

RCO Acquisition

Transaction Summary

The Acquisition

abertis & GIC to acquire a 70% stake in Red de Carreteras de Occidente ("RCO")

GIC as financial partner
30% owned by local investors and pension fund managers in Mexico

abertis fully consolidates RCO (50.1% stake)

**abertis equity ticket
€1.5bn**

**Closing expected in
H12020**

The Asset

One of the largest transport operators in Mexico

876 Km in operation
5 concessions

Primary connection

between Mexico's two largest cities in the country fast-growing industrial corridor

23 years of concession life^(*)

Brownfield operating since 1991
~85% EBITDA expiring in 2042

Financials 2018^():**

€411m Revenues; €375m adj. EBITDA^(***); €1,617m Net debt

Clear regulatory framework

Long-term BBB rated debt

The Rationale

Cash flow replacement

Brownfield toll road with an attractive capex profile replacing ~50% of the short term cash flows from Spanish concessions

Extension of concession life

Geographical diversification

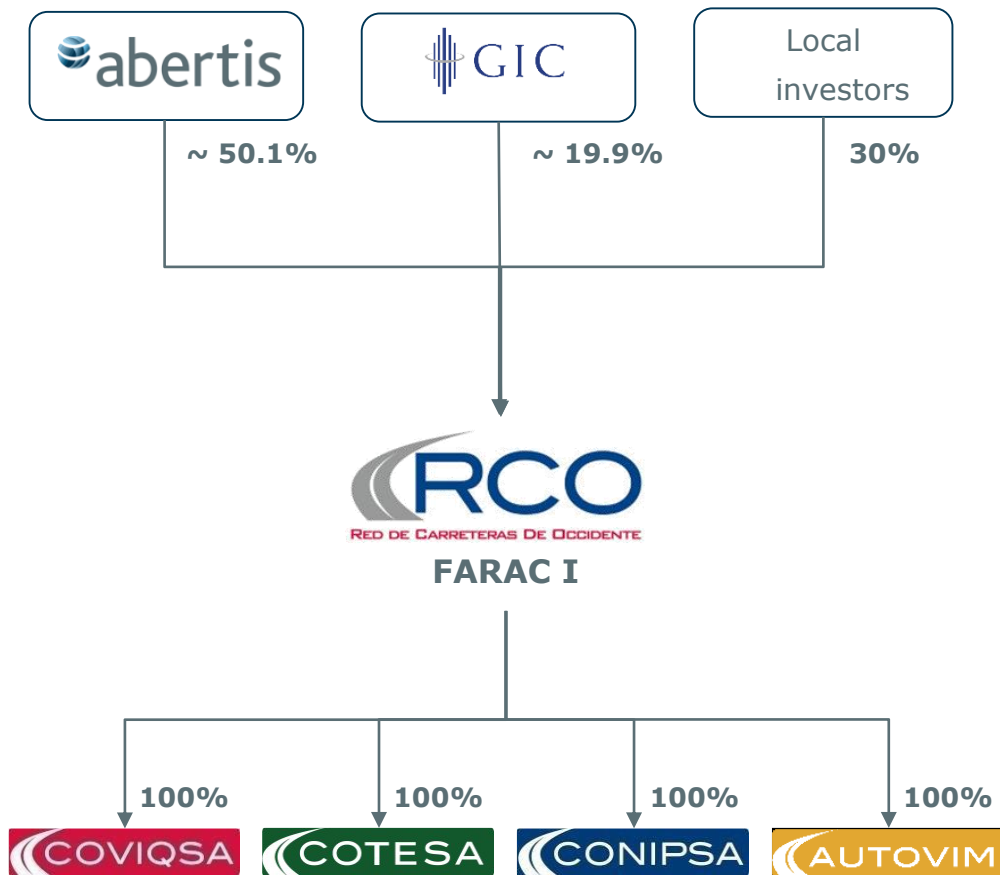
Material investment in a new region

Growth platform

Provides opportunity to expand the footprint in the country and proves abertis' ability to win new concessions of solid assets

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Acquisition Structure



- RCO owns and operates FARAC I concession and also owns 100% of 4 additional concessions
- RCO is currently owned by Goldman Sachs Infrastructure Partners (70% stake) alongside local investors and pension fund managers in Mexico (30% stake)
- The closing of the transaction is expected during the first half of 2020 through a tender offer^(*)
- €1.5bn to be paid for 50.1% stake
 - Funded from cash available and existing committed bank facilities
 - Closing expected in H1 2020
 - Full consolidation in 2020

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Asset Overview

High-quality transportation asset capturing the majority of traffic in Mexico's most developed industrial corridor

- RCO **operates in 5 states** including Aguascalientes, Guanajuato, Jalisco, Michoacán and Querétaro
 - Regional average **GDP growth** (2013-2018 CAGR) of **4.3%** vs. Mexico's 2.5%
- **FARAC I**, RCO's largest concession (663 km), is the **primary and fastest connection** between Mexico's largest cities: **Mexico City and Guadalajara**
 - FARAC's **ADT growth** (2013-2018 CAGR) of **6.0% for light vehicles** and **10.8% for heavy vehicles**



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Asset Overview (cont'd)

RCO is an operator and developer of infrastructure and the largest private, pure toll road operator in Mexico

Asset Description

- RCO owns **100%** of **4 federal concessions and 1 state concession** in Mexico
- **Brownfield** asset with an **attractive capex profile** and proven **track-record for sustainable growth**
- **Clear regulatory framework** in Mexico
- **Tariff increases linked to CPI**
- **RCO is financed through investment grade** (S&P: BBB+ / mxAAA; Fitch: BBB / AAAmex), long-term fixed rate, peso-denominated debt (bonds and bank financing)
 - Optimized capital structure with 4.3x net leverage

Key Financial Metrics

Concession Road	Commercial Operation Date	Term	PPP Type	Lenght	AADT (k) ^(*)	2018 Traffic Mix	2018 Revenue (€m) ^(**)	2018 Adjusted EBITDA (€m) ^(***)	2018 Total Net Debt (€m) ^(****)
FARAC I	1991-1994	2042	Real Toll	663 km	13.5	62% LV	350	318	1,567
COVIQSA	2011	2026	Shadow Toll	93 km	38.3	78% LV	45	43	61
CONIPSA	2009	2025	Shadow Toll	74 km	22.8	64% LV	13	12	-10
COTESA	2017	2046	Real Toll	31 km	2.7	96% LV	3	2	-1
AUTOVIM	2021	2039	Greenfield Real Toll	15 km	n.a.	n.a.	n.a.	0	0
TOTAL				876 km	17.4	n.a.	411	375	1,617

Note: FX Exchange EUR/MXN: 21.7; LV = Light vehicle.

(*) Annual Average Daily Traffic; reflects traffic on tolled segments in operation.

(**) Total toll and other concession revenues, excluding construction revenues; net revenues are net of resident discounts, VAT and e-tolling fees.

(***) Adjusted EBITDA excludes non-cash major maintenance capex provision and non-recurring items.

(****) Including restricted and unrestricted cash.

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Strategic Rationale

<p>1</p> <p>CASH FLOW REPLACEMENT WHILST INCREASING GEOGRAPHICAL DIVERSIFICATION</p>	<ul style="list-style-type: none"> Equivalent to ~50% of Spanish concessions expiring until 2021 Well-balanced and geographically diversified portfolio with 66% in Europe, 11% Mexico and rest mostly Latam <p>EBITDA 2018</p>	
<p>2</p> <p>INCREASE OF AVERAGE CONCESSION LIFE</p>	<ul style="list-style-type: none"> RCO to become the concession with the longest duration in Abertis' portfolio (excluding Puerto Rico) FARAC I, RCO's largest concession representing 85% EBITDA, expires in 2042 RCO increases weighted average life by 1 year^(*) 	
<p>3</p> <p>REDUCED IMPACT ON LEVERAGE</p>	<ul style="list-style-type: none"> Partnership allows for the consolidation of this prime asset with a reduced equity ticket and therefore minimum impact in credit ratios Leverage increase of ~0.2x 	

- Acquisition of **excellent quality assets** with a **great strategic fit** for abertis
- Material investment in a **new market** consolidating **abertis' footprint as a motorway operator in America**
 - Solid platform** to grow in Mexico and America
- Mexico has a **clear regulatory framework** and offers a **solid commitment to public-private partnerships** (PPP's) in the transportation sector
- Source of long-term cash flow generation**



Note: FX Exchange EUR/MXN: 21.7.
 (*) Weighted average life excluding Aumar (ending concession in 2019) and Mexico applies to FARAC I.