service, with new and different needs.

Abertis Mobility Services

Abertis Mobility Services was conceived to respond to these changes, and to become the pioneer in modern and efficient mobility focused on different types of customers: on the one hand, administrations and road operators (B2A), through the subsidiary **Emovis** and, on the other, to vehicle fleet companies (B2B), through **Eurotoll**. The latter is one of the largest issuers of electronic payment devices, or OBUs (On-Board-Units) in Europe. Lastly, the citizen is the direct customer of subsidiaries such as **Bip&Go** and **Bip&Drive**, in the toll payment device sector.

Abertis Mobility Services leads the Group's firm commitment to innovation, based on three strategic lines for guiding its projects and actions:

i) Free-flow systems

Abertis offers free-flow mobility solution advisory, design, implementation, operation and maintenance services through its **Emovis** technology and services division.

The division operates some of the largest electronic toll infrastructure in the world in the UK, Ireland, the US and Canada. **Emovis** operates in seven countries: Canada, the US, Puerto Rico, the UK, Ireland, France and Croatia.

ii) Interoperability and payment devices

The **Abertis** Group is working to make travel a comfortable and easy experience for the customer.

- **Eurotoll** continues to increase the interoperability of its Tribox Air device, equipped with DSRC/GNSS/GSM and "over-the-air" technology, offering a single device for travelling in France, Spain, Portugal, Austria, Belgium and Germany. In 2018 it was accredited to operate with Viapass (Belgium) and REETS Asfinag (Austria). It also offers its customers value added services, such as geolocation, long distance journey monitoring, etc.
- **Bip&Go** and **Bip&Drive**, investees of **Abertis** that offer payment devices, are also making progress with the interoperability of their devices, not only between countries, but also for their use off-the-road (shopping centres, petrol stations, car parks, etc.).

  In 2018 **Bip&Drive**, a subsidiary of the Group in Spain, consolidated its position as the leader in the Spanish market for the VIA-T device, with 875,000 customers and a market share of over 30%. Additionally, it launched the new app that facilitates payment in service stations, petrol stations, vehicle roadworthiness testing centres and electric recharging points.
- **VíasChile**, through Autopase, its payment device issuer, has also made advances in its quest to achieve interoperability between the division's concession operators in Chile.

iii) Advanced payment systems

The **Abertis** Group continues to innovate in payment systems and models. The projects performed in 2018 include most notably:

- In Brazil, **Centrovias** (**Arteris**) has implemented OCR technology that operates as a toll collection system. In case of a reading error, the system recognises the number plate and authorises the vehicle to proceed. This initiative is being replicated by the federal concession operators of **Arteris** and has been acknowledged by the grantor ARTESP as an innovative project.
- In Argentina, the PIM-toll prepaid electronic toll system has been launched, developed in conjunction with Banco de la Nación Argentina, which makes it possible to associate a virtual wallet with a mobile phone. In this case, the mobile phone is not required to pay the toll, but rather to subscribe to the system by associating the TAG with the telephone number or bank account.

- In France, **Sanef** is also trialling mobile payment on the A13 and A14 toll roads, which will be able to be used from April 2019 onwards.
- In Spain, Ronda Gi, the free "sticker" designed to facilitate mobility without stops between the toll plazas on the Girona ring road stretch of the AP-7 toll road, has now been in operation for a year. In 2018 Autopistas distributed 10,000 free devices among the users of this stretch of road.

As a result of these improvements, the percentage of automatic or electronic toll transactions increased at the Group from 76.4% to 78.0% of the total (+1.6%), including most notably Puerto Rico (99.6%), France (98.0%), Chile (87,7%), Spain (85.2%) and Italy (80.2%).

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. Contribution to the community

The information on the contribution to the community is presented in the statement of non-financial information in the integrated annual report attached to this directors' report.

1.9. 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, which is part of the directors' report, can be found in the appendices at the end of this report, and is also available on the websites of the Spanish National Securities Market Commission (CNMV) and the **Abertis** Group.

Treasury shares

As indicated in Note 15.i-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 15-a.ii to the accompanying consolidated financial statements.

Alternative Performance Measures

Abertis believes that certain Alternative Performance Measures (APMs) provide financial information in addition to that obtained from the applicable accounting standards (EU-IFRSs) that is useful for assessing the performance of the Group and which is used by management in its decision-making processes. In this regard, in accordance with the recommendations issued by the European Securities and Markets Authority (ESMA).

On the other hand, as a result of the change of shareholders of Abertis Infraestructuras, S.A., in 2018 the Group has modified the definition or name of certain APMs and/or has incorporated additional APMs in relation to those considered in previous years. These changes have been carried out with the objective of providing homogenenous information to the users of these consolidated financial statements, according to their integration in an upper consolidated group.

The definition and determination of main APM used is as follows:

i) Revenues

Relates to the caption of consolidated statements of profit or loss "Operating income".

	2018	2017
Revenues – Operating income	5,255,381	5,270,909

ii) Opex or Operating expenses

Relates to the caption of consolidated statements of profit or loss "Operating income".

	2018	2017
Opex – Operating expenses	3,083,142	3,236,874

iii) Ebit – Profit from operations

Relates to the caption of consolidated statements of profit or loss "Profit from operations".

	2018	2017
EBIT – Profit from operations	2,193,252	2,089,191

iv) Ebitda

Ebitda or Gross Operating Profit is defined as EBIT adjusted by the captions of the consolidated financial statements "Depreciation and amortisation charge", "Changes in impairment losses on assets" and "Capitalised borrowing costs":

	2018	2017
EBIT – Profit from operations	2,193,252	2,089,191
+Depreciation and amortisation charge	1,377,321	1,421,197
+/- Changes in impairment losses on assets	(589)	543
- Capitalised borrowing costs	(21,013)	(55,156)
EBITDA	**3,548,971**	**3,455,775**

The Group considers Ebitda as an operational indicator that measures the cash generation capacity of its assets, while it is an indicator widely used by analysts, investors, credit rating agencies and other stakeholders.

v) Ebitda margin

Ebitda margin is a relative indicator used by the Group to analyze the operating performance of its assets, representing the relative weight of Ebitda on revenues:

	2018	2017
Ebitda – Gross operating profit	3,548,971	3,455,775
Revenue (Operating income)	5,255,381	5,270,909
Ebitda margin	**67.53%**	**65.56%**

It is important to highlight that “Ebitda margin” is not a measure adopted in accounting standards and does not have a standardised meaning and, therefore, cannot be compared to the Ebitda margin of other companies.

vi) Ebitda contribution

“Ebitda Contribution” is the percentage reflecting the proportion of the Ebitda contributed by each of the business against that of the whole Group.

vii) Gross debt

“Gross debt” is defined as the non-current and current “Bank loans” and “Bond issues and other loans” line items as shown in the Nota 16 of the consolidated financial statements:

	2018	**2017**
Bank loans	4,982,698	6,098,691
Bond issues and other loans	11,029,432	11,725,935
Gross debt	**16,012,130**	**17,824,626**

viii) Net debt

“Net Debt” is defined as “Gross Debt” less the "Cash and cash equivalents" line item in the consolidated financial statements.

	2018	**2017**
Gross debt	16,012,130	17,824,626
Cash and cash equivalents	(2,737,070)	(2,458,101)
Net debt	**13,275,060**	**15,366,525**

The Group uses the “Net Debt” as a measure of its solvency and liquidity as it indicates the current cash and equivalents in relation to its total debt liabilities. “Net Debt” and “Ebitda” derived measures are frequently used by analysts, investors and rating agencies as an indication of financial leverage.

ix) Net Financial Debt

"Net Financial Debt" is defined as "Financial liabilities" (current and non-current) less "Other financial assets" (current and non-current) and "Cash and cash equivalents" line items of the consolidated financial statements.

"Net Financial Debt" is an indicator of the portion of the investments financed by net financial liabilities.

The reconciliation of APM with the Group consolidated financial statements is as follows:

	2018	2017
Non-current financial liabilities	15,757,865	17,722,590
Current financial liabilities	1,654,482	1,857,177
Other non-current financial assets	(2,193,542)	(1,667,864)
Other current financial assets	(211,698)	(226,311)
Cash and cash equivalents	(2,737,070)	(2,458,101)
Net financial debt – continuous operations	**12,270,037**	**15,227,491**
Non-current financial liabilities	238,348	310,310
Current financial liabilities	75,550	76,827
Other non-current financial assets	(3,535)	-
Other current financial assets	(114)	(4,920)
Cash and cash equivalents	(41,949)	(31,881)
Net Financial debt – discontinued operations	**268,300**	**350,336**
Net financial debt	**12,538,337**	**15,577,827**

x) Capex

Relates to the "Purchases of property, plant and equipment, intangible assets and other concession infrastructure" line item in the consolidated statements of net cash flows from investing activities of the consolidated financial statements:

	2018	2017
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	619,733	1,132,727

The Company considers this an important indicator because it represents the ability of the Company to expand its portfolio through the discretionary use of cash in investments for the improvements of the highway network for agreed returns in the case of the road assets and measuring how effectively the Company is redeploying resources to build a perpetual business model as it contributes for EBITDA replacement and the increase of the duration its portfolio.

Although the Company has previously reported CAPEX split by Operating CAPEX and Organic Expansion CAPEX, in 2018 the Company has decided to start only providing total CAPEX because the former split is understood not to provide relevant information for investors and analysts which have demonstrated to be more focused on the total CAPEX amount when assessing the Group's performance.

xi) Discretionary cash flow

"Discretionary cash flow" is defined as Ebitda plus/minus finance income and costs, minus income tax expense and plus/minus cash adjustments to: (i) finance income and expenses, (ii) income tax, (iii) IFRIC12 and other provisions, (iv) concession arrangements – financial asset model, and (v) dividends received from financial investments, associates and joint ventures.

The Group believes that the "Discretionary cash flow" is one of the most important indicators of its capacity to generate an available stream of resources from the operations, net from the mandatory uses of cash for taxes and interest expenses, to be used mainly and according to the Group strategy to repay debt, distribute dividends and expand its portfolio.

The reconciliation of this APM with the Group's consolidated financial statements is as follows:

	Nota	2018	2017
Ebitda		3,548,971	3,455,775
Finance income		387,978	227,690
Finance costs		(1,013,713)	(1,083,127)
Income tax		(295,501)	(364,570)
Adjustments:			
Exchange gains	22-e	(182,198)	(24,462)
Exchange losses	22-e	29,113	41,765
Impairment (expected credit losses)	22-e	128,441	-
Provisions for loans and guarantees granted to associates and other financial assets	22-e	936	13,453
Deferred tax assets-amount charged/(credited) to profit or loss	19-c	61,207	87,345
Deferred tax liabilities-amount charged/(credited) to profit or loss	19-c	(227,189)	(145,964)
Deferred tax		(165,982)	(58,619)
Period provisions (reversals)	20-ii	188,946	154,854
Interest cost	20-ii	32,301	35,952
Amounts used in the year	20-ii	(250,352)	(260,300)
Provisions required under IFRIC 12 (non-current and current)		(29,105)	(69,494)
Period provisions (reversals)	20-ii	46,610	(16,672)
Interest cost	20-ii	13,814	17,252
Amounts used in the year	20-ii	(48,301)	(88,243)
Other provisions (non-current and current)		12,123	(87,663)
Charge to the consolidated statement of profit or loss due to economic compensation	13-i	(113,702)	(32,370)
Charge to the consolidated statement of profit or loss due to financial compensation (with Section B of Schedule 3 of Royal Decree 457/2006)	13-i	(157,877)	(120,182)
Amounts used in the year	13-i	92,996	60,327
Concession arrangements – financial asset model		(178,583)	(92,225)
Dividends received from financial investments, associates and joint ventures		8,142	18,528
Discretionay cash flow		**2,250,622**	**1,977,051**

Events after the reporting period

There were no events after the reporting period other than those indicated in Note 28 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 15-a to the accompanying consolidated 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.

In any case, the main challenges facing the various business units in 2019 will be:

Business unit	Main challenges
Toll roads Spain	• Analysis of new lines of business in Spain. • Manage the forthcoming expiry of the term of certain concessions. • Work with public authorities and other social agents to make progress on initiatives to improve mobility. • CSR and sustainability action plan.
Toll roads France (Sanef)	• Continuation of the Plan Relance investment plan. • Analysis of the new investment plan (Grand Paris). • Start-up of the new free-flow gantries on the A4 toll road, and study of their extension to other French toll roads. • Implementation of new management systems that guarantee the environmental return of the projects. • Roll-out of the specific CSR action plan.
Toll roads Italy (A4)	• Remodelling work on the Montecchio toll plaza. • Feasibility study of the Verona Sur works. • Progress on the Conexión Norte project: commencement of construction work on the Veneto section and obtainment of the go-ahead for the Trento section. • Roll-out of the specific CSR action plan.
Toll roads Brazil (Arteris)	• Start-up of Via Paulista. • Continuation of the investment plan with emblematic works such as the Florianópolis bypass, the widening of the Fluminense toll road in Rio de Janeiro and Niteroi and the negotiation of new investments. • Change of the electronic toll system throughout the network.
Toll roads Chile (VíasChile)	• Commencement of the work on the third lanes on Ruta 78 and Ruta 68. • Continuation of the work on the Quilicura junction (Autopista Central). • Installation of the free-flow gantries on Rutas del Pacífico, Ruta 78 and Ruta 57. • Agreement with the administration for the extension of Route 65. • Study of re-bids pending on Ruta 78. • Roll-out of the specific CSR action plan. Promotion of culture with a Gaudí exhibition.
Toll roads Puerto Rico (Metropistas and APR)	• Implementation of the Road Safety Strategic Plan 2019-2021. • Tender for the fibre optic installation project (V2I). • Completion of the change of the toll system to a fully electronic system. • Roll-out of the specific CSR action plan.

Business unit	Main challenges
Toll roads Argentina (Gco and Ausol)	• Total plan of works for Autopista del Sol and Autopista del Oeste (extensions, resurfacings, illumination, LED, etc). • Change of the Autopista del Sol toll system. • Change management project through full migration to SAP. • Refurbishment of offices with an "open space" concept. • Roll-out of the specific CSR action plan. Promotion of culture with a Velázquez exhibition.
Toll roads India	• Toll system renewal plan. • Analysis of new growth opportunities in India, taking advantage of the Indian Government's infrastructure plan. • Roll-out of the specific CSR action plan.
Other toll roads	UK (RMG): • Continuation of management of the asset with the highest quality standards. Colombia (Coviandes): • Completion of all the Bogotá-Villavicencio toll road widening work.
Abertis Mobility Services	• Search for new opportunities in free-flow, truck tolling and road use charging projects with focus on the US, Europe and Latin America. • Promote the leadership of Eurotoll as a provider of EETS services for heavy vehicles in Europe. • Development of new mobility-related businesses (congestion charging, MaaS, etc.). • Continue promoting innovation in advanced and non-intrusive free-flow technological solutions for their application in new projects and deployment within the business units of the Abertis group. • Roll-out of the specific CSR action plan.
Corporate	• Development of a new Plan for the period 2019-2021. • Analysis of new public-private partnership opportunities in various markets. • Updating of the materiality analysis including new activities and geographical locations.

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.

<u>The resolutions adopted at the Annual General Meeting held on 13 March 2018 were as follows</u>:

<u>First point of the agenda</u>: 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).

<u>Second point of the agenda</u>: 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).

<u>Third point of the agenda</u>: 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).

<u>Fourth point of the agenda</u>: 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).

<u>Fifth point of the agenda</u>: 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).

<u>Sixth point of the agenda</u>: 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.

<u>Business/corporate unit risk coordinators</u>: 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.

<u>Function supervisors</u>: 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

abertis

2018

INTEGRATED ANNUAL REPORT

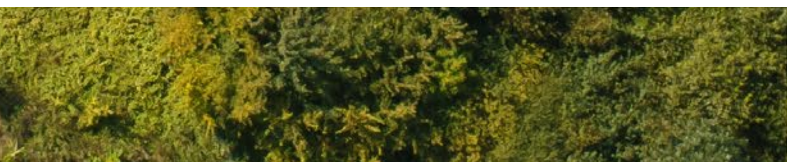
Contents

INTEGRATED ANNUAL REPORT

2018

CHAPTER 1

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
229
DESENZANO
15,4
225
Setti Trasporti
SCANIA


CON PIOGGIA
LIMITE VELOCITA
110 KM/H.

CHAPTER 2

Strategy

BUSINESS MODEL

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

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.

*Includes ViaPaulista concession, started at 2019

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. .

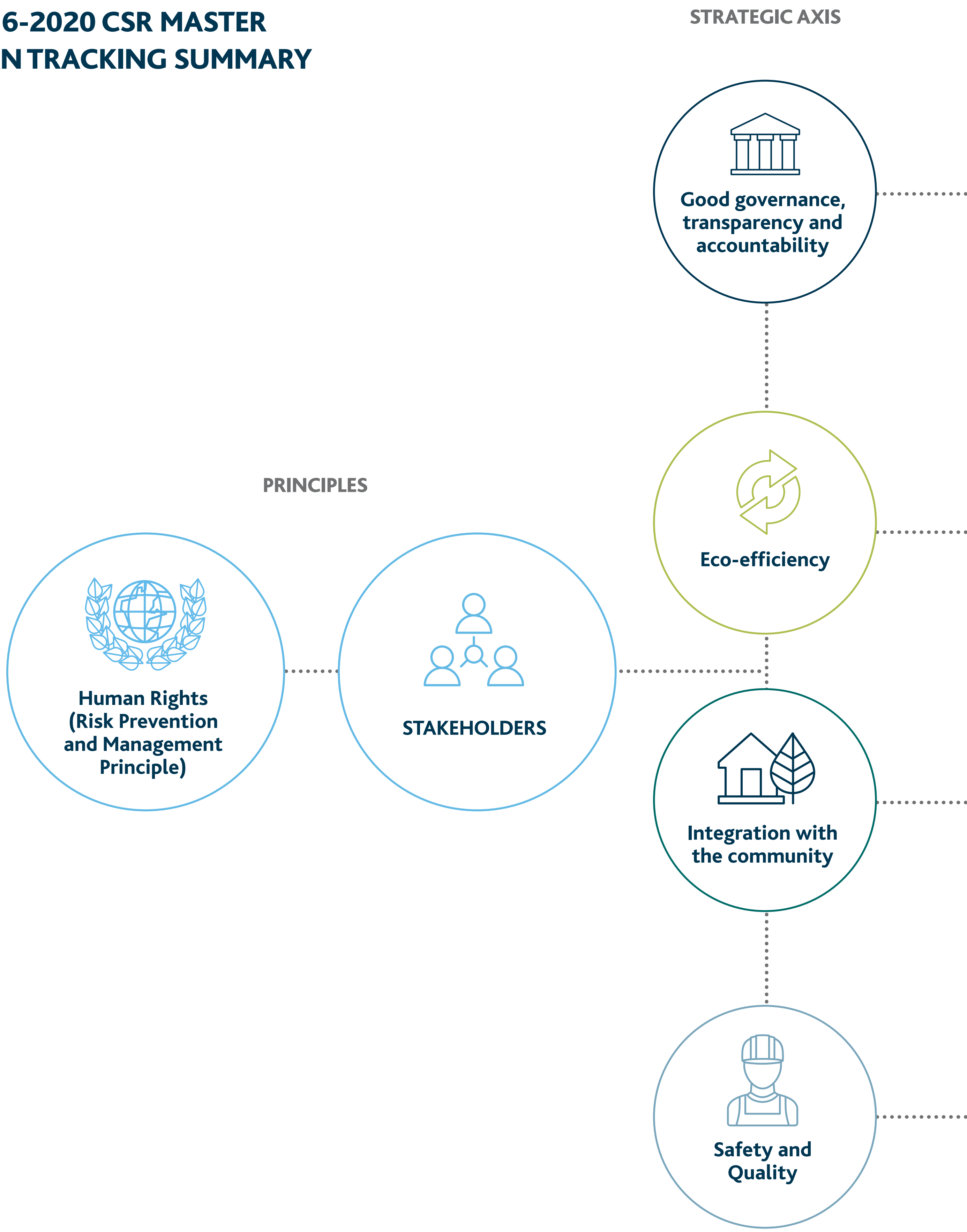
The Annexe attached thereto contains further performance-related data broken down by activity and country for each strategic target in the CSR Master Plan.

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.

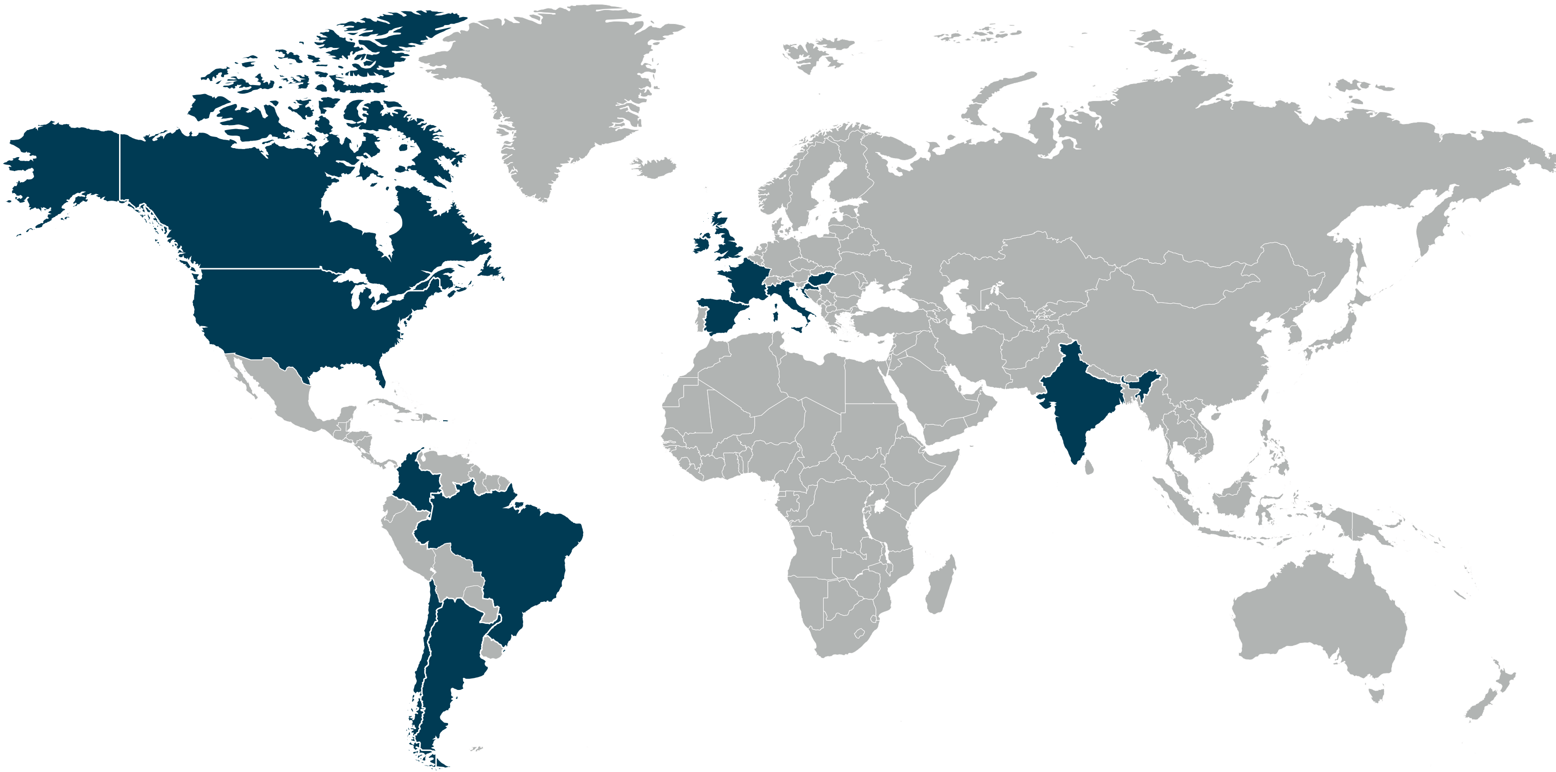
2016-2020 CSR MASTER PLAN TRACKING SUMMARY



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
- Brazil
- Canada
- Chile
- Colombia
- Croatia
- Spain
- United States
- France
- Hungary
- India
- Ireland
- Italy
- United Kingdom
- 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

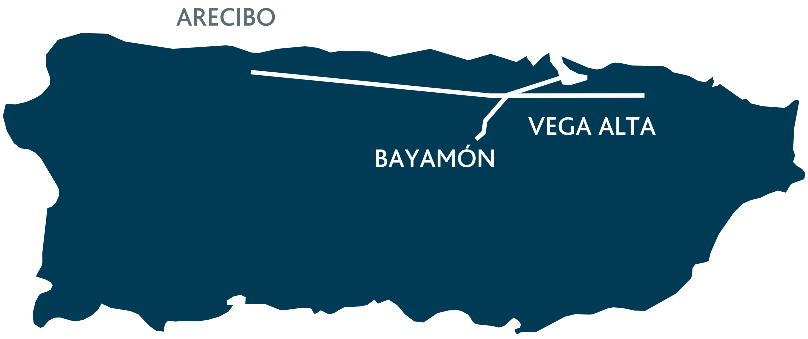
1,288
EMPLOYEES

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.


VOLVO Hrvatska
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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


100
100
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.

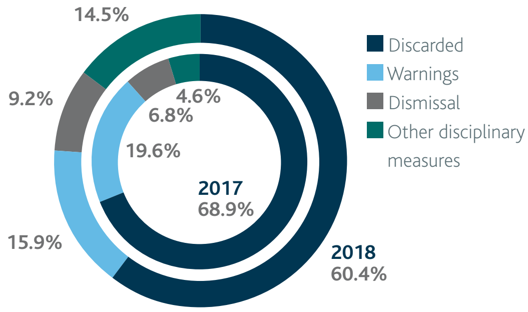
The Group has zero tolerance for any act contravening its Code of Ethics, and formally expresses its disapproval of all forms of corruption and its firm commitment to legal compliance. Any violation entails labour-related penalties for infringing employees, including commercial or administrative fines 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

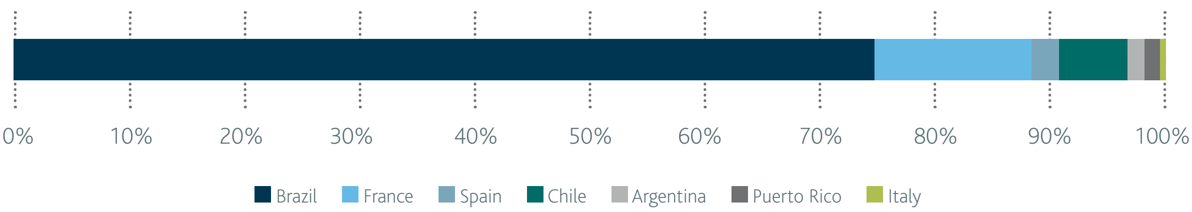
All Group companies have whistleblowing mechanisms (for reporting irregularities of any sort) that guarantee confidentiality in the investigation and analysis of all received communications.

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

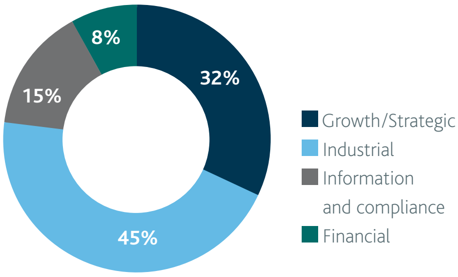
The Abertis Group faces different risks that are inherent to the different countries where it operates. It has therefore implemented a risk management model – approved and monitored by the Audit and Control Committee– that is applicable to all business and corporate units in every country where the Group 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

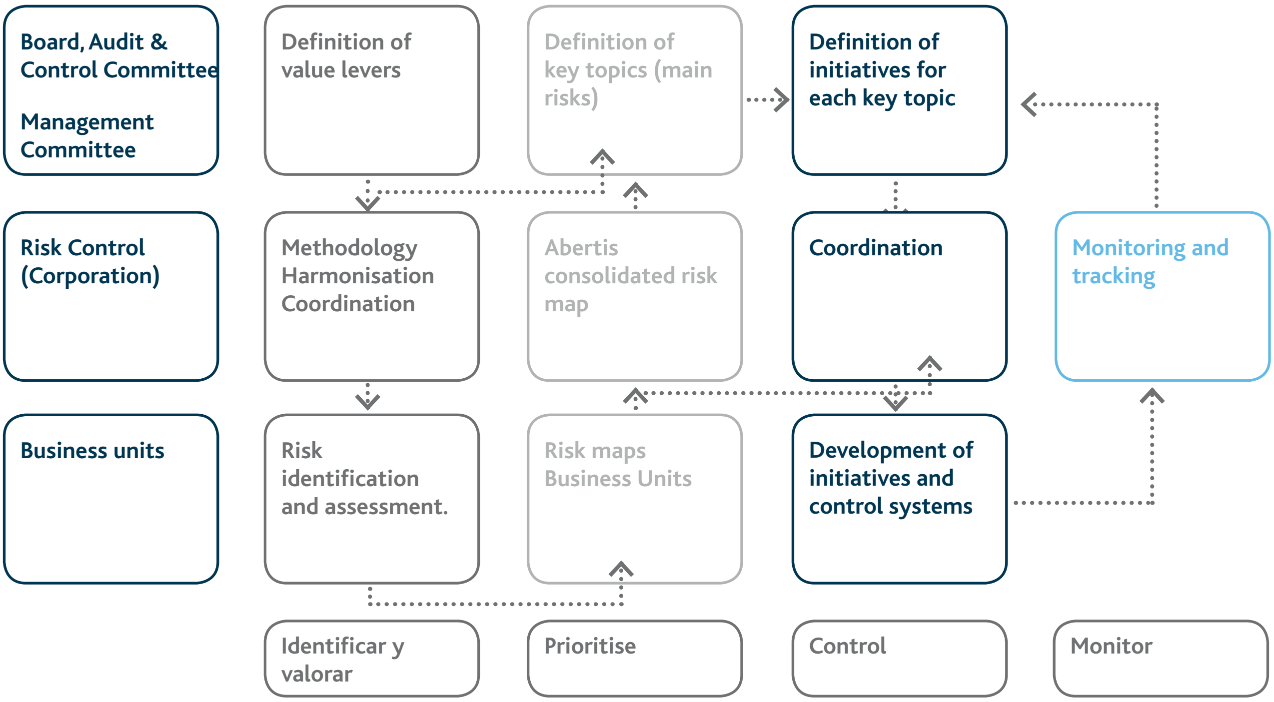
COMPREHENSIVE RISK CONTROL

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

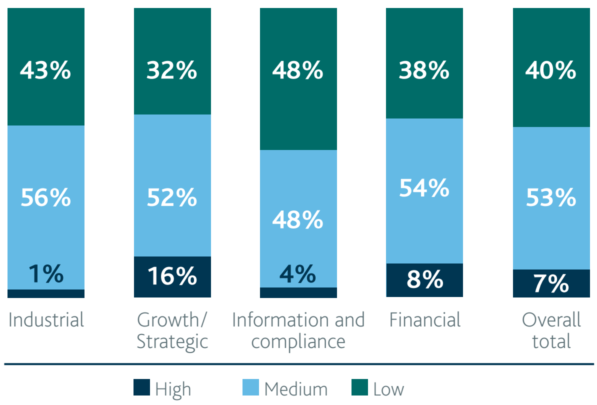


ABERTIS RISK CONTROL AND MANAGEMENT MODEL



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).

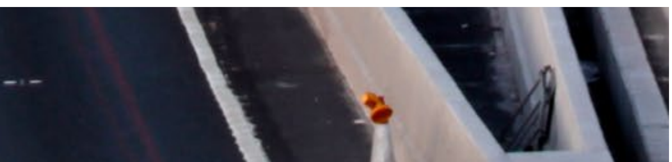
RISK ASSESSMENT BY CATEGORY




Any vehicle
Any vehicle

CHAPTER 5

Safe and innovative roads



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

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

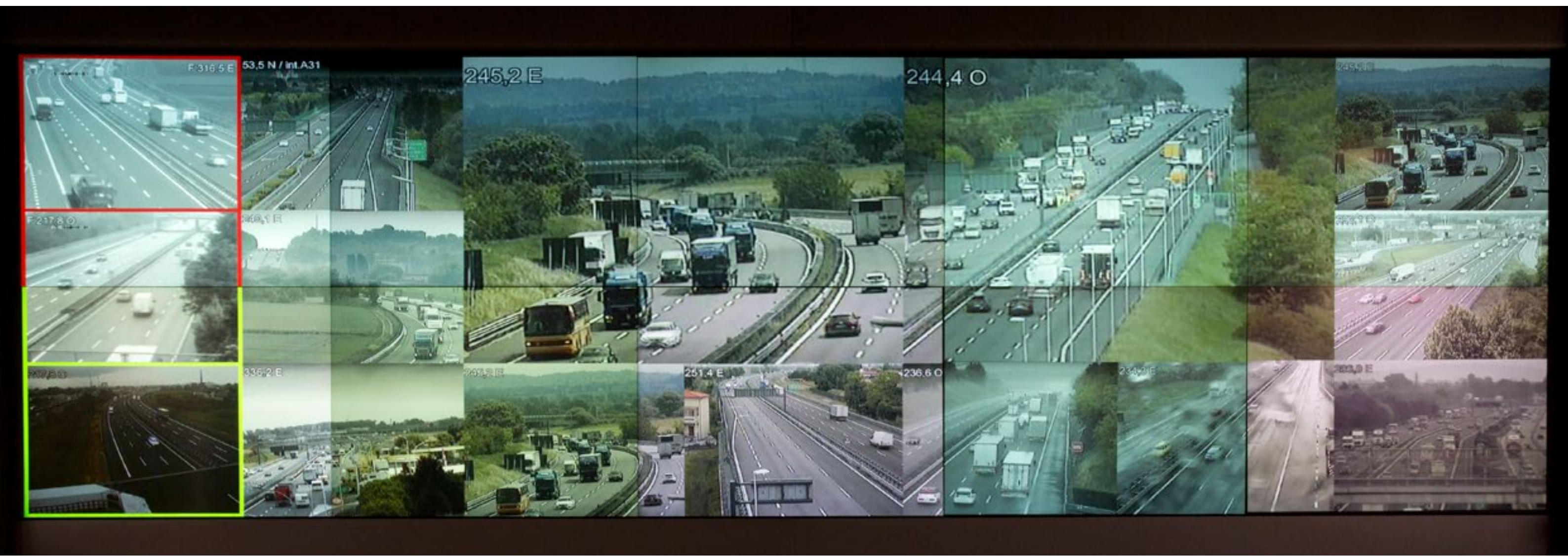
➲ VíasChile teamed up with the Institute of Complex Engineering Systems at the University of Chile to develop a cutting edge accident prediction model for Autopistas Central. For 4 years now, the project has been in place along 2 kilometres of Autopista Central as a test and seeks to forestall risk situations 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.

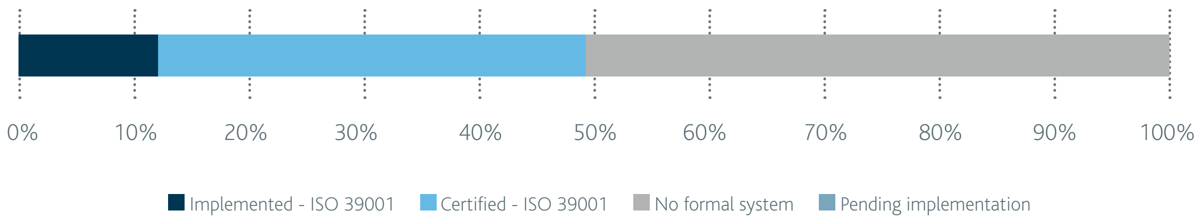
The Abertis-UNICEF project focuses on high-risk schools in medium-to-low income countries where the child accident rate is one of their major problems. The overall priorities include the creation of safe areas around schools (zebra crossings, signalling, etc.), promoting road safety and bolstering institutional 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.

ROAD TECH

- 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

ISO 9001

60.6%

ON TURNOVER

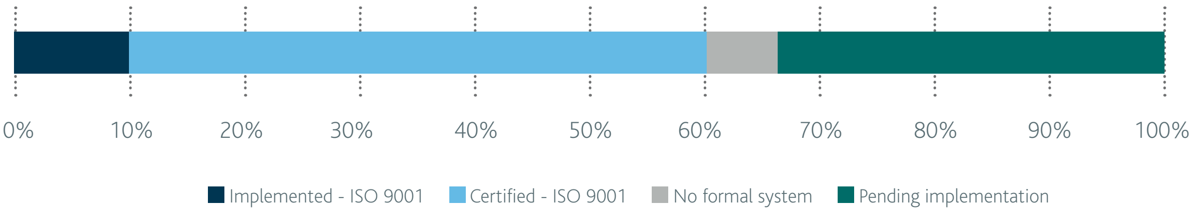
Our commitment to road safety and new technologies has a clear objective: satisfying our customers.

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.

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

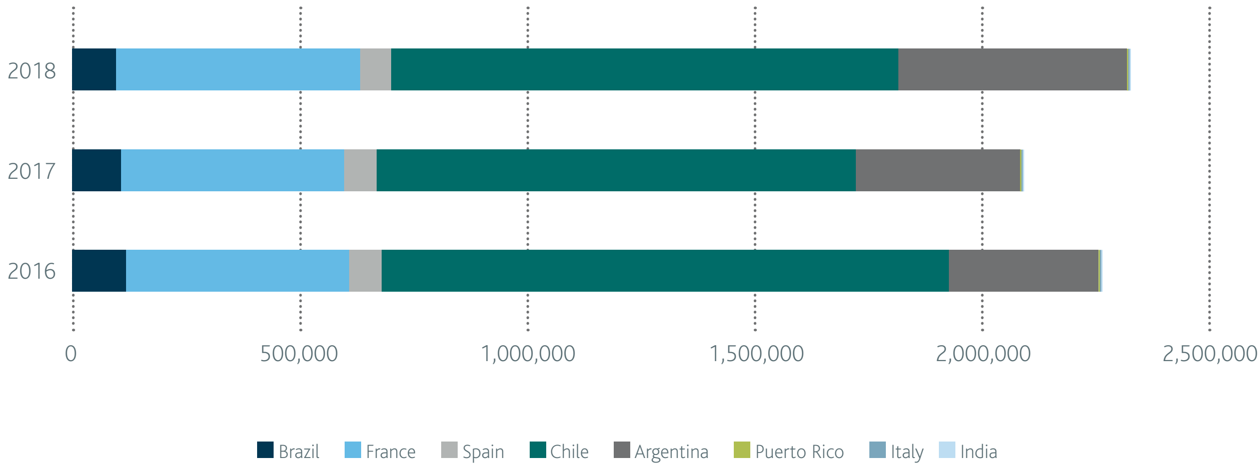
RESULTS OF DIFFERENT CUSTOMER SATISFACTION SURVEYS (SCALE FROM 1 TO 10)

	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

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.

REVENUE

€5,255Mn

-0.3%

EBITDA

€3,549Mn

+3%

ADT VEHICLES

25,120

+1.8%

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

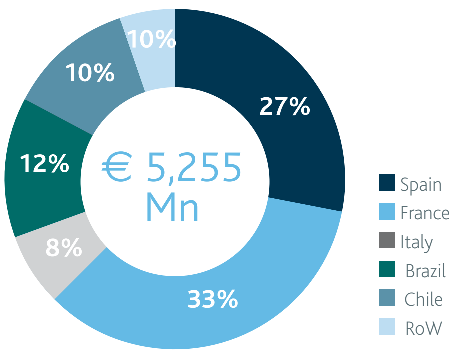
+15% (Comparable)

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

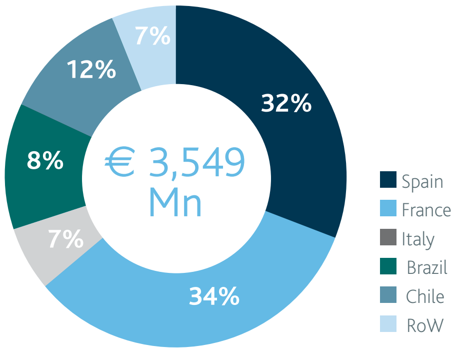
Country	€MN
France	1,751
Spain	1,425
Brazil	617
Chile	538
Italy	432
Argentina	233
Puerto Rico	138
Rest of World (RoW)	119
Holding	2
Total Abertis	**5,255**

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

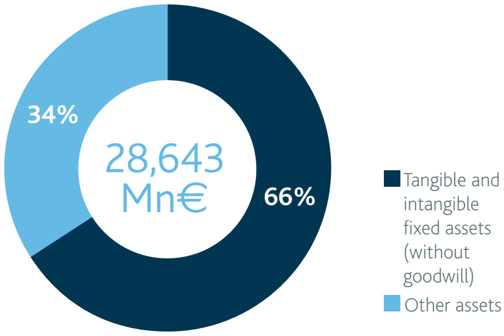
Total assets as of 31 December 2017 amounted to €28,643 million, representing a 3.9% reduction compared to the 2017 year-end, mainly due to the impact of the depreciation of the Brazilian real, Chilean peso and Argentine peso. Consolidated net equity in turn reached €5,926 million, (+24% vs 2017) due to the positive impact of the revenue in 2018.

BALANCE SHEET 2018

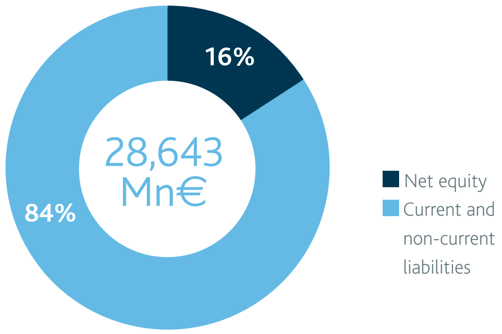
€MN

	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%.

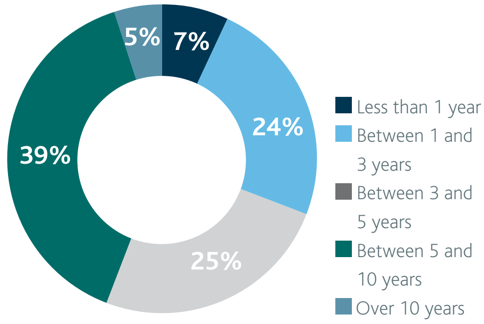
With these transactions, the Group shored up its capability of seizing the opportunities afforded by the credit market to secure attractive conditions and to continue generating shareholder value. In 2018, the Group carried out financing transactions at the corporate and subsidiary levels for over €1,250 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.

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.

DEBT MATURITY



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

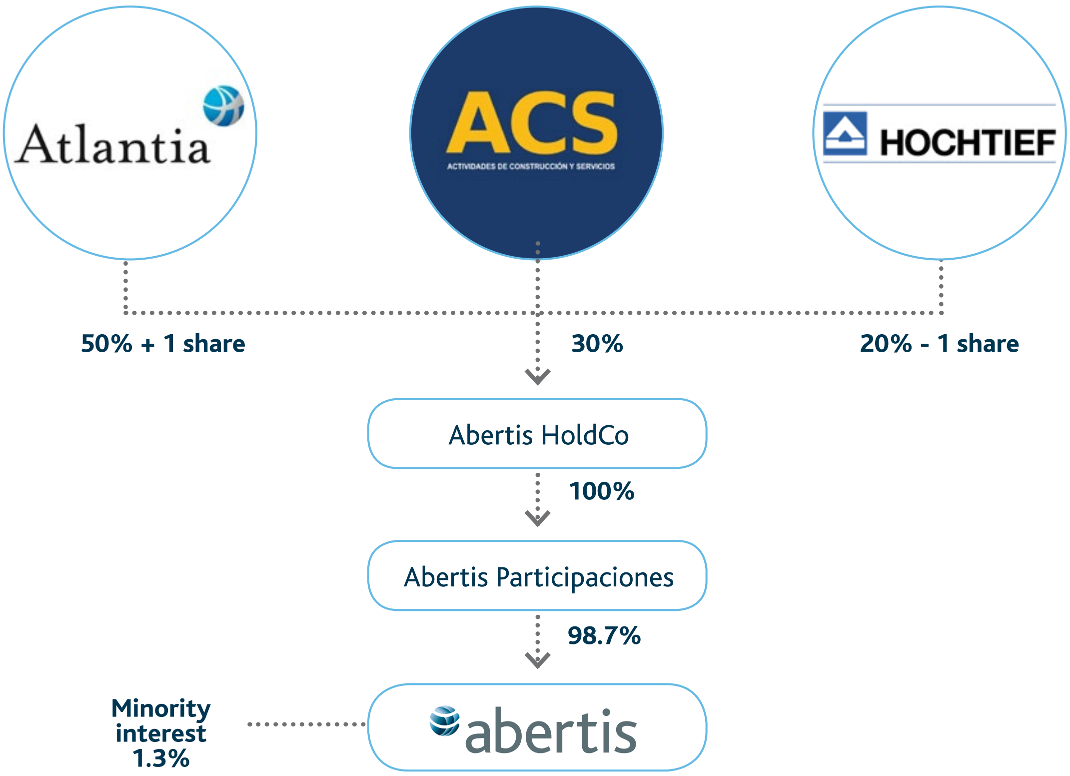
2018 was highlighted by the process for Abertis Infraestructuras, S.A. that began in 2017 and was completed in 2018.

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

TOTAL TAX CONTRIBUTION

€2,458Mn

TAX CONTRIBUTION

€311,999

per kilometre of directly managed toll road

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.

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.

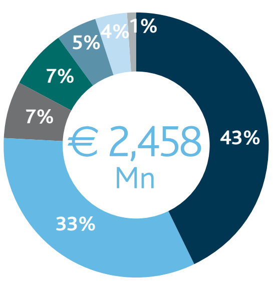
Abertis makes quantifiable economic and social contributions through the payment of public taxes in the different countries where it operates. These payments entail a strong effort to comply with all formal notification and collaboration obligations before the Spanish Tax Agency and all relevant responsibilities.

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].

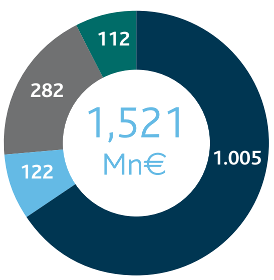
In 2018, for every 100 euros of Abertis' revenue, 47 euros are allocated for tax payment. Specifically, 29 euros go to the payment of taxes paid and 18 euros go to the payment of taxes collected.

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.

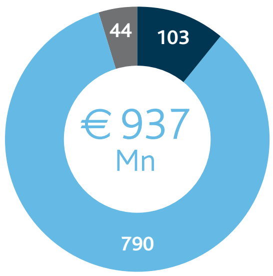
BREAKDOWN OF TOTAL TAX CONTRIBUTION



TAXES PAID (€MN)



TAXES COLLECTED (€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.

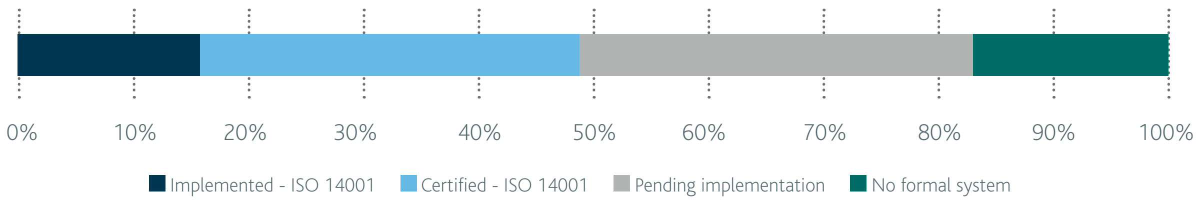
The identification of environment aspects with significant impacts of the Group activity constitutes the base for their management, contemplating the entire life cycle of the activity. These aspects are identified during all stages of the life cycle and preventive measures are implemented to preserve 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



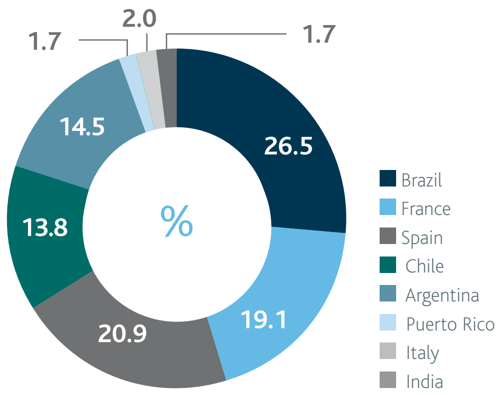
CLIMATE CHANGE

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.

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

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.

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.

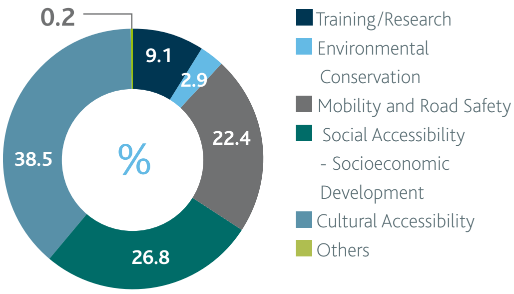
- **Erasmus+:** The European Commission has awarded an Erasmus+ project to the UNESCO International Centre for Mediterranean Biosphere Reserves (CIURBN) with the main goal of strengthening and improving academic activities of countries in the Mediterranean basin and Moroccan and Lebanese institutions 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

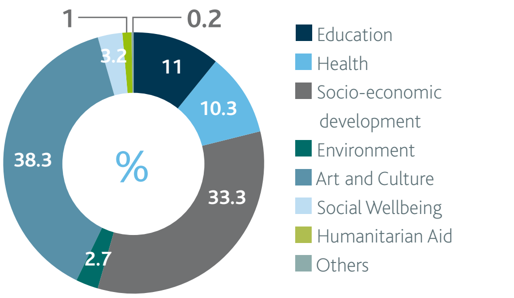
The Abertis Chairs network expresses the Group's commitment to the academic institutions of the countries where it operates to promote research and knowledge transfer in the fields of transport infrastructure management and road safety. The Abertis Chair Network comprises the Catalunya Technical University, 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

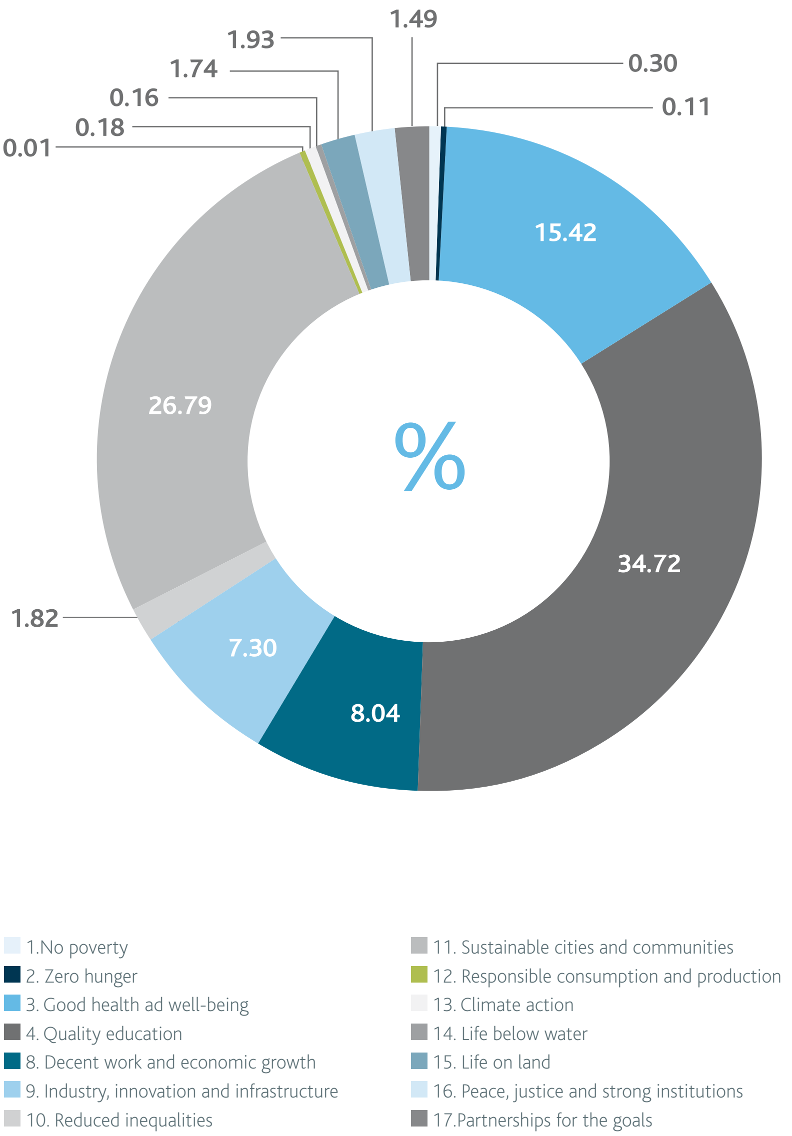
2018 SOCIAL ACTION MILESTONES

- 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.

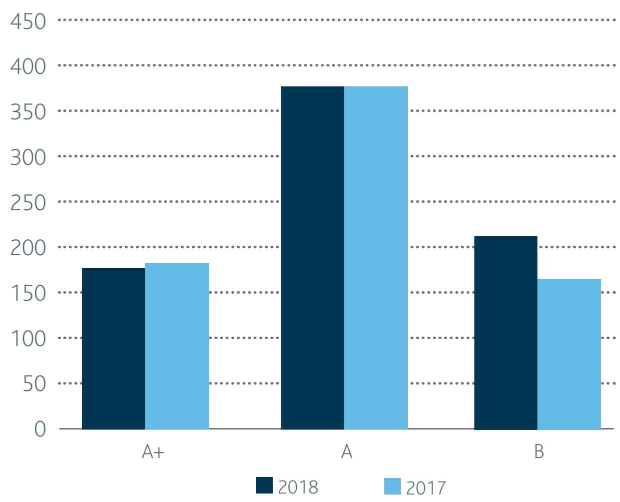
Supplier involvement in the development of products and services with positive ESG impacts is important, especially when they participate in activities related to road maintenance and construction. The objectives relating to external collaborators in the Master Plan are embodied in the four strategic 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

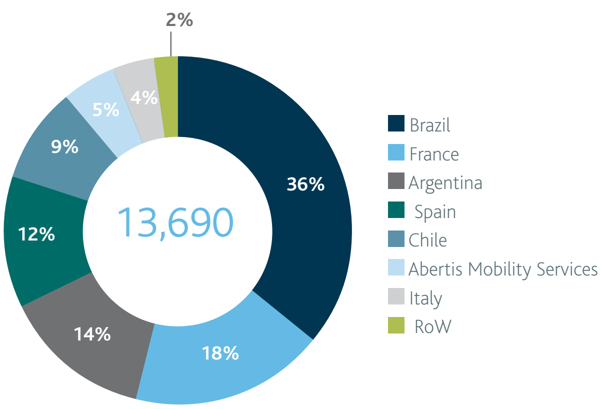


Abertis' human team is made up of nearly 14,000 people

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

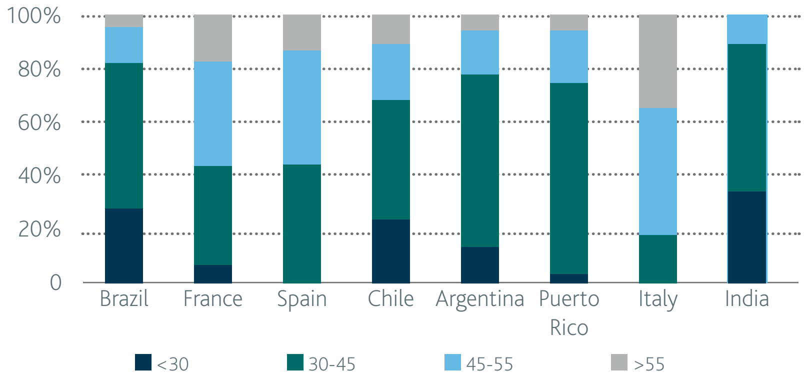
EMPLOYEES (FINAL WORKFORCE)

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.

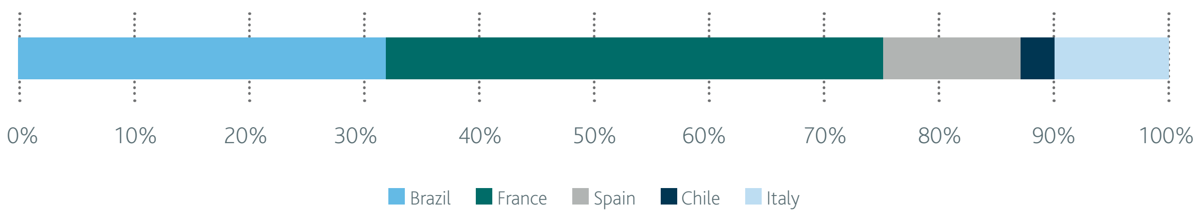
WOMEN

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%.

€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.

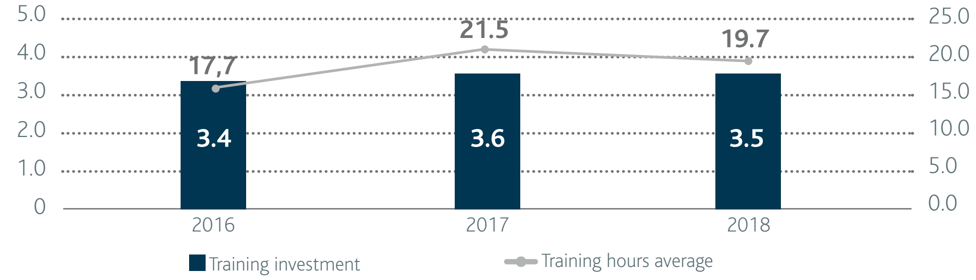
TRAINING

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.

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

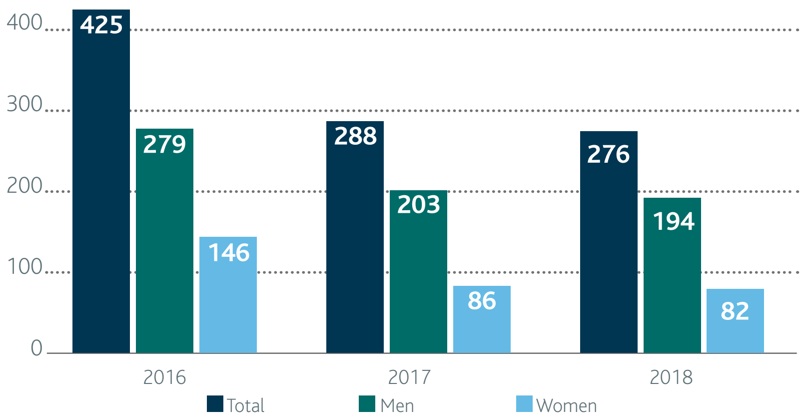
146,271
HOURS IN HEALTH AND SAFETY TRAINING

OVERALL ACCIDENT RATE
20.4
(+3.9%)

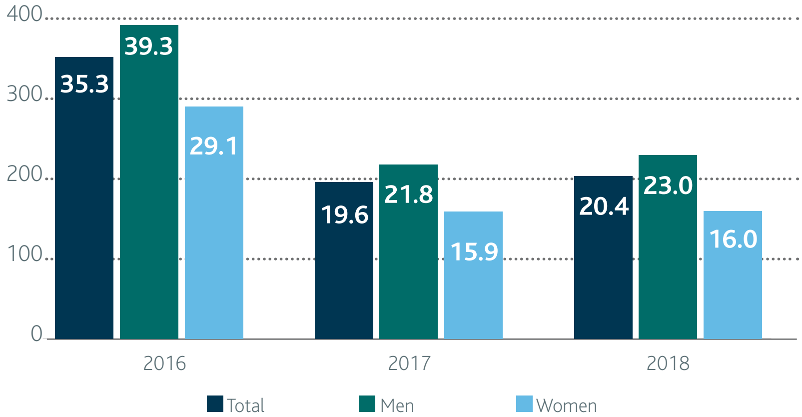
Abertis' commitment to road safety starts with the physical integrity of everyone working for the Group so that we create safe working environments by applying prevention measures and training our teams.

ACCIDENT RATES OVER TIME

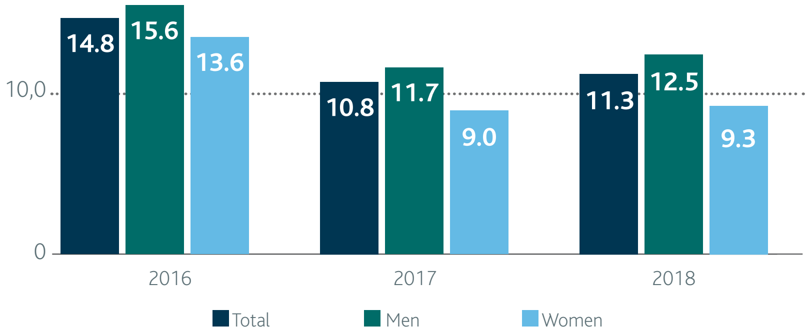
Workplace accidents



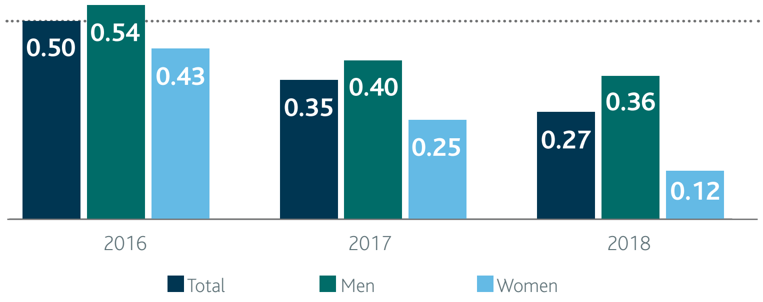
Incident rate



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

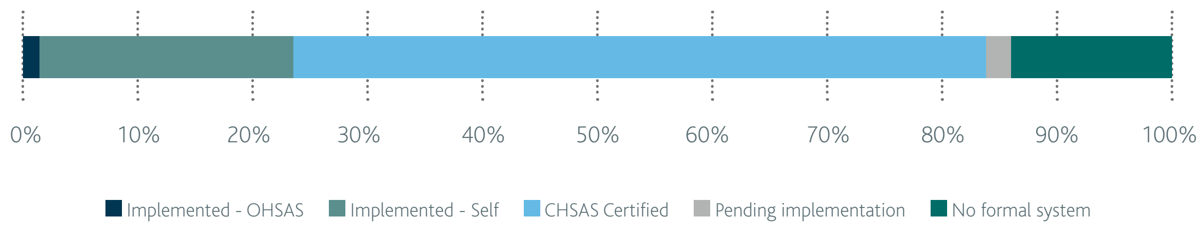
The implementation of formal occupational health and safety management systems constitutes the organisation's main management tool in alignment with the *Smart Risk* Programme. Eighty-three point eight percent (82,6%) of turnover has an occupational health and safety management system implemented and/or 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

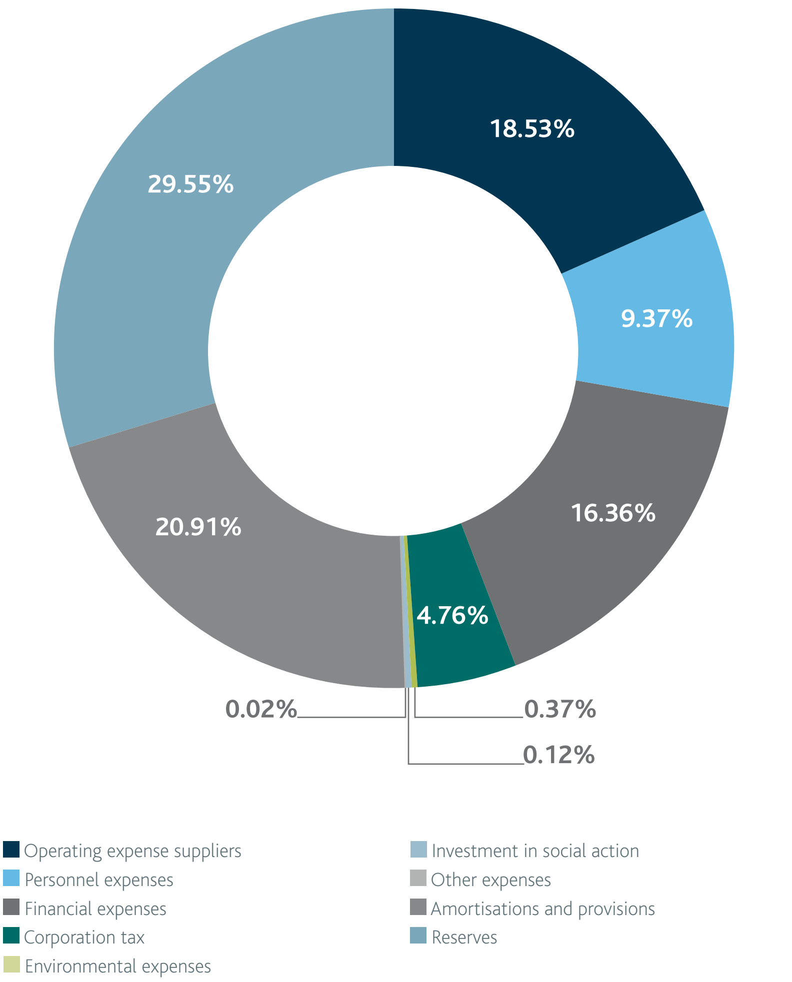


VALUE ADDED STATEMENT

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
30
30
Any vehicle
TUNNEL CLOSED

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.

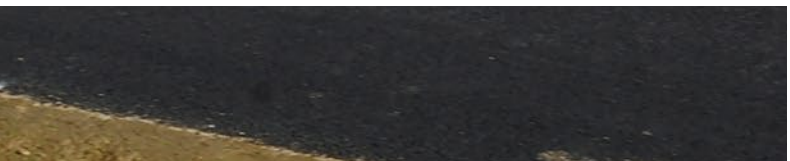
The remaining 2.2% comprises the following companies:

- 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

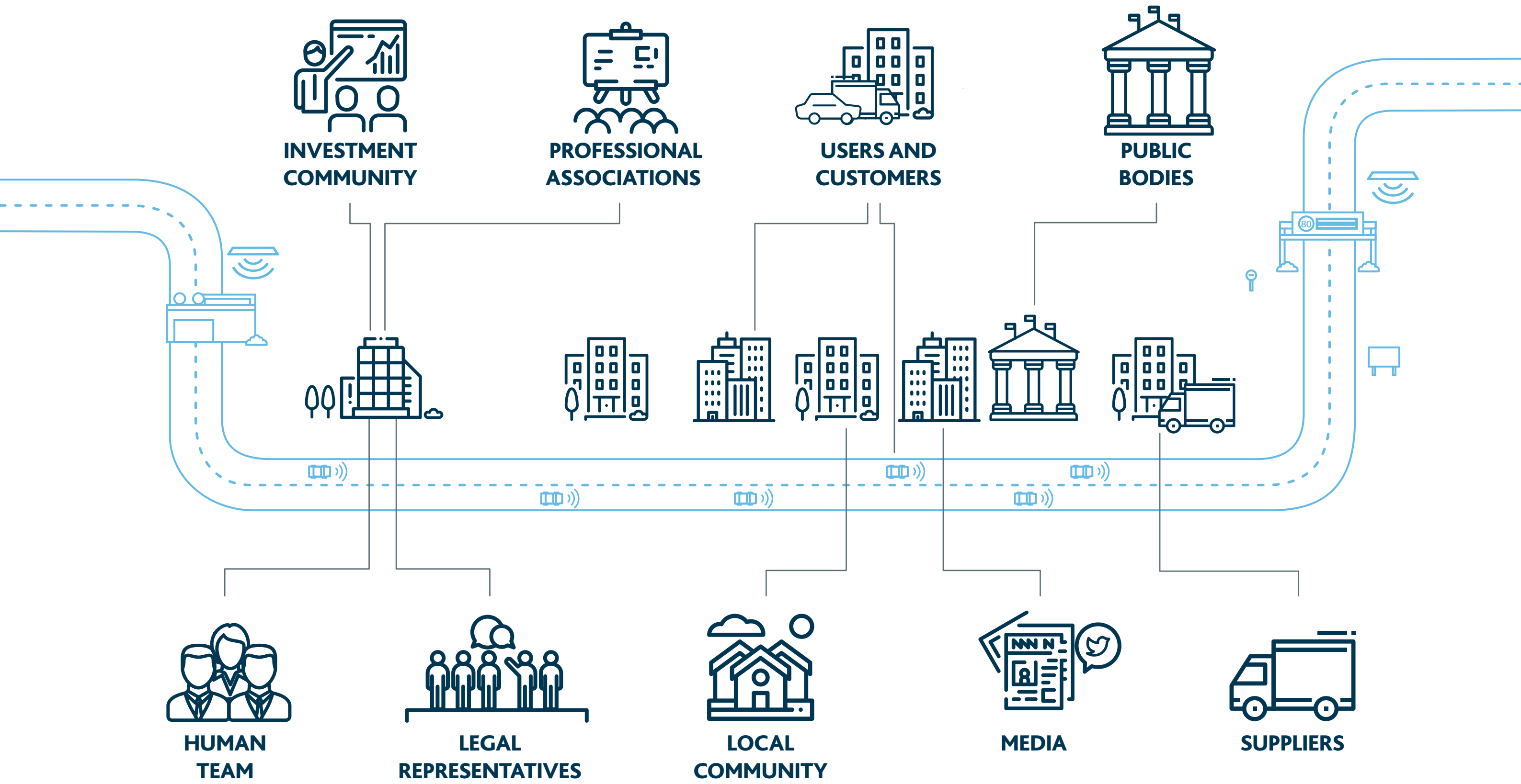


STAKEHOLDERS AND MATERIALITY

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.

GRI SRS: 102-11, 102-15, 102-21, 102-29, 102-40, 102-42, 102-43, 102-44

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

● 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.

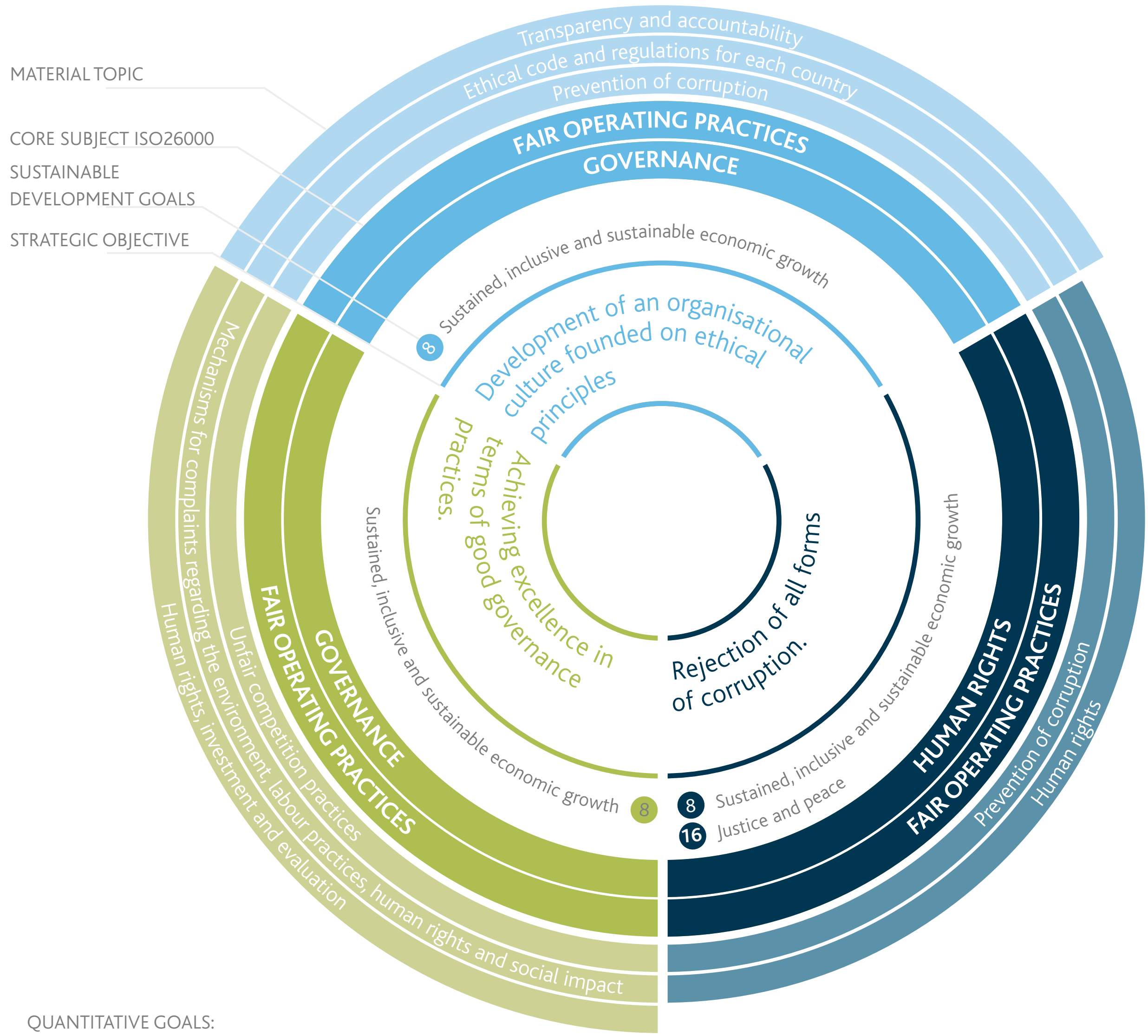
CLGDR

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

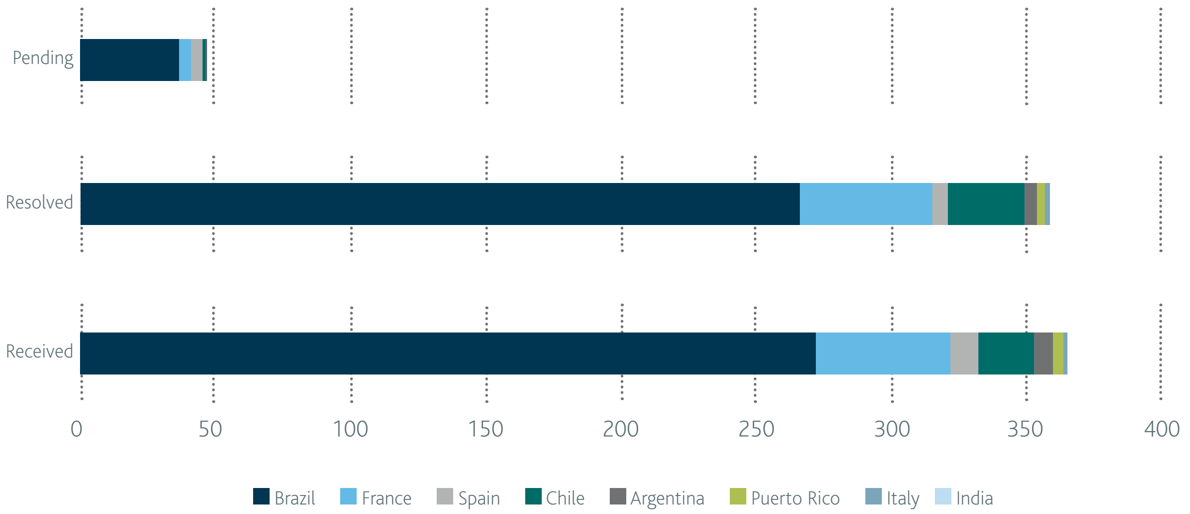
GRI SRS: 103-2

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.

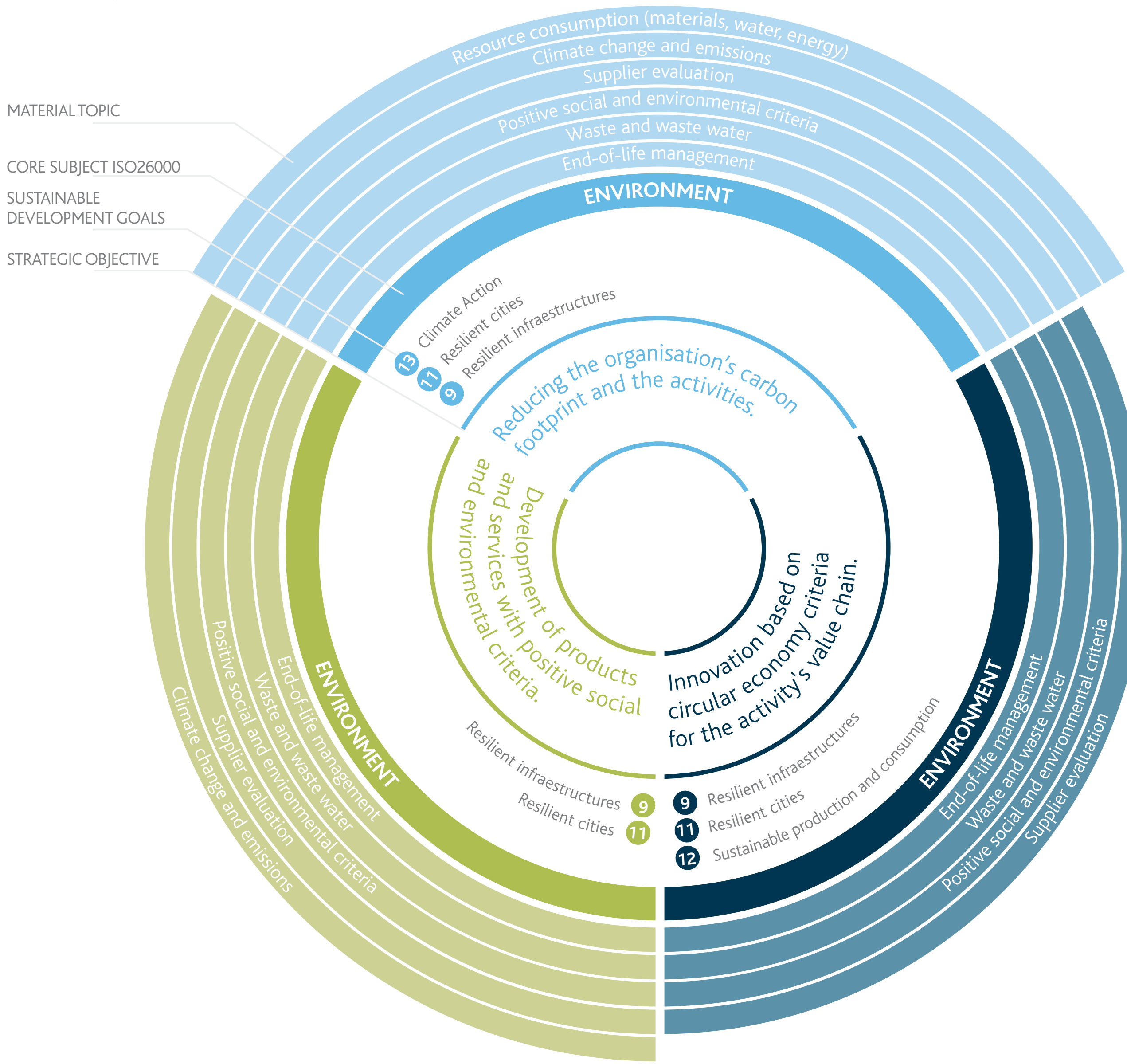
The Abertis bylaws were reworded to adapt to the changes arising from the new governance structure and can be consulted at the organisation's website together with details on the changes. The Board of Directors handles environmental, social and governance matters, as expressly laid out in the General 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

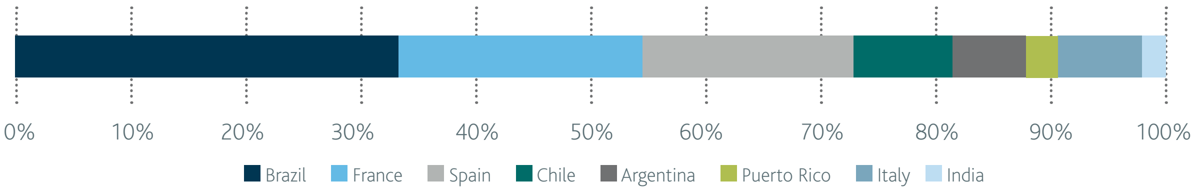
The main actions implemented during the year together with the management approaches linked to material environmental aspects for the organisation are specified in the chapter on creating value. The following performance indicators are related to the objectives and targets set in the CSR Master Plan.

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.

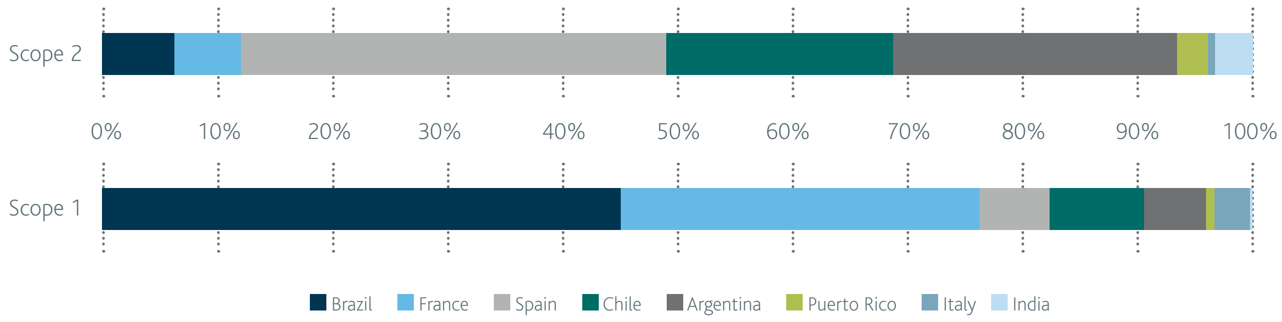
CO_2 EMISSIONS DISTRIBUTION BY COUNTRY



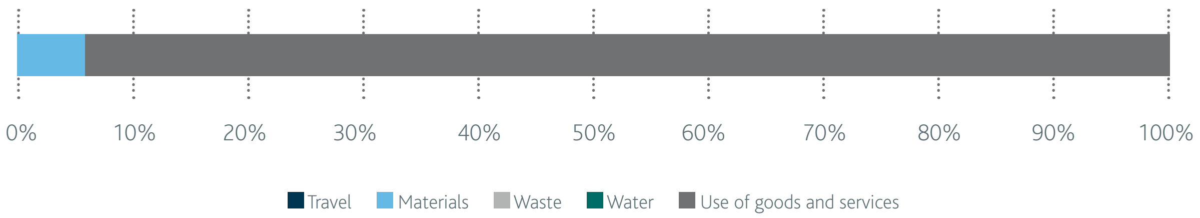
CO_{2eq} EMISSIONS GENERATED BY COUNTRY (TONNES)

	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

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

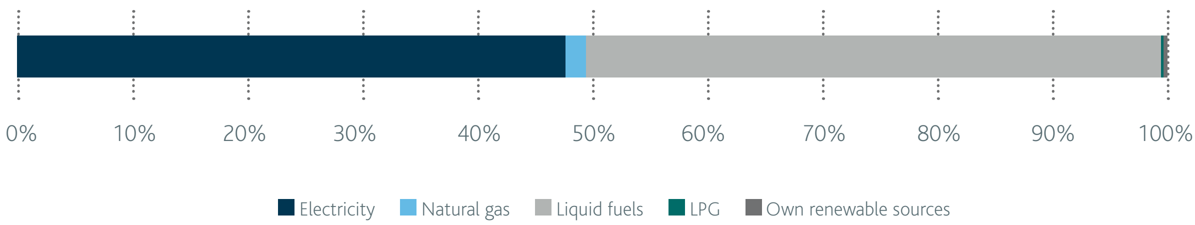
	2016	2017	2018	Variation versus 2017
Scopes 1 & 2	28.5	24.9	22.4	-9.7%
Scope 3	3,884.0	4,164.9	4,166.9	0.05%
Total	3,909.9	4,189.9	4,189.4	-0.01%

(*) 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.

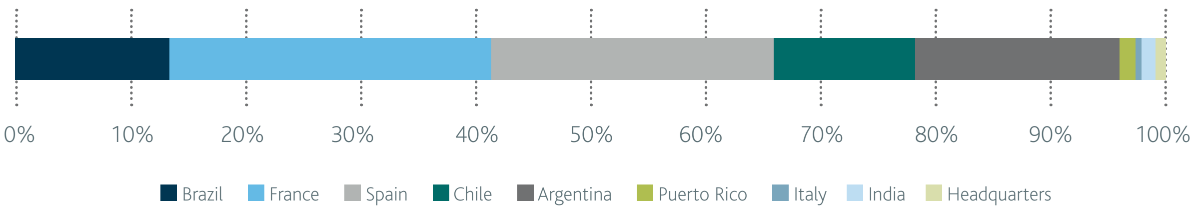
Finally, own renewable sources mainly refer to the electricity generated by toll roads in Spain and Brazil. It should be noted that energy from these sources grew by 35.8% versus the previous year because of the greater hydroelectric power generation capacity in Spain linked to increased rainfall, and 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%

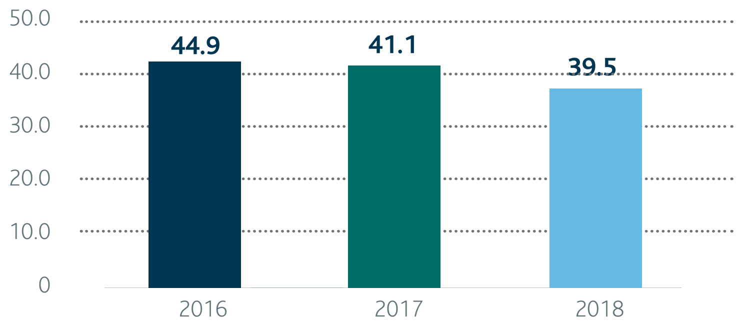
(*)The 2017 figure for Spain varied slightly because of a modification after drawing up the report.

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.

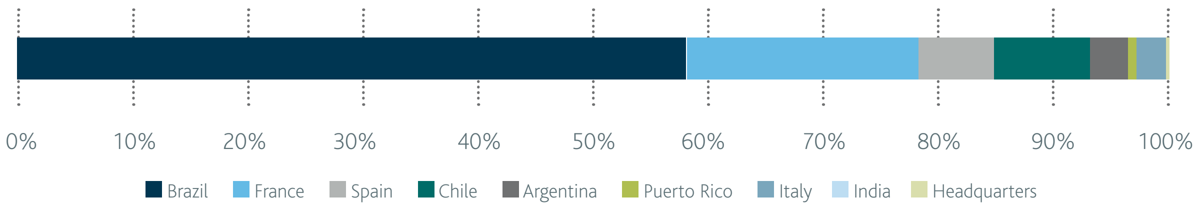
TURNOVER-RELATED ELECTRICITY CONSUMPTION



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%

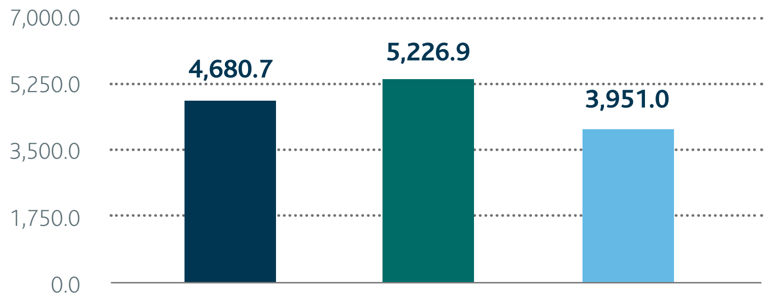
(*) The 2017 and 2016 figure for Brazil varied slightly because of a modification after drawing up the report. The 2017 figure for Argentina was also re-expressed, and the slight variation comes from a change identified during the external review.

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.

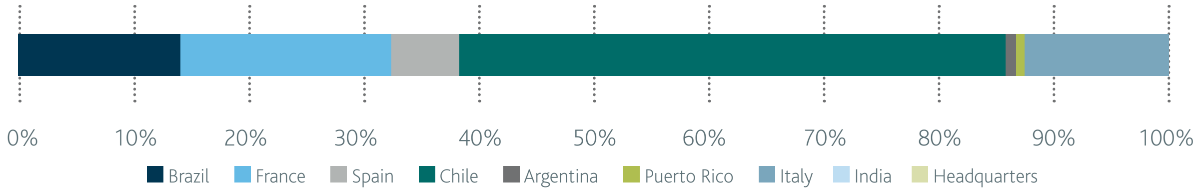
The organisation's total vehicle count decreased by 4.7% versus the previous year, primarily in passenger cars and vans in Brazil and France. The fleet comprises 3,064 vehicles, of which 32.9% are passenger cars, 23.6% vans, 19.5% lorries and the remaining are other types of vehicles.

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)

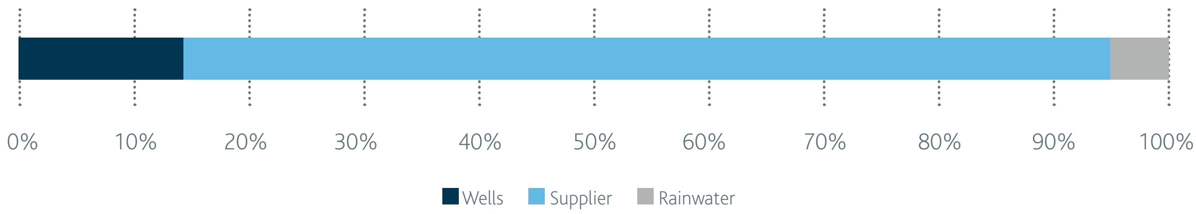


WATER CONSUMPTION* BY COUNTRY (m³)

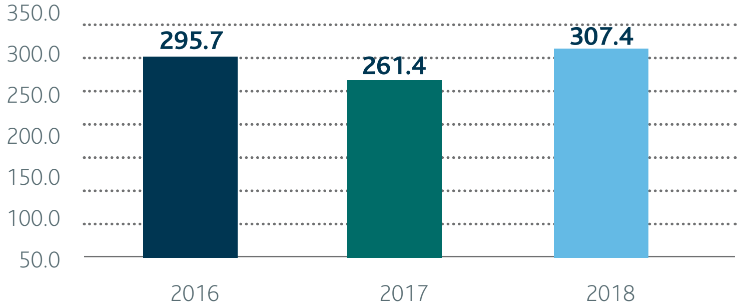
	2016	2017	2018	Variation versus 2017
Brazil	137,391	140,831	212,218	50.7%
France	303,414	346,474	285,615	-17.6%
Spain	74,430	83,677	89,949	7.5%
Chile	748,704	587,571	734,441	25.0%
Argentina	18,589	21,338	16,293	-23.6%
Puerto Rico	40,070	24,982	13,097	-47.6%
Italy	---	95,285	190,343	99.8%
India	---	142	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

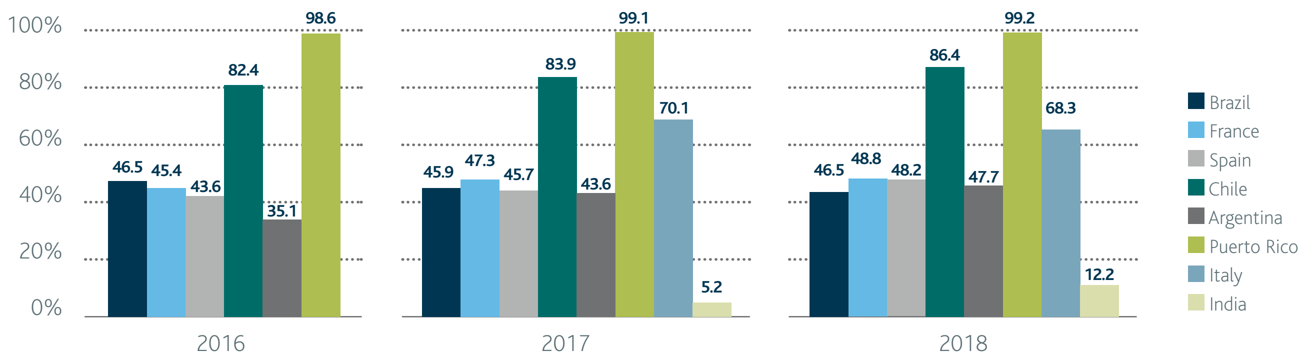
DEVELOPMENT OF PRODUCTS AND SERVICES

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.

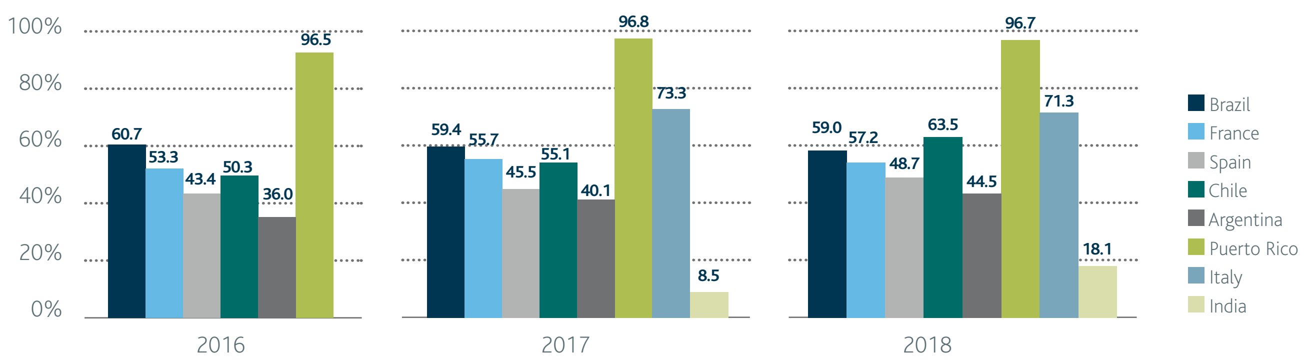
The systems for assessing and approving suppliers, and the training, awareness-raising and formalisation processes for shared operating procedures are in place to contribute to achieving the targets and objectives.

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.

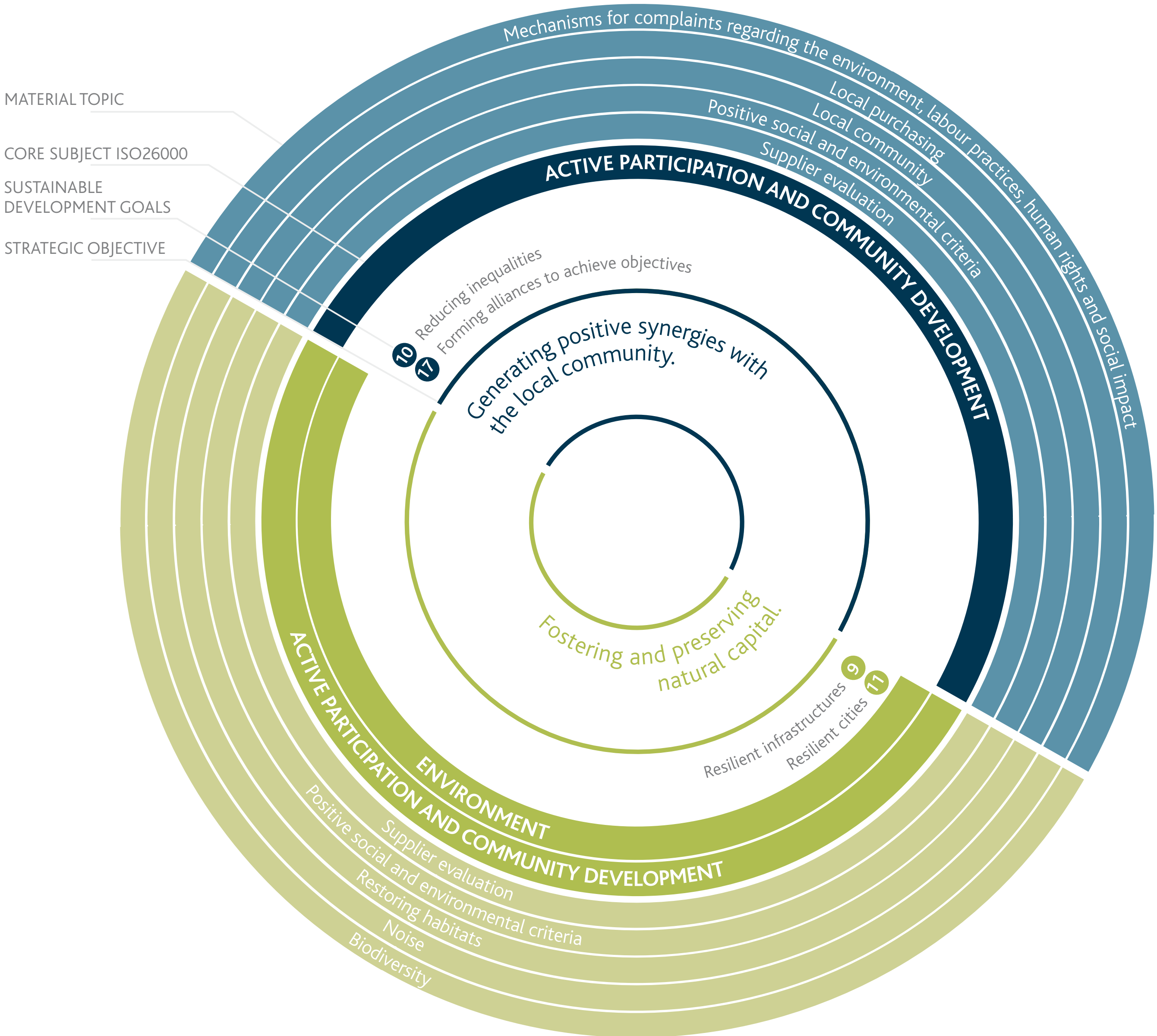
TELETOLL (transactions)



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

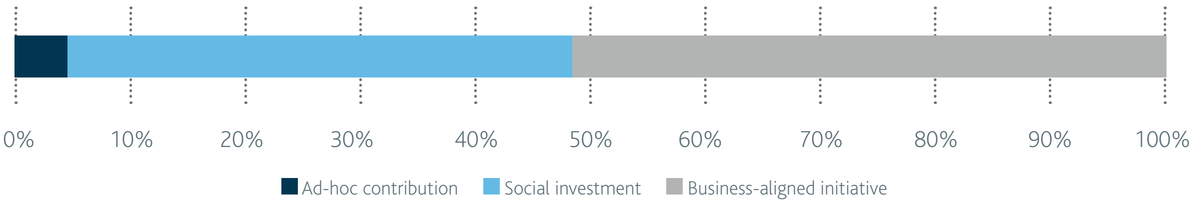
POSITIVE SYNERGIES WITH LOCAL COMMUNITIES

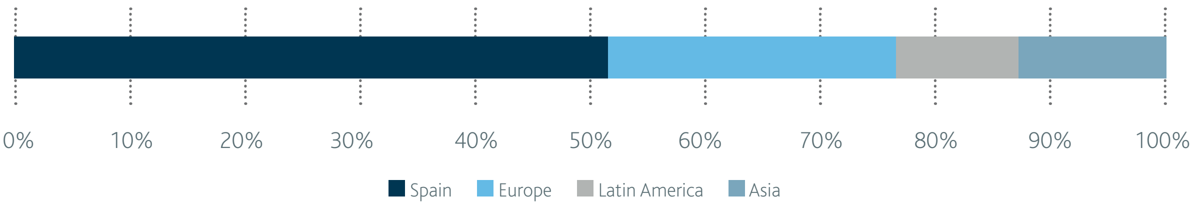
The actions described in the section on contribution to the community in the chapter on 'Value creation' contain the most relevant events in connection with the consolidation of positive synergies with local communities carried out by our different subsidiaries and the Abertis Foundation.

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.

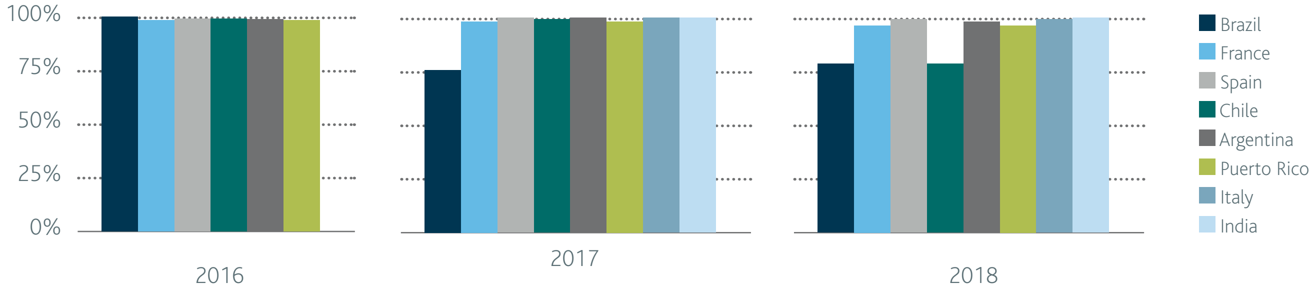
PERCENTAGE DISTRIBUTION OF 2018 CONTRIBUTIONS BY MOTIVATION AND GEOGRAPHICAL SCOPE





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



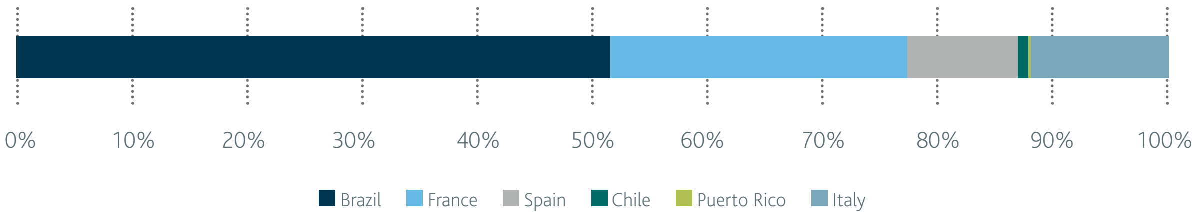
All complaints from local communities were addressed and mostly came through our user service channels and the code of ethics whistleblowing channel.

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.

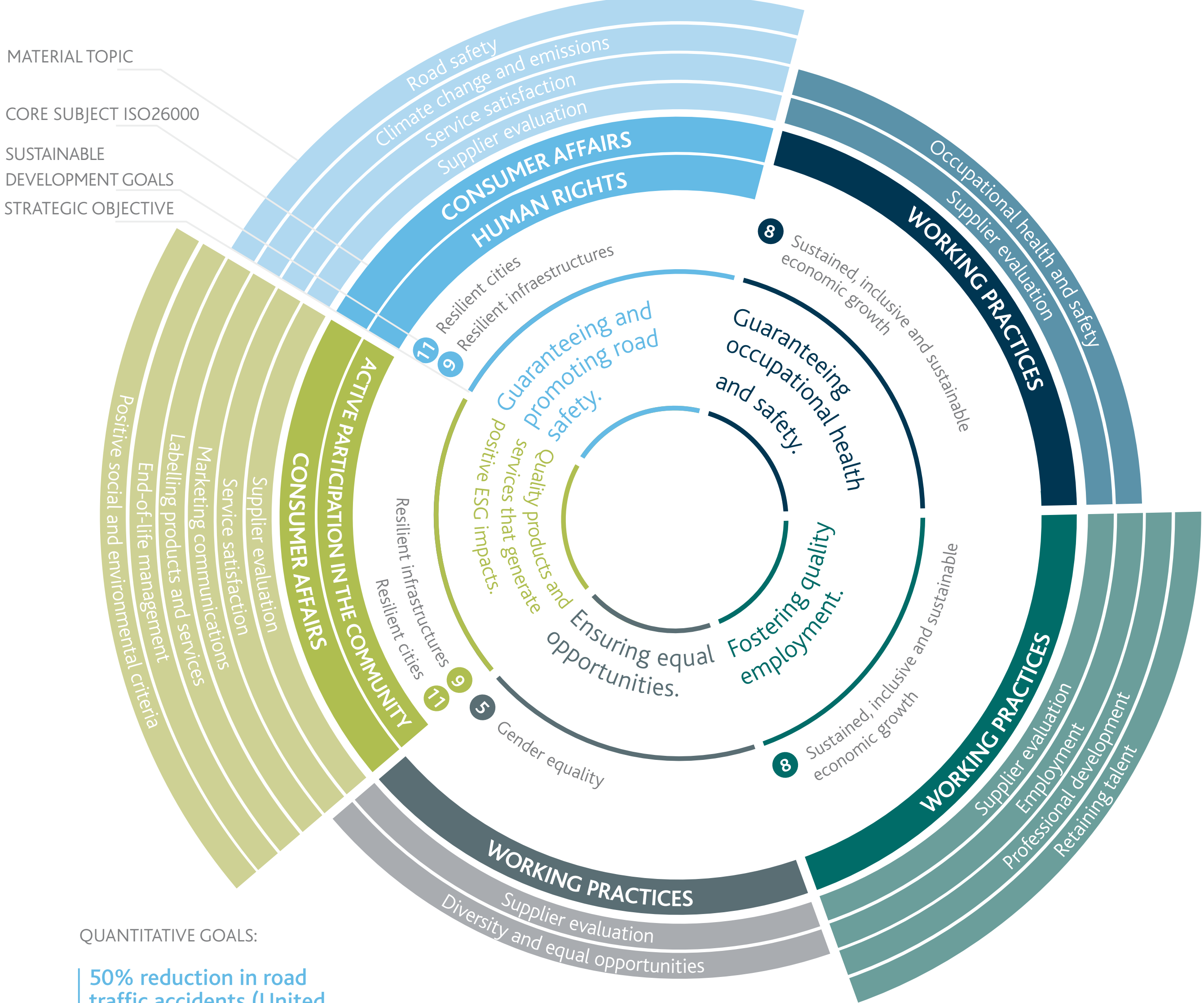
2018 POLLUTING EMISSIONS

	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

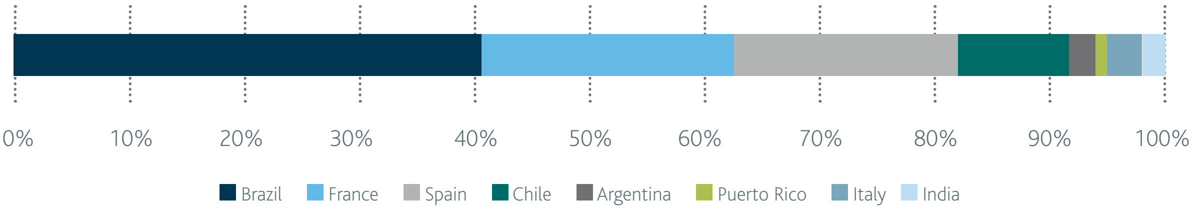
- Ensure non-discrimination in promotion processes
- Progressive increase in the presence of employees with functional diversity in the workforce
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

GRI SRS: 103-2

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.

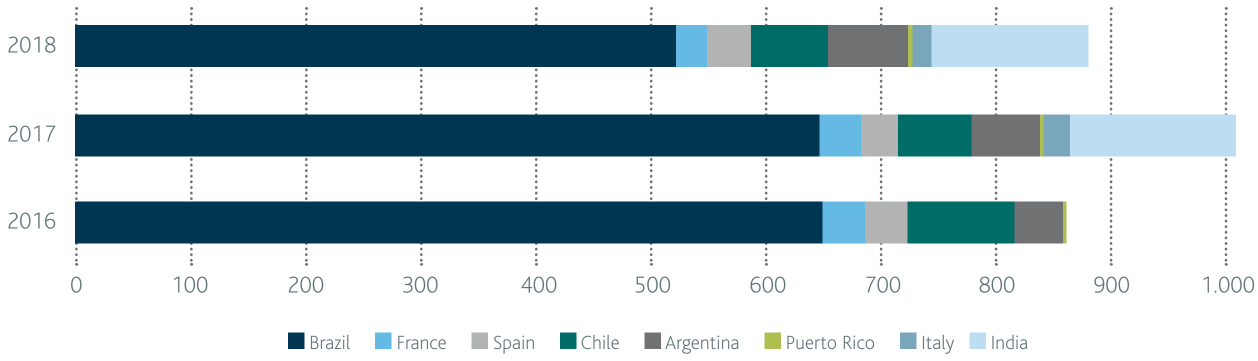
The context of growing activity is particularly relevant when analysing the annual figures on road accidents, which were positive in all countries with the exception of Chile and France, where the number of accidents increased slightly. Likewise, the number of fatalities decreased by 12.5% versus the 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%

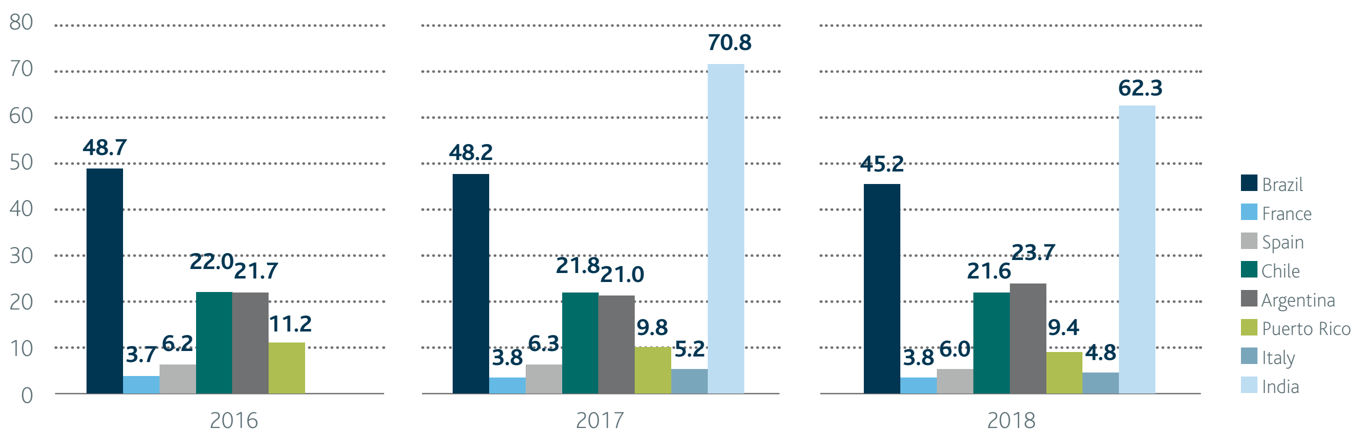
(*)2017 figure has been modified to adjust it to the 2018 scope and to allow comparability.

TREND IN NUMBER OF ROAD ACCIDENT DEATHS

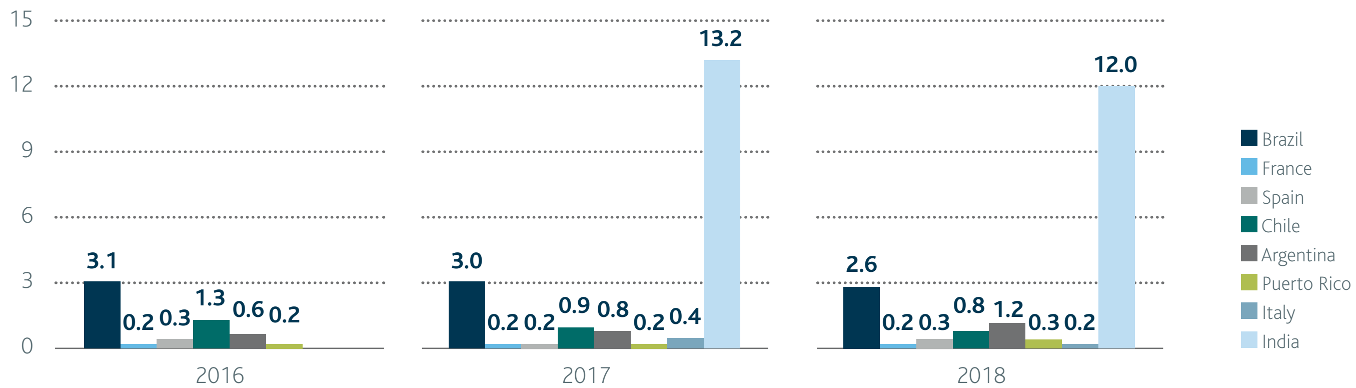


The accident and fatality rates that relate the number of traffic accidents and fatalities therein with the number of kilometres driven by users have diminished overall by 6% and 10% respectively in comparison with the previous year. The trend remains steady in all countries except for Argentina for 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

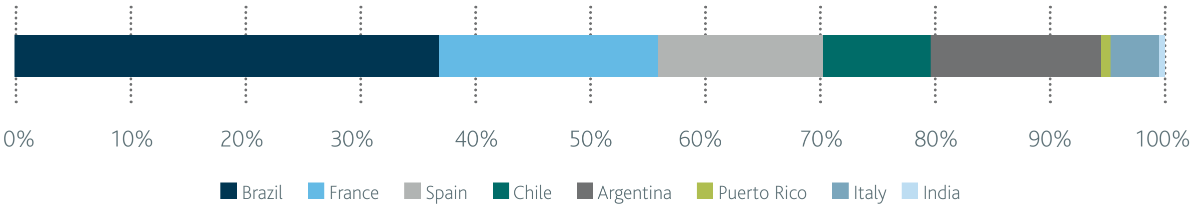
Rico and Argentina for the fatality index.

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.

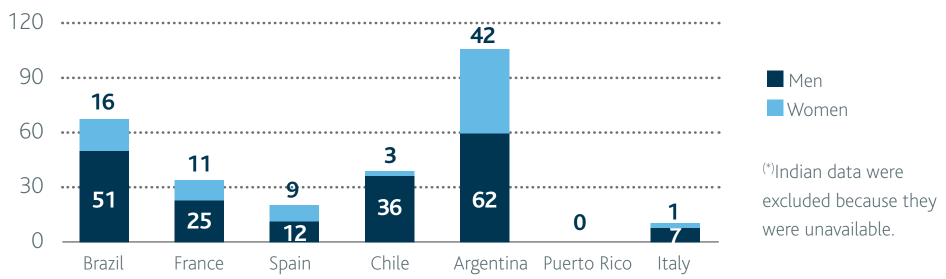
AVERAGE EQUIVALENT WORKFORCE BY COUNTRY



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.

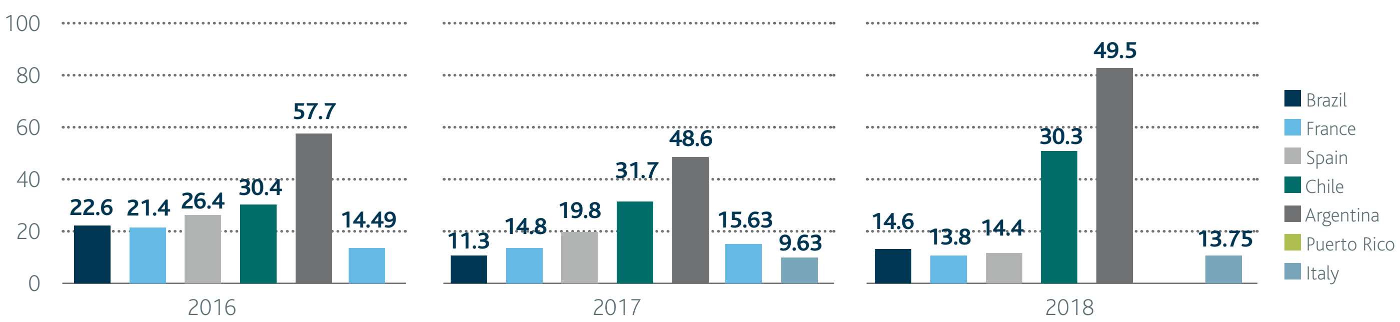
ACCIDENTS IN 2018 BY GENDER AND COUNTRY(*)



(*)Indian data were excluded because they were unavailable.

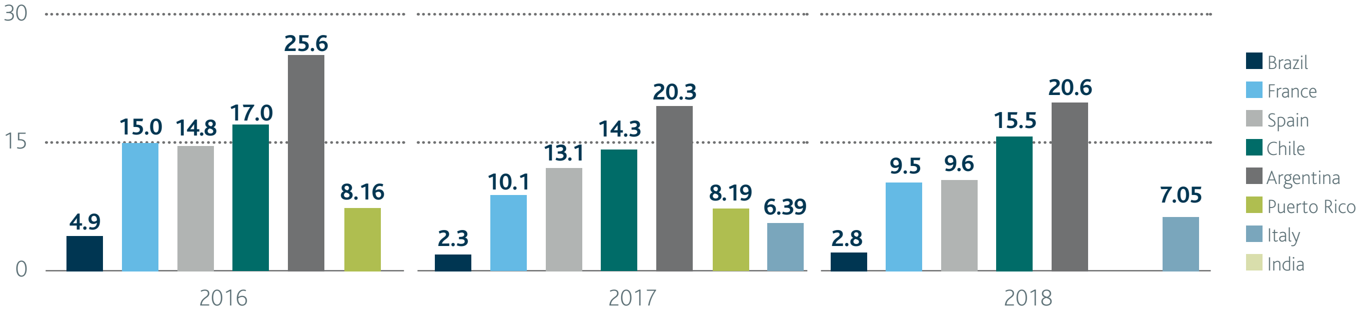
The main causes for accidents include: falls to the same level, handling objects in movement, bruising, road accidents, being struck by vehicles or run over, insect bites and assault.

INCIDENT RATE BY COUNTRY OVER TIME(*)



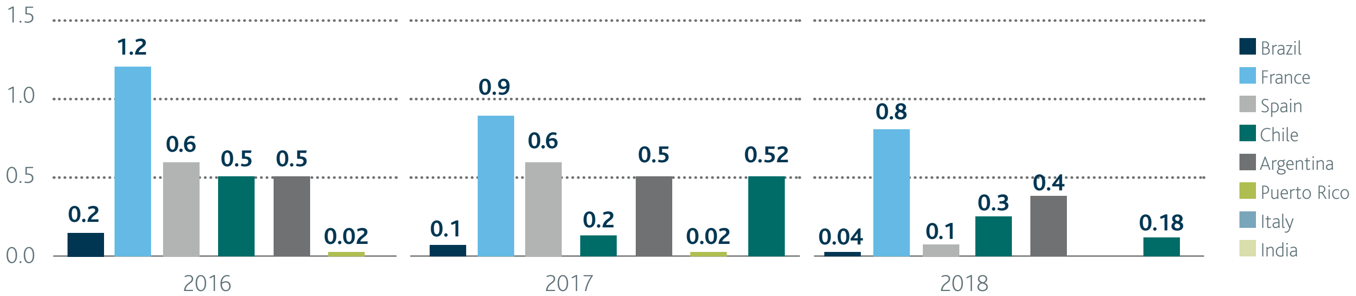
(*)France's 2017 figure varied slightly because of a modification after drawing up the report.

FREQUENCY RATE BY COUNTRY OVER TIME(*)



(*)France's 2017 figure varied slightly because of a modification after drawing up the report.

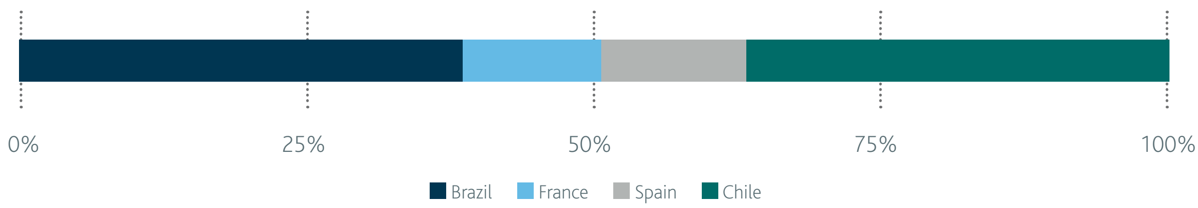
SEVERITY RATE BY COUNTRY OVER TIME



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.

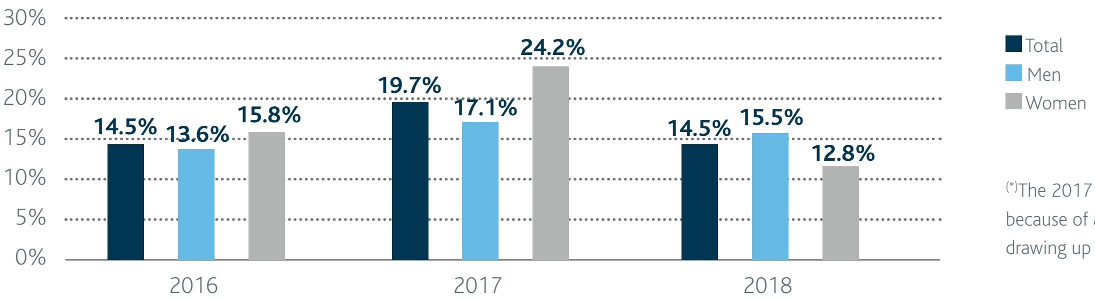
The total number of new hires increased by 9.7% in relation to the previous year, attaining a total of 2,833, of which 60% correspond to men. Similar to previous years, Brazil, France, Chile and Argentina make up the bulk of new hires. The full-time workforce decreased slightly because of the variation 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.

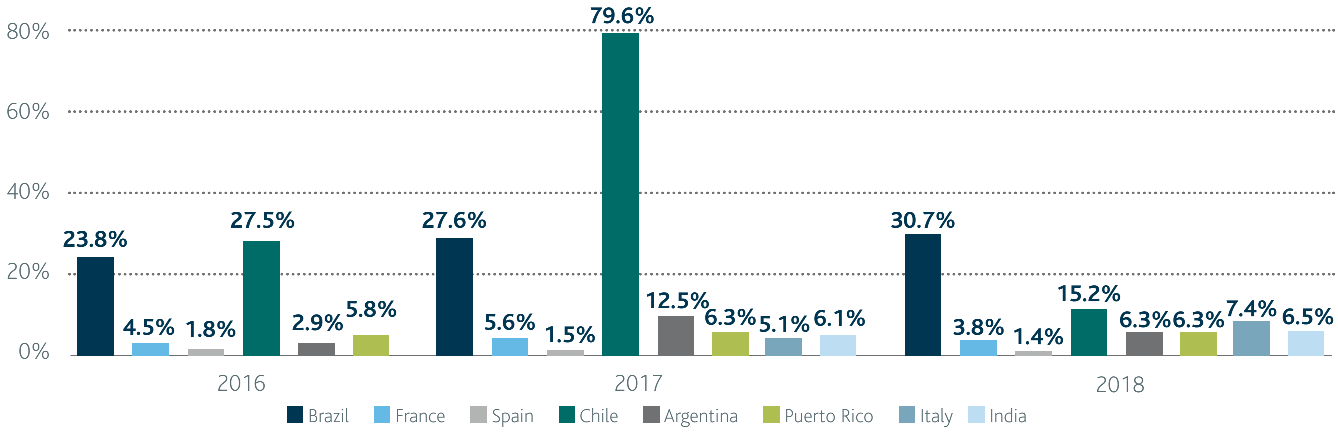
OVERALL TURNOVER BY PROFESSIONAL CATEGORY AND GENDER(*)

	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]



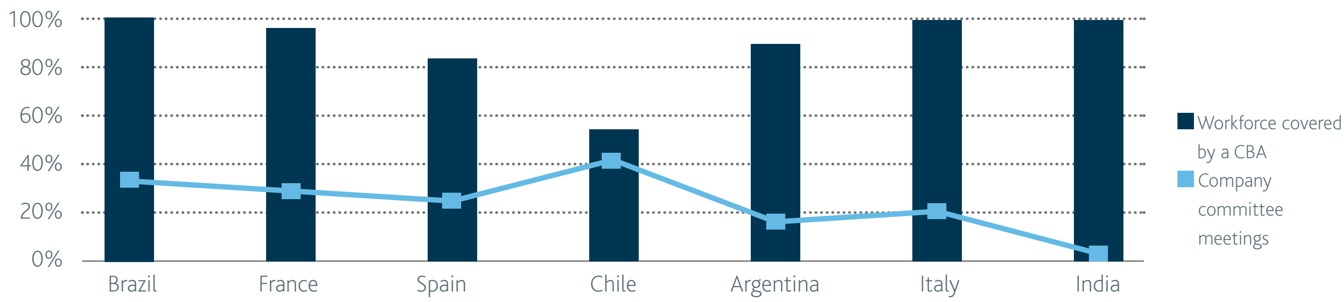
[6] The 2017 figures for Brazil, Spain, Argentina and Italy varied slightly because of a modification after drawing up the report.

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

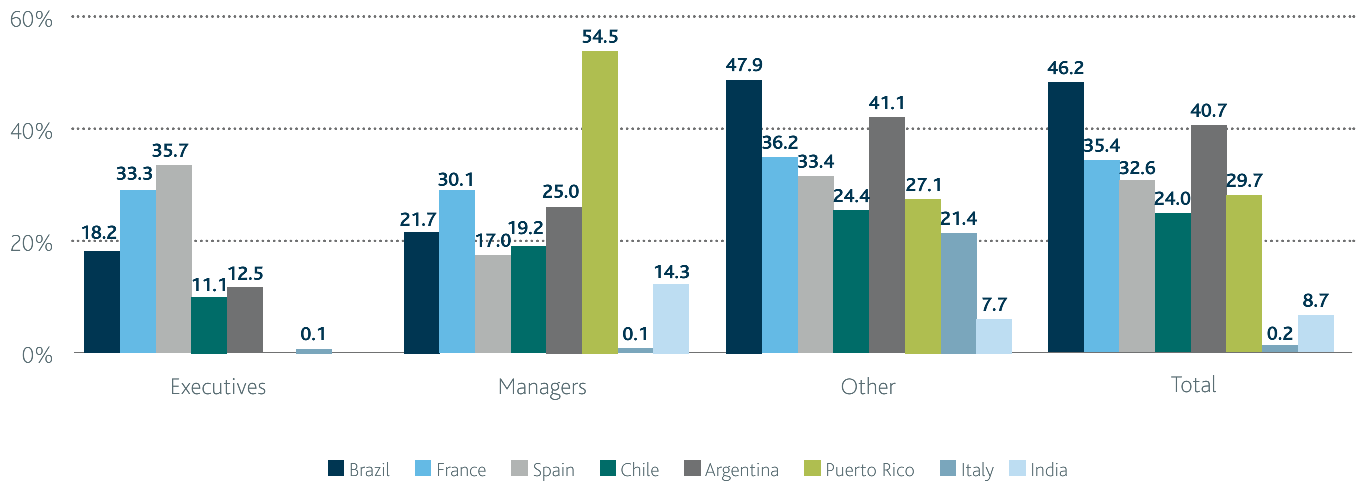
	Executives		Managers		All other workers	
	Men	Women	Men	Women	Men	Women
Brazil	599.5	182.5	7,707.3	2,000.4	56,412.2	53,649.8
France	51.5	7.0	2,970.0	1,004.0	16,636.0	5,034.5
Spain	1,053.5	368.0	6,825.1	2,780.2	19,083.1	8,967.5
Chile	373.0	60.0	7,001.0	1,391.0	38,201.0	13,583.0
Argentina	468.0	15.0	347.5	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

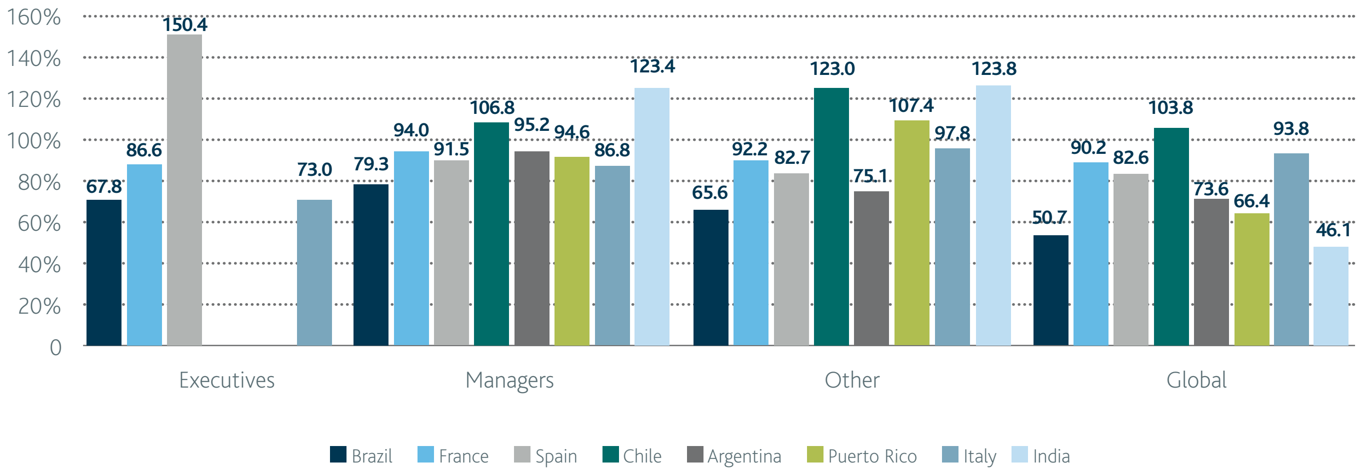
The Group's code of ethics expresses the commitments to equal opportunities, non-discrimination and diversity, for which actions were carried out as described in the human team section.

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

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 compared 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

Drafting and Coordination: Direction of Corporate
Reputation and Communication of Abertis

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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.

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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.